

## **MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL**

**November 13, 2018**

The minutes of the proceedings of a City Council and Urban Renewal work session of the City of Coos Bay, Coos County, Oregon, held at 5:30 pm in Fire Station No. 1 Conference Room - 450 Elrod Avenue, Coos Bay, Oregon.

### **Those Attending**

Those present were Mayor Joe Benetti and Councilors Lucinda DiNovo, Stephanie Kilmer, and Phil Marler. Councilors Drew Farmer, Jennifer Groth, and Stephanie Kramer were absent. City staff present were City Manager Rodger Craddock, City Attorney Nate McClintock, Acting Finance Director Amy Kinnaman, Deputy Finance Director Melissa Olson, Public Works and Community Development Director Jim Hossley, City Engineer Jennifer Wirsing, and Police Chief Gary McCullough.

### **Review of the Following Council/URA Agenda for November 20, 2018**

#### **Further Discussion About Future Impacts to Wastewater User Rates**

The City of Coos Bay had existing loans for wastewater and stormwater projects and future unfunded debt for Waste Water Treatment Plant 1 (WWTP1) upgrade Phase 1 and 2 and Eastside pump station projects. Financial Rate Consultant Steve Donovan presented to Council a forecast for future capital improvement projects. Mr. Donovan stated the city was in a good position to pay down a portion of the loans to keep wastewater rate increases lower and fund the two major projects, but there were no remaining funds for additional emergency capital improvement projects. Mr. Donovan provided three scenarios along with repayment of existing loans and assumed new loans obtained for WWTP1 and Eastside projects: no additional emergency capital improvement projects, an additional \$1,000,000 for emergency capital improvement projects, or an additional \$2,000,000 for emergency capital improvement projects. Council discussed and consensus was to proceed with budget analysis for additional \$2,000,000 in emergency capital improvement projects.

#### **Proposed Facade Improvement Grant for 190 Johnson Avenue (Domino's Pizza)**

Public Works and Community Development Director Jim Hossley stated the new owners of 190 Johnson Avenue, Jerry and Brenda Hodges, requested approval of a facade improvement grant for exterior improvements to their building. They intended to convert the vacant warehouse building to a sit-down and take-out pizza restaurant. On April 10, 2018, they received land use approval from the Planning Commission through a site plan review application to remodel the interior and make exterior improvements to the structure. The structural valuation of the entire project was \$300,000. The exterior improvements were determined by the City's Building Department to meet or exceed \$50,000 in valuation.

With approval by the Urban Renewal Agency, the façade improvement program provided a 50/50 grant with a maximum grant award of \$25,000 per fiscal year. The facade improvement program required the submittal of three bids and a review by the Design

Assistance Team (DAT). Staff requested an exception to those requirements because of the Planning Commission review, approval through the public hearing process, and the submittal of full site development and construction plans were already approved. City Manager Rodger Craddock stated this was a franchise upgrade, they were converting warehouse space into a restaurant establishment, and had already received bids.

### **Discussion of Future Sponsorship Option Projects**

The city obtained a Department of Environmental Quality (DEQ) State Revolving Fund (SRF) loan for the construction of Waste Water Treatment Plant 2 (WWTP2). The SRF program allowed a public agency to have a combined loan called a Sponsorship Option (SO). The SO offered financial incentives to encourage communities to pursue water restoration or protection projects in conjunction with traditional wastewater projects. Based on the loan for WWTP2, the city had the opportunity to complete SO projects totaling \$2,200,000 to qualify for an interest reduction on the WWTP2 loan. The 6th Avenue culvert replacement project was the only project completed; to benefit from the reduced interest rate an additional \$1,343,463 must be expended on SO projects. Staff proposed the next SO project was construction of two green parking lots behind Old City Hall and 891 Front Street with centralized trash facilities. City Engineer Jennifer Wirsing stated a green parking lot was designed specifically with green infrastructure to capture, treat, and slow down water flow to reduce flooding and improve water quality.

### **Approval of a Supplemental Budget – Approval Would Require Adoption of Resolution 18-28**

Acting Finance Director Amy Kinnaman stated the actual carryover balance for the General, Street Improvement, Fire Station Reserve, Major Capital Reserve, and Jurisdictional Exchange Streets Reserve Funds was significantly less than the amount anticipated and adopted. Adjustment to adopted appropriations for these funds were necessary to ensure appropriations did not exceed resources resulting in negative fund balance. Local budget law did not require a supplemental budget for a reduction in appropriation authority, and the city had not done so in the past. However, staff elected to present a supplemental budget in an effort of transparency and full disclosure.

Additionally, the city had an established replacement schedule for technology in each department. This schedule was developed to accommodate timely replacement of aged computers and desktop devices while still meeting budget constraints. For the 2018/2019 fiscal year, the Police Department was scheduled for technology replacements. Appropriate accounting for technology replacements of this type fell into the materials and services appropriation category, rather than capital outlay appropriation category due to the Council's previous amendment of city's capitalization policy in early fiscal year 2017/18. Individual asset items with acquisition costs less than \$10,000 were treated as inventory and as such were not a capital acquisition. The city's technology consulting firm also recommended purchase of an additional server to allow for redundancy as part of the overall network configuration plan and allow for emergency contingency options.

Ms. Kinnaman also stated an increase was need for information technology (IT) services for Police Department computer and hardware replacements and server upgrades. The city

contracted with Executech to assist with technology needs and staff suggested an increase in the contracted monthly technology service hours. The proposed contract change would increase hours from 43.33 at a cost of \$105.01 per hour to 69.33 hours at a cost of \$100.97 per hour with any unused hours to be carried forward for up to four months. Council to approve contract amendment to increase the technology maintenance agreement by \$29,400 to \$84,000 for additional IT services.

### **Amendment to CH2M Contract for the Operations, Maintenance, and Management for the Wastewater System**

Public Works and and Community Development Director Jim Hossley stated the contract with Jacobs (formally known as CH2M and OMI) for operations, maintenance, and management services for the wastewater system was reviewed and amended on a yearly basis for any cost increases. Jacobs requested a 3.5% increase, \$64,324, for operating costs for the period of July 1, 2018 to June 30, 2019. Council to approve contract amendment for \$1,837,843 for the operations, maintenance, and management of the wastewater system on July 1, 2018 to July 1, 2019.

### **Approval of Amending a City Ordinance Regarding the Closure of Streets**

Coos Bay Municipal Code (CBMC) required authorization from the City Council to temporarily close a city street regardless of the reason. Public Works and Community Development Director Jim Hossley stated contractors and city crews needed to temporarily close all or portions of roads to vehicular traffic in order to safely perform work related to private and public projects and it took two to four weeks to get City Council approval. On October 23, 2018, Council directed staff to draft an amendment to the Uniform Traffic Ordinance delegating authority to temporarily close streets to city staff. Staff recommended amending CBMC 10.05.030(2)(e), powers of the Council, to delete “the temporary closing of certain streets, or portions thereof.” and add to CBMC 10.05.040(2)(1), powers of the city manager.

### **Approval of Amendment #3 to Contract with Stantec for Brownfields Consulting Services**

The City of Coos Bay was awarded an Environmental Protection Agency (EPA) Brownfields Grant of \$400,000. The city contracted Stantec to do work associated with the EPA grant for \$375,800. The city received two additional grants for \$25,000 and \$60,000 associated with the EPA Brownfield’s Grant. The City Council amended the Stantec contract to \$445,800 to include work associated with these grants.

Public Works and Community Development Director Jim Hossley stated the EPA grant had concluded, the overall project was completed, and the city could use the remaining EPA grant funds to pay Stantec for additional work they did on the environmental investigation of 891 Front Street. Council to approve contract amendment for \$9,087.69 for total contract amount of \$454,887.69.

**Adjourn**

There being no further items for discussion, Mayor Benetti adjourned the work session. The next regular Council meeting was scheduled for November 20, 2018 in the Council Chambers at City Hall.



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Joe Benetti, Mayor

Attest: Nichole Rutherford  
Nichole Rutherford, City Recorder