



**AGENDA & Notice of Joint City Council, Bayfront Parking District, City Center Parking District and Nye Beach Parking District Work Session for City Council**

The City Council of the City of Newport will hold a work session on Monday, June 16, 2014, at 5:15 P.M. The work session will be held in Council Chambers at City Hall, located at 169 S.W. Coast Highway, Newport, Oregon 97365. A copy of the agenda follows.

The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired, or for other accommodations for persons with disabilities, should be made at least 48 hours in advance of the meeting to Peggy Hawker, City Recorder at 541.574.0613.

The City Council reserves the right to add or delete items as needed, change the order of the agenda, and discuss any other business deemed necessary at the time of the meeting.

**JOINT CITY COUNCIL, BAYFRONT PARKING DISTRICT, CITY CENTER PARKING DISTRICT  
AND NYE BEACH PARKING DISTRICT WORK SESSION  
Monday, June 16, 2014 - 5:15 P.M.  
Council Chambers**

- A. Additional Work Session Items Not Listed on the Agenda (for this and future work sessions)
- B. Update on Parking Districts



**CITY MANAGER'S REPORT AND RECOMMENDATIONS  
JOINT CITY COUNCIL, BAYFRONT PARKING DISTRICT, CITY CENTER PARKING DISTRICT  
AND NYE BEACH PARKING DISTRICT WORK SESSION  
Monday, June 16, 2014  
Council Chambers**

*This report is an executive summary of this agenda packet with recommended actions for the Joint City Council, Bayfront Parking District, City Center Parking District and Nye Beach Parking District. Detailed departmental reports, minutes and other supporting materials are provided within the full agenda packet where referenced.*

Note: City Council, Bayfront Parking District, City Center Parking District and Nye Beach Parking District will meeting in the Council Chamber at 5:15 P.M. for a work session to review the status of the City's three parking districts. A notice has been sent to participants in the parking districts informing the districts of this meeting in the event that any of the districts would like to participate.

**AGENDA ITEM**

**Agenda Item: B  
Update on Parking Districts**

**Background:**

See attached report by Community Development Director Derrick Tokos.

**Recommended Action:**

None

**Fiscal Effects:**

None

**Alternatives:**

None recommended

**Agenda Packet Reports:**

Attached is a copy of the ordinance that contains the various parking restrictions.

This concludes the Executive Director Report and recommendations for the June 16, 2014, City Council meeting.

Respectfully Submitted,

Spencer R. Nebel  
Executive Director

# Memorandum

To: Newport City Council  
From: Derrick Tokos, Community Development Director  
Date: June 12, 2014  
Re: Parking District Update

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The following is a brief overview and list of accomplishments associated with each of the City's three parking districts (Bay Front, City Center, and Nye Beach). General observations are included at the end of the memo. Implementing ordinances for each of the three districts are enclosed, and advisory committee members have been invited to attend the Council work session and share their observations as well.

### **Bay Front District**

*Created with Ord. No. 2020, effective October 19, 2011*

Advisory Committee Members: Gary Ripka, Janet Webster, Cris Torp, Gabrielle McEntee-Wilson, Mike Pettis and Kevin Greenwood.

Resources: FY 14/15 beginning fund balance of \$33,782. Annual revenue from business license surcharge and fixed contribution from the Port of Newport in the amount of \$18,900. District also has \$231,646 available to it from the old "payment-in-lieu" parking fund.

Accomplishments: Assessed the viability of expanding the Lee Street parking lot; made targeted improvements to pedestrian crossings, sidewalks, and ADA ramps to improve safety; funded striping of additional parking spaces at Port Dock 7; assessed and funded construction of a section of sidewalk on Bay Street and is exploring opportunities for seasonal shuttle service and funding requirements for structured parking.

### **City Center District**

*Created with Ord. No. 2009, effective January 5, 2011*

Advisory Committee Members: Bill Bain, Frank Geltner, and Tom McNamara.

Resources: FY 14/15 beginning fund balance of \$5,051. Annual revenue from business license surcharge in the amount of \$3,368.

Accomplishments: Funded the resurfacing and striping of the 9<sup>th</sup> and Hurbert parking lot, adjusted the location of timed parking and loading zones to improve the availability of parking spaces, and identified and corrected barriers to pedestrian movement within the district.

### **Nye Beach District**

*Created with Ord. No. 1993, effective July 1, 2010*

Advisory Committee Members: Jody George, Kathy Cleary, Linda Neigebauer, Wendy Engler, Dave Teem.

Resources: FY 14/15 beginning fund balance of \$23,525. Annual revenue from business license surcharge in the amount of \$8,700.

Accomplishments: Partially funded improvements to 3<sup>rd</sup> Street sidewalks with the district's share of the "payment-in-lieu" parking funds. Instituted changes to timed parking limitations in the district by standardizing limits at 3-hours and adjusting the type and location of signage and loading areas. Additionally, the district instituted a parking sticker program, extended striping for parallel parking on NW Coast and NW 3<sup>rd</sup> Streets, secured changes to parking lot location and directional signage, addressed pedestrian obstructions, and funded streetscape enhancements at the entrance to the Nye Beach Turnaround. Existing funds are being reserved as potential contributions towards resurfacing the Nye Beach turnaround, sidewalk improvements in the vicinity of the old dry cleaners, or improving lighting along NW 3<sup>rd</sup> Street.

Observations: Nye Beach has been the most active district, at times meeting as frequently as every 6-weeks to review the status and provide feedback and general direction on projects. The district has been inactive this year, with a majority of the members volunteering time on the Planning Commission's Nye Beach design review ad-hoc committee. Bay Front and City Center districts have typically met once or twice a year. Districts could be more active and might potentially accomplish more in the way of projects if they had additional staff resources. This has been a limiting factor.

With that said, the amount of funding generated within each district is not sufficient to pay for major improvements to the parking system. This limits the scope of projects that the parking districts can undertake to those associated with maintenance of existing parking and pedestrian improvements, correcting and adjusting signage and striping to improve efficiencies, and addressing gaps in the system such as missing sidewalk connections. New or alternate funding sources will need to be pursued if more substantial improvements are desired, such as a structured parking lot in the Bay Front or Nye Beach areas.

Forming economic improvement or "Parking Districts" that use a business license surcharge to collect funds for parking system improvements has proven to be more effective than the previous approach of customized "payment-in-lieu" agreements with property owners who could not provide off-street parking that would otherwise have been required with new development. It has been far easier to administer, and business owners appear to be satisfied that this approach is ensuring that they are all participating in an equitable manner. By ordinance, the payment-in-lieu system will become the norm again if the districts are not extended at the end of the 5 year term, and there should be some thought as to whether or not there might be a better alternative.

Creating advisory committees has led to greater involvement from area business owners in the management of public parking assets and they have proven to be a very helpful sounding board for city staff on projects. The 3<sup>rd</sup> Street sidewalk work is a good example, with Public Works staff regularly vetting design issues with the committee and committee members participating in public outreach efforts. Achieving quorums has been an issue at times with the City Center and Bay Front Districts. This is due to the small size of the City Center Advisory Committee (just three members) and the Bay Front Advisory Committee having an even number of representatives from fishing and tourist-oriented business interests.

Like the prior "payment-in-lieu" program, parking districts provide relief from a limited number of off-street parking spaces for new development or redevelopment. This has been somewhat helpful, facilitating the leasing of vacant retail space in the Bay Front area for example; however, by in large it hasn't been a significant factor. Providing wholesale relief from off-street parking standards would have a more meaningful impact. This would likely need to be coupled with some sort of funding package sufficient to support the construction of new spaces, such as structured parking, in order for it to be feasible given the limited supply of parking in Nye Beach and the Bay Front.

**CITY OF NEWPORT**  
**ORDINANCE NO. 2009**

**AN ORDINANCE AMENDING ORDINANCE NO 2007, ESTABLISHING AN  
ECONOMIC IMPROVEMENT DISTRICT PURSUANT TO ORS 223.144 IN THE CITY  
CENTER AREA FOR PARKING SYSTEM IMPROVEMENTS AND ASSESSMENT OF  
A SURCHARGE ON BUSINESS LICENSE FEES FOR BUSINESSES  
WITHIN THE DISTRICT**

WHEREAS, the Newport Zoning Ordinance allows businesses in the Nye Beach, Bayfront, and City Center areas to pay an annual fee of \$175 per space “in lieu” of providing an off-street parking space that would otherwise be required for new development or redevelopment that increases the demand for parking on a property (Section 2-3-6.050).

WHEREAS, the payment in lieu option was put in place in the 1980’s and the annual fee has not changed over time.

WHEREAS, the Mayor appointed a Payment in Lieu of Parking Task Force, confirmed by City Council, to evaluate the fee charged with the payment in lieu of parking program. The Task Force held a series of public meetings in 2006 and 2007, which resulted in a recommendation to change the annual fee of \$175 per space to a one time charge of \$7,500 per space. The Planning Commission and City Council held hearings on the Task Force recommendations, and the Council adopted the recommendations in February of 2008.

WHEREAS, during the hearings, a number of individuals expressed an interest in forming parking districts as an alternative to the existing payment in lieu approach, which they viewed as outdated, and the Task Force recommendations, which they viewed as untenable for many businesses. Council directed staff to assist them in developing concepts and, on February 4, 2008, temporarily set aside the Task Force recommendations to allow the work to proceed.

WHEREAS, the City subsequently sponsored workshops on the basics of forming parking districts and City staff met with interested individuals in the City Center area to answer questions and assist in preparing materials. This effort led to the development of an economic development plan, prepared by business owners in the City Center area, which was offered to the City as the basis for forming an economic improvement district for parking system improvements.

WHEREAS, proponents of the City Center area’s economic development plan contend that ample parking exists in the City Center area, and that the issue is a lack of effective parking management and utilization of existing spaces that can be addressed through the imposition of a modest annual business license surcharge of \$35 rather than \$7,500 per space.

WHEREAS, the City Council met on September 7, 2010 to consider the economic development plan and associated business license surcharge fee and chose to initiate the process of forming an economic improvement district in the City Center area for parking system improvements by adopting Ordinance No. 2007.

## **THE CITY OF NEWPORT ORDAINS AS FOLLOWS:**

**Section 1: Findings:** The City Council adopts the following findings of fact:

- (a) The City Council held public hearings on September 7, 2010 and December 6, 2010 regarding the establishment of an economic improvement district for parking improvements in the City Center area;
- (b) Written notice to the affected property owners was mailed no less than thirty (30) days prior to each hearing announcing the Council's intent to form the district and to impose a business license fee upon persons conducting business within the district to pay for the improvements;
- (c) Notice of said hearings included the amount of the proposed surcharge and time and place of the hearing at which affected persons could appear to support or object to the formation of a district and proposed business license fee;
- (d) Fewer than 33 percent of persons conducting business within the boundaries of the proposed district who will be subject to the business license surcharge submitted written objections to the fee;
- (e) Lands within the boundaries of the proposed district include properties that are zoned for commercial or industrial use;
- (f) A preliminary estimate of the probable cost of the economic improvements to be funded pursuant to Section 2 of this Ordinance is \$2,500 to \$3,500 per year, and the proposed schedule for apportioning costs is set forth in Section 3 of this Ordinance;
- (g) The business license surcharge to be assessed is in proportion to the benefit that each business may derive from the district.

## **Section 2: Establishment of a City Center Commercial Parking District.**

- (a) The City Council hereby approves and creates the "City Center Commercial Parking District" ("District").
- (b) The District is created for the purpose of making economic improvements as defined in ORS 223.141(4), and in particular, for the purpose of the improvement in parking systems in the City Center area as allowed under ORS 223.141(4)(e). The economic improvement projects to be undertaken or constructed include:
  - i. Installation of signage, parking time limitations, new striping, repair of parking surfaces and similar activities to improve the functionality of publicly accessible parking spaces;
  - ii. Streetscaping, crosswalk improvements and related enhancements to public areas that make it more desirable for the traveling public to utilize available parking;

iii. Other activities deemed by the District Advisory Committee as needed to improve the availability and functionality of existing publicly accessible parking spaces.

(b) The boundaries of the District are depicted on Exhibit A to this ordinance.

**Section 3: Enactment of a Business License Surcharge Fee.**

(a) Businesses within the District shall be assessed a business license surcharge of \$35.00 per business license.

(b) Surcharges shall be assessed annually on a fiscal year basis, commencing July 1 and ending June 30 of the following year, or such other timeframe as provided in the Newport Municipal Code.

(c) City shall establish a separate account into which shall be paid all revenues from the business license surcharge, and such monies shall be reserved and managed for exclusive use of the District.

**Section 4: Establishment of a District Advisory Committee.**

(a) Council shall establish an advisory committee to develop a plan for the completion of improvements and to allocate expenditure of monies for activities within the scope of the plan. An association of persons conducting business within the District may be designated to serve in the capacity of an advisory committee.

(b) In appointing members to a committee, the Council shall include persons conducting business within the District.

(c) An association of persons conducting business within the District (“Association”) may be designated to serve in the capacity of an advisory committee. If this occurs the City and the Association will execute an agreement describing each party’s respective responsibilities regarding the District. After entering into an agreement with the City, the Association may enter into agreements with third parties to perform improvements.

(d) The advisory committee or Association may request that the City perform improvements. Should the City elect and be allowed under law to perform improvements, such services will be charged in the amount and manner allowed by law and will be paid for through revenues from the business license surcharge.

**Section 5: Reporting Requirements:** An Association or advisory committee shall maintain records of all expenditures made towards the completion of economic improvements and shall provide such records to the City when requested.

**Section 6: Availability of Parking Fund Revenues:**

- (a) In addition to monies generated through a business license surcharge, an Association or advisory committee may develop an improvement plan and make a recommendation on the expenditure of funds the City specifically budgets for use by parking districts. Authorization for the use of such funds shall be subject to City Manager approval and public contracting requirements.
- (b) The City Manager is authorized to provide an Association appointed by the Council to serve as the advisory committee, with up to \$1000 of parking fund revenues, to prepare the Association to perform its advisory responsibilities.

**Section 7: Payment in Lieu of Parking Fees.**

- (a) As allowed under NZO Section 2-3-6.050, businesses in existence as of the date the District is formed shall not be subject to payment in lieu of parking fees.
- (b) All agreements for payment in lieu of parking fees between the City and existing businesses within the district shall terminate as of July 1, 2011.
- (c) City shall provide a final invoice to each existing business with a balance due for payment in lieu fees prior to July 1, 2011. Notwithstanding the termination of any agreement as set forth in subsection (b) above, the City reserves the right to collect all sums due to the City as reflected on the invoice.
- (d) For new development, redevelopment or building expansions that generate a demand for more than five (5) new off-street parking spaces, such off-street parking spaces shall be provided in accordance with applicable provisions of the Newport Zoning Ordinance. The City shall determine the amount of off-street parking a business must provide.

**Section 8: City Approval Required:** City approval is required for economic improvements within public rights-of-way.

**Section 9: Exemptions.** The provisions of this Ordinance shall not apply to the following:

- (a) Residential real property or any portion of a structure used primarily for residential purposes;  
or
- (b) Businesses operated on an occasional basis for not more than one or two days per week or one month a year.

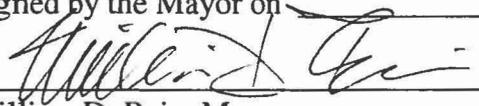
**Section 10: Duration.** The District shall be in effect for five (5) consecutive years, commencing upon the effective date of this ordinance. Council may extend the duration of the District, after following the public notice procedure outlined in ORS 223.147. In the event the District is not renewed, then payment in lieu of parking shall apply to the extent provided for in the Newport Zoning Ordinance in effect at the time the District is dissolved.

**Section 11: Severability.** The sections of this ordinance are severable. The invalidity of a section or part of a section shall not affect the validity of the remaining sections or parts of sections.

**Section 12: Effective Date:** This ordinance shall take effect 30 days after passage.

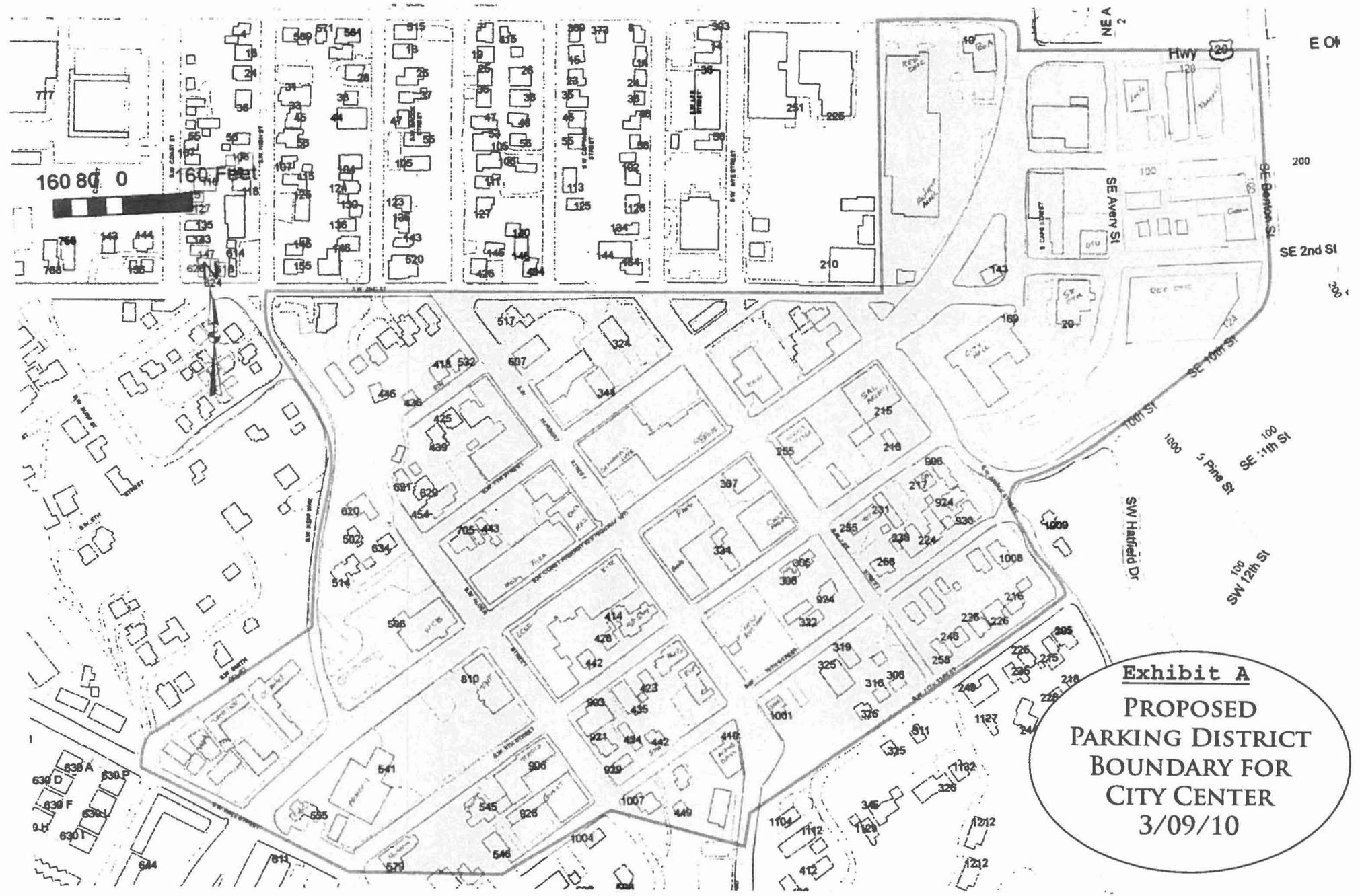
Date adopted: December 6, 2010

Signed by the Mayor on \_\_\_\_\_, 2010.

  
William D. Bain, Mayor

ATTEST:

  
Margaret M. Hawker, City Recorder



**Exhibit A**  
**PROPOSED**  
**PARKING DISTRICT**  
**BOUNDARY FOR**  
**CITY CENTER**  
**3/09/10**

**CITY OF NEWPORT**  
**ORDINANCE NO. 1993**

**AN ORDINANCE AMENDING ORDINANCE NO 1979, ESTABLISHING AN ECONOMIC IMPROVEMENT DISTRICT PURSUANT TO ORS 223.144 IN THE NYE BEACH AREA FOR PARKING SYSTEM IMPROVEMENTS AND ASSESSMENT OF A SURCHARGE ON BUSINESS LICENSE FEES FOR BUSINESSES WITHIN THE DISTRICT**

WHEREAS, the Newport Zoning Ordinance allows businesses in the Nye Beach, Bayfront, and City Center areas to pay an annual fee of \$175 per space "in lieu" of providing an off-street parking space that would otherwise be required (Section 2-3-6.050).

WHEREAS, the payment in lieu option was put in place in the 1980's and the annual fee has not changed over time.

WHEREAS, the Mayor appointed a Payment in Lieu of Parking Task Force, confirmed by City Council, to evaluate the fee charged with the payment in lieu of parking program. The Task Force held a series of public meetings in 2006 and 2007, which resulted in a recommendation to change the annual fee of \$175 per space to a one time charge of \$7,500 per space. The Planning Commission and City Council held hearings on the Task Force recommendations, and the Council adopted the recommendations in February of 2008.

WHEREAS, during the hearings, a number of individuals expressed an interest in forming parking districts as an alternative to the existing payment in lieu approach, which they viewed as outdated, and the Task Force recommendations, which they viewed as untenable for many businesses. Council directed staff to assist them in developing concepts and on February 4, 2008, set the Task Force recommendations aside for 18 months to allow the work to proceed. On September 8, 2009, the Council extended the 18 month period for an additional 12 months, to August 4, 2010.

WHEREAS, the City sponsored workshops on the basics of forming a parking district on April 27, 2008. On July 29, 2008 City staff met with interested individuals in the Nye Beach area regarding the potential formation of a parking district in Nye Beach. City Staff continued to meet with individuals interested in forming a parking district in Nye Beach through the balance of 2008 and early 2009 to answer questions and assist in preparing materials, which culminated in an Economic Development Plan for Nye Beach parking system improvements. The Plan included a business license surcharge as a proposed method of financing the improvements.

WHEREAS, the City Council met on May 18, 2009 to consider the Economic Development Plan and associated business license surcharge fee and chose to initiate the process of forming the Nye Beach Commercial Parking District by adopting Ordinance No. 1979.

**THE CITY OF NEWPORT ORDAINS AS FOLLOWS:**

**Section 1: Findings:** The City Council adopts the following findings of fact:

- (a) The City Council held public hearings on July 6, 2009 and August 17, 2009 regarding the establishment of an economic improvement district for parking improvements in Nye Beach;
- (b) Written notice to the affected property owners was mailed no less than thirty (30) days prior to each hearing announcing the Council's intent to form the district and to impose a business license fee upon persons conducting business within the district to pay for the improvements;
- (c) Notice of said hearings included the amount of the proposed surcharge and time and place of the hearing at which affected persons could appear to support or object to the formation of a district and proposed business license fee;
- (d) Fewer than 33 percent of persons conducting business within the boundaries of the proposed district who will be subject to the business license surcharge submitted written objections to the fee;
- (e) The area within the boundaries of the proposed district is zoned commercial;
- (f) A preliminary estimate of the probable cost of the economic improvements to be funded pursuant to Section 2 of this Ordinance is \$7,500 to \$10,000 per year, and the proposed schedule for apportioning costs is set forth in Section 3 of this Ordinance;
- (g) The business license surcharge to be assessed is in proportion to the benefit that each business may derive from the district.

**Section 2: Establishment of a Nye Beach Commercial Parking District (NBCPD).**

- (a) The City Council hereby approves and creates the "Nye Beach Commercial Parking District" ("District").
- (b) The District is created for the purpose of making economic improvements as defined in ORS 223.141(4), and in particular, for the purpose of the improvement in parking systems in the Nye Beach commercial area as allowed under ORS 223.141(4)(e). The economic improvement projects to be undertaken or constructed include:
  - i. Parking improvements on available public or private land and undeveloped public rights-of-way;
  - ii. Sidewalk improvements that provide connectivity between areas of available parking and Nye Beach commercial areas;

- iii. Leasing of private parking lots for public or employee use with a focus on private parking lots that are not fully utilized by the existing property owners during peak summer weekends. Such leases are subject to Section 4(e) below;
- iv. Parking system improvements such as signage, stripping, parking time limitations and similar improvements;
- v. Support of transportation alternatives such as bicycle facilities or bus shuttle service.

(b) The boundaries of the District are depicted on Exhibit A to this ordinance.

**Section 3: Enactment of a Business License Surcharge Fee.**

- (a) Businesses within the District shall be assessed a business license surcharge in accordance with the following schedule:
  - i. \$250 per business license where no off-street parking spaces are provided; or
  - ii. \$150 per business license where 1-3 off-street parking spaces are provided for the business; or
  - iii. \$100 per business license for all other businesses operating within the district.
- (b) Surcharges shall be assessed annually on a fiscal year basis, commencing July 1 and ending June 30 of the following year, or such other timeframe as provided in the Newport Municipal Code.
- (c) The amount each business is required to pay under the schedule in (a) above shall be established by the District's Advisory Committee on an annual basis.
- (d) City shall establish a separate account into which shall be paid all revenues from the business license surcharge, and such monies shall be reserved and managed for exclusive use of the District.
- (e) Annual surcharges shall apply to businesses that are otherwise exempt from business license fees.

**Section 4: Establishment of a District Advisory Committee.**

- (a) Council shall establish an advisory committee to develop a plan for the completion of improvements and to allocate expenditure of monies for activities within the scope of the plan. An association of persons conducting business within the District may be designated to serve in the capacity of an advisory committee.
- (b) In appointing members to a committee, the Council shall include persons conducting business within the District.

- (c) An association of persons conducting business within the District (“Association”) may be designated to serve in the capacity of an advisory committee. If this occurs the City and the Association will execute an agreement describing each party’s respective responsibilities regarding the District. After entering into an agreement with the City, the Association may enter into agreements with third parties to perform improvements.
- (d) The advisory committee or Association may request that the City perform improvements. Should the City elect and be allowed under law to perform improvements, such services will be charged in the amount and manner allowed by law and will be paid for through revenues from the business license surcharge.
- (e) Lease arrangements, as envisioned in this ordinance, may only be executed between an Association serving as an advisory committee, and a willing party. The City will not be signatory to, or participate in the preparation or implementation of lease agreements nor any improvements made on, to, or involving private property.

**Section 5: Reporting Requirements:** An Association or advisory committee shall maintain records of all expenditures made towards the completion of economic improvements and shall provide such records to the City when requested.

**Section 6: Availability of Parking Fund Revenues:**

- (a) In addition to monies generated through a business license surcharge, an Association or advisory committee may develop an improvement plan and make a recommendation on the expenditure of funds the City specifically budgets for use by parking districts. Authorization for the use of such funds shall be subject to City Manager approval and public contracting requirements.
- (b) The City Manager is authorized to provide an Association appointed by the Council to serve as the advisory committee, with up to \$1000 of parking fund revenues, to prepare the Association to perform its advisory responsibilities.

**Section 7: Payment in Lieu of Parking Fees.**

- (a) As allowed under NZO Section 2-3-6.050, businesses within the District that pay a business license surcharge shall not be subject to payment in lieu of parking fees for up to five (5) off-street parking spaces per business. Businesses that require more than five (5) off-street parking spaces shall provide the additional spaces in accordance with applicable provisions of the Newport Zoning Ordinance. The City shall determine the amount of off-street parking a business must provide.
- (b) All agreements between the City and businesses within the district for payment in lieu of parking fees shall terminate as of the effective date of this ordinance.
- (c) City shall provide a final invoice to each business with a balance due for payment in lieu fees prior to the effective date of this ordinance. Notwithstanding the termination

of any agreement as set forth in subsection (b) above, the City reserves the right to collect all sums due to the City as reflected on the invoice.

**Section 8: City Approval Required:** City approval is required for economic improvements within public rights-of-way.

**Section 9: Exemptions.** The provisions of this Ordinance shall not apply to the following:

- (a) Residential real property or any portion of a structure used primarily for residential purposes; or
- (b) Businesses operated on an occasional basis for not more than one or two days per week or one month a year.

**Section 10: Duration.** The District shall be in effect for five (5) consecutive years, commencing upon the effective date of this ordinance. Council may extend the duration of the District, after following the public notice procedure outlined in ORS 223.147. In the event the District is not renewed, then payment in lieu of parking shall apply to the extent provided for in the Newport Zoning Ordinance in effect at the time the District is dissolved.

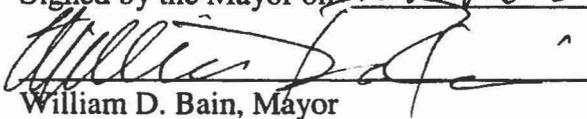
**Section 11: Severability.** The sections of this ordinance are severable. The invalidity of a section or part of a section shall not affect the validity of the remaining sections or parts of sections.

**Section 12: Effective Date:** This ordinance shall become effective on July 1, 2010.

Date adopted on initial vote and read by title only: November 2, 2009

Date adopted on final roll call vote: November 2, 2009

Signed by the Mayor on November 5, 2009.

  
William D. Bain, Mayor

ATTEST:

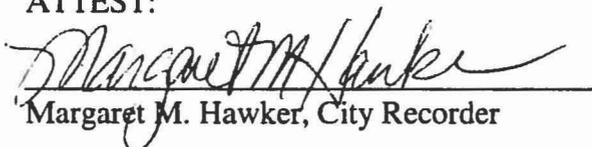
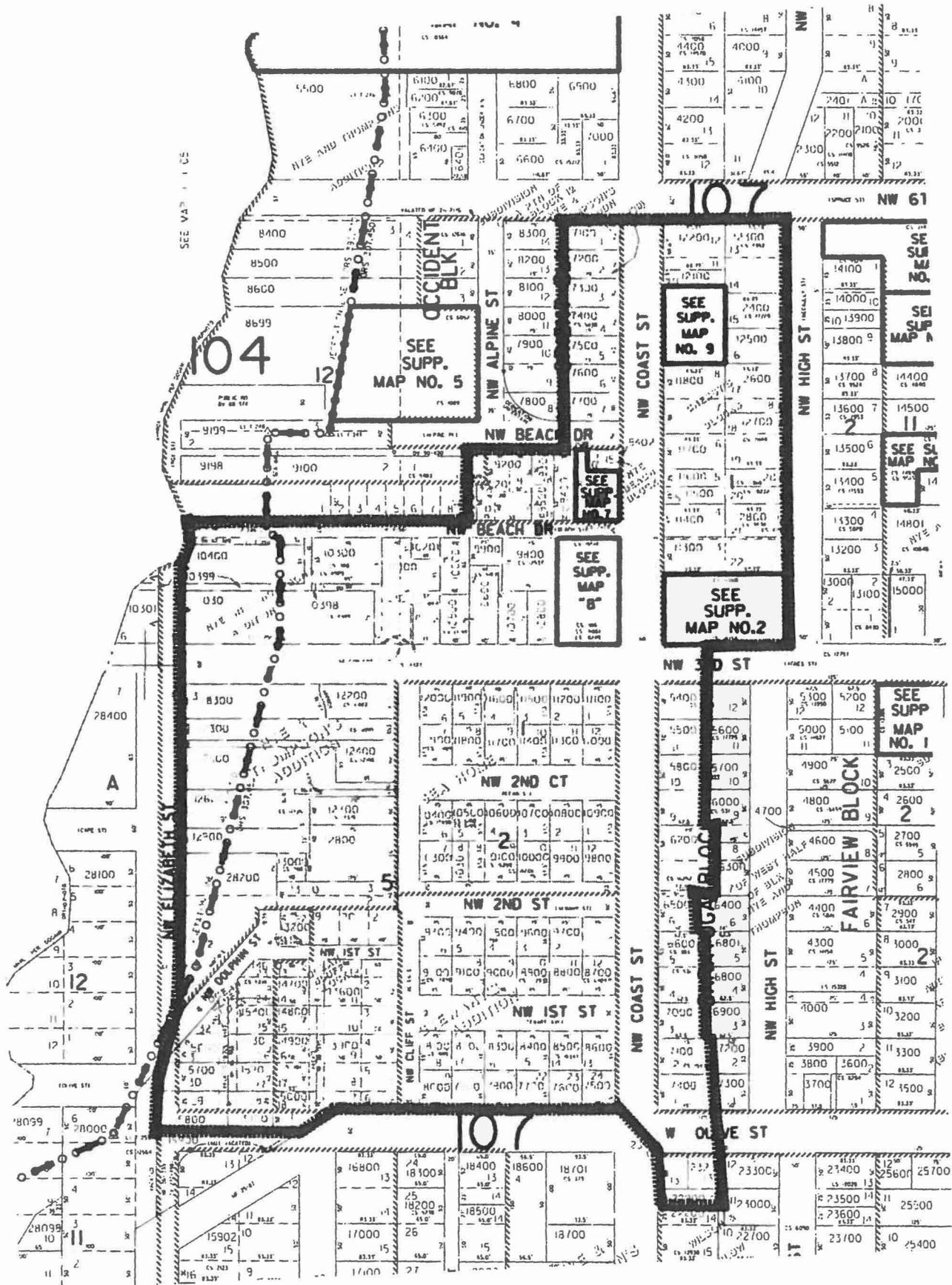
  
Margaret M. Hawker, City Recorder

Exhibit A to Ordinance No. \_\_\_\_\_, Amending Ordinance No. 1979, Establishing an Economic Improvement District Pursuant to ORS 223.144 In the Nye Beach Area for Parking System Improvements and Assessment of a Surcharge on Business License Fees for Businesses within the District



**CITY OF NEWPORT**  
**ORDINANCE NO. 2020**

**AN ORDINANCE ESTABLISHING AN ECONOMIC IMPROVEMENT DISTRICT IN THE BAY FRONT AREA FOR PARKING SYSTEM IMPROVEMENTS AND IMPOSITION OF A BUSINESS LICENSE SURCHARGE FEE PURSUANT TO ORS 223.144 AND NEWPORT ORDINANCE 2013**

WHEREAS, the Newport Zoning Ordinance (NZO) allows businesses in the Nye Beach, Bay Front, and City Center areas to pay an annual fee of \$175 per space "in lieu" of providing an off-street parking space that would otherwise be required for new development or redevelopment that increases the demand for parking on a property (Section 2-3-6.050).

WHEREAS, the payment in lieu option was put in place in the 1980's and the annual fee has not changed over time.

WHEREAS, the Mayor appointed a Payment in Lieu of Parking Task Force, confirmed by City Council, to evaluate the fee charged with the payment in lieu of parking program. The Task Force held a series of public meetings in 2006 and 2007, which resulted in a recommendation to change the annual fee of \$175 per space to a one-time charge of \$7,500 per space. The Planning Commission and City Council held hearings on the Task Force recommendations, and the Council adopted the recommendations in February of 2008.

WHEREAS, during the hearings, a number of individuals expressed an interest in forming parking districts as an alternative to the existing payment in lieu approach, which they viewed as outdated, and the Task Force recommendations, which they viewed as untenable for many businesses. Council directed staff to assist them in developing concepts and, on February 4, 2008, temporarily set aside the Task Force recommendations to allow the work to proceed.

WHEREAS, the City subsequently sponsored workshops on the basics of forming parking districts and City staff met with interested individuals in the Bay Front area to answer questions and assist in preparing materials. This effort led to the development of an economic development plan, prepared by an ad hoc group of individuals representing tourism, fishing, and economic development interests along the Bay Front, which was offered to the City as the basis for forming an economic improvement district for parking system improvements.

WHEREAS, proponents of the Bay Front area's economic development plan contend that a parking district with a modest assessment on area businesses and contribution

from the Port of Newport provides a source of revenue to fund incremental improvements to the parking system while at the same time facilitating economic growth. They further view such an approach to be more effective and equitable than the existing payment in lieu of parking program.

WHEREAS, the City Council met on April 4, 2011 to consider an initial draft of the economic development plan and business license surcharge fee and chose to initiate the process of forming an economic improvement district in the Bay Front area for parking system improvements by adopting Ordinance No. 2013.

WHEREAS, the City Council held a public hearing on May 16, 2011 at which affected persons could appear to support or object to the proposed parking system improvements and business license surcharge fee. The Council accepted the proposal that businesses within the district bear the cost of the improvements unless the Council otherwise determines that it is appropriate to allocate funding from other sources. The Council further encouraged business owners, fisherman and other interested parties to refine the economic development plan into the concept that has been incorporated into this ordinance.

WHEREAS, ORS 223.141, et seq., authorizes imposition of a "business license fee" to fund certain economic improvements within districts created pursuant to procedural and substantive requirements. The terms "business license surcharge fee" and "business license surcharge" as used herein are synonymous with this statutorily allowed "business license fee." The term "surcharge" is used to distinguish this economic improvement fee from the City's general business license fee imposed pursuant to Newport Municipal Code Section 4.05.

**THE CITY OF NEWPORT ORDAINS AS FOLLOWS:**

**Section 1: Findings:** The City Council hereby adopts the above recitals and the following findings of fact as the basis for this Ordinance:

- A. The City Council held public hearings on May 16, 2011 and September 6, 2011 regarding the establishment of an economic improvement district for parking improvements in the Bay Front area, as more specifically described on the map attached as Exhibit A, and incorporated herein by this reference;
- B. Written notice to the affected property owners was mailed no less than thirty (30) days prior to each hearing announcing the Council's intent to form the district and to impose a business license fee upon persons conducting business within the district to pay for the improvements;
- C. Notice of said hearings included the amount of the proposed surcharge and time and place of the hearing at which affected persons could appear to support or object to the formation of a district and proposed business license fee;

- D. Fewer than 33 percent of persons conducting business within the boundaries of the proposed district who will be subject to the business license surcharge submitted written objections to the fee;
- E. Lands within the boundaries of the proposed district include properties that are zoned for commercial or industrial use;
- F. A preliminary estimate of the probable cost of the economic improvements to be funded pursuant to Section 2 of this Ordinance is between \$19,000 and \$20,000 per year, and the proposed schedule for apportioning costs is set forth in Section 3 of this Ordinance;
- G. The business license surcharge to be assessed, and contribution from the Port of Newport, is in proportion to the benefit that each business, the Port and other affected parties may derive from the district.

**Section 2: Establishment of a Bay Front Commercial Parking District.**

- A. The City Council hereby approves and creates the “Bay Front Commercial Parking District” (“District”). The boundaries of the District as depicted on Exhibit A to this ordinance correspond with water-dependent and water-related zoning in the Bay Front area.
- B. The District is created for the purpose of making economic improvements as defined in ORS 223.141(4), and in particular, for the purpose of the improvement in parking systems in the Bay Front area as allowed under ORS 223.141(4)(e). The economic improvement projects to be undertaken or constructed include:
  - 1. Parking improvements on available public or private land and undeveloped right-of-way;
  - 2. Leasing private parking lots for public or employee use with a focus on lots that are underutilized;
  - 3. Improving signage and striping;
  - 4. Enhancing the streetscape and sidewalks to encourage pedestrian access;
  - 5. Supporting transportation alternatives such as shuttles, bus systems and bicycles;
  - 6. Developing and/or enhancing seasonal pay parking and time limitations in select areas; and
  - 7. Other activities identified by the District Advisory Committee organized under Section 5 of this Ordinance, as needed to improve the availability or functionality of parking in the Bay Front District.

- C. When identifying projects authorized under subsection 2(b), above, the District Advisory Committee shall consider impacts the projects will have on existing users. Projects that disproportionately impact a particular user group should only be pursued if the District Advisory Committee concludes that reasonable accommodations have been made to offset those impacts.
- D. The District Advisory Committee may identify one or more projects that are outside of the District boundaries if, in the opinion of the Advisory Committee, the project(s) primarily benefit businesses within the District.

**Section 3: Enactment of a Business License Surcharge Fee.**

- A. Businesses within the District shall be assessed a business license surcharge that is based upon the number of persons employed by the business, as follows:
  - 1. Fewer than 5 employees: \$150.00
  - 2. 5 to 20 employees: \$300.00
  - 3. More than 20 employees: \$600.00
- B. The business license surcharge set forth in subsection 2(a), above, shall be reduced to \$100 for those businesses that provide off-street parking for their customers.
- C. Business license surcharge fees shall be assessed annually upon renewal of a business license pursuant to the schedule set forth in Newport Municipal Code Section 4.05.
- D. For new businesses, a surcharge shall be prorated on a monthly basis, unless such surcharge was paid by the prior occupant, in which case a surcharge is not due until the next business license renewal period.
- E. Businesses shall be assessed a surcharge for each location at which they operate within the District. City will provide businesses in multiple locations with a single invoice listing the fees attributed to each location.
- F. City shall establish a separate account into which shall be paid all revenues from the business license surcharge, and such monies shall be reserved and managed for exclusive use of the District.
- G. Annual surcharges shall apply to businesses that are otherwise exempt from business license fees. Such payments shall be made annually, pursuant to the schedule for business license renewals set forth in Newport Municipal Code Section 4.05.

**Section 4: Contribution from the Port of Newport.**

- A. Pursuant to an Intergovernmental Agreement between the Port of Newport and City of Newport dated October 6, 2011, the Port of Newport will make an annual monetary contribution to the Bay Front Commercial Parking District in an amount of \$6,000. As a potentially impacted party, the Port of Newport is voluntarily participating in the district on behalf of the fisherman and other Port users and its payments shall be considered a contribution from both the Port, as well as from fisherman and other individuals mooring at Port facilities.
- B. Payment from the Port shall be due at the end of each fiscal year.
- C. Port payments shall be made out to the City of Newport, and City shall place such monies into the same account as the business license surcharge fees established under Section 3(f), above.

**Section 5: Establishment of a District Advisory Committee.**

- A. Council hereby establishes an advisory committee to develop a plan for the completion of improvements per Section 2(b) (Plan) and to allocate expenditure of monies for activities within the scope of the Plan.
- B. In appointing members to a committee, the Council shall include at least one person conducting business within the District, one individual that represents fishing interests, and one representative from the Port of Newport.
- C. The Advisory Committee shall consist of an even number of individuals. The specific number of individuals to serve on the Committee shall be determined by the Council. In making Committee appointments, the Council shall seek to ensure that neither tourism nor fishing business interests are disproportionately represented.
- D. An association of persons conducting business within the District ("Association") may be designated to serve in the capacity of an advisory committee, provided it includes a representative from the Port of Newport. If this occurs, the City and the Association will execute an agreement describing each party's respective responsibilities regarding the District. After entering into an agreement with the City, the Association may enter into agreements with third parties to perform improvements identified in the Plan established under Section 5(a) of this ordinance.
- E. The Advisory Committee or Association may request that the City perform Plan improvements. Should the City elect and be allowed by law to perform Plan improvements, such services will be charged in the amount and manner allowed by law and will be paid for through revenues from the Bay Front Commercial Parking District or augmented with other City funds identified by the City Council if the Council determines that City should bear a portion of the improvement costs.

**Section 6: Reporting Requirements:** An Association or Advisory Committee shall maintain records of all expenditures made towards the completion of economic improvements and shall provide such records to the City upon request.

**Section 7: Availability of Parking Fund Revenues:**

- A. In addition to monies generated through a business license surcharge and Port of Newport contribution, an Association or Advisory Committee may develop an improvement plan and make a recommendation on the expenditure of funds the City specifically budgets for use by parking districts. Authorization for the use of such funds shall be subject to City Manager approval and public contracting requirements.
- B. The City Manager is authorized to provide an Association appointed by the Council to serve as the advisory committee, with up to \$1000 of parking fund revenues, to prepare the Association to perform its advisory responsibilities.

**Section 8: Payment of Fees in Lieu of Parking.**

- A. As allowed under NZO Section 2-3-6.050, the Council hereby waives the requirement for commercial and industrial properties within the District to pay fees in lieu of parking, as of the date this District is formed.
- B. City shall provide notice of conditional use permit applications to the District Advisory Committee. Written comments that the District Advisory Committee elects to provide on an application in regards to the suitability or availability of parking shall be construed by the City decision making authority as expert testimony.
- C. All agreements for payment of fees in lieu of parking between the City and existing businesses within the District shall terminate as of July 1, 2012.
- D. City shall provide a final invoice to each existing business with a balance due for payment of incurred fees in lieu of parking, prior to July 1, 2012. Notwithstanding the termination of any agreement as set forth in subsection (b) above, the City reserves the right to collect all sums due to the City as reflected on the invoice.
- E. For new development, redevelopment or building expansions that generate a demand for more than five (5) new off-street parking spaces, such off-street parking spaces shall be provided in accordance with applicable provisions of the Newport Zoning Ordinance. The City shall determine the amount of off-street parking a business must provide.

**Section 9: City Approval Required:** City approval is required for economic improvements within public rights-of-way.

**Section 10: Exemptions.** The provisions of this Ordinance shall not apply to the following:

- A. Residential real property or any portion of a structure used primarily for residential purposes; or

- B. Businesses operated on an occasional basis for not more than one or two days per week or one month a year.
- C. Persons mooring boats at Port of Newport facilities, as their contribution is covered by the Port's annual payments to the District pursuant to the Intergovernmental Agreement referenced under Section 4(a) of this ordinance.

**Section 11: Duration.** The District shall be in effect for five (5) consecutive years, commencing upon the effective date of this ordinance. Council may extend the duration of the District, after following the public notice procedure outlined in ORS 223.147. In the event the District is not renewed, then payment in lieu of parking shall apply to the extent provided for in the Newport Zoning Ordinance in effect at the time the District is dissolved.

**Section 12: Severability.** The sections of this ordinance are severable. The invalidity of a section or part of a section shall not affect the validity of the remaining sections or parts of sections.

**Section 13: Effective Date:** This ordinance shall take effect 30 days after passage.

Date adopted on initial vote and read by title only: September 19, 2011.

Date adopted on final roll call vote: October 3, 2011.

Signed by the Mayor on 10-14, 2011.

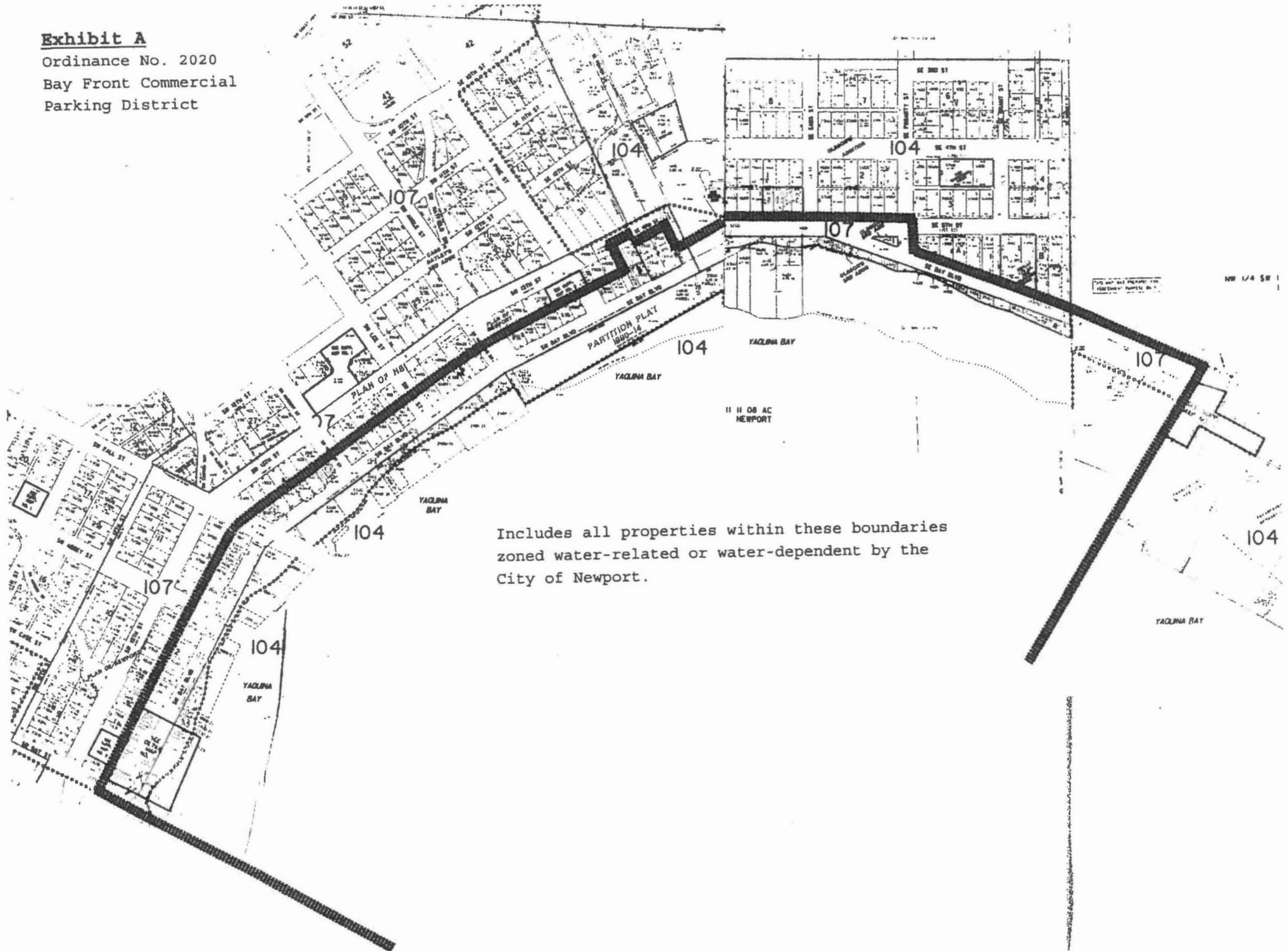
  
\_\_\_\_\_  
Mark McConnell, Mayor

ATTEST:

  
\_\_\_\_\_  
Margaret M. Hawker, City Recorder

**Exhibit A**

Ordinance No. 2020  
Bay Front Commercial  
Parking District



Includes all properties within these boundaries  
zoned water-related or water-dependent by the  
City of Newport.



## AGENDA & Notice of Urban Renewal Agency Meeting

The Newport Urban Renewal Agency will hold a meeting on Monday, June 16, 2014, at 6:00 P.M. The meeting will be held in Council Chambers, City Hall, located at 169 S.W. Coast Highway, Newport, Oregon 97365. A copy of the agenda follows.

The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired, or for other accommodations for persons with disabilities, should be made at least 48 hours in advance of the meeting to Peggy Hawker, City Recorder at 541.574.0613.

The City Council reserves the right to add or delete items as needed, change the order of the agenda, and discuss any other business deemed necessary at the time of the meeting.

### URBAN RENEWAL AGENCY MEETING Monday, June 16, 2014 6:00 P.M.

#### I. Call to Order and Roll Call

#### II. Public Comment

*This is an opportunity for members of the audience to bring to the Council's attention any item not listed on the Agenda. Comments will be limited to three (3) minutes per person with a maximum of 15 minutes for all items. Speakers may not yield their time to others.*

#### III. Consent Calendar

*The consent calendar consists of items of a repeating or routine nature considered under a single action. Any Councilor may have an item on the consent agenda removed and considered separately on request.*

A. Approval of Minutes from the Urban Renewal Agency Meeting of May 19, 2014 (Hawker)

#### IV. Public Hearing

*This is an opportunity for members of the audience to provide testimony/comments on the specific issue being considered by the City Council. Comments will be limited to three (3) minutes per person*

A. Public Hearing & Consideration of Resolution No. 3676 - Adopting the Budget and Making Appropriations and Declaring a Tax Increment Financing for the Fiscal Year 2014-15 Budget

#### V. Adjournment.





**EXECUTIVE DIRECTOR'S REPORT AND RECOMMENDATIONS  
NEWPORT URBAN RENEWAL AGENCY AGENDA  
Monday, June 16, 2014  
Council Chambers**

*This report is an executive summary of this agenda packet with recommended actions for the Urban Renewal Agency. Detailed departmental reports, minutes and other supporting materials are provided within the full agenda packet where referenced.*

Note: The Urban Renewal Agency will meeting in the Council Chamber at 6 P.M. for a public hearing and consideration of the Urban Renewal Agency budget. Normally these meetings are schedule at an early time but the legal notices required for the budget public hearing provided that the public hearings would start at 6 P.M. for both the Urban Renewal Agency and for the City Council. Once the Urban Renewal Agency has acted on the budget, this meeting will be adjourn and the City Council meeting will be called to order shortly after 6 P.M. to handle the budget and other business items.

**AGENDA ITEMS**

**III. Consent Calendar**

The consent calendar consists of items of a repeating or routine nature considered under a single action. The recommended actions on the consent calendar are as follows:

- A. Approve the Minutes from the Urban Renewal Agency Meeting of May 19, 2014. The minutes are included in the agenda packet reports for your review.

**Recommended Action:**

**I recommend the Urban Renewal Agency approve the following motion:**

**I move approval of the consent calendar for the June 16, 2014, Urban Renewal Agency meeting.**

**IV. Public Hearing**

**Agenda Item: IV.A.**

**Public Hearing & Consideration of Resolution No. 3676 - Adopting the Budget and Making Appropriations and Declaring a Tax Increment Financing for the Fiscal Year 2014-15 Budget**

**Background:**

Attached is a memo from Janet Webster, Chair of the City of Newport Urban Renewal Agency Budget Committee, outlining the actions taken by the Budget Committee in regards to the approval of a budget for the fiscal year beginning July 1, 2014 and ending June 30, 2015. The

proposed budget anticipates borrowing \$5,400,000 in the second half of the fiscal year 2014-15 in order to fund a number of major improvements projects within the Urban Renewal District. The bonding will be paid back utilizing tax increment financing from the South Beach Urban Renewal District. The budget includes personnel services costs including 0.25 FTEs for support services. Please note that one correction of the approved budget is recommended by Interim Finance Director Bob Gazewood. This was based on a request by Mr. Gazewood to the Oregon Department of Revenue Local Budget Law Unit for clarification. This change does not increase or decrease the overall approved Budget Committee but moves \$50,000 from debt services to material and services cost centers.

**Recommended Action:**

**I recommend the Chair of the Urban Renewal Agency conduct a public hearing on the approval of a budget for the fiscal year beginning July 1, 2014, and ending June 30, 2015, with the sum total of requirements of \$9,854,440, unappropriated fund balance of reserves of \$2,907,218, and budgeted appropriations of \$6,947,226, and that the agency will approve a request that the maximum amount of revenue that may be raised by dividing the taxes under Section 1c, Article IX of the Oregon Constitution be levied, and that no amount will be raised by the imposition of a special levy.**

**I recommend that the Urban Renewal Agency approve the following motion:**

**I move the adoption of Resolution No. 3676, a resolution adopting the fiscal year 2014-15 budget with total appropriations of \$6,947,226, unappropriated fund balance of reserves of \$2,907,218 for total requirements of \$9,854,440 and authorize maximum amount of revenue that may be raised by dividing the taxes under Section 1c, Article IX of the Oregon Constitution, with no amount to be raised by the imposition of a special levy.**

**Fiscal Effects:**

As outlined in the attached report.

**Alternatives:**

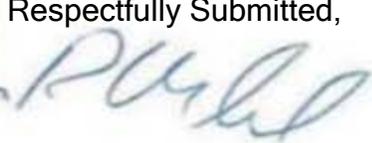
None recommended

**Agenda Packet Reports:**

See Newport Urban Renewal Agency Agenda Item Summary from Interim Finance Director Bob Gazewood, which includes Resolution No. 3676.

This concludes the Executive Director Report and recommendations for the June 16, 2014, City Council meeting.

Respectfully Submitted,



Spencer R. Nebel  
Executive Director



May 19, 2014  
5:15 P.M.  
Newport, Oregon

The Urban Renewal Agency of the City of Newport met on the above date in the Council Chambers of the Newport City Hall. On roll call, Roumagoux, Allen, Beemer, Busby, Sawyer, and Swanson were present. Saelens was excused.

Staff present was City Manager Nebel, City Recorder Hawker, Interim Finance Director Gazewood, and Community Development Director Tokos.

### CONSENT CALENDAR

The consent calendar consisted of the following item:

- A. Approval of minutes from the Urban Renewal Agency meeting of April 21, 2014.

MOTION was made by Roumagoux, seconded by Swanson, to approve the consent calendar as presented. The motion carried unanimously in a voice vote.

### EXECUTIVE DIRECTOR REPORT

**Consideration of Resolution No. 3671 - Adopting a Supplemental Budget, Making Appropriations/Total Requirements, and Changes for Fiscal Year 2013/2014.** Hawker introduced the agenda item. Nebel reported that Interim Finance Director Bob Gazewood is recommending that the Urban Renewal Agency adopt Resolution No. 3671 which will accept two transfers totaling \$450,000 from the city's Capital Projects Fund to refund leftover moneys from the Ash Street Project in the amount of \$150,000 and to return \$300,000 that was transferred to the Capital Outlay Fund in error, in a prior fiscal year. He added that this supplemental budget will provide additional revenue to the NURA fund and since the offset of revenue will be placed in the unappropriated fund balance, no appropriation increase is necessary. He noted that the amount of \$450,000 will increase the total requirements of the NURA fund to \$4,932,991. Nebel added that a similar action is recommended for the City Council regarding the transfer of this funding from the city's current year Capital Outlay budget. He stated that a public hearing is not required for either of these adjustments. He recommended adoption of Resolution No. 3671.

MOTION was made by Sawyer, seconded by Swanson, to adopt Resolution No. 3671 with Attachment "A", a resolution adopting a supplemental budget for fiscal year 2013/2014 and making appropriation increases and changes for the fiscal year 2013/2014. The motion carried unanimously in a voice vote.

**Executive Session Pursuant to ORS 192.660(2)(e) to Discuss Real Property Transactions.** MOTION was made by Sawyer, seconded by Swanson, to enter executive session pursuant to ORS 192.660(2)(e) to discuss real property transactions. The motion carried unanimously in a voice vote. Beemer read the Executive Session Rules of Engagement. The Agency entered executive session at 5:20 P.M.

MOTION was made by Allen, seconded by Swanson, to return to the regular Urban Renewal Agency meeting. The motion carried unanimously in a voice vote, and the Urban Renewal Agency returned to its regular meeting at 5:30 P.M.

### ADJOURNMENT

Having no further business, the meeting adjourned at 5:48 P.M.

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Margaret M. Hawker, City Recorder

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Richard Beemer, Chair



Agenda Item # B  
Meeting Date June 16, 2014

### URBAN RENEWAL AGENDA ITEM SUMMARY

City Of Newport, Oregon

**Issue/Agenda Title:** Public Hearing on, and Consideration of, Resolution No. 3676 Making Appropriations and Declaring a Tax Increment for the Fiscal Year 2014-15 Budget

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Prepared By: Gazewood Dept Head Approval: Gazewood City Manager Approval: \_\_\_\_\_

**Issue Before the Agency:** Consideration of Resolution No. 3676 regarding the possible adoption of the Newport Urban Renewal Agency budget for Fiscal Year 2014-15, and declaring tax increment financing for the ensuing fiscal year.

**Staff Recommendation:** Adopt Resolution No. 3676.

**Proposed Motion:** I move to adopt Resolution No. 3676, a resolution adopting the fiscal year 2014-15 budget, making appropriations and declaring tax increment financing.

**Key Facts and Information Summary:** The Budget Committee approved the NURA budget for Fiscal Year 2014-15 on May 14, 2014. At this time, the NURA budget reflects only activities related to the South Beach Urban Renewal District. The North Side Urban Renewal District was effectively closed in FY 2013-14 and remaining funds were transferred to the General Fund pursuant to resolution of the Agency. Resolution No. 3676 provides for six category of expense appropriation levels totaling \$6,947,226. Non-Appropriated amounts totals \$2,907,218 and includes unappropriated ending fund balance of \$2,121,755 and loan reserves of \$785,463. Total budget requirements for the South Beach Urban Renewal District totals \$9,854,444.

**Other Alternatives Considered:** None

**Fiscal Notes:** The Agency contemplates borrowing \$5,400,000 in Fiscal Year 2014-15 in order to fund a number of major improvement projects. The borrowing will be bonded utilizing tax increment financing for the South Beach Urban Renewal District to repay these bonds. This budget includes personal services costs, including 0.25 FTEs, charged to the District to offset the direct services provided by the City Planning Department for various urban renewal initiatives. This budget departs from the budget approved by the Budget Committee in one aspect. The budget committee budget showed bond service costs as a debt service cost and was approved as such. Bond service costs are a materials & services cost and this budget moves the \$50,000 for that purpose from the debt service category of expense to materials & services category of expense. This issue was presented to the Oregon Department of Revenue, Local Budget Law Unit for clarification. The movement of budgeted expense does not increase the overall approved Budget Committee amount but increases materials & services by \$50,000 and decreases debt service by the same amount.

**NEWPORT URBAN RENEWAL AGENCY  
RESOLUTION NO. 3676**

**A RESOLUTION ADOPTING THE 2014-2015 BUDGET,  
MAKING APPROPRIATIONS AND DECLARING A TAX INCREMENT**

**THE NEWPORT URBAN RENEWAL AGENCY RESOLVES** that the Newport Urban Renewal hereby adopts the budget for the Fiscal Year 2014-2015 in the sum of \$9,854,444, now on file at City Hall.

**THE NEWPORT URBAN RENEWAL AGENCY FURTHER RESOLVES** that the amounts for the fiscal year beginning July 1, 2014, and for the purposes shown below are hereby appropriated as follows:

<b>South Beach Urban Renewal</b>	
Personal Services	62,028
Material & Services	111,717
Capital Outlay	1,525,000
Debt Service	1,215,079
Transfer to Capital Projects	3,193,106
Contingency	<u>840,296</u>
<b>Total Appropriations</b>	<u><u>\$6,947,226</u></u>
UEFB	2,121,755
Loan Reserve	<u>785,463</u>
<b>Total Non-appropriated</b>	<u><u>\$2,907,218</u></u>
<b>Total Requirements:</b>	<u><u>\$9,854,444</u></u>

**THE NEWPORT URBAN RENEWAL AGENCY FURTHER RESOLVES** that the Agency will certify to the County Assessor for the South Beach Urban Renewal District a request for the maximum amount of revenue that may be raised by dividing the taxes under Section 1c, Article IX of the Oregon Constitution, and no amount to be raised by the imposition of a special levy.

Adopted by the Newport Urban Renewal Agency on June 16, 2014.

\_\_\_\_\_  
Richard Beemer, Chairman

Attest:

\_\_\_\_\_  
Margaret M. Hawker, City Recorder





**CITY COUNCIL  
BOARD MEETING AGENDA  
Monday, June 16, 2014 - 6:00 P.M.  
Council Chambers**

The City Council will hold a meeting on Monday, June 16, 2014, at 6:00 P.M., immediately following the Urban Renewal Agency meeting. The City Council meeting will be held in the Council Chambers, City Hall, located at 169 S.W. Coast Highway, Newport, Oregon 97365. A copy of the agenda follows.

The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired, or for other accommodations for persons with disabilities, should be made at least 48 hours in advance of the meeting to Peggy Hawker, City Recorder at 541.574.0613.

The City Council reserves the right to add or delete items as needed, change the order of the agenda, and discuss any other business deemed necessary at the time of the meeting.

*Anyone wishing to speak at a Public Hearing or on an agenda item should complete a Public Comment Form and give it to the City Recorder. Public Comment Forms are located at the entrance to the City Council Chambers. Anyone commenting on a subject not on the agenda will be called upon during the Public Comment section of the agenda. Comments pertaining to specific agenda items will be taken at the time the matter is discussed by the City Council.*

**I. Pledge of Allegiance**

**II. Call to Order and Roll Call**

**III. Public Comment**

*This is an opportunity for members of the audience to bring to the Council's attention any item not listed on the agenda. Comments will be limited to three (3) minutes per person with a maximum of 15 minutes for all items. Speakers may not yield their time to others.*

**IV. Proclamations, Presentations, and Special Recognitions**

*Any formal proclamations or recognitions by the Mayor and Council can be placed in this section. Brief presentations to the City Council of five minutes or less are also included in this part of the agenda.*

- A. Proclamation - Day to Ask June 21, 2014
- B. Proclamation - Sri Chinmoy Oneness-Home Peace Run

C. Swearing in of City of Newport Fire Department Personnel

V. **Consent Calendar**

*The consent calendar consists of items of a repeating or routine nature considered under a single action. Any Councilor may have an item on the consent agenda removed and considered separately on request.*

A. Approval of Minutes from the Executive Session May 19, 2014, Regular City Council Meeting of June 2, 2014 and Special Local Contract Review Board Meeting of June 9, 2014 (Hawker)

B. Mayoral Committee Appointments

1. Confirm the Mayor's Appointment of Ken Brown to the Airport Committee for a Term Expiring 12/31/2016
2. Confirm the Mayor's Appointment of Ralph Grutzmacher to the Airport Committee for the Term of 12/31/2016
3. Confirm the Mayor's Appointment of Lee Hardy to the Planning Commissions for a Term Expiring 12/31/2016

VI. **Public Hearing**

*This is an opportunity for members of the audience to provide testimony/comments on the specific issue being considered by the City Council. Comments will be limited to three (3) minutes per person*

- A. Public Hearing & Possible Approval of Resolution No. 3675 Adopting the Budget and Making Appropriations; and Resolution No. 3683 Imposing and Categorizing Ad Valorem Taxes for the Fiscal Year 2014-2015 City of Newport Budget
- B. Public Hearing & Possible Approval of Resolution No. 3667 City's Election to Receive State Shared Revenues
- C. Public Hearing & Possible Approval of Resolution No. 3672 Adopting a Supplement Budget and Making Appropriations for FY 2013-14 Budget
- D. Public Hearing & Possible Approval of Ordinance No. 2066 Amending the Library Section of the Newport Comprehensive Plan

VII. **Communications**

*Any agenda items requested by Mayor, City Council Members, City Attorney, or any presentations by boards or commissions, other government agencies, and general public will be placed on this part of the agenda.*

- A. From Mayor Roumagoux and Councilor Swanson - Extension of Agreement for City Attorney Services

VIII. **City Manager Report**

*All matters requiring approval of the City Council originating from the City Manager and departments will be included in this section. This section will also include any status reports for the City Council's information.*

- A. Approval of Resolution No. 3673 Providing For Budget Transfers and Making Appropriations for FY 2013-14 Budget

- B. Approval of Resolution No. 3674 Providing for a Budget for Use of Bond Proceeds and Making Appropriations for FY 2013 -14
- C. Approval of Resolution Nos. 3679, 3680, 3681, and 3682 - To Set Rates beginning on July 1, 2014 for Water Utility Charges, Fees, Deposits, Penalties (3679), Wastewater Rates (3680), Infrastructure Improvements Fees (3681), and Stormwater Utility Rates (3682) in Conjunction with the 2014-2015 Fiscal Year Budget
- D. Approval of Resolution No. 3678 Supporting the Transportation Growth Management Grant Application for Local Improvement District Financing Strategies with City Land Use and Transportation Standards
- E. Approval of Resolution No. 3677 - Extending Workers' Compensation Coverage to Volunteers of the City of Newport for FY 2014-2015
- F. Approval of a Request for Funding from Salmon for Oregon for Implementation of Spring Chinook Project for Yaquina Bay
- G. Approval of Intergovernmental Agreement Between the City of Newport and Port of Newport Relating to Yaquina Bay Fruit Processing Facility in South Beach
- H. Approval of Amendments to the City of Newport Council Rules
- I. Status Report on June 30, 2014 Town Hall Meeting
- J. Status Report- Final Report from Fire Chief Phil Paige on Newport Fire Department

**IX. Report from Mayor and Council**

*This section of the agenda is where the Mayor and Council can report any activities or discuss issues of concern.*

**X. Public Comment**

*This is an additional opportunity for members of the audience to provide public comment. Comments will be limited to five (5) minutes per person with a maximum of 15 minutes for all items. Speakers may not yield their time to others.*

**XI. Adjournment**





**CITY MANAGER'S REPORT AND RECOMMENDATIONS  
CITY COUNCIL AGENDA  
Monday, June 16, 2014  
Council Chambers**

*This report is an executive summary of this agenda packet with recommended actions for the City Council. Detailed departmental reports, minutes and other supporting materials are provided within the full agenda packet where referenced.*

Note: A work session has been scheduled for Monday June 16, 2014, at 5:15 in Conference Room A to review various matters relating to the parking district as requested by Councilor Allen. There will also be an Urban Renewal Agency meeting at the beginning of the Council meeting at 6 P.M. for a public hearing and consideration of the Urban Renewal Agency budget. Normally these meetings are scheduled at an earlier time but the legal notices required for the budget hearings provided that the meetings would start at 6 P.M. The Urban Renewal Agency meeting will be at 6 P.M. with the budget hearing action on the budget being completed first. Once this meeting is adjourned the City Council meeting will then be called to order shortly after 6 P.M. to handle the budget and other business items.

**AGENDA ITEMS**

**IV. Proclamations, Presentations, and Special Recognitions**

- A. Mayor Roumagoux will be proclaiming June 11, 2014, as Day to Ask. Receiving the proclamation will be Cynthia Jacobi.
- B. Mayor Roumagoux will be proclaiming, Sri Chinmoy Oneness-Home Peace Run.
- C. Fire Chief Phil Paige will be swearing in City of Newport Fire Department personnel.

**V. Consent Calendar**

The consent calendar consists of items of a repeating or routine nature considered under a single action. The recommended actions on the consent calendar are as follows:

- A. Approve the Minutes from the Executive Session on May 19, 2014, Regular City Council Meeting of June 2, 2014 and Special Local Contract Review Board Meeting of June 9, 2014. The minutes are included in the agenda packet reports for your review.

**B. Mayoral Committee Appointments**

- 1. Appointment to the Airport Committee - Confirmation of the Mayor's appointment of Ken Brown as a resident member to the Airport Committee. Mr. Brown will be filling a vacancy on the Committee, whose term will expire December 31, 2016. A copy of Mr. Brown's application has been included in the agenda packet reports for your review.

2. Appointment to the Airport Committee - Confirmation of the Mayor's appointment of Ralph Grutzmacher as a non-resident member to the Airport Committee. Mr. Grutzmacher will be filling a vacancy on the Committee, whose term will expire December 31, 2016. A copy of Mr. Grutzmacher's application has been included in the agenda packet reports for your review.

Please note that the Airport Committee no longer has a quorum of members due to the Airport Committee being expanded to seven members and with the untimely passing of Airport Committee member Doug Nebert. Since it is customary for the committees to review application prior to the Mayor's decision on making appointments, the application were sent to the Airport Committee members and comments were provided back to the Mayor for the Mayor's consideration. Also, please note that the Airport Committee now allows for two non-resident members. Please note that Thomas Knott is currently one of the non-resident members so there is one open position for a non-residential member and three positions available for residents of Newport.

Also, please note that Councilor Busby has suggested pulling together a regional task force to discuss the role of the airport as a regional facility. This will be discussed at the July 7, 2014, City Council meeting.

3. Appointment to Newport Planning Commission -- Confirmation of the Mayor's appointment of Lee Hardy to the City Newport Planning Commission. Ms. Hardy will be filling a vacancy on the Commission, whose term will expire December 31, 2016. Ms. Hardy was one of the candidates interview for the Planning Commission by the City Council earlier this year. A copy of Ms. Hardy's application has been included in the agenda packet reports for your review.

I recommend that the City Council confirm the Mayor's appointment.

**Recommended Action:**

**I recommend the City Council approve the following motion:**

**I move approval of the consent calendar for the June 16, 2014, City Council meeting.**

**VI. Public Hearing**

**Agenda Item: VI.A**

**Public Hearing & Possible Approval of Resolution No. 3675 Adopting the Budget and Making Appropriations; and Resolution No. 3683 Imposing and Categorizing Ad Valorem Taxes for the Fiscal Year 2014-2015 City of Newport Budget**

**Background:**

Attached is a memo from Janet Webster, Chair of the City of Newport Budget Committee outlining the actions taken by the City of Newport Budget Committee in regarding to

approval of a budget for a fiscal year that will begin July 1, 2014, and end June 30, 2015. Janet Webster will give an overview of the Budget Committee actions prior to the opening of the public hearing and the committee's recommendation to the City Council that the budget be adopted allow with appropriate tax levies for operations and debt service. Following the public hearing the City Council is asked to consider approval of two resolutions to complete the 2014-2015 fiscal year budget process.

Background:

On Wednesday, May 14, 2014, the City of Newport and the Newport Urban Renewal Agency Budget Committee unanimously approved a budget for the fiscal year that will beginning July 1, 2014 and ending June 30, 2015.

Work on the annual budget was initiated in January 2014. Since that time, the Interim Finance Director, department heads, finance department personnel, and other staff have been working on various aspects of the proposed budget for consideration by the Budget Committee. The City Council's first involvement with the budget process was through a goal setting session that was held on February 24, 2014. During this session, the City Council heard presentations from each of the department heads; reviewed various upcoming issues; and identified those items of importance to be considered at budget time. In addition to the departmental goals, the Council prioritized goals for the 2014/2015 fiscal year which were adopted following review by the Budget committee and a public hearing.

The budget continues to levy the tax rate of \$5.5938 per \$1000 of assessed evaluation for the city operational purposes. In addition, the budget levies an amount to cover the 2014-15 General Obligation Debt requirements for the City of \$2,376,705 for the Wastewater refunding issue, Water Treatment Plant issue, and the Swimming Pool issue.

The City of Newport had previously adopted a schedule for various infrastructure rates that would have resulted in a 10% rate increase for water, a 15% rate increase for sewer, with 5% increases in storm water and infrastructure fees. Based on Council action incorporated as part of the 2014/2015 goals for the City of Newport, the Council directed staff to develop a budget that would utilize revenue bonds instead of a "pay-as-you-go" method for financing infrastructure.

In accordance with this plan, the proposed utility rate increase for the 2014/2015 fiscal year have been reduced to a 5% increase in water rates, 4% increase in wastewater, 5% increase in storm water rates, and a 5% increase in the infrastructure fee for the next fiscal year. This will generate funding to support bonding for \$4.5 million in both water and sewer projects over the next three years in order to continue meeting the critical need to rebuild the city's infrastructure in order to serve the residents of Newport today and well into the future.

The budget provides a continuation of existing types of expenditures for the fiscal year beginning July 1, 2014 and ending June 30, 2015. Please note, however that the city has been experiencing a structural budget deficit (meaning spending is exceeding available revenues on an ongoing basis). The structural deficit is not currently posing a financial emergency that the city needs to be addressed immediately; however not developing a

strategic plan to address this issue during this next year for future fiscal years would be problematic for the city. This next fiscal year, City Council, and staff will need to make important decisions as to how to eliminate this structural deficit review current appropriation levels for various operations and secure sufficient resources for operations and reinvestment in existing infrastructure throughout the city.

The approved budget provides for a 2% cost of living increase in the salary schedule for non-union employees and provides similar adjustments to represented employees as negotiated. Please note as a disclosure, that this will impact my salary as well. My employment agreement provides that I will receive an annual cost of living salary adjustment on the same terms as other management employees of the City starting in 2014.

The budget continues providing for a substantial reinvestment in the city's water and sewer infrastructure during the course of the fiscal year. This will be funded in part through revenue bonds and State Revolving Fund financing with the future debt repayment coming from water and sewer rates. This budget represents an important continuation for focusing on rebuilding the City of Newport's ageing infrastructure system.

The City of Newport/Newport Urban Renewal Agency Budget Committee met on April 30, 2014 to conduct page by page review of the budget. Budget Committee members were ask to identify issues were members had question or concerns. These issues were not debated at the time but were listed with a report coming back from the city administration to the Budget Committee for review at the May 7 meeting. On May 7, the Budget Committee reviewed report on 64 items that had been place on the list for additional consideration. At this meeting, Budget Committee members could propose changes that would be voted on by the Committee to develop the budget for approval by the committee.

As a result, several changes were made to the proposed budget for the 2014-15 fiscal year, including a deletion of \$5,000 from the City Council department for election services, a deletion of funding for conducting a Parks Master Plan study in 2014-15 which impacted the General Fund, the SDC Fund, the Parks and Recreation Fund, and the Room Tax Fund. In addition, the Budget Committee made several corrections to the budget including the addition of parks revenue in the SDC account, adjusted the allocation of services provided by the General Fund to the three parking districts (Nye Beach, City Center, and Bayfront), increased expenditures in Water Fund for the purchase of replacement carbon filter materials for the water filtration plant, increased expenses to the Willamette Valley Communication Center for dispatching to reflect actual proposed charges for the next fiscal year, and corrected an error for parks and maintenance temporary services in the General Fund.

Furthermore, at the May 14 Budget Committee meeting, \$20,000 was restored to the Community Development Budget for professional services since the requested senior planner position was not filled as part of the proposed budget. In addition, the Budget Committee requested that the city administration review the unappropriated ending fund balance in the General Obligation Debt Bond Fund to determine whether the fund balance was exceeding the debt service requirements for this fund. It was determined that the

unappropriated ending fund balance does exceed the debt service requirements. The Budget Committee opted to reduce the amount that will need to be covered by millages for these debts from the proposed amount of \$2,416,000 to an amount of \$2,210,336 an amount based on 93% tax collection rates which would result in a reduction from the proposed debt levy of approximately \$.20 per thousand valuation. Please note that for the water and wastewater bond issues, the amount will be reduced through the life of these bonds by reallocating the surplus funds in the General Obligation Bond Debt Fund over the life of those two bonds.

On May 14, the Budget Committee unanimously adopted a budget for the City of Newport with the modifications outlined in above. The Budget Committee unanimously approved the various tax rates for the City as outlined in this report. Please note that the Budget Committee motion to approve Total Requirements of \$65,206,715 inadvertently did not reflect the reduced debt requirements as approved by the committee. The debt millage was reduced by \$205,664 making the total requirements \$65,001,051 with the unappropriated fund balance being \$4,771,806 and the budget levels for appropriation purposes of \$60,229,245. This correction can be made with the adoption of the City Council budget

Please note that Councilor Swanson has inquired as to how the approved budget could be modified by the City Council as it relates to the request for a half-time Emergency Management position for the city. Please note that the Budget Committee did review this issue and voted not to recommend modification of the City Manager recommended budget in regarding to establishing funding for this position. Also, please note that in the Budget Committee materials that were provided, the second page of the report submitted by Fire Chief Phil Paige was not copied as part of the packet which discussed Fire accreditation being a goal of the City Council. However, in the budget message my recommendation reflected that the recommended budget was not to take any specific steps towards accreditation at this time. This is an issue that should be discussed throughout this next year as part of a plan for implementation in the future. One further note, as city staff we have been meeting regularly to address emergency management issue within the City of Newport. I believe it is important for us to continue these discussion during this next fiscal year. I believe that at the end of this fiscal year we will have better information in which to determine whether or not it is necessary to add a specific position for emergency management within the city. It is my recommendation that this is premature as part of this fiscal year based on the other needs that have been funded or not funded as part of this budget.

**Recommended Action:**

**I recommend the Mayor conduct a public hearing on the approval of a budget for the fiscal year beginning July 1, 2014 and ending June 30, 2015 with a sum total of requirements of \$65,001,051, unappropriated fund balances of reserves of \$4,771,806 and budget levels for appropriation purposes of \$60,229,245; and to continue the City's property tax rate for the 2014-15 fiscal year of \$5.5938 per thousand dollars of assessed evaluation plus an amount of \$2,376,705 in the Debt Fund to cover the General Obligation Bonds consisting of \$921,221 in wastewater bonded debt, \$906,271 in water treatment bonded debt and \$549,213 in swimming pool bonded debt for the 2014-15 fiscal year.**

I recommend the City Council approve the following motions:

I move that the City Council approve Resolution No. 3675 adopting a budget for the fiscal year beginning July 1, 2014 and ending June 30, 2015 with a sum total of requirements of \$65,001,051, unappropriated fund balances of reserves of \$4,771,806 and budget levels for appropriation purposes of \$60,229,245 in accordance with the budget approved by the Budget Committee as corrected for the 2014-15 fiscal year.

I move that the City Council approve Resolution No. 3683 establishing taxes for the fiscal year beginning July 1, 2014 and ending June 30, 2015 at a rate of \$5.5938 per thousand dollars of assessed valuation, plus an amount of \$2,376,705 for the Debt Fund in accordance with the following individual General Obligation Bonds: wastewater bonded debt payments of \$921,221, water treatment bonded debt payments of \$906,271 and swimming pool bonded debt payments of \$549,213.

Fiscal Effects:

The 2014-15 budget identifies the various revenues and formally appropriates funds for expenditures on various items that are anticipated in the 2014-15 fiscal year in accordance with the approved budget and tax rates.

Alternatives:

The City Council could amend the approved budget or take other activities as suggested by the City Council.

Agenda Packet Reports:

Communication from Janet Webster Chair of the Budget Committee, Agenda Item Summary dated June 16, 2014 which contains Resolution No. 3675 and Resolution No. 3683, and report from Fire Chief Paige for the May 7 Budget Committee packet.

Agenda Item: VI.B

**Public Hearing & Possible Approval of Resolution No. 3667 City's Election to Receive State Shared Revenues**

Background:

The State of Oregon's Revenue Sharing law ORS 221.770, requires cities to pass an ordinance or resolution each year stating that they want to receive State Revenue Sharing money. A resolution must be filed with the State of Oregon before July 31 in order to be eligible for these funds. Two public hearings are required with the first one being held before the Budget Committee which was done on April 30, 2014. The June 16, 2014, public hearing will be the second required hearing. General Shared Revenues, liquor taxes, and cigarette taxes are proposed for general operation purposes within the general fund. Highway gas taxes are proposed for operational purposes within the street funds and sidewalk and bicycle improvements in the capital projects fund in the 2014-15 fiscal year budget.

Recommended Action:

I recommend the Mayor conduct a public hearing on the utilization of general shared revenues, liquor taxes and cigarette taxes from that State of Oregon to be used for general operating purposes within the general fund, and that highway gas taxes are proposed for operational purposes within the street fund and sidewalk and bicycle improvements in the capital projects fund.

I recommend the City Council approve the following motion:

I move that the adoption of Resolution No. 3667 declaring the City of Newport's election to receive State Shared Revenues for the purpose of general operating purposes in the general fund for state revenue sharing, liquor taxes, and cigarette taxes, with the highway gas taxes proposed for operational purposes within the street fund and sidewalk and bicycle improvements in the capital projects fund.

Fiscal Effects:

These funds amount to \$115,000 in General Shared Revenue, \$144,780 in Liquor tax, \$12,700 in Cigarette Tax and \$581,457 in Highway Gas Tax.

Alternatives:

None recommended.

Agenda Packet Reports

See Agenda Item Summary date June 16, 2014, from Bob Gazewood which contains Resolution No. 3667

Agenda Item: VI.C

**Public Hearing & Possible Approval of Resolution No. 3672 Adopting a Supplement Budget and Making Appropriations for FY 2013-14 Budget**

Background:

ORS 294.473 requires a supplemental budget with a public hearing when the estimated expenditures differ by more than 10% from the expenditures from the most recent amended budget or the supplemental budget will create a new fund or a new appropriation category. There are three activities that met the requirement of holding a public hearing in order to adjust the appropriations prior to closing the current fiscal year. The first is creating a new appropriation category in the SDC Fund for the street SDC activity. In this case we are anticipating expenditure of approximately \$50,000 for the 6<sup>th</sup> Street right-of-way acquisition costs. This item will come to a future Council meeting for action once an agreement has been reached with the appropriate property owners. The second issue relates to the transfer of airport construction costs from the Airport Operating budget to the Capital Projects Fund. This will allow those expenses for the runway and related project to be separated from the operational expenses of the Airport. This has been problematic in separating project revenues and expenses from operational revenue and expenses, particularly at budget time. We have done this consistently with water and sewer funds by creating a separate Capital Project Cost Center in one of the two capital outlay funds for those types of projects. The amendment will set-up a new category of expenses (materials and services in the Capital Project Fund) and provide appropriation authority to spend

those funds. This will establish an appropriation for the Airport general construction project in the Capital Project Fund in the amount of \$8,233,567 with the offsetting revenues also being transferred in. Finally, the Airport Fund will see a reduction in the same amount of \$8,233,567 in revenues and expenses with these funds being transfer to the Capital Projects Fund. While all of these funds will not be spent during this current fiscal year, we will be appropriating the remaining balance of the unused capital outlay funds during the next fiscal year. This is consistent with our assumptions for all capital outlay projects that they be completed during the fiscal year ending June 30, 2014. Any budgeted funds unspent carried over by a budget amendment to complete the project in the 2014-15 fiscal year. This enabled us to avoid a scenario of overestimating reserves based on unspent capital outlay funds by assuming that all would be spent within the current fiscal year. This will also create a clean beginning for amending next year's budget with the remaining funds be appropriated in a budget amendment in the next fiscal year.

**Recommended Action:**

I recommend the Mayor conduct a public hearing on resolution No. 3672 which adopts a supplemental budget for the 2013-14 fiscal year, by appropriating \$50,000 from the SDC streets project for roadway acquisition, transfers \$8,233,567 to a Capital Projects Fund for airport construction activities including the associated revenues, and reduces the appropriation and revenues for the Airport Fund by the same amount of \$8,233,567 reflecting the move of capital projects funds from the Airport Operating Fund.

I recommend the City Council approve the following motion:

I move that the City Council adopt Resolution No. 3672 with attachment A, which adopts a supplemental budget for the fiscal year 2013-14 and makes appropriation and revenue changes for the fiscal year 2013-14.

**Fiscal Effects:**

As outlined in the attached report.

**Alternatives:**

None recommended.

**Agenda Packet Reports**

See Agenda Item Summary dated June 16, 2014, from Bob Gazewood Interim Finance Director, which contains Resolution No. 3672

**Agenda Item: VI.D**

**Public Hearing & Possible Approval of Ordinance No. 2066 Amending the Library Section of the Newport Comprehensive Plan**

**Background:**

On May 27, 2014, the Planning Commission held a public hearing on proposed modification of the Library Services section of the Public, Cultural and Educational Services element of the Newport Comprehensive Plan to identify the City's role implementing the goals, objectives and strategies outline in a March 2014, strategic plan

prepared on behalf of the Library Board of Trustees and Newport Library Foundation. Over 75 citizens were involved in the development of this new strategic plan that covers the next ten years of the operation of the Library. The updated provisions provide a service goal that the Library should be a place that stimulates the imagination, invites and enables life-long learning, and creates young readers, four policy issues are part of the meeting of this services goal. In addition the updated plan identifies an organizational goal that the Library facility is a gathering place for individuals and groups with two specific policy statements as part of that goal. The last update of this section of the plan was done on October 7, 1991.

**Recommended Action:**

I recommend the Mayor conduct a public hearing on the possible approval of Ordinance No. 2066 amending the Library Services section of the Newport Comprehensive Plan by identifying a service goal that the Library be a place that stimulates the imagination, invites and enables life-long learning, and creates young reads, and an organizational goal that the Library facility is a gathering place for individuals and groups including incorporating of the associated policies as outlined in exhibit A of Ordinance No. 2066.

I further recommend the City Council approve the following motion:

I move that the City Council adopt Resolution No. 2066, an ordinance amending the Public, Cultural and Educational Services element of the City of Newport Comprehensive Plan replacing the Library Services section be read by title only and place for final passage.

*The Mayor when then ask for a voice vote on whether to read the ordinance by title only and place for final passage.*

*If approved the City Recorder will read the title ordinance.*

*A roll call vote on the final passage of the ordinance will then be requested by the Mayor and taken by the City Recorder.*

**Fiscal Effects:**

None by approving the ordinance.

**Alternatives:**

None recommended.

**Agenda Packet Reports**

See Agenda Item Summary dated June 16, 2014 from Derrick Tokos on adoption of Ordinance No. 2066 which contains the proposed ordinance and the Library Services section that will be placed in the Newport Comprehensive Plan if approved by the Council.

**VII. Communications**

**Agenda Item: V.A.**

## **Communication from Mayor Roumagoux and Councilor Swanson - Regarding an Extension of the Agreement for City Attorney Services**

### Background:

At the June 2, 2014, City Council meeting, the city council designated Mayor Roumagoux and Councilor Swanson to meet with City Attorney Rob Connell to review the agreement for the City Attorney which expires on June 30, 2014. Mayor Roumagoux and Councilor Swanson are recommending that the contract be extended while they continue their negotiations with Rob Connell since this is the last City Council meeting prior to the termination of this agreement. It is my understanding that the parties plan to have a revised agreement for the Council's consideration at the July 7, 2014, City Council meeting.

### Recommended Action:

Mayor Roumagoux and Councilor Swanson recommend the City Council approve the following motion:

I move that the City Council approve an amendment to the agreement with Robert W. Connell, Attorney at Law for City Attorney Services which deletes the expiration clause of the contract, and replaces it with language allowing the agreement to continue unless terminated as set forth in the agreement and allowing the contract to be amended or replaced by subsequent agreement as the parties may determine from time to time.

### Fiscal Effects:

Approval of the agreement will keep an agreement in place while the final agreement is negotiated.

### Alternatives:

None recommended.

### Agenda Packet Reports:

Included is the amendment to the agreement with Robert W. Connell, Attorney at Law as well as the agreement that the Council entered into with Rob Connell on October 15, 2013.

## **VIII. City Manager's Report**

### Agenda Item: VIII.A

**Approval of Resolution No. 3673 Providing For Budget Transfers and Making Appropriations for FY 2013-14 Budget**

### Background:

As we are approaching the end of the 2013-14 fiscal year there are a number of appropriation that need to be made prior to the end of the fiscal year. These changes are being made in order to address possible shortfalls in various appropriation categories. Please note that many of these changes will be off set with other spending categories ending up under budget. These adjustments will ensure that sufficient appropriations will cover the anticipated expenses until the end of the year. A more detailed report is provided

by Interim Finance Director, Bob Gazewood. In most cases the appropriations are being taken from budget contingency funds for this purpose. Since these modifications fall below the threshold requirements are modest, a public hearing is not required.

**Recommended Action:**

**I recommend that the Council approve the following motion:**

**I move that the City of Newport adopt Resolution 3673, which provides for budget transfers and making appropriation changes for the 2013-14 fiscal year.**

**Fiscal Effects:**

Outline in the attached report from Interim Finance Director. Bob Gazewood. Please note that in many other line items there will be reductions on June 30 offsetting a number of those areas that are projected to exceed appropriations for the current fiscal year.

**Alternatives:**

None Recommended

**Agenda Packet Reports**

See attached Agenda Item Summary from Bob Gazewood which contains Resolution No. 3673 outlining the budget transfers and appropriation changes for the fiscal year 2013-14.

**Agenda Item: VIII.B.**

**Approval of Resolution No. 3674 Providing for a Budget for Use of Bond Proceeds and Making Appropriations for FY 2013 -14.**

**Background:**

As you are aware the City Council approved a contract for Architectural Services for design of the Newport Aquatic Center on June 9, 2014. Prior to this the City sold \$7.9 million in General Obligation Bonds as authorized by the voters on November 5, 2013. It is necessary that the City commit 5% of the bond proceeds by the end of this month to meet bond requirements. With the Architectural Contract that has been previously approved by the City Council and with this appropriation, the City will meet that requirement. Interim Finance Director Bob Gazewood is recommending that we appropriate at this time \$97,388 in materials and services and \$886,330 in Capital Outlay Projects which equates to the professional services expenses for the design of the pool facility.

**Recommended Action:**

**I recommend that the Council approve the following motion:**

**I move that the City Council adopt Resolution No. 3674 to adopt a budget for the use of bond proceeds for the fiscal year ending June 30, 2014, and make the appropriation as outlined in this resolution.**

**Fiscal Effects:**

As outlined in the attached report.

Alternatives:

None recommended.

Agenda Packet Reports:

See attached Agenda Item Summary from Bob Gazewood which contains Resolution No. 3674.

Agenda Item: VIII.C.

**Approval of Resolution Nos. 3679, 3680, 3681, and 3682 - To Set Rates beginning on July 1, 2014 for Water Utility Charges, Fees, Deposits, Penalties (3679), Wastewater Rates (3680), Infrastructure Improvements Fees (3681), and Stormwater Utility Rates (3682) in Conjunction with the 2014-2015 Fiscal Year Budget**

Background:

As part of the development of the budget for the fiscal year beginning July 1, 2014. The utility rate increases have been modified from the original schedule adopted by the City Council which would have resulted in a 10% increase in water rates and 15% increase in sewer rates with a 5% increases in stormwater and infrastructure fees beginning July 1 of this year. Based on Council actions incorporated as part of the 2014-15 Goals for the City of Newport, Council directed staff to develop a budget that would utilize revenue bonds instead of a "pay-as-you-go" method for financing infrastructure. As a result the utility increases for the 2014-15 fiscal year have been reduced to a 5% increase in water revenue, a 4% increase in wastewater revenue, 5% increase in the stormwater fee, and 5% increase in the infrastructure fee for the next fiscal year. As a result the proposed resolutions have adjusted rates accordingly to generate revenue in accordance with the revised infrastructure financing plan.

Resolution No. 3679 sets rates for water utility charges, fees, deposits, and penalties and repeals Resolution No. 3628. Overall the rates are adjusted by approximately 5% rounded to the nearest nickel.

Resolution No. 3680 will set wastewater utility rates and repeal the previous Resolution No. 3627. In addition to raising rates to generate approximately 4% increase in revenue, the resolution modifies the provisions for extra strength charge from a \$1.20 per 1000 gallons applied to commercial properties users with the biochemical oxygen demand and suspended solid strengths of wastewater is greater than 600 milligrams per liter, to an extra strength charge of \$.25 per pound of biochemical oxygen demand applied to commercial property users when the biochemical oxygen demand exceeds 300 parts per million. In addition, the rate for disposal of septage at the city's wastewater treatment plant is establish at \$.35 per gallon and a price of \$1.45 established for the purchase of sludge manufactured at the City's wastewater treatment plant.

Resolution No. 3681 sets the infrastructure improvement fees to generate an approximate increase in revenues of 5% in accordance with the City's Infrastructure Replacement Plan. These fees are based on a monthly rate which increases with the size of the water meter for that costumer. This resolution repeals Resolution No. 3630.

Resolution No. 3682 sets stormwater utility fees for the 2014-15 fiscal year and repeals Resolution No. 3629. Fees are being increased to generate an additional 5% of revenue for the coming year.

**Recommended Action:**

I recommend that the Council approve the following motions:

I move the adoption of Resolution No. 3679 which establishes rates for water utility charges, fees, deposits, and penalties effective July 1, 2014, and repeals Resolution No. 3628.

I move the adoption of Resolution No. 3680 which sets wastewater utility rates, modifies the methodology for calculating the extra strength charge for commercial properties that generate a biochemical demand that exceeding 300 parts per million, and repeals Resolution No. 3627.

I move the adoption of Resolution No. 3681 which sets utility infrastructure improvement fees effective July 1, 2014, and repeals Resolution No. 3630.

I move the adoption of Resolution No. 3682 which sets stormwater utility fees effective July 1, 2014, and repeals Resolution No. 3629.

**Fiscal Effects:**

The fee structure will generate sufficient revenues to generate a 5% increase for the water utility, a 4% increase for the wastewater utility, and a 5% increase to fund stormwater, and infrastructure in the City of Newport beginning July 1, 2014, in accordance with the budget adopted by the City Council.

**Alternatives:**

None recommended.

**Agenda Packet Reports:**

Resolution No. 3679, 3680 3681, and 3682.

**Agenda Item: VIII.D.**

**Approval of Resolution No. 3678 Supporting the Transportation Growth Management Grant Application for Local Improvement District Financing Strategies with City Land Use and Transportation Standards**

**Background:**

The City of Newport has been discussing the appropriate use of Local Improvement Districts (LID) for funding various infrastructure needs within the city. The Oregon Department of Transportation and Department of Land Conservation and Development jointly administer a grant program to help jurisdictions prepare plans to respond to pressing transportation, land use, and growth management issues. City staff have submitted a pre-application proposal to address strategies to finance various infrastructure issues such as

local streets, sidewalks, and pathway projects to complete these networks throughout the city.

Specifically this project would provide local policy as to how the City can best and fairly utilize LIDs as a financing tool for funding planned transportation improvements, preparing recommended code changes to ensure the City's LID financing strategies are properly integrated with the land use and transportation standards it uses to evaluate new development, and developing a framework for cost effective administration of an LID program. Additionally, the funding would be used to effectively engage local stakeholders in focus groups on the proper use of LIDs and to create informational materials to educate the public on the public on the benefits, costs, and mechanics of forming an LID.

A resolution of support is required from the City Council and must be submitted no later than June 27, 2014.

The utilization of LIDs could be an important tool for financing many of the infrastructure projects where financing is currently unavailable. Having a comprehensive strategy that has been vetted with the public would be critical in utilizing this type of tool for financing local improvements throughout the City of Newport.

**Recommended Action:**

**I recommend that the Council approve the following motion:**

**I move the City Council adopt Resolution No. 3678, a resolution in support of a Transportation Growth Management Grant application for updating the City's Local Improvement District ordinance and integrating that ordinance with the City's land use and transportation standards to make it a more effective tool for financing needed infrastructure improvements.**

**Fiscal Effects:**

The estimated budget for the project is \$80,000 with the City's share being \$15,000. The city currently has match funds budgeted in the current year for the project. If funded these funds would need to be re-appropriated in the 2014-15 fiscal year.

**Alternatives:**

None recommended

**Agenda Packet Reports:**

Enclosed is an Agenda Item Summary from Derrick Tokos which includes Resolution No. 3678.

**Agenda Item: VIII.E**

**Approval of Resolution No. 3677 - Extending Workers' Compensation Coverage to Volunteers of the City of Newport for FY 2014-2015**

Background:

Annually the City is required to approve a resolution to extend Workers' Compensation Coverage to volunteer's workers for the City of Newport. Resolution No. 3677 affirms the City's desire to continue providing this coverage to the City's volunteers for the fiscal year beginning July 1, 2014 and ending June 30, 2015.

Recommended Action:

**I recommend that the City Council approve the following motion:**

**I move the adoption of Resolution No. 3677 which extends the City of Newport workers' compensation coverage to volunteers of the City of Newport for the fiscal year 2014-15.**

Fiscal Effects:

The volunteers are calculated into our annual workers' compensation rates.

Alternatives:

None Recommended

Agenda Packet Reports

See attached Agenda Item Summary from Linda Brown which contains Resolution No. 3677.

Agenda Item: VIII.F

**Approval of a Request for Funding from Salmon for Oregon for Implementation of Spring Chinook Fishery Project for Yaquina Bay**

Background:

Earlier this year the City Council heard a report from James Wright regarding the efforts of Salmon for Oregon to develop a spring Chinook run for Yaquina Bay. On Friday June 6, 2014, the Oregon Fish Commission approved the ODFW Coastal Management Plan which includes the Spring Chinook Project for Yaquina Bay.

The effort of Salmon for Oregon is now shifting towards the set-up of long-term and sustainable infrastructure and management and education of this issue. Jim Wright is requesting on behalf of Salmon for Oregon that the City financially participates in this next phase of this effort. The city's funding would pay for expenses relating to travel and the creation of infrastructure involving, construction of pens, and establishing formally volunteer organization that will manage this effort. The establishment of a Spring Chinook season will have significant benefits in attracting sports fisherman to Newport during a slower tourism time period. If this program is successful it will certainly generate additional activity both from a tourism standpoint and a local sports fishery standpoint. Following the presentation earlier this year the Council expressed its support for this program, I would recommend the Council consider funding this request from appropriated room tax revenues that will be unexpended at the end of this fiscal year.

I have also encourage Salmon for Oregon to make application to the city's Tourism Facilities grant program that has a deadline for applications of June 30, 2014 for possible funding for hard cost such as the rearing cages that would be utilized in this project.

**Recommended Action:**

**I recommend that the City Council approve the following motion:**

**I move that the City Council authorize payment of \$5000 to Salmon for Oregon to assist in cost related to the implementation of a Spring Chinook Project for Yaquina Bay with the funds coming from the Room Tax Fund.**

**Fiscal Effects:**

There are a number of line items with sufficient funding in Room Tax that will be unexpended by June 30, 2014. This contribution can be made without any additional appropriations of funding should the Council authorize this expenditure.

**Alternatives:**

Do not authorize funding at this time or as suggested by the City Council.

**Agenda Packet Reports**

Communication from James Wright from Salmon for Oregon along with background information regarding the Salmon for Oregon organization.

**Agenda Item: VIII.G**

**Approval of an Intergovernmental Agreement Between the City of Newport and Port of Newport Relating to Yaquina Bay Fruit Processing Facility in South Beach**

**Background:**

Yaquina Bay Fruit Processing operates a maraschino cherry manufacturing facility on land leased from the Port. The property is zoned "Water-Dependent" which requires a connection with water (transportation, recreation, energy production, or water supply, etc.) for a use to conform to this zoning. The Yaquina Bay Fruit Processors facility received a conditional use permit as a water dependent use because it relied upon a salt water intake and discharge structure for cherry processing.

This process has changed so that salt water intake or discharge is no longer part of this facility. The Port has been working with the Yaquina Bay Fruit Processors and the City in order to address the zoning issues related to this use on Port property. Yaquina Bay Fruit Processors has also indicated a desire to add retail tourist oriented elements to its business which could be an acceptable conditional use. The other factor related to this lease is that it is set to expire on April 1, 2015, which does not leave Yaquina Bay Fruit Processing with enough time to redesign the operations in a manner that confirms to city zoning standards. The Port of Newport has suggested extending the lease by one year in order to allow the Port to bring the property into compliance during the term of the extension. While this agreement is a little bit unusual, I believe it is a worthwhile effort I order to give the fruit processor the necessary time to redesign their facility to include a tourist commercial element which would make this use eligible for a conditional use permit

on this property. The Port has requested assurances through the city through this intergovernmental agreement that the additional time will be acceptable resulting in this agreement.

**Recommended Action:**

**I recommend that the City Council approve the following motion:**

**I move that the City of Newport enter into intergovernmental agreement with the Port of Newport relating to the Yaquina Bay Fruit Processing facility's compliance with city zoning standards, which will allow the Port to address non-compliance issues through March 31, 2016.**

**Fiscal Effects:**

None directly by providing this extension in time for compliance.

**Alternatives:**

Do not grant extension or as suggest by City Council.

**Agenda Packet Reports**

Attached is an Agenda Item Summary from Derrick Tokos which includes the intergovernmental agreement between the City of Newport and the Port of Newport relating to Yaquina Bay Fruit Processing facility compliance with city zoning standards.

**Agenda Item: VIII.H**

**Approval of Amendments to the City of Newport Council Rules**

**Background:**

At the June 2, 2014, City Council meeting, the Council reviewed the interim operating procedures that have been utilized since February to provide guidance on the development of the agenda and operating procedures for the City Council. The interim operating procedures were adopted at the January 21, 2014, Council meeting. On May 5, 2014, the City Council also established interim rules for the use of work sessions. It was a general consensus at the June 2, 2014, City Council meeting that the council rules are working effectively and should be incorporated formally into the City of Newport Council Rules as amended April 15, 2013. A copy of the proposed changes to the Council Rules has been provided in your packet showing the additions and deletions. In addition we have combined the various sections relating to board, commission and committees into one area of this document for easier reading. We have also taken a stab at language regarding the establishment of boards, committees, commissions, work groups, task forces, and subgroups. Please review this language which is new and attempts to address the point in which meetings need to be properly notice pursuant to the Oregon Public Meetings law. The proposed rules indicate that this is necessary for all meetings except work group and subgroups with no more than two councilors. Finally, the question has arose from time to time as to what residency requirements are necessary to service on boards and committees. We have developed language in an attempt to address this definition that states unless otherwise specified by City Charter or State Statute a residency requirement for an advisory board shall be met by property ownership and/or residence within the City

of Newport. Again this is new language that was not part of the original rules that should be reviewed by Council before taking action on this set of rules.

As part of these interim procedures, changes made to the operations of City Council meetings were to be reviewed by the City Council at the June 2, 2014, City Council meeting. Overall the interim rules established new deadlines for publishing of the council agenda, allow members of the City Council, City Attorney, boards and committees, or any citizen to request items be placed on the agenda, and allowed for any presentations by the public to be placed on the agenda with a ten minute time limit. The rules changes provided that certain items should be place on the consent calendar where they can be voted on through one motion or by separate motion at the request of any member of the City Council. The rule provide that during periods of public comment the public be allowed to speak in any scheduled agenda item during any public comment or hearing time as prescribed by the policy. It also provide that the public should have the right to speak without interruption by the Council or staff with any questions being answered or asked by the City Council or staff members following the conclusion of their comments.

The revised rules provided that business items not listed on the agenda could only be considered at the meeting after an affirmative vote of 75% of those voting when a quorum of the City Council is present, with the suggestion that these added items should truly be the exception rather than the rule. Finally, the interim rules provided for modification in the order of business for issues before the City Council placing proclamations, presentations and special recognitions, public comment, public hearings, and communications ahead of other business considered by the City Council.

From an administrative standpoint, I believe these interim rules have work reasonably well.

**Recommended Action:**

**I recommend that the City Council approve the following motion:**

**I move that the City Council approve the revised City of Newport Council Rules as presented.**

**Fiscal Effects:**

None by approving the rules.

**Alternatives:**

Approve the rules as presented except the language relating to work groups and subgroups and the definition of a resident for purposes of serving on an adversary committee, or as suggested by City Council.

**Agenda Packet Reports**

The revised City of Newport Council Rules with additions and deletions is attached for your review.

**Agenda Item: VIII.I**

**Status Report on June 30, 2014 Town Hall Meeting**

Background:

On June 30, 2014, at 6 P.M. at the Oregon Coast Community College Community Room a Town Hall meeting has been scheduled that will focus on the various development issues occurring in South Beach. We have invited OMSI, OSU, Oregon Coast Community College, Rogue Brewery and others to give an overview of issue that their organizations are facing in the future. Furthermore, we will review a number of the infrastructure changes that are proposed for the 101/ South Beach area as part of the Urban Renewal Agency redevelopment efforts. We will be sending notices of this meeting to property owners in South Beach and encouraging them to participate in this meeting.

I truly believe that South Beach is part of the City of Newport that will see significant transformation during the next few years. It is an exciting time and we encourage the public to participate in this information session.

Recommended Action:

None

Fiscal Effects:

None

Alternatives:

None Recommended

Agenda Packet Reports

None

Agenda Item: VIII.J

**Status Report- Final Report from Fire Chief Phil Paige on Newport Fire Department**

Background:

Chief Phil Paige will be completing his employment with the City of Newport on Friday June 21, 2014. Chief Paige has been a transformative player in regards to the Newport Fire Department. On behalf of the City Administration our best wishes to Phil and his wife Kelly as Phil enters a new phase of his life.

Recommended Action:

None

Fiscal Effects:

None

Alternatives:

None Recommended

Agenda Packet Reports

None

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This concludes the City Manager's report and recommendations for the June 16, 2014, City Council meeting.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "S. Nebel", is written over the text "Respectfully Submitted,".

Spencer R. Nebel  
City Manager



PROCLAMATION  
JUNE 21, 2014 AS DAY TO ASK  
IN THE CITY OF NEWPORT, OREGON

WHEREAS, the epidemic of gun violence is plaguing our nation's children and claiming eight lives a day; and

WHEREAS, over one-third of American homes with children have guns, many kept unlocked and loaded, and children in the United States are more likely to die of gun violence than from all natural causes combined; and

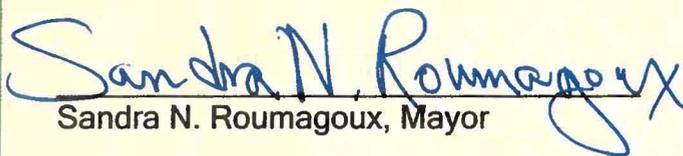
WHEREAS, according to estimates provided by the Oregon Public Health Division's CD Summary (July 15, 2013), in 2002, about 40% of the households in Oregon had firearms; approximately 58,000 children live in households with loaded firearms, 26,000 of them in households where the loaded firearms were unlocked; and

WHEREAS, the ASK (Asking Saves Kids) Campaign urges parents to ASK their neighbors if there is an unlocked gun in their home before sending a child over to play; and

WHEREAS, through a national public health campaign, the hope is that ASKING will become part of good parenting vernacular; offering a real solution that all American can adopt to help protect our families and children and that works immediately to save lives; and

WHEREAS, the power of the ASK Campaign is that it involves all Americans concerned with the welfare of children, including gun owners, and makes the solution to gun violence a discussion about public safety and good parenting.

NOW, THEREFORE, I, Sandra N. Roumagoux, Mayor of the City of Newport, Oregon, do hereby proclaim June 21, 2014, as Newport's Day to ASK.

  
Sandra N. Roumagoux, Mayor





**PROCLAMATION  
RECOGNIZING THE SRI CHINMOY ONENESS - HOME PEACE RUN**

WHEREAS, from time immemorial, humanity has longed for peace and harmony among its diverse countries, cultures, and creeds; and

WHEREAS, Canada and the United States share, in peace and friendship, the world's longest land border; and

WHEREAS, this proclamation is being jointly signed by Mayors from cities across the United States and Canada in a display of friendship and mutual concern, exemplifying the ideals of goodwill and brotherhood; and

WHEREAS, the year 2014 marks the anniversary of the signing of the Treaty of Ghent and thus, 200 years of peace between the United States and Canada; and

WHEREAS, the Sri Chinmoy Oneness - Home Peace Run (the Peace Run) honors the friendship between the United States and Canada by carrying the Peace Torch through towns and cities and across the border of these two brethren nations; and

WHEREAS, the Peace Run was founded by Sri Chinmoy, a peace visionary whose spirit of love and oneness is preserved and perpetuated in the Peace Torch; and

WHEREAS, the Peace Runners honor Sri Chinmoy, and celebrate his 50<sup>th</sup> anniversary of devoted service to the noble pursuit of peace; and

WHEREAS, the Peace Run, visiting countless cities and towns on its 50,000 mile journey through more than 100 nations around the globe in its quest to promote universal peace, will inspire our citizens; and

WHEREAS, we, the people of the United States and Canada, view this auspicious undertaking as a renewed dedication to humanity's loftiest goal of oneness and peace, both within our own communities and throughout the world at large;

NOW THEREFORE, I, Sandra N. Roumagoux, Mayor of the City of Newport, Oregon, do hereby recognize the Sri Chinmoy Oneness - Home Peace Run, and encourage the people of the City of Newport to embrace the message of goodwill, benevolence, and compassion that the Peace Run promotes, and urge our citizens to strive for harmony at home, in our schools, in our communities, and in our nations.

*Sandra N. Roumagoux*  
Sandra N. Roumagoux, Mayor



June 2, 2014  
6:00 P.M.  
Newport, Oregon

The City Council of the City of Newport met on the above date in the Council Chambers of the Newport City Hall. On roll call, Roumagoux, Allen, Saelens, Busby, Sawyer, and Swanson were present. Beemer was excused.

Staff present was City Manager Nebel, City Recorder Hawker, Interim Finance Director Gazewood, Community Development Director Tokos, Public Works Director Gross, and Police Chief Miranda. Parks and Recreation Director Protiva arrived at 6:45 P.M.

Roumagoux asked for a moment of silence for Doug Nebert, Airport Committee member, who was killed in an airplane accident on Saturday.

Roumagoux asked for a moment of silence for Patrice Passino who died in a fire on Thursday.

### PLEDGE OF ALLEGIANCE

Council, staff, and the audience participated in the Pledge of Allegiance.

### PUBLIC COMMENT

Alisha Kern spoke to Council regarding the stop signs in front of the school. She reported that there is no reason to have the signs at this location at this time. Nebel noted that he would talk with staff and get back to Kern. Gross reported that stop signs are established by warrants, and that both intersections meet warrants from traffic and pedestrian volume at peak hours, and the signs are justified.

### CONSENT CALENDAR

The consent calendar consisted of the following items:

- A. Approval of minutes from the joint City Council, Technical Advisory Task Force, and Local Contract Review Board meeting of May 19, 2014.

MOTION was made by Sawyer, seconded by Saelens, to approve the consent calendar as presented. The motion carried unanimously in a voice vote.

### COMMUNICATIONS

**Communication from Mayor Roumagoux - Establishing a Work Group to Review the Contract with City Attorney Rob Connell to Determine Whether any Modifications Should be Incorporated into the Contract.** Hawker introduced the agenda item. Nebel reported that the contract for the City Attorney Rob Connell expires June 30, 2014. He noted that the original team established to negotiate the agreement for City Attorney

services included Mayor Roumagoux, and Councilors Allen and Swanson. He recommended that the City Council designate a work group to meet with Rob Connell to review the existing contract and bring back a recommendation for the full Council's review and approval. Allen suggested that two members meet with Connell and return to Council for a discussion by Council regarding the terms of the agreement. Allen noted that he has declined to participate as he is concerned about the hourly rate paid to Connell and prefers to wait to raise those concerns. MOTION was made by Sawyer, seconded by Saelens, to designate Swanson and Roumagoux to meet with City Attorney Rob Connell to discuss options on the renewal of the existing contract. The motion carried unanimously in a voice vote.

**Communication from the Planning Commission Regarding the Regulation of Medical Marijuana Dispensaries in the City.** Hawker introduced the agenda item. Nebel reported that Senate Bill 1531 which was passed by the Oregon Legislature in March of this year, provides that local units of government may impose "reasonable regulations" on medical marijuana dispensaries located within that local unit of government. He noted that on April 7, 2014, the City Council approved a moratorium and referred the matter to the Planning Commission for review.

Nebel reported that after reviewing the issue at two work sessions, the Planning Commission is recommending that there is no need to change land use regulations to limit the hours of operation or location where medical marijuana dispensaries may operate in the city beyond the provisions imposed by the state. He added that the rationale behind this determination is that the city currently regulates commercial activities by use categories with medical marijuana dispensaries falling under the sales-oriented, general retail classification as part of the city's current land use standards.

Nebel reported that the Police Department, has indicated that it may be beneficial for medical marijuana dispensaries to include background checks for employees of dispensaries (currently state law provides for the principal operator), ensuring that the police have access to the dispensary at all times when people are present, and requiring that dispensaries provide local law enforcement with the same access to reports and surveillance video that is required to be provided to the Oregon Health Authority. He added that the Planning Commission felt that these were reasonable requests that could enhance public safety.

Nebel reported that other items that have been discussed include restrictions on the sale of ancillary products containing marijuana (such as food), requiring alarm companies to contact the Police Department any time the alarm system is triggered, and imposing liability insurance and indemnification requirements on dispensary operators. He noted that the Planning Commission felt that these would not enhance public safety or otherwise benefit the community.

Nebel reported that the Planning Commission suggested that if the City Council wished to pursue the earlier regulations that it would be appropriate to consider doing that as part of a business license endorsement instead of land use standards. He noted that Rob Connell concurred that state regulations already cover a range of land use issues, and that the Planning Commissions' recommendation not to proceed with further land use regulation was reasonable, given the regulatory options available through a business license endorsement.

Nebel reported that he met with Connell to discuss the issue of taxation on marijuana dispensaries. He added that based on earlier discussions, there seems to be some consensus from the City Council not to pursue taxation of medical marijuana dispensaries, but to target the potential sale of recreational marijuana. He noted that there have been internal discussions regarding whether it makes sense to impose a taxation structure at this time (excluding medical marijuana) in preparation for the possible legalization of recreational marijuana sales and use in the state. He stated that Connell has researched this issue in connection with one initiative petition, and is prepared to evaluate the remaining two petitions. He noted that until that review is complete, and it is known which petition(s) actually qualify for the November ballot, it is his recommendation that no recreational marijuana tax measure be implemented at this time, although the city's home rule powers do appear adequate to authorize taxation of recreational marijuana, (or to impose a surcharge in the business license section of the municipal code).

Nebel reported that one of the three potential marijuana legalization measures that could appear on the November ballot provides reason for waiting: initiative petition 53 appears to be well financed, and is being organized by New Approach Oregon. He noted that this initiative is detailed and provides for a taxation plan with marijuana taxes at \$35 per ounce. He added that this provision gives the state the exclusive right to tax marijuana and provides ten percent of the available money, after covering administrative costs of the program, to local communities to assist local law enforcement in performing their duties under the act based on a formula. He stated that backers of the proposal need 87,213 signatures by July 3 in order to qualify for the November ballot. He noted that there is a second proposed initiative petition for legalizing marijuana as well as a constitutional amendment, with these efforts gathering signatures for the November ballot.

Nebel reported that in reviewing the taxation issue with Connell, and given these circumstances, the time is probably not right to initiate a taxation plan for marijuana, particularly if medical marijuana would be exempt from this plan. He noted that in regard to initiative petition 53, it appears unlikely that a city taxation plan for recreational marijuana would be deemed "grandfathered in" if pending initiative measure(s) are approved at the ballot box. He added that in light of the variety of federal and state law issues impacting local taxation efforts, greater certainty as to the recreational marijuana landscape will be important in reaching firm legal conclusions. He stated that as a result, in order not to delay a final decision on medical marijuana, he recommends that the City Council suspend discussion on this item until there is more direction on the recreational sale of marijuana.

Nebel reported that in order to conclude the city's review of this process, the Council could review the issues related to enhancing public safety by implementation of background checks to employees, ensuring that police have access to the facility when people are present, and requiring that dispensaries provide local law enforcement with the same access to records and surveillance video that they are required to provide the Oregon Health Authority. He stated that since the city has established a group to review the business licenses, it may be appropriate to have that group provide a recommendation to the City Council on whether to include these provisions in the city's regulatory scheme as part of the business license ordinance which would appear to be the appropriate location impacting this specific use. He noted that this could be done

independent of the entire review process for the business license effort currently underway to expedite the medical marijuana recommendations.

Nebel reported that the Council could also opt not to implement any additional regulatory efforts through the business license and proceed forward with removal of the moratorium, or the Council could request that some of the other areas of concern forwarded by the Police Department be addressed by the business license in addition to those items that were deemed appropriate by the Planning Commission.

Bob Berman, Planning Commissioner, reported that he had distributed a memorandum containing recommendations from the Police Department. Allen noted that Planning Commission Chair Patrick's letter was a good summary. He added that the Planning Commission agreed with three provisions, and were not able to agree on three other provisions. He asked whether Berman believed that the three issues, that had not gained consensus of the Planning Commission, had been adequately vetted, or whether Berman thought that these provisions should be reviewed by the business license work group. Berman noted that the Planning Commission had discussed a prohibition on processed items, and that this is a difficult subject as some users of medical marijuana are unable to inhale smoke. He added that the liability insurance and indemnification requirement did not gain the full support of the Planning Commission because it was deemed that there is no reason to require this of medical marijuana businesses and not of other businesses due to the additional cost. Berman noted that a large majority of the Planning Commission agreed with the required background checks, but that it was not unanimous. He added that keeping records on individuals holding medical marijuana permits may create HIPPA issues. He stated that the security alarms and surveillance issue could be reviewed by the Business License Task Force.

Sawyer agreed with the Police Chief on the alarm issue. Busby noted that Council should be ready for a decision at the second meeting in July.

MOTION was made by Saelens, seconded by Swanson, to accept the report from the Planning Commission, dated May 27, 2014, and concur with the recommendation that any further controls over medical marijuana dispensaries from those currently delineated by the State of Oregon not be addressed through the city's land use standards relying instead on the limitations as provided by the State of Oregon on locating medical marijuana dispensaries within the state. The motion carried unanimously in a voice vote.

MOTION was made by Saelens, seconded by Swanson, that the City Council refer the possible regulation provisions to the city's business license ordinance work group for incorporation of requiring background checks to employees, ensuring that police have access to the facility at times people are present, and requiring that dispensaries provide local law enforcement with the same access to records and surveillance video that is required of the Oregon Health Authority and the city's business license code, with a recommendation being brought back to the City Council at its second meeting in July. The motion carried unanimously in a voice vote.

MOTION was made by Saelens, seconded by Sawyer, to identify those additional items in Nebel's report as well as any other pertinent items identified by the business license work group in its discussion. The motion carried unanimously in a voice vote. Busby reported that the next meeting of the business license work group will be held at 3:00 P.M., on June 17.

## CITY MANAGER'S REPORT

**Report on the Visual Arts Center Re-Envisioning Effort.** Hawker introduced the agenda item. Nebel reported that at the March 3, 2014 City Council meeting, the Council heard a report from the City Manager with several recommendations regarding to the Visual Arts Center (VAC) re-envisioning process. He added that at this meeting, the City Council agreed to continue funding the VAC at historic levels and with the concept of creating a separate cost center to segregate the various operating expenses for this facility. He stated that the City Council agreed that the issue of relocating the VAC should be taken out of consideration, at this time, based on efforts to keep this facility viable that have been demonstrated by the steering committee. He noted that the Council had requested a report at the first meeting in June to define a process to continue the discussions regarding the future of the VAC with the intention of a final report being provided to the City Council by December 2014 which would outline long-term plans to keep the VAC as a vital part of the city's infrastructure. Nebel added that this schedule was laid out to allow him to complete the budget process for the 2014/2015 fiscal year prior to tackling these issues. He noted that since this time he has met with the steering committee on two separate occasions, and jointly, developed a list of priorities to focus on developing a strategic plan for Council review in December. He stated that on May 8, he met with representatives of the VAC steering committee to prioritize the issues that need to be addressed for the Council review. He noted that as a part of this process, he has agreed to be the city's main point of contact to follow through with these items.

Nebel reported that one item that was agreed to by the Council, which was not accomplished during the budget process, was the creation of a separate cost center for the VAC. He added that the Budget Committee has recommended that the City Council proceed with a creation of a facilities fund which will allow for the isolation of expenses for individual facilities such as the VAC and other city facilities. He noted that this is something that may not be implemented until sometime during the 2014/2015 fiscal year due to the efforts it took to develop the proposed budget.

Nebel reported that the priorities, which were identified from the original report to the City Council from the VAC steering committee, which will be the focus of the December report to the City Council include: 1.) Develop a governance model for the VAC; 2.) Financial management of the VAC; and 3.) Expand the usage of the building including the expansion of programs and marketing and enhancement of the existing partnership to sustain and expand services or programs that the VAC currently provides. He stated that it is his intent to work with the steering committee to develop a comprehensive operating plan including governance, long-term financial planning, and increased use of this facility.

Nebel reported that following City Council affirmation of these priorities for strategic planning, it would be his intent to meet with the group on a monthly basis to work through each of these categories in order to develop a detailed strategic plan for consideration by the City Council in December. He added that he believes that there is a highly engaged and motivated group to move the discussion forward in a constructive way to best meet the goals of the city and the visual arts community in creating a sustainable Visual Arts Center for the city.

Swanson asked about developing a governance model. Nebel reported that there should be one group that oversees the VAC and manages these issues, and it is currently managed by several stakeholders. Saelens agreed to continue participating as Council liaison.

MOTION was made by Saelens, seconded by Sawyer, to concur that the major elements of a strategic plan for the Visual Arts Center should include: 1.) the development of a governance model; 2.) the creation of a financial plan to shift financial support from the City of Newport to a shared responsibility between the city and the visual arts community over a period of five years; and 3.) to expand the use and programs offered in the Visual Arts Center over time, with this strategic plan being provided to the City Council at the December 1, 2014 City Council meeting in accordance with actions previously taken by the City Council on March 3, 2014. The motion carried unanimously in a voice vote.

**Termination of Settlement Agreement for the City of Newport Annexation and Zone Change for the South Beach Neighborhood by Ordinance No. 1922.** Hawker introduced the agenda item. Nebel reported that on August 6, 2007, the Oregon Department of Transportation, Emery Investments, Inc., Landwaves, Inc., GVR investments, and the Oregon Coast Community College District, and the City of Newport entered into an agreement that limited the density of development within the 102.23 acre property annexed by the city, and required certain transportation planning improvements in the Highway 101 corridor south of the Yaquina Bay Bridge including a maximum “trip cap” of 180 peak hour vehicle trips attributed to development of this land. He stated that over the years, the parties have undertaken several transportation efforts including improvements to 40<sup>th</sup> Street, construction of Ash Street, and approval of the future closure of Ferry Slip Road as part of the 2015/2018 Statewide Transportation Improvement Program.

Nebel reported that since that time, the city, Lincoln County, and ODOT have worked together to develop alternative mobility targets for Highway 101, in the vicinity of the annexed territory, which were adopted as part of the Oregon Department Highway Plan on December 18, 2013. He stated that the city has amended its comprehensive plan through Ordinance No. 2045 and Lincoln County has also amended its comprehensive plan through Ordinance No. 470, which supports an increased reliance upon the Oregon Highway Plan to incorporate these changes. He noted that as a result of these efforts, the transportation mitigation measures that were part of this original plan are no longer necessary. He added that execution of this agreement will terminate the past obligations of the various parties.

Nebel reported that this is a significant step forward in the redevelopment of the Highway 101 corridor. He added that he appreciates the efforts of Tokos in working with the various parties to achieve the termination of these limitations that were placed on the affected properties in the corridor as well as on the city. He noted that he also appreciates ODOT’s willingness to revisit this issue in light of the efforts that have been made by the city and others to go forward with the logical development of property on the corridor.

MOTION was made by Sawyer, seconded by Swanson, to authorize the Mayor to sign the necessary documentation to facilitate termination of the 2007 settlement

agreement relating to the annexation of 102.33 acres of land in South Beach that was approved by Ordinance No. 1922. The motion carried unanimously in a voice vote,

**Report on Interim Operational Procedures for the City Council Meetings.** Hawker introduced the agenda item. Nebel reported that since February, the City Council has been operating its meetings utilizing interim operating procedures that were adopted by at the January 21, 2014 Council meeting. He added that as part of the interim procedures, changes were to be reviewed by the City Council at this meeting. He noted that after considering other modifications, it was proposed that the rules be formally incorporated into the City Council Rules as amended April 15, 2013, at the June 16 Council meeting. He stated that the interim rules established new deadlines for publishing the Council agenda; allowed members of the City Council, City Attorney, boards and committees, or any citizen to request items be placed on the agenda; and allowed for presentations by the public to be placed on the agenda with a ten-minute time limit. He added that the rules changes provided that certain items should be placed on the consent calendar to be voted on by one motion or by separate motion at the request of any member of the City Council. He noted that the rules provided that during periods of public comment, the public be allowed to speak on any scheduled agenda item during any public comment or hearing time as prescribed by the policy. He added that it also provided that the public should have the right to speak without interruption by the Council or staff with any questions being answered or asked by the City Council or staff members following the conclusion of their comments.

Nebel continued that the revised rules also provide that business items not listed on the agenda may only be considered at the meeting after an affirmative vote of 75% of those voting when a quorum of the City Council is present, with the suggestion that these added items should truly be the exception rather than the rule. He stated that finally, the interim rules provided for modification in the order of business for issues before the City Council placing proclamations, presentations, and special recognitions, public comment, public hearings, and communications ahead of other business considered by the City Council.

Nebel stated that from an administrative standpoint, he believes that these interim rules have worked reasonably well, but noted that he would be interested in any comments from the City Council regarding the interim rules or any other suggestions or modifications to the operating procedures.

Nebel reported that on May 5, 2014, the City Council approved language as to when work sessions would be scheduled and utilized by the City Council to discuss items of a more general nature. He noted that these modifications can be incorporated in the Council Rules at this time.

Nebel noted that the packet contains a copy of the Council Rules as amended April 15, 2013. He added that if there are any other issues of interest for potential modification of these rules, that this would be a good time to discuss them, and if there is consensus from the Council that those modifications could be incorporated in the amended rules that would be available for Council consideration at the June 16, 2014 Council meeting. It was the consensus of Council that the interim rules are working, and Nebel reported that he will incorporate these into the Council rules and bring them to the June 16 meeting for Council consideration and possible adoption.

**Status Report - Hiring of a Finance Director for the City.** Hawker introduced the agenda item. Nebel reported that after being vacant for more than a year, and following two separate search efforts, the position of Finance Director has been filled. He noted that Michael Murzynsky, Senior Accountant/Risk Manager for the City of Albany, has accepted the position effective July 7, 2014. He added that Murzynsky has been with the City of Albany since 2004, and prior to that, he was the Finance Director for Josephine County from 1997-2004.

Nebel reported that Murzynsky is scheduled to begin his employment with the city on July 7, and during the first four weeks of employment, he will work on a reduced schedule (to facilitate transition from the City of Albany). He stated that following this time, Murzynsky will work full-time in the city.

Nebel reported that the city has been very fortunate to have Interim Finance Director Bob Gazewood guide the city finances, not only through a transition of Finance Directors, but also with a transition of City Managers. He added that Gazewood has been a great mentor and a very collaborative partner in working through his first proposed budget for the city. He noted that during his tenure as Interim Finance Director, Gazewood has guided the city through a number of issues that will impact the city for years to come, including redirection of the financing of major capital projects in conjunction with the Infrastructure Task Force report. He stated that Gazewood has cleaned-up a number of issues that were left hanging with last year's budget, and has worked diligently to resolve many issues where there was uncertainty as to whether funds were appropriated or not for specific proposes. Nebel noted that it is his plan to continue to use Gazewood's expertise through this transitional period to address the processes and organization of the Finance Department with an eye toward continuing to move the department forward to meet the needs of the citizens.

Nebel stated that this will be an exciting time for the department. He added that he believes that with Gazewood's mentorship and Murzynsky's new leadership, coupled with our existing departmental staff, the City Council will see the Finance Department continue to improve its overall performance in years to come.

Nebel noted that human resources position is under recruitment. Allen asked whether this will be a high level position, and Nebel noted that this will depend on the qualifications of the applicants and the best fit for the city. He added that a higher level position is his intent. He stated that during the Finance Director transition, he may identify special projects for Gazewood.

## **LOCAL CONTRACT REVIEW BOARD**

Roumagoux called the June 2, 2014 meeting of the City Council acting as the Local Contract Review Board to order.

**Notice of Intent to Award a Contract for Architectural Services for the Design, Project Administration, and the Construction Close-Out of the Newport Municipal Swimming Pool to Robertson Sherwood Architects.** Hawker introduced the agenda item. Nebel reported that a special meeting will need to be held next Monday at noon to award this contract, as staff is still negotiating the details. MOTION was made by Swanson, seconded by Saelens, to hold a special meeting at noon, on Monday, June 9, to award a contract for architectural services for the design, project administration, and the

construction close-out of the Newport Municipal Swimming Pool to Robertson Sherwood Architects. The motion carried unanimously in a voice vote.

Allen requested the matrix showing the scoring of all proposers. He asked who the citizen member of the review panel is, and Protiva noted that Terry Daniel is a patron of the recreation center who has asked to be involved.

## **CITY COUNCIL MEETING**

The City Council resumed its regular meeting.

## **TOWN HALL MEETING**

Nebel reported that June is a five Monday month, and proposed a Town Hall meeting, to be held at OCCC, on June 30, 2014, with a focus on development in South Beach.

## **REPORT FROM THE MAYOR AND COUNCIL**

Roumagoux reported that she attended a recent Chamber board meeting.

Roumagoux reported that she attended a recent meeting of the Lincoln County Economic Development Alliance.

Roumagoux reported that she attended a recent OCCC budget meeting, and the budget has now passed.

Roumagoux reported that she met with Nebel and former Mayor Mark McConnell regarding the Mayor's role in Sister City events.

Roumagoux reported that she met with Nebel, Gross, and Keith Anderson and Joanie Hammond from the DEQ.

Roumagoux reported that she attended the Oregon Community Foundation awards ceremony at which the Sea Lion Docks Foundation was awarded a \$20,000 grant.

Sawyer reported that he had received an e-mail from the COG Transportation Committee that funds are diminishing. He commended Tokos for his work on the 35<sup>th</sup> Street project. Tokos reported that ODOT is sensitive to the 35<sup>th</sup> Street project and the amount of funding that the Urban Renewal Agency is pledging to the project. He added that he expects this project to be a high priority in part due to the city's role in funding.

Sawyer reported that he attended the marathon which was a wonderful event. He noted that 500 people also participated in the half marathon. He commended the many volunteers who worked to make the marathon a success. He stated that he had six friends from Phoenix attend the marathon, and that they spent five days in hotels, as well as shopping and dining during this time.

Saelens stated that he is looking forward to the medical marijuana discussion with the business license work group.

Saelens agreed with staff regarding the stop sign issue at the high school. He stated that he would not like to see these signs removed.

Swanson reported that the city's Mombetsu youth delegation agreed to take the city's returnable cans and bottles as a fundraiser.

Busby reported that the Lincoln County Master Gardeners held a huge plant sale on Saturday.

Allen stated that he was unable to attend the Retirement Board of Trustees meeting and asked that the quarterly reports be placed on the desk in the City Council office.

Allen reported that the Port's Pedestrian Safety Task Force met and finalized some of the safety measures to be put in place along with long-term issues. He added that the Port gave an update on its issues and when logging will start.

Allen reported that he had attended the Port of Newport meeting at which the timeline for the logging operations was reviewed.

Allen reported that he had attended a recent FINE meeting at which BOEM representatives were in attendance. He noted that he had spoken on behalf of coastal cities. He added that there will be another meeting on June 26, in Portland, to discuss further issues with BOEM and other federal and coastal representatives.

Allen reported that he plans to attend an upcoming OPAC meeting, in Florence, as the coastal city representative. He noted that there are two new members on the board. He added that there will be further discussion on the Pacific Regional Ocean Uses Atlas and other ocean-related issues.

Roumagoux noted that she hopes that the added energy, from the FINE meetings, is having an effect on Washington. It was noted that there continue to be issues that need to be sorted out.

## ADJOURNMENT

Having no further business, the meeting adjourned at 7:26 P.M.

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Margaret M. Hawker, City Recorder

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Sandra N. Roumagoux, Mayor

June 9, 2014  
Noon  
Newport, Oregon

The City Council of the City of Newport, acting as the Local Contract Review Board, met in a Special Meeting, on the above date, in Conference Room A of the Newport City Hall. Allen, Roumagoux, Saelens, Busby, and Swanson were present. Sawyer and Beemer were excused.

Staff attending was as follows: Nebel, Hawker, Gazewood, Tokos, and Protiva.

Also in attendance was Dennis Anstine from the Newport News-Times; Karl Sherwood from Sherwood/Robertson Architects; and Al Gilhuly.

**Notice of Intent to Award a Contract for Architectural Services for the Design, Project Administration, and the Construction Close-Out of the Newport Aquatic Center to Robertson/Sherwood Architects.** Hawker introduced the agenda item. Nebel reported that on May 1, 2014, six proposals were received by the city for architectural services for the design of the new aquatic center to be located adjacent to the Recreation Center. He stated that financing for this project was approved by the voters on November 5, 2013. He added that the city has subsequently sold bonds to finance the project with five percent of the \$7.9 million bond being required to be obligated by June 19, 2014, in accordance with the provisions for general obligation bonds. He noted that an internal selection committee was appointed to evaluate the proposals which consisted of: Tim Gross, Public Works Director; Jim Protiva, Park and Recreation Director; Kathy Cline, Pool Manager; Judy Mayhew, Recreation Center Manager; Derrick Tokos, Community Development Director; and Terry Daniel, citizen. Nebel reported that Councilor Saelens, as liaison to the Parks and Recreation Committee, was invited to participate in this process, but was unable to do so due to scheduling conflicts. He noted that the six proposals were reviewed and rated based on the rating matrix with two consultants: Robertson/Sherwood Architects of Eugene; and LSW Architects of Portland being selected for interviews by the selection committee. He added that both firms were very solid in their approach to proceeding with the design of the pool project. He stated that the selection committee scored Robertson/Sherwood at 99.0 points and LSW at 98.3 points.

Nebel reported that under Oregon procurement rules, architectural and engineering services must be selected on the basis of qualifications first. He added that after selection, negotiations can proceed for the work to be completed in accordance with a fee proposal submitted by that firm. He noted that the proposed professional services contract was part of the request for proposals and has been reviewed by legal counsel and was included in the packet. He stated that due to the tight timeframe for making this decision last Monday, the Council, acting as the Local Contract Review Board, authorized a special meeting today at noon. He added that the request for proposals provided that the architect work with the city's Public Arts Committee on the use of one percent of the value of construction costs for the placement of public art as part of this overall project. Nebel reported that the

proposal required the architect to meet with a project steering committee that will be assembled by the Parks and Recreation Director, made up of the various stakeholders of the pool and Recreation Center, to work with the architect to guide various developmental issues as part of this project. He added that the proposal also will review the impact of this facility on traffic flow and parking in and around the proposed aquatic center. He stated that the proposal also calls for a sustainable design with particular attention to water and energy efficiency in the design. He added that part of the design will require modification to existing public spaces and shower rooms at the Recreation Center which will create certain efficiencies and better controls for both facilities.

Nebel reported that the proposal emphasizes public participation as the key to ensuring the new aquatic center meet the needs of the surrounding community. He added that at least three public workshops will be held to discover the preferences of the community during the design process. He noted that the RFP provides that the project needs to be completed and open by May 2017, and the schedule proposed by Robertson/Sherwood Architects would have the project completed well in advance of that date. He added that Carl Sherwood, Project Manager and Principal Architect for Robertson/Sherwood Architects is in attendance and will review the timeline for design, construction, and completion of the project.

Sherwood reviewed the timeline, including the predesign phase; design and documentation; construction documents; permitting and bidding; and construction.

A discussion ensued regarding clarifying what the public process is about by identifying the major elements of the project that will not change.

MOTION was made by Swanson, seconded by Saelens, that the City of Newport issue a Notice of Intent to Award the Architectural Services Agreement to Robertson/Sherwood Architects of Eugene, Oregon in the amount of \$886,330 and contingent upon no protest, authorize this award and direct the City Manager to execute the contract after seven days on behalf of the City of Newport. The motion carried unanimously in a voice vote.

MOTION was made by Allen, seconded by Busby, to appoint Saelens to the project steering committee. The motion carried unanimously in a voice vote.

## **ADJOURNMENT**

Having no further business, the meeting adjourned at 12:18 P.M.

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Margaret M. Hawker, City Recorder

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Sandra N. Roumagoux, Mayor

**CITY OF NEWPORT**

**APPLICATION FOR COMMITTEE/COMMISSION/BOARD/TASK FORCE**

**Date: 5/15/2014**

**Committee/Commission/Board/Task Force of Interest: Airport advisory**

**Name: Ken Brown**

**Address:**

**Work Telephone:**

**Home Telephone:**

**E-Mail Address:**

**Occupation: Manager**

**Employer: Alan Brown Tire Center**

**1. Why do you want to serve on this committee/commission/board/task force, and how do you believe you can add value?**

**I feel a member of the Port Of Newport Commission would bring a perspective that can help the airport increase its value to Newport.**

**2. What is a difficult decision you have made concerning issues of bias and/or issues of conflict of interest?**

**As a small business operator I constantly face those issues**

**3. Describe the process of how you make decisions:**

**Listen to the facts then decide based on what is best for the community**

**4. What do you think about consensus decision making? What does the consensus decision making process mean to you?**

**It is the most common process for small communities to make decisions and gives the benefit of public involvement.**

**5. Describe all other pertinent information/background for this position:**

**I have been a member of the community since 1972 and have seen the changes the area has endured, my family has owned and used a hanger at the airport from 1982-2013. I also served on the Newport chamber board, past commodore of the Yaquina bay Yacht club and currently I am the president of the Tire Industry association for North America**

**Use additional sheets as necessary.**

**Thank you for volunteering to serve the City of Newport!**

## **Cindy Breves**

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**From:** CommitteeApp@newportoregon.gov  
**Sent:** Thursday, April 24, 2014 2:46 AM  
**To:** Cindy Breves; Peggy Hawker  
**Cc:**  
**Subject:** Committee Application

Application for City Council - Email Application

Date: 4/24/2014

Commission/Committee of Interest: Airport Committee

Name: Ralph Grutzmacher

Address:

Workphone: na

Homephone: †

Email: :

Occupation: Mayor, City of Toledo; retired local government attorney

Employer:

Why do you want to serve on this committee/commission/board/task force, and how do you believe you can add value? The airport is a very important fixture for regional economic development. The pending decision to include non-residents on this committee is a recognition that airport operations need to include other voices from the larger community. I have experiences related to the location and operation of general aviation airports from a local government perspective. Additionally, I have good mediation and problem-solving skills.

What is a difficult decision you have made concerning issues of bias and/or issues of conflict of interest? I pride myself on operating in accordance with appropriate rules and with respect for those whose value systems may be in conflict with mine. My normal response to real or apparent conflicts of interest is to recuse myself. For 30 years as an employee and 3 as a volunteer city official I have filed financial disclosure statements and I am well experienced in working in the public sector. I do not recall any "difficult" decisions because I accept the ethical considerations of public service as the appropriate starting point.

Describe the process of how you make decisions. Through education, training and experience I have become a fact-based decision maker. I start with collecting empirical data from many resources and check both the facts and the math. In a collaborative setting there is an exchange of ideas, research and positions that requires further research and a narrowing of the span of possible results. A short list of appropriate decisions usually becomes obvious. Decisions should be revisited and reviewed to measure effectiveness and revised accordingly.

What do you think about consensus decision making? What does the consensus decision making process mean to you? Consensus decision making requires more time and a great deal of listening. Other than adjusting for strongly held positions, the process still requires data collection and sharing, practical experience, education and an exchange of ideas. Consensus decisions need not be unanimous, but should reflect the concerns of all of the participants and those of known stakeholders who were not represented within the group.

Describe all other pertinent information/background for this position. I have limited flight experience, but have never been a licensed pilot. I have worked on litigation concerning shared use of an airport owned by a local government and on administrative processes concerning building residential and commercial buildings within the arrival and departure zones at the ends of general aviation airports and commercial airports.

## Wanda Haney

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**From:** Cindy Breves  
**Sent:** Monday, December 30, 2013 10:10 AM  
**To:** Derrick Tokos  
**Cc:** Wanda Haney  
**Subject:** FW: Committee Application

Cindy Breves  
Executive Assistant/ Municipal Court Clerk  
169 SW Coast Highway  
Newport, OR 97365  
541-574-0603  
c.breves@newportoregon.gov

-----Original Message-----

From: CommitteeApp@newportoregon.gov [mailto:CommitteeApp@newportoregon.gov]  
Sent: Saturday, December 28, 2013 2:55 PM  
To: Cindy Breves; Peggy Hawker  
Cc: I  
Subject: Committee Application

Application for City Council - Email Application  
Date: 12/28/2013  
Commission/Committee of Interest: Newport Planning Commission  
Name: Lee M Hardy  
Address: !  
Workphone:  
Homephone: r  
Email: !  
Occupation: Principal Real Estate Broker Performing Property Management  
Employer: Yaquina Bay Property Management, Inc.

Why do you want to serve on this committee/commission/board/task force, and how do you believe you can add value?  
I appreciate the thoughtful approach our planning commission and planning director take to the various issues that come. There is a great respect for due process. I feel that I can exercise clear objective thinking in the consideration of the issues that come before the commission and, thereby, contribute to effective decision making.

What is a difficult decision you have made concerning issues of bias and/or issues of conflict of interest? I had to fire a family member in the interests of protecting a client. It was not that hard to do, and it was many years ago in another town.

Describe the process of how you make decisions. I accumulate as much objective fact as I can and weigh those facts in light of whatever governing processes or documents apply to a situation. If there are conflicts between the objective fact and the established process that has to be implemented, I seek a solution that is the best one all around.

What do you think about consensus decision making? What does the consensus decision making process mean to you?  
Consensus decision making can be very effective if all parties take the time to consider the facts, the evidence, the needs and the processes involved. Otherwise, it has little value since it can become an emotional ball game.

Describe all other pertinent information/background for this position. I work with several homeowners associations in the course of my working life and understand the roles that decision makers and leaders must play in making sure that efforts result in the greater good for the whole. It is not uncommon to encounter diametrically opposed positions in this work, and I have some experience resolving conflicts.



2014/2015 Newport Urban Renewal Agency and City of Newport Budget Committee Report  
June 16, 2014  
Janet Webster, chair

We had three meetings from late April to mid-May. We voted on our recommendations at the May 14 meeting.

The Budget Committee recommends adoption of a budget for the Newport Urban Renewal Agency of \$9,854,444. As part of this budget, the city will borrow \$5,400,000 in the coming fiscal year for planned projects in South Beach. We had no additional comments or recommendations for the Agency's budget.

We recommend adoption of a City of Newport budget of \$65,206,715 with a tax levy rate of \$5.5938/\$1000. This budget includes operating funds such as the general fund as well as capital projects (e.g. airport improvements) and debt service.

Major sources of general fund revenues:

Property tax incomes = \$5,655,600

State gas tax = \$531,965

Franchise fees = \$1,015,000

State shared revenue = \$112,000

Water and sewer fees = \$6,840,000

General comments:

Spencer Nebel, the City Manager, initiated a new review process that worked well. He will work on a multi-year plan with the new finance director.

Interim finance director, Bob Gazewood, and his assistant, Linda Frederickson, applied their knowledge and expertise to the process and the numbers.

As committee chair, I urge the council to stay within our budget. Opportunities to spend will emerge throughout the year. Think very carefully before committing additional city funds as we are already living beyond our means.

The Budget Committee made two policy recommendations:

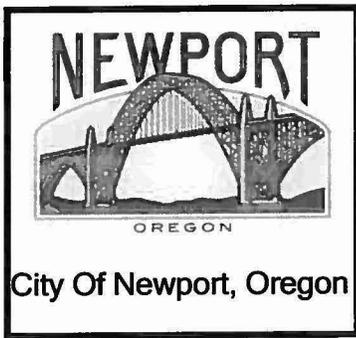
- Phase out the payment to the general fund from the sewer and water funds over the next 5-7 years. This is intended to keep sewer and water revenue directly expended on the system infrastructure and operations.
- Reduce the airport's general fund subsidy of \$500,000 over the next 3-5 years.

We also raised general concerns and ideas while reviewing the budget. These could help shape city policy and planning in the coming year. The City Manager grouped these into four categories:

- Operations
  - The new swimming pool needs a coherent operating plan and funding source.
  - We postponed the updating of the city's parks master plan given other demands on staff time. The plan is still needed.

- The city's role in encouraging development of workforce housing is nebulous, and more discussion is needed as to an effective approach.
- We continued to fund the city loop bus at \$90,000. The city needs a MOU with the Transit District to ensure more accountability and regular communication on the use and sustainability of this public service.
- The city needs to continue to find ways to improve the physical appearance of Newport.
- Staffing
  - The City Manager plans a review of the current salary structure.
  - Airport staffing remains an issue especially given our recommendation to reduce the use of general funds in this area.
  - Credentialing of the fire department is a worthy goal, but will come at an expense.
  - We encourage the Community Development Department to monitor its needs as building and project demand increases. If additional staff is warranted, any new staff should have appropriate engineering and project management skills.
  - The city's various citizen committees and task forces are inconsistently used and staffed. More attention is needed to make these volunteers effective.
- Infrastructure
  - The City Manager will continue to review the Infrastructure Task Force recommendations and move forward on those as appropriate.
  - Long range planning on the city's water supply remains a need.
  - Bike and pedestrian improvements need to be clearly visible in the budget and funded projects completed.
- Revenues
  - The City Manager intends to initiate a review of the city's fee schedule.
  - The sewer and water rate structure is also under review with an eye towards lower increases and additional bond and loan revenue.

For more on the process and discussion, I refer you to the City Manager's status report in the May 19 Council Packet.



Agenda Item # \_\_\_\_\_  
Meeting Date June 16, 2014

**CITY COUNCIL AGENDA ITEM SUMMARY**

**Issue/Agenda Title: Public Hearing on, and Consideration of, Resolution No. 3675 Adopting the Budget and Making Appropriations; and Resolution No. 3683 Imposing and Categorizing Ad Valorem Taxes for the Fiscal Year 2014-15 Budget**

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Prepared By: Gazewood Dept Head Approval: Gazewood City Manager Approval: \_\_\_\_\_

**Issue Before the Agency:** Consideration of Resolution No. 3675 regarding the possible adoption of the City of Newport budget and making appropriations for Fiscal Year 2014-15; and consideration of Resolution No. 3683 imposing and categorizing Ad Valorem taxes for the ensuing fiscal year.

**Staff Recommendation:** Adopt Resolution No. 3675 and Resolution No. 3683.

**Proposed Motions:**

**First Motion:** I move to adopt Resolution No. 3675, a resolution adopting the fiscal year 2014-15 budget and making appropriations.

**Second Motion:** I move to adopt Resolution No. 3683, a resolution imposing and categorizing Ad Valorem taxes for the City of Newport, fiscal year 2014-15.

**Key Facts and Information Summary:** The Budget Committee approved the City budget for Fiscal Year 2014-15 on May 14, 2014. The Budget Committee approved the budget in the sum of total requirements of \$65,206,715, unappropriated ending fund balances and reserves at \$4,977,470 and budgeted levels for appropriation purposes of \$60,229,245. Resolution No. 3675 provides for the sum of total requirements of \$65,001,051, unappropriated ending fund balance (UEFB) and reserves at \$4,771,806 and budgeted levels for appropriation purposes of \$60,229,245. While the aggregate appropriation level of all funds of \$60,229,245 in Resolution No. 3675 match to the Budget Committee approved budget level, the difference in total requirements and UEFB and reserves is an amount of \$205,664. The Budget Committee approved lesser ad valorem taxes for debt service on general obligation bonds than had been proposed. The total requirements approved by the Budget Committee was not decreased by the reduction in ad valorem taxes. This budget resolution makes that adjustment to be in line with the intent of the Budget Committee. However, the only changes that needed to be made are the reduction in UEFB/Reserves of \$205,664 with a like amount reduction in total requirements. This is the net property tax reduction at 93% of the taxes to be imposed. Seven (7%) percent is assumed uncollectible taxes in the first year of the levy.

Resolution No. 3683 provides for imposing the Ad Valorem taxes to balance the General Fund budget and to provide for debt service payments on general obligation bonds that have been voter approved. The City imposes its maximum permanent rate of \$5.5938 per \$1,000 assessed value for General Fund purposes. Seven (7%) percent of the levy amount is assumed uncollectible in the first year of the levy. As to general obligation bonded debt, the City is imposing a combined tax levy of \$2,376,705 to support debt service payments. Of the \$2,376,705 combined levy, the wastewater bonded debt levy is \$921,221, the water treatment plant bonded debt levy is \$906,271 and the swimming pool bonded debt levy is \$549,213. Please note that since seven (7%) percent is assumed uncollectible in the first year of the levy, the revenue amount available for debt service in FY 2014-15 is net at \$2,210,336.

**Other Alternatives Considered:** None

**Fiscal Notes:** The FY 2014-15 budget provides for the issuance of a water revenue bond at \$4,500,000 to finance various water infrastructure projects over a three-year period. Financing through the State Revolving Fund is included in the budget for wastewater infrastructure projects with the total financing at approximately \$8,900,000 over several years. This budget includes financing of design and construction of the Aquatic Center from the proceeds of the \$7,900,000 General Obligation bond issue approved by the voters on November 5, 2014. This budget proposes a water rate increase of 5% for FY 2014-15 compared to a 10% increase in FY 2013-14. The wastewater rate increase is at 4% for FY 2014-15 compared to a 15% percent increase in FY 2013-14. The reduction in utility rates is a result of policy changes from pay-as-you-go financing of construction projects to financing by bonds. Resolution No. 3675 addresses the issue of control and visibility of infrastructure expenditures whereby projects will now be appropriated on a “named” project line-item basis. Additional funding requirements for a projects during the fiscal year will require that project to be brought back to the City Council for an appropriation adjustment by resolution.

**CITY OF NEWPORT  
RESOLUTION NO. 3675**

**A RESOLUTION ADOPTING THE FISCAL YEAR 2014-2015 BUDGET  
AND MAKING APPROPRIATIONS**

**THE CITY OF NEWPORT RESOLVES THAT** the budget for Fiscal Year 2014-2015 be adopted in the sum \$65,001,051; this budget is available for review now at City Hall.

**THE CITY OF NEWPORT FURTHER RESOLVES** that the amounts for the fiscal year beginning July 1, 2014, and for the purposes shown below are hereby appropriated as follows:

<u>Fund</u>	<u>Adopted Budget</u>	<u>Fund</u>	<u>Adopted Budget</u>
<b>101-General Fund</b>		<b>202 - Proprietary Debt Fund</b>	
City Administration	1,903,046	Wastewater General Debt	571,407
Police	3,713,015	Water General Debt	60,000
Fire	2,027,728	Total	<u>631,407</u>
Library	980,480		
Community Development	292,367	<b>203 - General Debt Fund</b>	
Facilities & Parks	692,193	Debt Service	346,194
Facilities & Parks Projects	57,000	Total	<u>346,194</u>
Non-Departmental	426,656		
Transfer to Airport Fund	355,814	<b>204 - Revenue Bonded Debt Fund</b>	
Transfer to Capital Projects	15,000	Debt Service	331,080
Transfer to Gen Debt Fund	167,442	Total	<u>331,080</u>
Transfer to Parks & Rec	648,481		
Transfer to Housing Fund	13,000	<b>301 - Public Works Fund</b>	
Transfer to Bldg Inspection	3,045	Public Works Admin	294,932
Transfer to Reserve-Fire	150,000	Engineering	482,499
Transfer to Reserve-Police	30,000	Fleet Maintenance	88,119
Contingency	489,605	Contingency	100,549
Total	<u>\$11,964,872</u>	Total	<u>\$966,099</u>
<b>201 - Bonded Debt Fund</b>		<b>302 - Street Fund</b>	
Wastewater GO Bond	933,400	Street Maintenance	677,452
WTP GO Bond	842,225	Storm Drain Maintenance	665,321
Swimming Pool GO Bond	476,908	Transfer Gen Debt Fund	62,190
Transfer Prop Cap Proj	109,189	Contingency	130,613
Total	<u>\$2,361,722</u>	Total	<u>\$1,535,576</u>

**303 - Water Fund**

Water Plant	869,582
Water Distribution	938,246
Water Non Departmental	769,733
Transfer General Debt Fund	4,553
Transfer to Street Fund	141,586
Transfer Proprietary Debt	60,000
Transfer Revenue Bond	662,160
Transfer Prop Cap Proj	87,359
Contingency	175,000
Total	<u>\$3,708,219</u>

**304 - Wastewater Fund**

Wastewater Plant	1,350,155
Wastewater Collection	493,132
Wastewater Non Dept	856,171
Transfer General Debt Fund	31,337
Transfer to Street Fund	188,758
Transfer Proprietary Debt	631,113
Transfer Prop Cap Proj	464,139
Contingency	250,000
Total	<u>\$4,264,805</u>

**305 - Line Undergrounding Fund**

Transfer General Debt Fund	59,435
Contingency	783,995
Total	<u>\$843,430</u>

**306 - SDC Fund**

Transfer to Proprietary Debt	10,000
Transfer to Capital Projects	180,000
Contingency	673,168
Total	<u>\$863,168</u>

**401 - Parks & Recreation Fund**

Administration	151,152
60+ Activity Center	146,059
Swimming Pool	393,982
Recreation Center	430,109
Recreation Programs	126,130
Sports Programs	111,017
Contingency	128,763
Total	<u>\$1,487,212</u>

**402 - Airport Fund**

Personal Services	206,690
Material & Services	686,714
Capital Outlay	10,000
Transfer Gen Debt Fund	6,746
Contingency	53,869
Total	<u>\$964,019</u>

**403 - Room Tax Fund**

Material & Services	965,020
Capital Outlay	200,000
Transfer to General Fund	5,000
Transfer to Airport Fund	25,000
Transfer Gen Debt Fund	14,491
Transfer Parks & Rec Fund	180,500
Transfer Proprietary Debt	127,325
Contingency	56,950
Total	<u>\$1,574,286</u>

**404 - Building Inspection Fund**

Personal Services	183,853
Material & Services	107,436
Contingency	16,625
Total	<u>\$307,914</u>

<b>405 - Public Parking Fund</b>	
Pub Parking-Nye Beach	2,543
Pub Parking-City Center	1,827
Pub Parking-Bay Front	6,830
Contingency	314,772
<b>Total</b>	<b><u>\$325,972</u></b>

<b>406 - Agate Beach Closure Fund</b>	
Material & Services	60,270
Contingency	1,371,479
<b>Total</b>	<b><u>\$1,431,749</u></b>

<b>407 - Housing Fund</b>	
Material & Services	194,743
Contingency	97
<b>Total</b>	<b><u>\$194,840</u></b>

<b>501 - Reserve Fund</b>	
Capital Outlay	425,000
<b>Total</b>	<b><u>\$425,000</u></b>

<b>601 - Capital Projects Fund</b>	
Capital Proj - General	8,905,654
Capital Proj - Swim Pool	7,802,612
Transfer to Prop Cap Proj	228,321
Contingency	16,000
<b>Total</b>	<b><u>\$16,952,587</u></b>

<b>602 - Proprietary Capital Projects Fund</b>	
Prop Cap Proj - Water	5,274,869
Prop Cap Proj - Wastewater	3,473,225
Contingency	1,000
<b>Total</b>	<b><u>\$8,749,094</u></b>

**TOTAL APPROPRIATIONS \$60,229,245**

<b>Non-Appropriated Budget Requirement</b>	
UEFB - General Fund	1,230,249
UEFB - Bonded Debt Fund	450,400
UEFB - Proprietary Debt	52,826
UEFB - General Debt Fund	7,566
UEFB - Rev Bond Debt	100
UEFB - Street Fund	164,427
UEFB - Water Fund	244,315
UEFB - Wastewater Fund	283,507
UEFB - SDC Fund	370,814
UEFB - Room Tax Fund	45,388
UEFB - Building Inspection	360,448
Loan Reserve-Prop Debt	773,713
Loan Reserve-Rev Bond	331,080
Reserve for Future-Police	65,000
Reserve for Future-Library	10,000
Restricted-Cap Swim Pool	381,973
<b>Total Non-appropriated</b>	<b><u>\$4,771,806</u></b>

<b>TOTAL USES OF FUNDS</b>	<b>\$65,001,051</b>
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**THE CITY OF NEWPORT FURTHER RESOLVES** that the amounts appropriated above for the Capital Projects Fund and Proprietary Capital Projects Fund are further appropriated by "named" capital project line-item as detailed on Attachment "A" and incorporated herewith.

Passed and adopted by the City Council of Newport on June 16, 2014

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Sandra Roumagoux, Mayor

Attest:

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Margaret M. Hawker, City Recorder

## CITY OF NEWPORT, OREGON

ATTACHMENT "A" - RESOLUTION NO 3675 A RESOLUTION ADOPTING THE FISCAL YEAR 2014-2015  
BUDGET AND MAKING APPROPRIATIONS

Fund/Cost Center	Project Name	Activity No.	Appropriation Amount
<b>601 - CAPITAL PROJECTS FUND</b>			
<b>6110 - Capital Projects - General</b>			
	LID Code Update Study		80,000
	Strategic Grant Consulting Service	13011	26,434
	2014 Street Overlays & Improvements	14006	288,245
	2014 Sidewalk & Bicycle Improvements	14007	15,000
	Ksenyia Ridge Sidewalks	13007	35,300
	SW Abalone Street Improvements	14002.1	1,227,000
	SW 30th Street Improvements	14002.2	311,000
	27th & Brant Improvements	14002.3	936,000
	Hwy 101 Pedestrian Crossing Improvements	110024	189,704
	South Beach Tsunami Improvements (Phase I)	11014	599,847
	Agate Beach Recreation & Wayside Improvements	13010	139,424
	SE Ferry Slip Road Street Improvement Project	14003	1,638,000
	Sam Moore Creek Water Quality & Trail Improvements	13020	35,000
	7th & Iler Storm Drain Repair	12031	175,000
	NW 60th Street Sewer	13002	264,900
	SE Forgarty to John Moore Drive Outfall (Embarcadero)	12015	2,854,800
	Prior Year Room Tax Funding Project		90,000
	<b>Total Capital Project - General Appropriation</b>		<b>\$ 8,905,654</b>
<b>6120 - Capital Projects - Swimming Pool</b>			
	Aquatic Center	13019	7,652,612
	Aquatic Center Parking Improvements	14004	150,000
			<b>\$ 7,802,612</b>
<b>602 - Proprietary Capital Project Fund</b>			
<b>6210 - Proprietary Capital Projects - Water</b>			
	Strategic Grant Consulting Service	13011	26,433
	Water SCADA system implementation Project	14011	94,000
	Big Creek Dam Assessment (Phase II & III)	11025	401,890
	NE 71st Street Water Tank & Pump Station (Phase 2)	11018	1,747,586
	Lakewood Hills Pump Station Replacement	12013	525,911
	Fixed base Metering System (Year 1 of 3)	12029	500,000
	WTF Hallway Expansion	14013	30,000
	Old WTP Demolition/Construction of Storage Garage	14014	200,000
	Water Distribution System Flushing Plan	14105	40,000
	Candletree Pump Station Replacement	14016	500,000
	Calgon Carban Garnulate Activated Carbon (GAC)	14017	283,000
	Emergency Generator	14018	326,250
	Other Eligible Revenue Bond Funded Project		519,799
	Revenue Bond Issuance Costs		80,000
			<b>\$ 5,274,869</b>
<b>6220 - Proprietary Capital Projects - Wastewater</b>			
	Strategic Grant Consulting Service	13011	26,433
	Wastewater System Master Plan	13008	28,293
	Big Creek Wastewater Lift Station Force Main Replacement	12024	1,905,796
	Big Creek Wastewater Lift Station Force Replacement	12025	613,903
	Nazarene Church - Grove Street Sewer Extension	11019	60,000
	Demolish old wastewater treatment bldg	14008	50,000
	Nye Beach Screen & Grinder Pump	14020	125,000
	Schooner Creek Wastewater lift station	14009	163,800
	Cross Connection Correction Project	14010	500,000
			<b>\$ 3,473,225</b>

**CITY OF NEWPORT**

**RESOLUTION NO. 3683**

**A RESOLUTION IMPOSING AND CATEGORIZING AD VALOREMI TAXES FOR THE CITY OF NEWPORT, FISCAL YEAR 2014-2015**

**THE CITY OF NEWPORT RESOLVES** that the City Council for the City of Newport hereby imposes the taxes provided for the City's adopted budget for Fiscal Year 2014-2015 at the rate of \$5.5938 per \$1,000 of assessed value, plus an amount of \$2,376,705 for the debt fund and that these taxes are hereby imposed and categorized up the assessed value of all taxable property within the City for the tax year 2014-2015. The following allocations constitute and above aggregate levy.

General Fund	\$5.5938 / \$1,000
Wastewater Bonded Debt	\$921,221
Water Treatment Plant Bonded Debt	\$906,271
Swimming Pool Bonded Debt	\$549,213

**THE CITY OF NEWPORT FURTHER RESOLVES** that the City Council of the City of Newport hereby categorized the imposed taxes for the Fiscal Year 2014-2015 follows:

Subject to the General Government Limitation: General Fund \$5.5938 / \$1,000

Excluded from the General Government Limitation: Debt Fund \$2,376,705

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Sandra Roumagoux, Mayor

Attest:

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Margaret M. Hawker, City Recorder

*Approved  
of Budget*

*Agenda  
Report  
Back Room  
was missed*

**Budget Committee Items #14 and #15 - Staffing and Emergency Management**

**Submitted by Phil Paige, Fire Chief**

When we submitted our department budget we asked for two additional FTE firefighters. These positions would provide a Training Officer (TO) and Fire Prevention Officer (FPO) who would be fully qualified firefighters, so they would also provide relief staff to reduce overtime costs by about \$25,000.

The Emergency Planning Committee requested a new cost center for Emergency Management, funded at \$100,722 (see attachment), that included a new .5 FTE Emergency Manager position and related materials and services. This request was inadvertently omitted from the budget requests. Table 1 shows six options that range from the current budget proposal (zero new positions) to the 2.5 new positions that were originally requested. I strongly urge that we budget for option "C", a new hybrid proposal that offers many benefits of the original proposals at a fraction of the cost.

**Table 1, Fire and Emergency Management Staffing Options**

	Option A	Option B	Option C	Option D	Option E	Option F
<b>Total Fire Dept. FTE (currently 12)</b>	11.4	11.9	12.4	12.9	13.4	13.9
<b>Added FTE</b>	0	.5	1	1.5	2	2.5
<b>Positions proposed</b>	0	Part Time Emergency Manager	Relief Engineer (FPO/EM)	Relief Engineer (FPO), Part Time EM	Relief Engineer (FPO/EM), Relief Capt (TO)	Relief Engineer (FPO), Relief Capt (TO), Part Time EM
<b>Cost of wages &amp; benefits</b>	0	\$40,722	\$75,924	\$116,646	\$157,848***	\$198,570***
<b>Reductions available</b>	0	0	(\$40,000)* (\$12,500)**	(\$40,000)* (\$12,500)**	(\$40,000)* (\$25,000)**	(\$40,000)* (\$25,000)**
<b>Total Fiscal Impact</b>	0	\$40,722	\$23,424	\$64,146	\$92,848***	\$133,570***

\* Savings from 101-1090-5010 Wages and Salaries budgeted for back-filling AC/FM opening

\*\* Savings from 101-1090-5030 Overtime savings with relief engineer availability

\*\*\* Approximate, differential cost may vary based on the Captain promoted or hired

We currently have a Fire Engineer who is trained for fire prevention and emergency management duties. As a relief engineer, splitting his time between fire prevention officer (FPO) and emergency management (EM) duties, we can save about \$12,500 in overtime costs by occasionally using him to back-fill shifts. We would also have another qualified responder regularly available on weekdays when volunteers are less available. With recent IAFF contract changes, we can assign this Engineer position to a day shift and replace the 24 hr. shift position with a less expensive Firefighter position, utilizing our resources more efficiently.

*178 NW 79 ct*

Fire Department Accreditation was identified as a goal of the City Council. Option C would help us take a “baby step” toward this long term goal. We would also have a person to coordinate emergency management committee efforts, and gather information and work with the consultant to help address the Council Goal of updating our Emergency Operations Plan (EOP) if that update is funded. The quote for updating our EOP was \$10,000. Each year we apply for and receive \$5,000 in grant funding from Lincoln County (\$2,500 police and \$2,500 fire). I propose that we use these funds and appropriate the additional \$5,000 needed to move ahead with the EOP update that is so vitally needed. With the currently proposed budget, we will not be able to make meaningful progress towards either of these goals, but with these changes, I believe we can make significant steps towards both.



Agenda Item #  
Meeting Date June 16, 2014

**CITY OF NEWPORT AGENDA ITEM SUMMARY**  
City Of Newport, Oregon

Issue/Agenda Title: Resolution No. 3667 declaring the City’s election to receive State Shared Revenues

Prepared By: Gazewood Dept Head Approval: Gazewood City Mgr Approval: \_\_\_\_\_

**Issue Before the Council:**

To receive “State Sharing Revenue,” the City must pass a resolution in order to receive State Shared Revenues.

**Key Facts and Information Summary:**

State Revenue Sharing Law, ORS 221.770, requires cities to pass an ordinance or resolution each year stating that they want to receive state revenue sharing money. A copy of this resolution must be filed with Shared Financial Services of the Oregon Department of Administrative Services before July 31<sup>st</sup>. Additionally, two public hearings are required giving citizens an opportunity to comment on the use of state revenue sharing. The first required hearing on the possible uses is held before the Budget Committee and this hearing was held on April 30, 2014. The second hearing on the proposed uses is held before the City Council prior to adoption of the ensuing year budget. This hearing occurred on this date, June 16, 2014. General shared revenues, liquor taxes and cigarette taxes are proposed for general operating purposes within the General Fund. Highway gas taxes are proposed for operational purposes within the Streets Fund and sidewalk and bicycle improvements in the Capital Projects Fund.

**Staff Recommendation:** Staff recommends that the City Council pass the attached resolution.

**Proposed Motion:** I move to adopt Resolution No. 3667 declaring the City’s election to receive State Shared Revenues.

**Other Alternatives Considered:** None

**Fiscal Notes:** The City receives four types of state shared revenues that include general shared revenues, liquor tax, cigarette tax and highway gas tax. Distribution of the liquor tax, cigarette tax and highway gas tax are allocated on the basis of population of the City and an estimated rate per capita based on projected available taxes collected. General shared revenues are allocated pursuant to a different statutory formula. The estimated revenues for fiscal year 2014-15 are as follows:

General Shared Revenues	\$115,000
Liquor Tax	144,780
Cigarette Tax	12,700
Highway Gas Tax	581,457

The estimated revenue impact to the General Fund is \$272,480; the estimated revenue impact to the Streets Fund is \$566,487 and the estimated revenue impact to the Capital Projects Fund is \$15,000.

Attachments “A” and “B”

**CITY OF NEWPORT, OREGON**

ATTACHMENT "A"

**STATE SHARED REVENUES - PROPOSED USES  
GENERAL ECONOMIC FACTORS AFFECTING THE FY 2014-15 BUDGET**

**I. POPULATION ESTIMATES:**

	<u>Population</u>	<u>Number Change</u>	<u>Percent Change</u>
July 1, 2013	10,160	10	0.10%
July 1, 2012	10,150	85	0.85%
July 1, 2011	10,065	35	0.35%
July 1, 2010	10,030		
April 1, 2010 Census	9,989		

**II. STATE SHARED REVENUES - ESTIMATES:**

	<u>Liquor Tax Tax</u>	<u>Cigarette Tax</u>	<u>State Gas Tax</u>
<b>A. Per Capita Rates</b>			
FY 2014-15	\$ 14.25	\$ 1.25	\$ 57.23
FY 2013-14	\$ 14.12	\$ 1.33	\$ 55.91

**B. Distributed on Per Capita Basis**

	<u>Liquor Tax Tax</u>	<u>Cigarette Tax</u>	<u>State Gas Tax</u>
FY 2014-15	\$ 144,780	\$ 12,700	\$ 581,457
FY 2013-14	\$ 143,318	\$ 13,500	\$ 567,487
<b>Estimated Revenue Increase (Decrease)</b>	<b>\$ 1,462</b>	<b>\$ (800)</b>	<b>\$ 13,970</b>

**C. Distributed Other Than by Per Capita**

	<u>State Shared Liquor Revenue</u>
<b>FY 2014-15 - Estimate</b>	<b>\$ 115,000</b>
FY 2013-14 Adopted Budget - Estimate	\$ 110,000
FY 2012-13 Actuals	\$ 110,800
FY 2011-12 Actuals	\$ 130,131
FY 2010-11 Actuals	\$ 80,119

CITY OF NEWPORT, OREGON

ATTACHMENT 'B'

OREGON SHARED REVENUES  
PUBLIC HEARING BEFORE THE BUDGET COMMITTEE ON THE PROPOSED USES  
FISCAL YEAR 2014-15 POSSIBLE ADOPTED BUDGET

REVENUE TYPE	CERTIFIED EST. POPULATION @ 7/1/2013	PER CAPITA RATES ESTIMATES	ESTIMATED REVENUES	
A. GENERAL SHARED REVENUES	Not Applicable	Not Applicable	\$ 115,000	
B. OTHER SHARED REVENUES				
Liquor Tax	10,160	\$ 14.25	\$ 144,780	
Cigarette Tax	10,160	\$ 1.25	\$ 12,700	
Highway Gas Tax	10,160	\$ 57.23	\$ 581,457	99.0% of Allocation for Streets and Roads at \$575,642 1.0% of Allocation for Bicycle Paths & Trails at \$5,815
C. COMPARISON TO POSSIBLE ADOPTED BUDGET REQUIREMENTS				<b>Proposed Use</b>
				<b>Revenues</b>
				<b>Total Budgets Allocated</b>
FY 2014-15 POSSIBLE ADOPTED BUDGET - ALL FUNDS TOTAL REQUIREMENTS			\$ 65,001,051	
FY 2014-15 POSSIBLE ADOPTED BUDGET - GENERAL FUND TOTAL REQUIREMENTS			\$ 13,195,121	\$ 272,480
FY 2014-15 POSSIBLE ADOPTED BUDGET - STREETS FUND FOR OPERATIONS (Fund 302)			\$ 1,700,003	\$ 566,487
- CAPITAL PROJECTS FUND (Fund 601)			\$ 17,334,560	\$ 15,000
TOTAL STATE GAS TAX ALLOCATION				\$ 581,487

CITY OF NEWPORT  
RESOLUTION NO. 3667

A RESOLUTION DECLARING THE CITY'S ELECTION  
TO RECEIVE STATE SHARED REVENUES

THE CITY OF NEWPORT resolves that, pursuant to ORS 221.770, the City hereby elects to receive State Shared Revenues for the Fiscal Year 2014/2015.

This resolution will become effective on July 1, 2014.

Adopted by the Newport City Council on June 16, 2014.

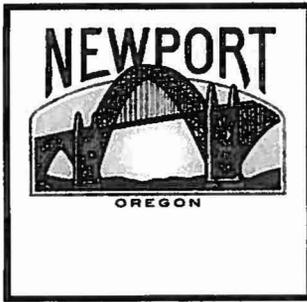
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Sandra N. Roumagoux, Mayor

Attest:

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Margaret M. Hawker, City Recorder



Agenda Item #  
Meeting Date

VI.C  
June 16, 2014

**CITY OF NEWPORT AGENDA ITEM SUMMARY**  
City Of Newport, Oregon

Issue/Agenda Title: Resolution No. 3672 providing for a supplemental budget and making appropriations increases and changes including appropriation decreases for the Fiscal Year 2013-2014

Prepared By: Gazewood Dept Head Approval: Gazewood City Mgr Approval: \_\_\_\_\_

**Issue Before the Council:** The purpose of this resolution is to adopt a supplemental budget to make and/or increase appropriations in the SDC Fund and Capital Projects Fund and to decrease appropriations in the Airport Fund. This supplemental budget establishes a category of expense in the SDC Fund for the Streets SDC activity; establishes a Materials & Services category of expense in the Capital Projects Fund for the general construction activity account; and establishes a new construction activity account within the Capital Projects Fund for the Airport AIP Projects activity account. Pursuant to Oregon Local Budget Law, a public hearing is required for this Supplemental Budget. Additionally, this supplemental budget decreases the appropriations to the Airport Fund due to the transfer of revenues and appropriations/expenditures of Airport AIP Projects to the Capital Projects Fund.

**Key Facts and Information Summary:** ORS 294.473 requires a supplemental budget with a public hearing when the estimated expenditures differ by more than 10 percent from the expenditures from the most recent amended budget prior to the supplemental budget and/or the supplemental budget will create a new fund or a new appropriation category. The hearing must be published not less than five days before the meeting. Such publication appeared in the June 11, 2014 edition of the Newport News Times. The budgeted fund issues subjected to ORS 294.473 are summarized as follows:

1. A new appropriation category is being established in the SDC Fund with the Streets SDC activity and the transfer of contingency exceeds 15 percent;
2. A new appropriation category is being established in the Capital Projects Fund with the general construction activity;
3. A new appropriation category is being established in the Capital Projects Fund with the Airport AIP Projects activity and the estimated expenditures within the Fund differ by more than 10 percent with the new activity.

**Staff Recommendation:** Staff recommends the adoption of the supplemental budget and making appropriation changes in the three funds as detailed on Attachment "A" to Resolution No. 3672.

**Proposed Motion:** I move to adopt Resolution No. 3672 with Attachment "A", a resolution adopting a supplemental budget for fiscal year 2013-14 and making appropriations and changes for fiscal year 2013-14.

**Other Alternatives Considered:** None

**Fiscal Notes:** (1) The SDC Fund had appropriation authority only for the contingency account. Therefore, to provide for the estimated expenditure of \$50,000 for 6<sup>th</sup> Street rights-of-way acquisition costs, a supplemental budget is necessary to appropriate for a new category of expense. This appropriation authority to the Streets SDC activity is offset by a corresponding decrease in the SDC contingency account with no additional increase in appropriation with the transfer and is unchanged at \$998,754. (2) The Capital Projects Fund requires two types of appropriation changes: (a) the Capital Projects Fund did not have appropriation authority for Materials & Services but currently has approximately \$600,000 in expenditures. This supplemental budget provides appropriation authority for an estimated \$960,000 in Materials & Services cost in the general construction activity by appropriation to a new category of expense and offset by a corresponding decrease in the capital outlay general construction activity. There is no additional increase in appropriation with this transfer; and (b) to provide additional appropriation authority to the Capital Projects Fund totaling \$8,233,567 for the transfer of the Airport AIP Projects activity as a new appropriation category within the Fund. The revised appropriation for the Capital Projects Fund totals \$14,073,875. (3) Due to the Airport AIP Project activity transfer of appropriated expenses and related revenues totaling \$8,233,567 to the Capital Projects Fund, the appropriations to the Airport Fund is decreased by \$8,233,567, accordingly. The revised appropriation for the Airport fund totals \$1,580,432.

**CITY OF NEWPORT  
RESOLUTION NO. 3672**

**A RESOLUTION ADOPTING A SUPPLEMENTAL BUDGET FOR FISCAL YEAR 2013-14,  
MAKING APPROPRIATIONS AND CHANGES**

**WHEREAS**, the City of Newport's 2013-14 budget requires the making and changes of appropriation for the SDC Fund, Capital Projects Fund and Airport Fund; and

**WHEREAS**, appropriation authority is needed in the SDC Fund for the Streets SDC activity related to rights-of-way acquisition and no appropriation category existed for the activity, a supplemental budget with public hearing is required to provide for such appropriation authority; and

**WHEREAS**, no appropriation category was provided for the expenditure of monies in the Materials & Services (M&S) category of expense in the Capital Projects Fund, a supplemental budget with public hearing is required to provide for such appropriation authority to expend monies, a transfer of \$960,000 to M&S from capital outlay is projected to meet the expenditure needs of the appropriation category in the Fund; and

**WHEREAS**, the City is creating a new appropriation category and activity account for Airport AIP Projects within the Capital Projects Fund which requires a supplemental budget and public hearing ; and

**WHEREAS**, the Airport Fund is transferring revenues and expenditures to the new Airport AIP Projects account within the Capital Projects Fund and such Airport Fund requires reduction in appropriation due to the transfers; and

**WHEREAS**, ORS 294.473 requires a supplemental budget with public hearing when the estimated expenditures differ by more than 10 percent, and/or will create a new fund or a new appropriation category; and

**WHEREAS**, a public hearing was held in accordance with ORS 294.473;

**THE CITY OF NEWPORT RESOLVES AS FOLLOW:** that this supplemental budget is hereby adopted and hereby provides for appropriation authority for the Streets SDC activity within the SDC Fund of \$50,000 offset by a transfer from the SDC contingency account with no overall increase of appropriation in the Fund; and hereby provides for appropriation authority for the Materials & Services category of expense in the Capital Projects Fund (CPF) for the general activity account of \$960,000 offset by a transfer from the CPF capital outlay general account with no increase in appropriation for the general activity; and hereby increases the appropriation for the Capital Projects Fund by \$8,233,567 for the new Airport AIP Projects account; and hereby decreases the appropriation for the Airport Fund by \$8,233,567 due to the transfer of appropriation/expenditures to the Capital Projects Fund. Attachment "A" sets forth the supplemental budget requirements for the three funds.

This resolution will become effective immediately upon passage.

Adopted by the Newport City Council on June 16, 2014.

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Sandra Roumagoux, Mayor

Attest:

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Margaret M. Hawker, City Recorder

**CITY OF NEWPORT, OREGON**

**ATTACHMENT "A" - RESOLUTION No. 3672 ADOPTING A SUPPLEMENTAL BUDGET  
MAKING APPROPRIATIONS AND CHANGES FOR FISCAL YEAR 2013-14**

<b>SDC Fund</b>			
<b>Resource</b>	<b>Amount</b>	<b>Expenditure</b>	<b>Amount</b>
		SDC - Streets Activity - 3610	50,000
		SDC - Streets -Contingency	(50,000)
<b>Revised Total Resources</b>	<b>998,754</b>	<b>Revised Total Requirements</b>	<b>998,754</b>

Comments: To set up program activity within the SDC Fund for purposes of appropriation authority for Streets SDC costs associated with the 6th Street Right-of-Way acquisition. SDC -Streets budget activity did not have appropriation authority which necessitates this budget adjustment for the program activity with a resultant decrease in Streets SDC contingency account. The contingency account transfer in excess of 15 percent and the setting up of a new program activity requires a public hearing pursuant to Oregon Local Budget Law.

<b>Capital Projects Fund</b>			
<b>Resource</b>	<b>Amount</b>	<b>Expenditure</b>	<b>Amount</b>
		<b>General Construction Projects - 6110</b>	
		Materials & Services - Various	960,000
		Capital Outlay - Projects	(960,000)
		<b>Total General Construction Projects - 6110</b>	<b>-</b>
<b>Airport AIP Projects - 6130</b>		<b>Airport AIP Projects - 6130</b>	
Aviation Grant	7,322,200	M & S - Professional Services	375,000
Connect Oregon Grant	448,500	Capital Outlay - Construction	7,858,567
Transfer from General Fund	462,867		
<b>Total Airport AIP Projects - 6130</b>	<b>8,233,567</b>	<b>Total Airport AIP Projects - 6130</b>	<b>8,233,567</b>
<b>Revised Total Resources</b>	<b>14,073,875</b>	<b>Revised Total Requirements</b>	<b>14,073,875</b>

Comments: To provide for: (1) Setting up a new category of expense (Materials & Services) in the Capital Projects Fund for the general projects construction account (6110) and providing appropriation authority for such expenditures with offset in budget authority for Capital Outlay - Projects; and (2) to increase appropriations in the Capital Projects Fund and provide for appropriation authority for the new construction activity No. 6130 - Airport AIP Projects transferred as part of this supplemental budget from the Airport Operating Fund.

<b>Airport Fund</b>			
<b>Resource</b>	<b>Amount</b>	<b>Expenditure</b>	<b>Amount</b>
Aviation Grant	(7,322,200)	Operations - Materials & Svcs	(375,000)
Connect Oregon Grant	(448,500)	Capital Outlay - Construction	(7,858,567)
Transfer from General Fund	(462,867)		
<b>Revised Total Resources</b>	<b>1,580,432</b>	<b>Revised Total Requirements</b>	<b>1,580,432</b>

Comments: (1) To decrease Airport Fund appropriation by \$8,233,567 due to the transfer of appropriated expenses and related revenues to the Capital Projects Fund and the setting up of a new construction projects activity No. 6130 - Airport AIP Projects.





Agenda Item # VI.D  
Meeting Date June 16, 2014

## CITY COUNCIL AGENDA ITEM SUMMARY

City of Newport, Oregon

Issue/Agenda Title Public hearing and possible adoption of Ordinance No. 2066 amending the Library Services section of the Newport Comprehensive Plan

Prepared By: Derrick Tokos Dept Head Approval: DT City Mgr Approval:

**ISSUE BEFORE THE COUNCIL:** Consideration of whether or not it is in the public interest to rewrite the Library Services section of the Public, Cultural and Educational Services element of the Newport Comprehensive Plan to identify the City's role in implementing the goals, objectives and strategies outlined in a March 2014 strategic plan prepared on behalf of the Library Board of Trustees and Newport Library Foundation. At its May 27, 2014 meeting, the Planning Commission voted unanimously to recommend adoption of the changes.

**STAFF RECOMMENDATION:** Staff recommends the Council accept the Planning Commission's recommendation and adopt the ordinance.

**PROPOSED MOTIONS:** I move for reading, by title only, of an ordinance that repeals and replaces the Library Services section of the Public, Cultural and Educational Services element of the Newport Comprehensive Plan and for adoption by roll call vote.

**KEY FACTS AND INFORMATION SUMMARY:** The Newport Public Library and adjacent Literacy Park are part of the City's capital infrastructure and services offered at these venues are a key component of the cultural fabric of the community. In the Newport Comprehensive Plan, the Library Services section is contained within the Public, Cultural, and Educational Services element of the document. This section of the Plan was last updated on October 7, 1991 (Ordinance No. 1621) as part of periodic review and is outdated. The Library Board of Trustees and Newport Public Library Foundation prepared a strategic plan for the facility in March of 2014. The strategic plan sets out goals, objectives, and strategies for ensuring that the library has the capacity to meet the current and future needs of our community. The plan was developed through a public engagement process. As the library is a city funded service, it is important that the City's Comprehensive Plan be updated to reflect the City's role in implementing the goals, strategies, and objectives contained in the strategic plan.

The Newport Planning Commission reviewed the proposed changes at work sessions on April 14, 2014. The Planning Commission held a public hearing on May 27, 2014 and voted to recommend adoption of the amendments.

Notification for the proposed amendments was provided to the Department of Land Conservation & Development (DLCD) on April 23, 2014. Notice of the Planning Commission and City Council hearings was published in the Newport News-Times on May 16, 2014 and July 6, 2014, respectively.

**OTHER ALTERNATIVES CONSIDERED:** None.

**CITY COUNCIL GOALS:** The amendments identify service needs and strategies for addressing those needs that will inform the Council as it budgets resources and plans for library facility upgrades.

**ATTACHMENT LIST:**

Proposed Ordinance  
Existing (outdated) Library Services Section of the Comprehensive Plan  
Minutes from the May 27, 2014 Planning Commission Hearing  
Notice for the City Council Hearing  
Aerial Image of the Library  
March 2014 Strategic Plan

**FISCAL NOTES:** None. The proposed changes do not commit the City to making any specific financial decisions.

## CITY OF NEWPORT

## ORDINANCE NO. 2066

**AN ORDINANCE AMENDING THE PUBLIC, CULTURAL AND EDUCATIONAL  
SERVICES ELEMENT OF THE CITY OF NEWPORT COMPREHENSIVE PLAN TO  
REMOVE AND REPLACE THE LIBRARY SERVICES SECTION  
(Newport File No. 2-CP-14)**

**Summary of Findings:**

1. On April 14, 2013 the Newport Planning Commission initiated amendments to the “Public, Cultural, and Educational Services” element of the Newport Comprehensive Plan to rewrite the Library Services section of the document in a manner that speaks to the City’s role in implementing the goals, objectives, and strategies outlined in a March 2014 strategic plan prepared on behalf of the Library Board of Trustees and Newport Public Library Foundation.
2. The Newport Public Library building and adjacent Literacy Park are a part of the City’s capital infrastructure, and the services offered at these venues are a key component of the cultural fabric of the community. The Library Services section of the Newport Comprehensive Plan was last updated on October 7, 1991 (Ordinance No. 1621) as part of periodic review and is outdated. With the recent completion of the strategic planning process, it is timely to update this section of the Comprehensive Plan.
3. Newport Public Library maintains a collection of over 85,000 items, including books, DVDs, audio books, and music. This number does not include the tens of thousands of titles available from the Library’s downloadable e-book, audiobook and streaming video service known as Library2go.
4. The Library’s physical collection is housed in a single building, constructed in 1985 and expanded in 1999 to a present size of 16,500 square feet.
5. Since its last expansion, patron seating has been sacrificed or placed more closely together in an effort to make room for its growing collection. This has also led to a reduction in meeting room space, which has limited the type and scope of children and adult programs that can be offered.
6. Further, the demographics of the population served by the Library, and technology have changed dramatically over the last 20 years requiring adjustments to programming, equipment, and staff training to ensure the public is adequately served.
7. In response to these changes, the Library Board of Trustee’s and Newport Public Library Foundation determined that there was a public need to conduct a strategic planning and building analysis process through which stakeholders would be engaged to provide input on future programming and facility needs. The process was completed in March of 2014 with a “Purpose, Vision, Strategy” document that contains recommended service goals, objectives, and strategies that, if implemented, are designed to ensure that the Library is positioned to provide the type and range of services needed to support our growing community.

8. These amendments to the “Library Services” section of the Newport Comprehensive Plan are consistent with applicable Statewide Planning Goals in that the changes:

- a. Have been developed and vetted with the community as part of a strategic planning process and with the City of Newport Planning Commission and its Advisory Committee consistent with Statewide Planning Goal 1, Public Involvement; and
- b. Ensure that goals and policies contained in the Newport Comprehensive Plan accurately reflect the current condition and service capabilities of the Library, which will facilitate future fact based land use decision making processes consistent with Statewide Planning Goal 2, Land Use Planning; and
- c. Provide a framework for structuring city library services so that they will adequately meet the public’s needs helping to foster a well-educated and informed constituency. This complements economic development strategies contained in the Comprehensive Plan that emphasize and support workforce development and the provision of cultural amenities attractive to employees/employers, consistent with Statewide Planning Goal 9; and
- d. Support the timely, orderly, and efficient arrangement of public facilities and services by ensuring the Library’s facility and equipment needs are identified in conjunction with the City’s other capital project priorities, as encouraged by Statewide Planning Goal 11.

9. No other Statewide Planning Goals are applicable to the proposed changes to the “Library Services” section of the Newport Comprehensive Plan.

10. The Newport Planning Commission reviewed the proposed changes to the Library Services section of the Newport Comprehensive Plan at a work session on April 14, 2014. The Planning Commission held a public hearing on May 27, 2014 and voted to recommend adoption of the amendments.

11. The City Council held a public hearing on June 16, 2014 regarding the question of the proposed revisions, and voted in favor of their adoption after considering the recommendation of the Planning Commission and evidence and argument in the record.

12. Information in the record, including affidavits of mailing and publication, demonstrate that appropriate public notification was provided for both the Planning Commission and City Council public hearings.

**THE CITY OF NEWPORT ORDAINS AS FOLLOWS:**

**Section 1.** Findings. The findings set forth above are hereby adopted in support of the amendments to the Newport Comprehensive Plan adopted by Section 2 of this Ordinance.

**Section 2.** Amendment. The entire Library Services section of the Public, Cultural, and Educational Services element of the City of Newport Comprehensive Plan is hereby removed and replaced with the text set forth in the attached Exhibit "A".

**Section 3.** Effective Date. This ordinance shall take effect 30 days after passage.

Date adopted and read by title only: \_\_\_\_\_

Signed by the Mayor on \_\_\_\_\_, 2014.

\_\_\_\_\_  
Sandra Roumagoux, Mayor

ATTEST:

\_\_\_\_\_  
Margaret M. Hawker, City Recorder



## **LIBRARY SERVICES**

### **Background:**

Newport Public Library checked out its first book in 1925. Since that time, the Library has occupied several buildings in at least three different locations. Its current home was built in 1985 and expanded in 1999 to its present size of 16,500 square feet. The Library's collection holds over 85,000 items, including books, DVDs, audio books, and music. This number does not include the tens of thousands of titles available from the Library's downloadable e-book, audiobook and streaming video service known as Library2Go.

Open seven days a week, the Library is known for its outstanding collection of art books, independent American and foreign film and documentary titles and dedication to children's and youth services. According to data compiled by the Institute of Museum and Library Service (FY 2011), the Library consistently ranks as the number first or second library on the Oregon coast in total circulation per capita, hours open, number of children and adult programs offered, attendance at children and adult programs and internet usage by patrons.

Since its last expansion, patron seating has been sacrificed or placed more closely together in an effort to make room for its growing collections. The ability to offer more robust children and adult programs is constrained by lack of adequate meeting room space and there are not enough small meeting rooms to accommodate collaborative learning spaces. Patrons also complain about the "boxed in" feel and the lack of personal space.

Newport's demographics have changed dramatically in the past twenty years. The steady growth of new immigrants in the Fishing and Hospitality industries have necessitated the need for developing a collection and programs that meet the needs of this group of citizens.

The technology landscape has changed – and continues to change – dramatically each year. The way patrons seek information, the way they read and what they need and expect when they come to a modern day library requires a constant updating of equipment and training for staff. Technology on the staff side has changed workflows and day-to-day responsibilities. Consistent and constant training in new technologies and equipment is demanding of staff time and funds to provide training opportunities.

To meet the future needs of its patrons, the Library hired a team of consultants to assist in the development of a strategic plan and building analysis. This was completed in March, 2014.

Over seventy-five citizens were involved in the development of the strategic plan. Some served on the Strategic Planning Committee. Some were part of focus group discussions that were held in various locations around Newport. Some participants were interviewed by the consultants and some were asked to participate because they believe the Library is necessary to the community's well-being and livability. All participants were highly motivated and appreciative of the chance to participate in work that developed a roadmap for the Library's future.

**The following processes and methods were used in preparing this Library element of the Comprehensive Plan:**

1. Strategic Plan: The strategic plan helped identify what the community wants from the Library. Community input was gathered over a three month period. The strategic plan contains the service goals and organizational initiatives to be carried out over the next 10 years.
2. Building Analysis: The building analysis identified physical and other aesthetic improvements that will create more space for children and teen programs and to give the Library a new “look” and more open “feel.” The building analysis specifies short-term, medium-term and long-term solutions to the space needs at the Library.

**Service Goal: To be a place that stimulates the imagination, invites and enables life-long learning and creates young readers.**

**Policy 1:** The City will provide programs for teens and adults that stimulate the imagination.

**Strategies:**

1. Involve teens and adults in a Stimulate the Imagination initiative. Provide a sponsor or funding for the design of one or more programs and events for teens and adults.
2. Develop partnerships with schools, churches, clubs, recreation centers, homeschool groups, etc. to promote Library sponsored activities to teens.
3. Establish advertising activities to promote programs through newsletters, brochures, social media, etc.
4. Evaluate teen and adult collections to reflect changing interests, keeping those collections fresh and up-to-date.

**Policy 2:** The City will make available early literacy programs for all children from birth to age five.

**Strategies:**

1. Insure staffing is sufficient to provide programs and services to children inside the Library.
2. Implement a plan to work with early childhood service providers to enable children age 0-5 to visit the Library.
3. Implement a plan to work with families to enable children age 0-5 to visit the Library.
4. Increase awareness and online tools and resources for this age group and their families through orientations and classes at the Library.

**Policy 3:** The City will provide Hispanic residents and families a Library that is welcoming and enriching.

**Strategies:**

1. Initiate an informal group of Hispanic residents to advise the Library regarding collections, programs, communication channels and outreach avenues.
2. Hire bi-lingual and bicultural staff and/or recruit bi-lingual and bicultural volunteers to assist Hispanic patrons.
3. Broaden collections that appeal to various Hispanic cultures.
4. Advertise the Library and its programs and services in Spanish.
5. Conduct regular orientations and programs in Spanish for adults, children and families.
6. Provide computer classes in Spanish.

**Policy 4:** The City will continually improve its ability to deliver library services in the library and online using up-to-date technology.

**Strategies:**

1. Implement self-check, kiosk vending and PC management software and keep all software and hardware updated.
2. Advocate for greater depth in the City Information Technology Department.
3. Use current assessment programs to set IT baselines to identify strengths and inadequacies.
4. Set technology baselines for staff and develop a training program to keep staff current on emerging technologies.
5. Create a technology tub program that allows staff access to new devices as they become part of the mainstream IT world.
6. Redesign the website and online catalog so they are accessible for a broad range of devices and user languages.
7. Increase technology budget that allows for flexibility to meet changing technology needs.

**Organizational Goal: The Library Facility is a gathering place for individuals and groups.**

**Policy 1:** The City will provide its citizens with an attractive and adequately sized facility where they can utilize the collections, programs and activities to their benefit and satisfaction.

**Strategies:**

1. Carry out consultant recommendations by implementing a light remodel during FY 14-15.
2. Develop a timeline and funding plan for implementation of long-term building needs as pointed out in the consultants, "Interior Space Planning and Space Needs Recommendations" during FY 15-16.
3. Initiate a capital campaign for the Library in FY 17-18.
4. Commission a Building Program and Conceptual Design for a 22,400-26,500 square foot Library during FY 17-18.
5. Outline an architectural process and timeline for the construction of an expanded or new Library by FY 18-19.

**Policy 2:** The City will actively promote the strategic plan through partnerships, marketing and public information campaign.

**Strategies:**

1. Engage a strategic communications/public relations/marketing consultant or qualified staff to develop a targeted outreach plan in support of all library service goals
2. Regularly survey citizens; adjust, add, or replace services and programs in response to feedback.

## LIBRARY SERVICES

### Introduction:

Too often people tend to think of a library as nothing more than a building with books on shelves. Contemporary libraries, however, are as vital and energetic as the communities they represent. The Newport Public Library reflects this modern reality by offering a variety of services and formats: from current best sellers to standard reference works, large print books for the visually handicapped, picture books and programs for children, and more. There are magazines, records, cassettes, compact discs, books on tape, videocassettes, and audio-visual equipment for loan, as well as over 32,000 books. Outreach services are available for those who are unable to come to the library.

### Services and Staffing:

The Newport Library is the busiest library of its size in Oregon, with a total circulation of over 125,000 items each year. A library's regional location often defines its special interests. As one might expect, a considerable collection of fishing and boating materials is maintained at the library, although requests for highly technical information are referred to the excellent resources of the nearby Hatfield Marine Science Center Library. Newport's art community is surprisingly active, with interest running high in books on everything from raku to set design. Competing with books in popularity is the growing collection of unabridged books on tape favored by commuters.

The library provides information exploring different sides of controversial issues, and does not decide, through either inclusion or exclusion, what the public should read. It is our belief that the diversity and openness of the collection enhance and strengthen our democratic society.

Five full-time staff members are assisted by part-time staff and community volunteers to offer library services and to keep the library open seven days a week.

In January, 1991, the "new" library was five years old. The Library Board took that occasion to study usage of the building and look to the future of the facility.

\*\*\*\*\*

GOALS/POLICIES/IMPLEMENTATION MEASURES  
LIBRARY SERVICES

Goal: To provide quality and efficient library services for a variety of users within the community.

Policy 1: To serve as a popular materials library, to provide reference services, and to act as preschoolers' door to learning.

Implementation Measure 1: The Newport Public Library staff will purchase current, high-demand, high interest materials in a variety of formats for persons of all ages.

Implementation Measure 2: The Newport Library staff will seek timely, accurate, and useful information for community residents.

Implementation Measure 3: The library staff will encourage young children to develop an interest in reading and learning through services for children, and for parents and children together.

AMENDMENT OF AGREEMENT WITH ROBERT W. CONNELL, ATTORNEY AT LAW

Whereas on October 15, 2013, the City of Newport (“City”) entered into an Agreement with Robert W. Connell, Attorney at Law (“Robert Connell”) to perform legal services as City Attorney and General Counsel for the City of Newport (“the Agreement”); and

Whereas the Agreement by its terms is due to terminate on June 30, 2014 at midnight, unless the Agreement is extended or renewed as provided in the Agreement; and

Whereas the parties desire to extend the Agreement and to make such changes as the parties may mutually agree upon; and

Whereas, an amendment to the Agreement is currently being negotiated; and

Whereas, because June 16<sup>th</sup> is the only regularly scheduled City Council meeting in the month of June, an amendment to extend the duration of the Agreement is necessary to provide additional time to complete contract negotiations, and provide for City Council review of an amended Agreement prior to its termination;

NOW THEREFORE, the parties AGREE:

1. The sentence on page one of the Agreement which reads as follows is deleted: **“This Agreement expires at midnight on June 30<sup>th</sup> 2014, unless earlier terminated as set forth below, or in the event this Agreement is extended or renewed as set forth below.”**
2. In place of the deleted sentence on page one of the Agreement, the following sentence is added: **This Agreement shall continue unless terminated as set forth below, and may be amended or replaced by a subsequent agreement, as the parties may determine from time to time.**
3. Except as modified above, all other provisions of the Agreement shall continue in full force and effect.

**IT IS SO AGREED:**

\_\_\_\_\_  
Law Office of Robert Connell  
 (“Robert Connell”)  
By: Robert W. Connell

\_\_\_\_\_  
Date

\_\_\_\_\_  
City of Newport (“City”)  
By: Mayor Sandra N. Roumagoux

\_\_\_\_\_  
Date

\_\_\_\_\_  
ATTEST: City of Newport Recorder  
By: Margaret H. Hawker

\_\_\_\_\_  
Date

**Law Office of Robert W. Connell  
Attorney at Law**

(currently inactive with the Oregon State Bar)

418 S.W. 6<sup>th</sup> St.

Newport, Oregon 97365

Tel: 541 270-2401 Fax: 541 265-9558

[mistervenetian@gmail.com](mailto:mistervenetian@gmail.com)

**ENGAGEMENT LETTER AND AGREEMENT**

Dear Mayor and Council:

The purpose of this letter is to memorialize the agreement between the City of Newport ("City") and Robert W. Connell, Attorney at Law ("Robert Connell" or "Mr. Connell") for City Attorney legal services ("Agreement"). The City has been advised that Robert Connell is currently inactive with the Oregon State Bar ("the Bar"), and has made application to the Bar to restore his active status to enable him to perform services under this Agreement.

This Agreement is effective upon signature by an authorized representative of the City, with legal services to commence December 1<sup>st</sup>, 2013, or upon Robert Connell's reinstatement to active status with the Oregon State Bar, whichever first occurs.

This Agreement expires at midnight on June 30<sup>th</sup> 2014, unless earlier terminated as set forth below, or in the event this Agreement is extended or renewed as set forth below.

The Law Office of Robert W. Connell appreciates being selected to perform General Counsel legal services as City Attorney, as more particularly described below:

1. Robert Connell is engaged to perform legal services for the City for the term described above in this Agreement, and as set forth below.
2. The parties recognize that the law firm Speer Hoyt, LLC, by and through its Local Government Law Group ("Speer Hoyt") has an agreement with the City for legal services, and that the services set forth in its Engagement Letter and Billing Procedure Memo shall continue according to its terms, and as that document may be amended from time to time.

3. With the addition of Robert Connell as City Attorney, Mr. Connell will perform the duties associated with the position of General Counsel, and is tasked with the coordination of legal services provided to the City by Speer Hoyt, and such other attorneys or law firms as the City may choose to retain from time to time, upon the recommendation of Mr. Connell.
4. Mr. Connell is engaged for ten (10) hours legal services per week, as set forth in Appendix A to the City's Request for Proposals for Legal Services, published August 22, 2013 ("RFP"). Appendix A is attached to this document. The ten hours work per week will be billed to the City at the rate of \$175 per hour for Mr. Connell's time. In the event fewer than forty hours work are performed in any given month, the City will only be billed for the hours, and fractions of hours, for which work is actually performed. In the event more than forty hours of work are performed in any given month, the City will be billed for hours, and fractions of hours, for which work is actually performed.
5. Consistent with Appendix A to the RFP, the parties recognize that the coordination and other functions associated with being City Attorney and General Counsel may require reallocation of the hours anticipated to be performed in the service categories specified in Appendix A. Specifically, and with the concurrence of the City, it is anticipated that Mr. Connell's services as General Counsel may necessitate a reduction in the hours associated with attending City Council meetings. In such event, the parties will endeavor to anticipate legal issues which may arise in any such meetings, and to seek appropriate counsel prior to the scheduled meeting. In the event circumstances require, the City may require Mr. Connell's attendance at the meeting.
6. The parties agree to review and evaluate the number of hours necessary for Mr. Connell to perform General Counsel and other legal services at approximately three months following the inception of this Agreement. At that time, the parties shall consider the volume of work being performed (whether it is less than or exceeds the scheduled ten hours per week), the hourly rate associated with the work being performed (whether an adjustment raising or lowering the hourly rate is suitable under the circumstances at the time of the review), and the desirability of amending or extending this Agreement.
7. This Agreement may also be amended as mutually agreed between the parties in writing at any time, including extension or renewal upon the terms set forth in this Agreement, or upon such other terms which are agreeable to the parties.

8. The parties acknowledge that the General Counsel duties (including but not limited to coordinating legal services with the City's contract attorneys, as well as the Council, City Manager, Department Heads and staff), may require revision of Resolution No. 3624 (April 15, 2013). The parties shall meet from time to time to insure that the Resolution sets forth an effective and flexible model for ordering legal services, as well as providing for effective communication among the persons identified above. The City may amend the Resolution, after consultation with Mr. Connell, in the event changes to the Resolution are contemplated.
9. The City will be responsible for all costs incurred by Mr. Connell in the performance of his duties, including but not limited to document recording fees, filing fees, service fees, court reporter fees for depositions and hearings, court trial fees, and other necessary court and office costs. In the event travel expense is incurred by Mr. Connell in the performance of his duties, Mr. Connell shall be reimbursed at the then applicable IRS mileage rate, in addition to attorney's fees at 50% the rate specified above for the time devoted to travel.
10. Mr. Connell will not charge for basic computer research charges, phone charges (excluding long distance), and routine photocopy charges. As provided in the RFP, the City will make limited equipment, supplies, and copying services available as necessary. Depending on the legal matter, and at his discretion, Mr. Connell may engage the services of legal assistants at a rate not to exceed \$50 per hour, and law clerks and paralegals at a rate not to exceed \$75 per hour. These expenses shall be billed to the City on a monthly basis. In view of the relatively low number of legal services hours associated with this Agreement, the parties anticipate that these expenses will be the exception, rather than the rule.
11. Office bills for time expended on the City's behalf include time from initial consultation through the closing of the matter. Activities requiring the expenditure of time may include office conferences, telephone discussions, preparation and review of correspondence, document preparation and review, and any other services undertaken on the City's behalf by Mr. Connell.
12. Monthly statements will be provided to the City which will indicate the amount of time spent and the charge for services based on the then current rates. Upon receipt of the monthly statement, the amount billed is due and payable. If the outstanding balance is not paid within 60 days, interest at the rate of 9% per annum will be applied. In the event questions arise in connection with a monthly statement, the City is encouraged to contact Mr. Connell, and to resolve any

question or dispute within 30 days of receipt of the monthly statement. If no such contact is made, the statement will be deemed settled, and payment will be expected by the end of the 60 day period.

13. Mr. Connell is engaged as an independent contractor, and not as an employee of City. As such, Mr. Connell will be entitled to no benefits associated with employment, except as may be set forth herein.

14. This Agreement may be terminated by either party at any time by providing written notice to the other party, setting forth the effective date of termination.

15. In the event of a suit, action, or proceeding arising out of, or in connection with this Agreement, the prevailing party shall be entitled to its reasonable attorneys' fees and costs, whether at trial, or on appeal.

IT IS SO AGREED:

Robert Connell      10-15-13  
Robert Connell      Date

Sandra N. Rommagnolo      10-15-13  
Mayor      Date

Margaret A. Lawler      10/15/13  
Attest:      Date:

APPENDIX A

ESTIMATED MONTHLY PROPORTION  
OF GENERAL LEGAL SERVICES TIME BY WORK AREA

ATTENDANCE AT CITY COUNCIL MEETINGS	55%
PREPARATION FOR CITY COUNCIL MEETINGS	25%
CODE ENFORCEMENT AND MUNICIPAL COURT PROSECUTIONS	10%
MISCELLANEOUS	10%

Note: The amount of time spent in the work areas may vary from month to month.





Agenda Item # VIII.A  
Meeting Date June 16, 2014

**CITY OF NEWPORT AGENDA ITEM SUMMARY**  
City Of Newport, Oregon

Issue/Agenda Title: Resolution No. 3673 providing for budget transfers and making appropriations changes for the Fiscal Year 2013-2014

Prepared By: Gazewood Dept Head Approval: Gazewood City Mgr Approval:

**Issue Before the Council:** Consider amending the City's Fiscal Year 2013-2014 annual budget to address appropriation changes in the General Fund, Public Works Fund, Streets Fund, Water fund, Wastewater Fund and Parks & Recreation Fund. The budget changes are primarily transfers of respective contingency appropriations to specific categories of expense within the stated funds and organizational units. In some instances transfers are provided from organizational units/activity cost centers.

**Staff Recommendation:** Staff recommends the adoption of the budget transfers and making appropriation changes in the referenced funds as detailed in Attachment "A" to Resolution No. 3673.

**Proposed Motion:** I move to adopt Resolution No. 3673, a resolution providing for budget transfers and making appropriation changes for fiscal year 2013-2014.

**Key Facts and Information Summary:** ORS 294.463 allows transfers of appropriations within or between funds after adoption of the annual budget to provide appropriation increases for lawful expenditures of monies in excess of the original appropriation contained in the adopted annual budget. Contingency transfers, if 15% or less of the total fund appropriations, may be made by resolution without a supplemental budget. That is to say, contingency transfers over 15% require a supplemental budget and resolution. The contingency transfers in this resolution are under the supplemental budget requirement. Such intra- and inter- fund transfers between appropriation categories may be made by resolution, a statement of the need for the transfer, purpose of the expenditure and amount must be contained therein. The transfer resolution and the accompanying Attachment "A" attempts to incorporate these requirements.

**Other Alternatives Considered:** None

**Fiscal Notes:** In the General Fund, transfers totaling \$85,000 is being requested for the Non Departmental activity unit. This budget unit is currently over budget at May 31, 2014 by \$40,771. It is estimated that another \$44,229 will be needed to cover Non Departmental expenses for June and the accrual period of the fiscal year following June 30<sup>th</sup>. In the Public Works Fund, transfers of \$46,400 is being requested for the Materials & Services category of expense to provide appropriation authority for temporary employment service costs whereby use of this service substitutes for a vacant city position. Additionally, spending authority is needed to cover engineering services. In the Streets Fund, the Storm Drain Maintenance organizational unit needs additional appropriation authority for capital equipment acquisition that was not previously budgeted. In the Water Fund, transfers of \$146,000 is requested to

provide appropriation authority in the Treatment Plant, Water Distribution and Non Departmental organizational units where costs are running somewhat higher than originally budgeted. In the Wastewater Fund, the Non Departmental needs an additional \$28,000 to cover anticipated costs for the remaining month of the fiscal year. In the Parks and Recreation Fund, this fund is running close to its appropriation levels in the six organizational units of the Fund. Contingency transfers are requested for three of the organizational units that Parks and Recreation staff have projected overruns. The contingency account at \$16,143 would be insufficient to cover budget overruns normally but this amount has been allocated to the three organizational units for potential coverage.

In the various funds, contingency transfers have been applied to the extent of appropriation coverage as needed. However, in the General Fund, the contingency of \$77,703 is insufficient to cover the \$85,000 requested so the City Administration organizational unit is transferring appropriation of \$5,201 to cover the appropriation needs of the Non Departmental organization unit. The net effect of all appropriation transfers is zero; therefore, no overall or additional increase in appropriation authority is provided to any of the funds requiring budget adjustments.

**CITY OF NEWPORT  
RESOLUTION NO. 3673**

**A RESOLUTION PROVIDING FOR BUDGET TRANSFERS AND MAKING  
APPROPRIATION CHANGES FOR FISCAL YEAR 2013-2014**

**WHEREAS**, the City of Newport's 2013-2014 budget is in need of adjusting various funds, departments, organizational units and category of expense accounts for additional appropriation authority; and

**WHEREAS**, under the provisions of Oregon Local Budget Law, fund units and accounts are required to reflect sufficient authorized appropriations; and

**WHEREAS**, appropriation authority may be made by transfers of appropriations within organizational units, transfers within categories of expense and/or transfers of contingency appropriations within a specific fund when authorized by official resolution of the governing body as provided by ORS 294.463.

**WHEREAS**, additional appropriation authority for expenditures may be made by transfer of contingency appropriations within a specific fund when authorized by official resolution of the governing body as provided by Oregon Local Budget Law; and

**THE CITY OF NEWPORT RESOLVES AS FOLLOW:** that such transfers of categories of expense, organizational units, and contingency appropriations to fund expenditures within each fund account as forth in Attachment "A" and providing expenditure authority is hereby increased and appropriated. The net effect of such appropriation transfers is zero.

This resolution will become effective immediately upon passage.

Adopted by the Newport City Council on June 16, 2014.

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Sandra Roumagoux, Mayor

Attest:

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Margaret M. Hawker, City Recorder

**CITY OF NEWPORT OREGON**

**ATTACHMENT "A" - RESOLUTION NO. 3673 PROVIDING FOR BUDGET TRANSFERS AND MAKING APPROPRIATION  
MAKING APPROPRIATION CHANGES FOR FISCAL YEAR 2013-14**

	<b>Original &amp; Amended Budget</b>	<b>Changes</b>	<b>Adjusted Budget</b>
<b>General Fund (101)</b>			
Non Departmental	533,626	85,000	618,626
City Administration	1,819,980	(5,201)	1,814,779
Other Departments	9,949,060	-	9,949,060
Transfer to General Debt Fund	167,538	(2,096)	165,442
Contingency	77,703	(77,703)	-
<b>Total</b>	<b>12,547,907</b>	<b>-</b>	<b>12,547,907</b>

**Purpose** To provide additional appropriation authority for the Non Departmental budgeted activity cost center. Multiple budgeted line-items have budget over-runs totaling \$40,771 at May 31, 2014. It is anticipated that another \$37,229 will be needed to cover end of fiscal year expenses plus an additional \$7,000 for the City actuary. Net effect of such transfers is zero.

	<b>Original &amp; Amended Budget</b>	<b>Changes</b>	<b>Adjusted Budget</b>
<b>Public Works Admin Fund (301)</b>			
Personal Services	531,224		531,224
Materials & Services	136,224	46,400	182,624
Capital Outlay	65,000		65,000
Contingency	55,241	(46,400)	8,841
<b>Total</b>	<b>787,689</b>	<b>-</b>	<b>787,689</b>

**Purpose** To increase Materials & Services appropriation authority for temporary employment service whereby contract service's employee is substitute for vacant city employee and to provide additional appropriation for engineering services. Net effect of such transfers is zero.

	<b>Original &amp; Amended Budget</b>	<b>Changes</b>	<b>Adjusted Budget</b>
<b>Streets Fund (302)</b>			
Street Maintenance	686,326		686,326
Storm Drain Maintenance	448,281	20,822	469,103
Transfer to Debt Service	61,250		61,250
Contingency	73,289	(20,822)	52,467
<b>Total</b>	<b>1,269,146</b>	<b>-</b>	<b>1,269,146</b>

**Purpose** To increase Storm Drain Maintenance activity cost center appropriation to provide for capital equipment acquisition not previously budgeted. Net effect of such transfer is zero.

	<b>Original &amp; Amended Budget</b>	<b>Changes</b>	<b>Adjusted Budget</b>
<b>Water Fund (303)</b>			
Treatment Plant	805,340	36,000	841,340
Distribution	910,970	80,000	990,970
Capital Projects	981,824		981,824
Non Departmental	729,594	30,000	759,594
Transfers Out	206,071		206,071
Contingency	166,700	(146,000)	20,700
<b>Total</b>	<b>3,800,499</b>	<b>-</b>	<b>3,800,499</b>

**Purpose** To transfer contingency to various activity cost centers in Water Fund to provide appropriation authority for categories of expense and line-items that were underbudgeted or not anticipated. Net effect of such transfers is zero.

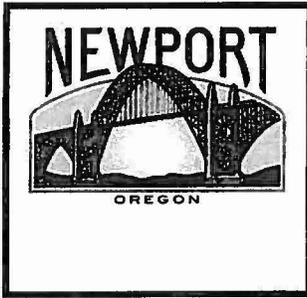
	<b>Original &amp; Amended Budget</b>	<b>Changes</b>	<b>Adjusted Budget</b>
<b>Wastewater Fund (304)</b>			
Wastewater Plant	1,224,833		1,224,833
Collection	618,155		618,155
Capital Projects	605,407		605,407
Non Departmental	837,218	28,000	865,218
Transfers Out	654,527		654,527
Contingency	134,860	(28,000)	106,860
<b>Total</b>	<b>4,075,000</b>	<b>-</b>	<b>4,075,000</b>

**Purpose:** To transfer contingency to Non Departmental activity cost center in Wastewater Fund to provide additional appropriation authority for underbudgeting of fees in lieu of franchise fees. Net effect of such transfer is zero.

	<b>Original &amp; Amended Budget</b>	<b>Changes</b>	<b>Adjusted Budget</b>
<b>Parks &amp; Recreation Fund</b>			
Parks Admin	154,238		154,238
Senior Center	144,753		144,753
Swimming Pool	384,591	5,000	389,591
Recreation Center	424,782	7,500	432,282
Recreation Programs	113,041	3,643	116,684
Sport Programs	105,556		105,556
Contingency	16,143	(16,143)	-
<b>Total</b>	<b>1,343,104</b>	<b>-</b>	<b>1,343,104</b>

**Purpose:** To transfer contingency to various activity cost center in Parks & Recreation Fund to provide additional appropriation authority for underbudgeting Materials & Services costs.. Net effect of such transfer is zero.





Agenda Item #  
Meeting Date

VIII.E  
June 16, 2014

**CITY OF NEWPORT AGENDA ITEM SUMMARY**  
City Of Newport, Oregon

Issue/Agenda Title: Resolution No. 3674 providing for a budget for use of bond proceeds and making appropriations for the Fiscal Year 2013-2014

Prepared By: Gazewood Dept Head Approval: Gazewood City Mgr Approval: \_\_\_\_\_

**Issue Before the Council:** The purpose of this resolution is to adopt a budget and make appropriation for the use of bond proceeds related to the \$7,900,000 general obligation bond issue approved by the voters on November 5, 2014.

**Key Facts and Information Summary:** Unbudgeted expenditures of proceeds from the sale of general obligation bonds approved by the voters during the current fiscal year may be made during the current fiscal year without a supplemental budget pursuant to ORS 294.338(4). A resolution may be enacted to establish a special revenue fund or a capital projects fund for the bond proceeds, if none exists, and to appropriate the proceeds. Since a capital projects fund has been established, a new appropriation cost center is being set up within the Capital Projects Fund. The new cost center will be "Capital Projects - Swimming Pool" and further identified as Activity No. 6120 for appropriation and expenditure purposes.

**Staff Recommendation:** Staff recommends the adoption of the budget and making appropriations for the Capital Projects - Swimming Pool Account No. 6120 within the Capital Projects Fund.

**Proposed Motion:** I move to adopt Resolution No. 3674, a resolution adopting a budget for use of bond proceeds for fiscal year 2013-14 and making appropriations.

**Other Alternatives Considered:** None

**Fiscal Notes:** From the sale of the \$7,900,000 issuance of bonds, an amount of \$8,281,973 was applied to the City. The difference between the two foregoing amounts is \$381,973 that included a premium provided from the best bid. The premium amount has been set aside as a non-appropriated item and available for future appropriation. Such premium may be applied to future debt payments; applied to project construction costs, if needed; or applied to a combination of future debt payments and project construction costs. On June 9, 2014, the City Council awarded the Architectural Services Agreement of \$886,330 contingent upon no protest and authorized the City Manager to execute the contract after seven days.

Additionally, bond issuance costs totaling \$97,388 were incurred with the sale of the Bonds. These costs factors are incorporated into the budget presented for adoption and the budget is summarized as follows:

**Capital Projects - Swimming Pool (601-6120)**

Materials & Services		\$ 97,388
Capital Outlay - Projects		<u>886,330</u>
Appropriated Expense for Capital Projects - Swimming Pool		\$ 983,718

Non-Appropriated		
Restricted Bond Premium	\$ 381,973	
Unappropriated Ending Fund Balance	<u>6,916,282</u>	<u>7,298,255</u>

**Total Capital Projects - Swimming Pool Requirements** \$8,281,973

Finally, this budget following adoption affirms that the 5% bond threshold requirement of spending and/or obligation of the \$7,900,000 bond issue within six months from the sale of the bonds (December 19, 2013) will be met prior to June 19, 2014.

**CITY OF NEWPORT  
RESOLUTION NO. 3674**

**A RESOLUTION ADOPTING A BUDGET FOR USE OF BOND PROCEEDS FOR  
FISCAL YEAR 2013-14 AND MAKING APPROPRIATIONS**

**WHEREAS**, the voters of the City of Newport on November 5, 2014 approved a \$7,900,000 General Obligation Bond for the construction of a new aquatic center; and

**WHEREAS**, unbudgeted expenditures of proceeds from the sale of general obligation bonds approved by the voters during the current fiscal year may be made during the current fiscal year without a supplemental budget pursuant to ORS 294.338(4); and

**WHEREAS**, the City is creating a new appropriation category and activity account (6120 - Swimming Pool Capital Project) for expenditure of such proceeds within the Capital Projects Fund; and

**WHEREAS**, a resolution may be enacted to establish a special revenue fund or capital project fund for the bond proceeds, if none exists, and to appropriate the proceeds.

**THE CITY OF NEWPORT RESOLVES AS FOLLOW:** that the budget for the Capital Projects - Swimming Pool Activity No. 6120, with total requirements of \$8,281,973, is hereby adopted and hereby provides for appropriation authority of \$983,718 for Project Activity No. 6120 with non-appropriated funds of \$7,298,255.

This resolution will become effective immediately upon passage.

Adopted by the Newport City Council on June 16, 2014.

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Sandra Roumagoux, Mayor

Attest:

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Margaret M. Hawker, City Recorder

CITY OF NEWPORT

RESOLUTION NO. 3679

A Resolution Setting Rates for  
Water Utility Charges, Fees, Deposits, and Penalties,  
And Repealing Resolution No. 3628

Findings

- A. The City of Newport operates a water utility that diverts, stores, treats, and delivers water to customers within the City and to its customers outside the City.
- B. The Newport Municipal Code Chapter 5.10 governs the operation and use of the City's water utility. NMC Section 5.10.200 specifically authorizes the City Council to set charges, fees, deposits, and penalties for water utility users.
- C. The rates established by this resolution are calculated to cover the costs of water service, including amounts to pay for the operation, maintenance, repair, necessary replacement, and improvement, but do not generate revenue above what is needed for sound operation and management of the water system.

Based on these findings, the City of Newport resolves as follows:

Section 1. Connection Fee and Street Opening Fee

- A. The fee for a new connection to the water system is based on the size of service. The fees for new connections are:

Service Size	Connection Fee
5/8" x 3/4"	\$1,685.00
1 inch	\$1,960.00
Larger than 1 inch	Actual cost plus 10%

- B. An additional fee of \$1,800.00 will be added to the above costs if cutting and restoration of asphalt streets is necessary.

Section 2. Deposit

The amount of deposit required under NMC 5.10.020 is based upon meter size and is generally equal to two months of average usage. Deposits will not be refunded prior to discontinuation of service except in extenuating circumstances and then only by authorization by the city Finance Director. Deposits for new utility accounts are:

Service Size	Deposit
5/8" x 3/4"	\$230.00
1 inch	\$280.00
1 1/4" x 1 1/2"	\$1,090.00
2 inch	\$1,430.00
3 inch and larger	\$2,110.00

**Section 3. Miscellaneous Charges**

- A. The charge for a normal reconnection or additional connection is \$19.00, in addition to any connection fee established under Section 1.
- B. The reconnection fee following a for-cause (delinquent payment or other cause) disconnect is \$42.00.
- C. The charge for opening a connection in violation of NMC Chapter 5.10 is \$95.00.
- D. The fee for late payment is \$19.00.
- E. The fee for a non-payment notice is \$19.00.

**Section 4. Rates for Water Service within the City Service Area**

The rates in this Section 4 apply to all service areas.

The minimum monthly charge shall be based on the size of each meter except as otherwise defined within this section.

The minimum charge for unmetered fire suppression systems shall be based upon the size of the service line entering the property.

- A. The charges in this Section 4.A apply within the City of Newport.

Meter Size	Usage included with minimum charge	Minimum Charge	Cost per 1,000 Gallons in excess of included amount
5/8" x 3/4"	1,000 gallons	\$ 19.85	\$3.65
1 inch	1,000 gallons	\$ 27.30	
1 1/4" x 1 1/2"	1,000 gallons	\$ 40.15	
2 inch	1,000 gallons	\$ 68.80	
3 inch	1,000 gallons	\$ 102.70	
4 inch and over	1,000 gallons	\$ 170.70	

B. The charges in this Section 4.B apply outside the City of Newport.

Meter Size	Usage included with minimum charge	Minimum Charge	Cost per 1,000 Gallons in excess of included amount
5/8" x 3/4"	1,000 gallons	\$ 37.90	\$6.00
1 inch	1,000 gallons	\$ 51.60	
1 1/4" x 1 1/2"	1,000 gallons	\$ 71.75	
2 inch	1,000 gallons	\$ 126.50	
3 inch	1,000 gallons	\$188.25	
4 inch and over	1,000 gallons	\$ 309.30	

**Section 6. Temporary Service through Fire Hydrant**

Fire Hydrant Installation	\$250.00
Monthly charge (no usage included)	\$188.25
Usage per 1,000 gallons	\$ 6.00

**Section 7. Water Purchased and Privately Transported**

The amount charged for water purchased and transported by the purchaser directly from any authorized city facility is \$6.00 per 1,000 gallons.

**Section 8. This Resolution repeals Resolution No. 3628 in its entirety.**

**Section 9. Effective Date of Rates, Fees, Charges, and Penalties**

The effective date of this resolution is July 1, 2014. As applied to monthly bills, the change shall be based on the date of billing, not the date of service.

Adopted by the Newport City Council on June 16, 2014.

CITY OF NEWPORT

\_\_\_\_\_  
Sandra N. Roumagoux, Mayor

ATTEST:

\_\_\_\_\_  
Margaret M. Hawker, City Recorder

CITY OF NEWPORT  
RESOLUTION NO. 3680

A Resolution Setting Wastewater Utility Rates  
And Repealing Resolution No. 3627

Findings

- A. The City of Newport operates a wastewater utility that collects and treats wastewater from properties within the city and to some properties outside of the city limits but within the city's urban growth area.
- B. Newport Municipal Code Chapter 5.15 governs the operation and use of the wastewater utility. NMC Section 5.15.070 authorizes the City Council to set rates for wastewater service by resolution.
- C. The rates established by this resolution are calculated to cover the costs of sewer service, including amounts to pay for the operation, maintenance, repair, necessary replacement, and improvement of the system, but do not generate revenue above what is needed for sound operation and management of the sewer system.

Based on these findings, the City of Newport resolves as follows:

Section 1. Metered Rates

The charges imposed in this Section 1 apply to properties that have sanitary sewer service.

A. Single-Family Residences and Duplexes within City Limits

The charge for sewer service for single-family dwellings and duplexes within city limits shall be \$22.00 per month, plus \$6.35 per 1,000 gallons of water usage. Sewer user charges for the months of June, July, August, and September shall not exceed the highest monthly sewer user charge for the first four months of the calendar year.

B. Multi-Family Residences, Commercial Properties, and Single-Family Residences and Duplexes outside of city Limits

The basic charge for service for residential properties with three or more dwelling units, for all commercial properties, and for single-family residences and duplexes outside of City limits shall be \$22.00 per month plus \$7.25 per 1,000 gallons of water usage.

An "Extra Strength Charge" of \$0.25 per pound of biochemical oxygen demand applies to commercial properties users when the biochemical oxygen demand exceeds 300 parts per million.

The charges for monitoring sewage discharge shall be \$15.15 per combined sample and \$7.90 per test.

Section 2. Individually Determined Rate

Commercial customers that are legally disposing of all or part of their processing wastewater to an acceptable waterway in conformance with applicable federal, state, and city laws, regulations and permits shall have a sewer user charge established by the City Manager based on an individual determination of the impact of the property on the sewer system. The City Manager shall take into account, when establishing the sewer rate, the estimated quantity in gallons, as well as, any adverse treatment or maintenance costs that may be incurred by the city handling extra strength wastewater that is being returned to the city sanitary sewers.

Section 3. Septage

The rate for disposal of septage at the city's wastewater treatment plant shall be \$0.35 per gallon.

Section 4. Class A Sludge Sales

Class A sludge manufactured at the city's wastewater treatment plant may be purchased for \$1.45 per cubic yard.

Section 5. This Resolution repeals Resolution No. 3627 in its entirety.

Section 6. Effective Date

The effective date of this resolution is July 1, 2014. As applied to monthly bills, the change shall be based on the date of billing, not the date of service.

Adopted by the Newport City Council on June 16, 2014.

CITY OF NEWPORT

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Sandra N. Roumagoux, Mayor

ATTEST:

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Margaret M. Hawker, City Recorder

CITY OF NEWPORT

RESOLUTION NO. 3681

A Resolution Setting Utility Infrastructure Improvement Fees  
And Repealing Resolution No. 3630

Findings

- A. The City of Newport operates water, wastewater, and stormwater utilities that provide services to properties within the city and to some properties within the city's urban growth boundary.
- B. Newport Municipal Code Chapter 5.10 governs the operation and use of the water utility. NMC Section 5.10.200 authorizes the City Council to set charges for water service by resolution.
- C. Newport Municipal Code Chapter 5.15 governs the operation and use of the wastewater utility. NMC Section 5.15.070 authorizes the City Council to set charges for wastewater service by resolution.
- D. Newport Municipal Code Chapter 5.20 governs the operation and use of the stormwater utility. NMC Section 5.20.040 authorizes the City Council to set charges for stormwater service by resolution.
- E. The rates established by this resolution are calculated to cover the costs of water, wastewater, and stormwater maintenance, repair, necessary replacement, and improvement of the system, but do not generate revenue above what is needed for these improvements.

Based on these findings, the City of Newport resolves as follows:

Section 1. Utility Infrastructure Improvement Fee

- A. The charges imposed in this Section 1 apply to properties that have metered city water service.

Each customer shall pay a monthly infrastructure improvement fee. The fees are set as follows:

Water Meter Size	Monthly Infrastructure Improvement Fee
¾"	\$ 6.60
1"	\$ 13.15
1 ½"	\$ 26.40
2"	\$ 46.05
3"	\$118.30
4"	\$184.00
5" and larger	\$420.65

Irrigation-only meters will be exempt from the Monthly Infrastructure Improvement Fee.

Section 2. This Resolution repeals Resolution No. 3630 in its entirety.

Section 3. Effective Date

The effective date of this resolution is July 1, 2014. As applied to monthly bills, the change shall be based on the date of billing, not the date of service.

Adopted by the Newport City Council on June 16, 2014.

CITY OF NEWPORT

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Sandra Roumagoux, Mayor

ATTEST:

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Margaret M. Hawker, City Recorder

CITY OF NEWPORT

RESOLUTION NO. 3682

A Resolution Setting Stormwater Utility Fees  
And Repealing Resolution No. 3629

Findings

- A. The City of Newport operates stormwater utilities that provide services to right-of-ways and properties within the city and to some right-of-ways and properties within the city's urban growth boundary.
- B. Newport Municipal Code Chapter 5.20 governs the operation and use of the stormwater utility. NMC Section 5.20.040 authorizes the City Council to set charges for stormwater service by resolution.
- C. The rates established by this resolution are calculated to cover the costs of stormwater service, including amounts to pay for the operation, maintenance, repair, necessary replacement, and improvement of the system, but do not generate revenue above what is needed for sound operation and management of the stormwater system.

Based on these findings, the City of Newport resolves as follows:

Section 1. Stormwater Utility Fee

- A. The charges imposed in this Section 1 apply to properties that have metered city water service.

Each customer shall pay a stormwater utility fee. The fees are set as follows:

<u>Water Meter Size</u>	<u>Monthly Stormwater Utility Fee</u>
All meter sizes	\$7.50

Irrigation-only meters will be exempt from the stormwater utility fee.

Section 2. This Resolution repeals Resolution No. 3629 in its entirety.

Section 3. Effective Date

The effective date of this resolution is July 1, 2014. As applied to monthly bills, the change shall be based on the date of billing, not the date of service.

Adopted by the Newport City Council on June 16, 2014.

CITY OF NEWPORT

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Sandra N. Roumagoux, Mayor

ATTEST:

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Margaret M. Hawker, City Recorder



Agenda Item # VIII.D  
Meeting Date June 16, 2014

## CITY COUNCIL AGENDA ITEM SUMMARY

City of Newport, Oregon

Issue/Agenda Title Resolution in support of a Transportation Growth Management Grant application for Integrating Local Improvement District Financing Strategies with City Land Use and Transportation Standards

Prepared By: Derrick Tokos Dept Head Approval: DT City Mgr Approval:

**ISSUE BEFORE THE COUNCIL:** Consideration of whether or not it is in the public interest for the City to pursue a Transportation Growth Management (TGM) grant to integrate the City's Local Improvement District (LID), land use, and transportation codes for the purpose of making LIDs a more effective and publicly acceptable financing tool for needed transportation system improvements.

**STAFF RECOMMENDATION:** Staff recommends the Council approve a resolution in support of this grant application.

**PROPOSED MOTION:** I move the Council adopt Resolution No. 3678, a resolution in support of a TGM Grant Application for updating the City's LID ordinance and integrating that ordinance with the City's land use and transportation standards to make it a more effective tool for financing needed infrastructure improvements.

**KEY FACTS AND INFORMATION SUMMARY:** The Oregon Department of Transportation and the Department of Land Conservation and Development jointly administer a Transportation and Growth Management Program that provides resources to help local jurisdictions prepare plans to respond to pressing transportation, land use, and growth management issues. Developing an effective toolbox for financing infrastructure work is a necessary and important part of any such plan.

LIDs are a viable financing tool for upgrading underdeveloped streets, sidewalks, and bike lanes/paths; however, the City only has basic enabling legislation on the books. No clear policies have been developed for when LIDs are to be used, or how they can be cost effectively administered. Through the application of its land use and transportation codes, the City has collected a sizeable number of non-remonstrance agreements (i.e. agreements from landowners to participate in LIDs) but has no clear plan for how or when to act upon them. Further, the City has a couple of significant local street, sidewalk and pathway projects planned for the next couple of years where it has urban renewal and gas tax funds to contribute but will need additional funds, such as what could come from LIDs, in order to complete the projects. Recognizing that the TGM program is accepting applications for its 2014 grant funding cycle, City staff submitted a pre-application proposal to address these deficiencies by updating the City's LID ordinance, and integrating it with transportation and land use standards that apply to new development projects. Staff with the TGM Program was very receptive to the concept and is encouraging the City to submit a grant application.

Specifically, the project will focus on (a) developing effective policy language for how the City can best utilize LIDs as a financing tool for funding planned transportation improvements; (b) preparing recommended code changes to ensure the City's LID financing strategies are properly integrated with the land use and transportation standards it uses to evaluate new development; (c) developing a framework for cost effective administration of an LID program; and (d) conducting financial analysis of not more than four "case study" candidate areas to position needed transportation improvements in those areas for future LID financing. Additionally, the City will look to leverage grant funds to

effectively engage local stakeholders and focus groups on the proper use of LIDs and to create informational materials to educate the public on the benefits, costs, and mechanics of forming an LID.

Grant applications are due by Friday June 13, 2014. A resolution of support is required, and must be submitted no later than June 27, 2014. TGM staff will review and award grants in September and will negotiate statements of work and final grant agreements with successful proposers by January 31, 2015. All grant funded projects must be underway by July 1, 2015.

**OTHER ALTERNATIVES CONSIDERED:** None.

**CITY COUNCIL GOALS:** Exploring opportunities to utilize Local Improvement Districts to help address the effort to reconstruct infrastructure throughout the City of Newport is a FY 14/15 Council goal.

**ATTACHMENT LIST:**

Draft Resolution

TGM Grant Application Packet

**FISCAL NOTES:** The estimated budget for the project is \$80,000 with the City's share being \$15,000. The City's match funds are budgeted for FY 14/15.

**RESOLUTION NO. 3678**

**A RESOLUTION REQUESTING A TRANSPORTATION  
AND GROWTH MANAGEMENT GRANT FOR INTEGRATING  
LOCAL IMPROVEMENT DISTRICT FINANCING STRATEGIES  
WITH CITY LAND USE AND TRANSPORTATION STANDARDS**

**FINDINGS:**

1. The Oregon Department of Transportation and the Department of Land Conservation and Development, which jointly administer a Transportation and Growth Management Program, are accepting applications for the 2014 grant funding cycle; and
2. City of Newport desires to participate in this grant program to the greatest extent possible to develop effective policy language for how the City can best utilize Local Improvement Districts (LIDs) as a financing tool for funding planned transportation improvements; preparing recommended code changes to ensure the City's LID financing strategies are properly integrated with the land use and transportation standards it uses to evaluate new development; develop a framework for cost effective administration of an LID program; and for conducting financial analysis of not more than four "case study" candidate areas to position them for future LID financing; and
3. Further, City of Newport seeks to leverage these grant funds to effectively engage local stakeholders and focus groups on the proper use of LIDs and to create informational materials to educate the public on the benefits, costs, and mechanics of forming an LID; and
4. Newport City Council has identified developing an effective LID ordinance, and integrating that ordinance with its land use and transportation planning standards, as a high priority need in the City of Newport; and
5. The City of Newport possesses sufficient funds to fulfill its share of obligation related to this grant request should the Transportation and Growth Management Program award the grant.

**THE CITY OF NEWPORT RESOLVES AS FOLLOWS:**

Section 1. The Community Development Director of the City of Newport is authorized to apply for a grant from the Transportation and Growth Management Program for code assistance in integrating its LID, land use, and transportation planning standards as specified above; and

Section 2. The effective date of this resolution is June 16, 2014.

Adopted by a \_\_\_\_\_ vote of the Newport City Council on \_\_\_\_\_, 2014.

Signed on \_\_\_\_\_, 2014.

\_\_\_\_\_  
Sandra Roumagoux  
Mayor

**ATTEST:**

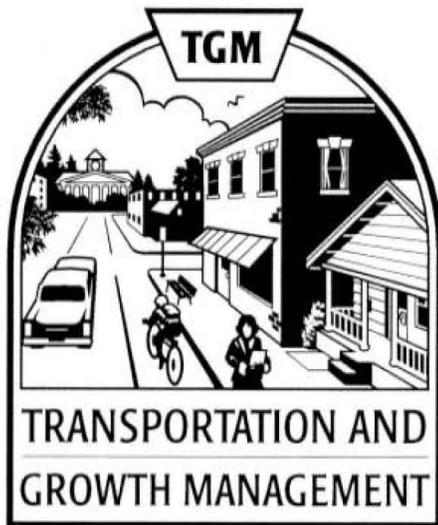
\_\_\_\_\_  
City Recorder

**2014**

**Transportation and Growth Management  
Grants to Local Governments**

**Application Packet**

Application Deadline:  
4:00 p.m.  
Friday, June 13, 2014



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A joint program of the  
Oregon Department of Transportation and the  
Oregon Department of Land Conservation and Development

*Better Ways to Better Places*

## TGM APPLICATION CHECKLIST

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The electronic Cover Sheet, Application Form, and this Application Packet can be downloaded at: <http://egov.oregon.gov/LCD/TGM/grants.shtml>

**NOTE: Your application materials must be submitted BOTH electronically and via hard copy**

- Submit your application materials electronically via ODOT's FTP site using the instructions on pages 3 and 4.** One project per application submittal.

**Electronically submitted application materials must include:**

- Electronic Cover Sheet
- Application Form (please limit to 10 pages)
- Project area map
- Letters or resolutions of support. *Note: these may be submitted separately from the application. Letters and resolutions of support may be submitted through June 27, 2014. Those submitted after June 13, 2014 must be identified with the jurisdiction and project name and submitted electronically via ODOT's FTP site.*
- You must also mail or hand-deliver 1 paper copy** of all electronically submitted application materials. Paper copy must be submitted on white, three-hole punched, 8-1/2" x 11" recycled paper. NO covers or additional binding.

**Consultants:** Consultants may prepare the jurisdiction's application. Please be aware that uncompensated consultants are not eligible to participate in the project itself. Consultants who are paid to prepare the application may be eligible to participate in the project. Contact Cindy Lesmeister at 503-986-4349 if you have questions.

**Electronic applications must be received by 4:00 p.m. Friday, June 13, 2014.**

**Mailed copy of applications must be POSTMARKED by Friday, June 13, 2014 and sent to:**

**Cindy Lesmeister  
Transportation and Growth Management Program  
ODOT Mill Creek Building  
555 13<sup>th</sup> Street NE, Suite 2  
Salem, OR 97301**

**Sign Up for Emailed Updates:** You may subscribe to receive announcements concerning the TGM Grant Program, other TGM Community Assistance Programs, as well as the ODOT STIP Enhance Funding Program: [Subscribe to Transportation Funding Programs email list](#)

## INSTRUCTIONS FOR ELECTRONICALLY SUBMITTING YOUR TGM GRANT APPLICATION

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1. Place your application and all supporting materials in a folder with the following naming convention:  
Applicant Name\_Project Title
2. Using Internet Explorer, go to <ftp://ftp.odot.state.or.us/incoming/TGM%20Grant%20Apps/>
3. Press Alt on your keyboard to bring up the Internet Explorer File Menu
4. Click View then select Open FTP Site in Windows Explorer
5. Drag the folder containing your application and all supporting materials in the resulting Windows Explorer window. If you are unable to drag the folder, copy and paste it into the resulting window.
6. Notify us of your attempted submission by emailing [TGMGrantApps@odot.state.or.us](mailto:TGMGrantApps@odot.state.or.us)

### **FTP Submittal Process Contact**

If you encounter any issues with the above submittal process, please contact:

Rebecca Coffelt  
Planning Section Web Coordinator  
[Rebecca.D.COFFELT@odot.state.or.us](mailto:Rebecca.D.COFFELT@odot.state.or.us)  
(503) 986-4254

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## INTRODUCTION & GRANT BASICS

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The Transportation and Growth Management (TGM) Program invites you to apply for funding in the 2014 grant cycle. The TGM Program provides resources to help Oregon communities prepare transportation and land use plans to respond to pressing transportation, land use, and growth management issues.

The TGM Program is a joint effort of two state agencies: the Oregon Department of Transportation (ODOT) and the Oregon Department of Land Conservation and Development (DLCD). The mission of TGM is to support community efforts to expand transportation choices. By linking land use and transportation planning, TGM works in partnership with local governments to create vibrant, livable places in which people can walk, bike, take transit or drive where they want to go.

### **TGM has the following program goals:**

1. Help local governments plan for well-connected, multi-modal transportation systems that serve land use objectives and meet the requirements and intentions of the Transportation Planning Rule.
2. Help local governments plan for sustainable and efficient transportation systems, land use, and development patterns that meet transportation needs and promote economic vitality.
3. Strengthen the capacity of local governments to manage urban growth and to translate plans into how communities get built.
4. Minimize the cost of transportation facilities and other infrastructure recognizing the very limited funding available for system completion and expansion for all modes, and maximize the return on investment through good planning.
5. Help local governments contribute to meeting transportation-related statewide greenhouse gas emission reduction goals.
6. Educate decision makers and the public on transportation and land use best practices that provide modal choice and enhance urban livability.
7. Partner with and support state agencies and programs where their actions advance TGM goals and objectives.

### **TGM supports local government planning that accomplishes one or more of the following objectives:**

**Provide transportation choices** to support communities with the balanced and interconnected transportation networks necessary for mobility and economic growth.

- a. A balanced, interconnected, and safe transportation system that provides a variety of transportation options and supports land uses.
- b. Appropriately sited, designed, and managed local, regional, and state transportation facilities and services that support the movement of goods and services
- c. Mobility choices for those with limited options.

- d. Safe and convenient walking, biking, and public transportation opportunities to support an active lifestyle.

**Create communities** composed of vibrant neighborhoods and lively centers linked by convenient transportation.

- e. Livable towns and cities with a mix of housing types, work places, shops, schools, and parks for people of all ages and income.
- f. Well-located activity centers, including schools and other government services, which are accessible to pedestrians, bicyclists, and transit users.
- g. A healthful, safe, and pleasing physical environment supportive of the social and cultural needs of all the community residents.

**Support economic vitality** by planning for land uses and the movement of people and goods.

- h. Thriving existing neighborhoods and centers and well-planned new growth that accommodate existing and future residents and businesses.
- i. Well-located and accessible industrial and employment centers.

**Save public and private costs** with compact land uses and efficient transportation patterns.

- j. Urban growth accommodated within existing communities, thus minimizing, delaying or providing an alternative to an urban growth boundary expansion.
- k. Future transportation needs accommodated within the existing or improved system thus minimizing, delaying or providing an alternative to constructing additional major infrastructure projects.

**Promote environmental stewardship** through land use and transportation planning.

- l. Transportation systems and land use patterns that protect valuable natural resources, promote energy efficiency, and reduce air pollution and greenhouse gas emissions.

The TGM Program is primarily funded by the federal Moving Ahead for Progress in the 21<sup>st</sup> Century (MAP-21), under an agreement with the Federal Highway Administration with additional staff support and funding provided by the State of Oregon. Awarded projects are administered by TGM on behalf of a local jurisdiction according to state and federal requirements.

The TGM Program awards grants on an annual basis. All grants have a preferred completion period of 18 months from the “Notice to Proceed” but may add up to an additional six months for completion. Award amounts generally range between \$75,000 and \$200,000.

The TGM Program is committed to coordinating with and supporting other state programs. TGM planning grants can help local governments compete for state funding from such programs as:

- [Oregon Main Street Revitalization Program](http://www.oregon.gov/OPRD/HCD/SHPO/Pages/mainstreet.aspx)  
(<http://www.oregon.gov/OPRD/HCD/SHPO/Pages/mainstreet.aspx>)
- [ODOT – Enhance Funding](http://www.oregon.gov/ODOT/TD/TP/Pages/stip_guide.aspx)  
([http://www.oregon.gov/ODOT/TD/TP/Pages/stip\\_guide.aspx](http://www.oregon.gov/ODOT/TD/TP/Pages/stip_guide.aspx))
- [ODOT - Public Transit Division](http://www.oregon.gov/ODOT/PT/Pages/index.aspx)  
(<http://www.oregon.gov/ODOT/PT/Pages/index.aspx>)
- [Department of Land Conservation & Development](http://www.oregon.gov/LCD/Pages/grants.aspx)  
(<http://www.oregon.gov/LCD/Pages/grants.aspx>)

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## ELIGIBLE APPLICANTS

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Cities, counties, some special districts, councils of governments (COGs) (working on behalf of member governments), tribal governments, metropolitan planning organizations (MPOs), and metropolitan service districts. Special districts – such as school districts – may be eligible as part of a joint application with an eligible applicant for an otherwise eligible project. Eligible applicants may join together to propose a project, such as a multi-county TSP or multi-city or city-county corridor plan.

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## GRANT SELECTION

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Projects are selected on a competitive basis within each of the five ODOT regions. Applications are scored using the grant criteria on page 12. Consideration will be given in scoring to ensuring a fair distribution of grant funds to smaller communities. TGM consults with other state agency staff to gain further insights about proposed TGM projects.

In September 2014, successful applicants will receive a grant award letter. The successful applicant and a TGM grant manager will work together to prepare a project statement of work, select a consultant (as appropriate), and complete an intergovernmental agreement (IGA).

Initial project statement of work negotiations must be completed by the end of January 2014 or the grant award may be withdrawn. The grant award is not final until the intergovernmental agreement with ODOT and the local government is signed by all parties.

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## USE OF CONSULTANTS

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For projects using consultants, ODOT, rather than local grantees, will contract with consultants. Using ODOT policies and procedures that meet state and federal requirements, TGM staff will work with jurisdictions to select the project consultant that best fits the specific planning services needed.

## GRANTEE OBLIGATIONS

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**MATCH:** Grantees must provide a match of 12% or more of the total project cost. This may be in the form of cash, staff time, monetized volunteer time, and direct project expenses.

Communities defined as “distressed” by the Oregon Business Development Department may request a partial match waiver. The list of communities meeting the definition of distressed is available at: <http://www.oregon4biz.com/Oregon-by-the-numbers/oregon-economic-data/Distressed-Areas-in-Oregon/>

The ways to fulfill match requirements vary:

- Grantees not using consultants will bill TGM for eligible project costs, such as in-house staff labor or other eligible items. TGM will reimburse the grantee for those costs, less the required match amount.
- Grantees using consultants and **not** being partially reimbursed for their own work must submit match reports that document eligible local project costs to meet the match requirement.
- Grantees using consultants and being partially reimbursed for their own work will bill all of their work and be reimbursed for those costs less the required match. Consultants will bill and be paid at 100%.
- Grantees may send cash directly to TGM at signing of IGA.

***Please Note:*** As a grant award condition, grantees who have any unmet match obligations from previous TGM grant projects must document that the match was provided or pay the balance of unmet match within three weeks of notice of new grant award, or the award will be withdrawn.

**STATEMENT OF WORK:** Grantees are expected to help prepare a project statement of work. This is done before an intergovernmental agreement is signed and is not a reimbursable expense.

**PROJECT MANAGEMENT:** Local commitment is the key ingredient to a successful project. As a condition of award, grantees will be asked to provide written commitment that they will meet all grantee obligations in a timely manner. Grantees must provide a project manager who will:

- serve as principal contact person for the project;
- help to develop a statement of work;
- monitor and coordinate work, including consultant work;
- keep local decision-makers informed about the project;
- make logistical arrangements;
- provide public notification for local meetings and public events;
- work with the TGM grant manager to ensure completion of all work on time and within budget;
- review consultant work products and payment requests; and,
- prepare progress reports, match reports, and reimbursement requests.

ELIGIBLE COSTS: TGM grants and required match can be spent only on “direct project-related costs.” Eligible costs include salary of local government employees assigned to the project, postage, travel, supplies, and printing.

Equipment purchases and indirect costs, including general administrative overhead, are not eligible costs unless you have a federally approved indirect cost plan. Local expenses for persons or firms who contract with a local government to provide planning or other services are **not** eligible costs.

Costs incurred prior to signing an intergovernmental agreement are not eligible project costs. This includes costs of preparing the grant application, preparing a statement of work for the intergovernmental agreement, and selecting a consultant.

TITLE VI/ENVIRONMENTAL JUSTICE/AMERICANS WITH DISABILITIES: Awarded projects are expected to consider environmental justice issues, which is the fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income with respect to the development, implementation, and enforcement of environmental laws, regulations, and policies. The public involvement program must include specific steps to provide opportunities for participation by federal Title VI communities. Grants that include planning for pedestrians must consider Americans with Disabilities Act requirements.

For more information, see:

<http://www.fhwa.dot.gov/environment/ej2000.htm>

<http://www.justice.gov/crt/about/cor/coord/titlevi.php>

[http://www.ada.gov//2010ADASTandards\\_index.htm](http://www.ada.gov//2010ADASTandards_index.htm)

## TIMELINE

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June 13, 2014	Grant Applications due by 4:00 p.m.
June-September 2014	Application scoring and ranking
September, 2014	Project award announcements
January 31, 2015	Must have agreed on a detailed statement of work sufficient to select a Consultant or prepare an IGA if no consultant will be used
July 1, 2015	IGA and personal services contracts must be signed and projects underway

Grant projects should be completed 18 months from IGA Notice to Proceed

Projects designed to take more than two years from award to completion or more than 18 months from Notice to Proceed should be identified as such in your application and may be programmed beyond the two year grant period. Continued funding beyond the two year grant period is subject to available funding and continued project eligibility.

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## ELIGIBLE PROJECTS

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### CATEGORY 1 – TRANSPORTATION SYSTEM PLANS

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#### PURPOSE

To help local governments develop and update transportation system plans and implementing measures that implement the Transportation Planning Rule (OAR 660-012-0045), 1999 Oregon Highway Plan, and 2006 Oregon Transportation Plan, or reduce reliance on the state highway for local travel needs.

#### ELIGIBLE USES

Projects in this category plan for transportation facilities inside Urban Growth Boundaries (UGB's), in urban unincorporated communities, and along rural highway corridors. Projects proposed for areas being considered in a UGB amendment process may be eligible, but TGM will give careful consideration to whether the proposed project is timely and reasonably achievable (TGM scoring criteria #2 and 3). Category 1 projects typically include preparation and adoption of:

- Complete Transportation System Plan (TSP) preparation and adoption that results in a balanced, multi-modal system that addresses and accommodates a range of transportation needs, including movement of freight;
- Discrete portions of TSPs, including such elements as: local street system plans, bike and pedestrian plans, transit plans, transportation system management plans, demand management plans, safe routes to school-related plans, parking plans, freight plans, etc.;
- TSP updates, for example, to address new needs, comply with new state or federal regulations, maintain consistency with a regional transportation plan, or plan for areas newly brought into the UGB.
- TSP implementing measures, such as street design plans, subdivision and site design standards, safe routes to school-related plans, capital improvement plans and other funding strategies and programs, and ordinance amendments required by the Transportation Planning Rule;
- Refinement plans included in an adopted TSP such as corridor plans, highway segment designation, interchange area management plans, or other planning to implement the 1999 Oregon Highway Plan;
- Project-level planning for facilities or improvements included in an adopted TSP that results in resolving important transportation and land uses issues required to move projects forward toward funding consideration;
- Detailed access and circulation planning to improve readiness of key employment centers;
- Other innovative transportation-related projects that are consistent with TGM objectives – contact our staff to discuss your ideas.

## CATEGORY 2 – INTEGRATED LAND USE AND TRANSPORTATION PLANNING

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### PURPOSE

To help local governments develop integrated land use and transportation plans that promote compact, mixed-use, pedestrian-friendly development; increase opportunities for transit, walking, and bicycling; or reduce reliance on the state highway system for local travel needs.

In recent grant cycles, TGM has received fewer Category 2, Land Use and Transportation Planning applications. While there is an ongoing need for communities to keep their transportation systems plans updated, and TGM will continue to provide funding to do so, we are especially interested in hearing your ideas for innovative projects that plan for land use and transportation in an integrated way.

### ELIGIBLE USES

Projects in this category combine land use planning with transportation facility planning to meet transportation needs inside UGBs, urban unincorporated communities, and urban reserve areas. Category 2 projects may include preparation and adoption of:

- Transportation-efficient land use plans for an entire urban area – in metropolitan areas, such plans should be designed to address state goals for reducing greenhouse gas emissions that contribute to climate change;
- Land use and transportation concept plans for areas that have been brought into a UGB;
- Interchange Area Management Plans (if land use focused);
- Specific development, redevelopment, and area plans for a downtown, mixed-use commercial area, or neighborhood, including designation of a multimodal mixed-use area (MMA, as defined in OAR660-012-060(10)) as part of such a plan;
- Implementing measures, such as TSP amendments, code amendments, infill and redevelopment strategies, funding strategies and programs, and intergovernmental agreements;
- Transportation and land use planning related to the Oregon Main Streets Program;
- Other innovative land use and transportation planning-related projects that are consistent with TGM objectives – contact our staff to discuss your ideas.

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## GRANT ELIGIBILITY REQUIREMENTS

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TGM grants are for planning work leading to local policy decisions. Projects should result in the development of an adoption-ready plan or land use regulation amendment. TGM grants also cannot fund preliminary engineering, engineering, or construction work. If in doubt, discuss with your Region TGM planner about whether your proposed work is eligible.

Applications are reviewed on a pass/fail basis on each of the following criteria. Applications found to not meet each of these requirements will not be scored against the award criteria and will not be awarded a grant.

### **1. Clear Transportation Relationship**

A proposed project must have a clear transportation relationship and produce transportation benefits. A project must entail research, analysis, evaluation of alternative scenarios, development of implementation measures, or public involvement that results in a transportation plan, land use plan, or other product that addresses a transportation problem, need, opportunity, or issue of local or regional importance.

### **2. Adoption of Products to meet Project Objectives**

A proposed project must include preparation of an adoption-ready product or products that directly address the project objectives, such as a transportation system plan, comprehensive plan amendment or element, land use regulation, or intergovernmental agreement. Projects that will primarily do outreach, research, study an issue, or compile data are not eligible.

### **3. Support of Local Officials**

A proposed project must clearly demonstrate that local officials understand the purpose of the grant application and support the outcomes of the project. A letter or resolution of support from the governing body of the applying jurisdiction is required to be submitted with the application to meet this requirement.

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## AWARD CRITERIA

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Applications are scored on a range of criteria and receive up to 100 points. Projects are selected primarily based on the points scored; also considered are the grant amounts requested, the estimated amounts TGM believes may be required to complete a project, the amount of grant dollars available for award within a geographic region, and the balance of grant dollars between Category 1 and Category 2 projects.

### **1. Proposed Project Addresses a Need and Supports TGM Objectives**

The project clearly and effectively addresses a local or regional transportation or transportation-related land use issue, problem, need, or opportunity through achieving one or more of the following TGM objectives.

**Provide transportation choices** to support communities with the balanced and interconnected transportation networks necessary for mobility and economic growth.

- a. A balanced, interconnected, and safe transportation system that provides a variety of transportation options and supports land uses.
- b. Appropriately sited, designed, and managed local, regional, and state transportation facilities and services that support the movement of goods and services
- c. Mobility choices for those with limited options.
- d. Safe and convenient walking, biking, and public transportation opportunities to support an active lifestyle.

**Create communities** composed of vibrant neighborhoods and lively centers linked by convenient transportation.

- e. Livable towns and cities with a mix of housing types, work places, shops, schools, and parks for people of all ages and income.
- f. Well-located activity centers, including schools and other government services, which are accessible to pedestrians, bicyclists, and transit users.
- g. A healthful, safe, and pleasing physical environment supportive of the social and cultural needs of all the community residents.

**Support economic vitality** by planning for land uses and the movement of people and goods.

- h. Thriving existing neighborhoods and centers and well-planned new growth that accommodate existing and future residents and businesses.
- i. Well-located and accessible industrial and employment centers.

**Save public and private costs** with compact land uses and efficient transportation patterns.

- j. Urban growth accommodated within existing communities, thus minimizing, delaying or providing an alternative to an urban growth boundary expansion.
- k. Future transportation needs accommodated within the existing or improved system thus minimizing, delaying or providing an alternative to constructing additional major infrastructure projects.

**Promote environmental stewardship** through land use and transportation planning.

- l. Transportation systems and land use patterns that protect valuable natural resources, promote energy efficiency, and reduce emissions of air pollution and greenhouse gases.

**Up to 40 points:** Provide a statement of project purpose and transportation relationships and benefits, and related them to TGM objectives. You must list the specific objective(s) your project supports. Projects that address an issue, problem, need, or opportunity with a clear expected outcome will receive more points. Projects that meet one or several TGM objectives in a substantial, integral way will receive more points than projects that meet one or more TGM objectives superficially. If applying to update your Transportation System Plan and you asked TGM to perform a TSP Assessment, what were the key Assessment recommendations and how do they relate to your proposed project?

## **2. Proposed Project is Timely and Urgent**

The application demonstrates timeliness and urgency. The project is needed now to:

- address pressing local transportation and land use issues;
- make amendments to local plans or regulations necessitated by changes in federal regulations, state requirements, or regional plans;
- make amendments to local plans or regulations necessitated by changes that were not anticipated in previous plans including growth, changes in land use patterns, or changes in available funding;
- build on, complement, or take a necessary step toward completing other high priority community initiatives, including supporting a Governor's Regional Solutions Team priority; or
- resolve transportation- or land use-related issues affecting the project readiness of local, regional, or state transportation projects for which funding is expected to be obligated within the near future.

**Up to 25 points:** To explain why it is important to do the project at this time, describe what the project will accomplish and how it relates to other initiatives. Projects that match well with the TGM grant timeline will receive more points. Projects or project elements that are not clearly timely or urgent will receive fewer points.

## **3. Proposed Project Approach is Reasonable**

The application demonstrates a clear approach to achieving the expected outcome and results in consideration for adoption. Where substantial coordination with other local, regional, and state planning efforts occurs (or will need to occur), the mechanisms and responsibilities for the coordination are clear.

**Up to 15 points:** Project approaches will receive more points if they clearly address the project need, are achievable considering scope, objectives, and benefits of the project, and are at a level of detail appropriate to the community.

## **4. Proposed Project has Community Support**

The application demonstrates that there is local support for the project objectives, a commitment to participate, and a desire to implement the expected outcome.

**Up to 5 points:** Projects with written support from stakeholders including partner jurisdictions, community institutions, or businesses will receive more points. Letters of support should demonstrate a clear understanding of the project. A letter of support will score higher if it shows independent understanding of the project by the signer and is not identical in text to others that are submitted for a project.

## **5. Proposed Project Sponsor Readiness and Capacity**

The application demonstrates that the local government is ready and able to begin the project within the TGM timetable and that there is local commitment and capability to manage the project considering the complexity of the project, the size of the jurisdiction, and performance on previous TGM projects. Where substantial coordination with other local, regional, and state planning efforts occurs (or will need to occur), all of the partners are ready and able to begin the project within the TGM timetable.

**Up to 5 points:** Projects with a clear description of the jurisdiction's capabilities and experience relative to the complexity of the proposed project will receive more points. Projects that lack a clear description of how the projects will be managed will receive fewer points. You must list any prior TGM projects your community received (grants or Community Assistance service) within the last 10 years and provide their outcomes or receive fewer points. For prior projects that were similar in subject matter or location to your proposed project, discuss why your proposed project is different. [If you are unsure what prior TGM projects your jurisdiction has received, contact Cindy Lesmeister at [cindy.l.lesmeister@odot.state.or.us](mailto:cindy.l.lesmeister@odot.state.or.us)]

## **6. Proposed Project is Innovative**

The application demonstrates that the project will be innovative in its subject matter, approach, or expected outcomes. For example, the project will use health impact assessments or economic impact analysis as part of the evaluation of transportation alternatives.

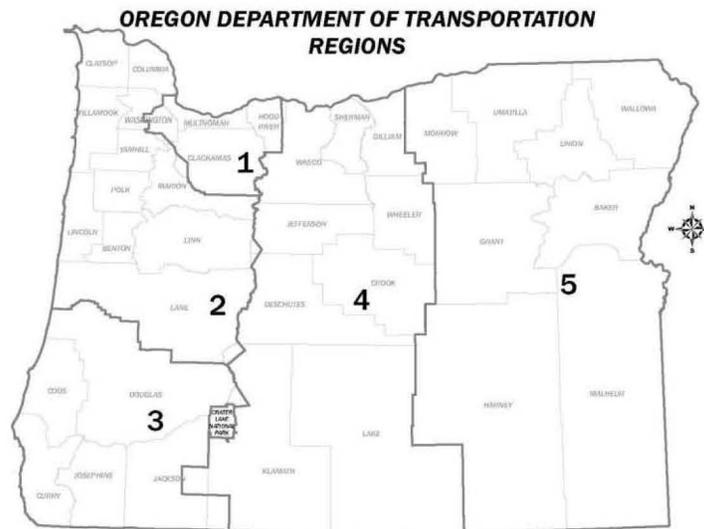
**Up to 10 points:** By the nature of this criterion, most projects will not receive any points. Projects may receive some points for innovative project elements. Projects with innovative subject matter will receive more points.

## TGM STAFF CONTACTS

For general questions about the application process and for assistance with filling out your grant application, contact Cindy Lesmeister at 503-986-4349 or [cindy.l.lesmeister@odot.state.or.us](mailto:cindy.l.lesmeister@odot.state.or.us).

For specific advice on project approach and objectives, contact our lead RegionTGM planners, listed below.

ODOT Region 1 Portland	Lidwien Rahman 503-731-8229 <a href="mailto:lidwien.rahman@odot.state.or.us">lidwien.rahman@odot.state.or.us</a>
ODOT Region 2 Salem	Naomi Zwerdling 503-986-2836 <a href="mailto:naomi.zwerdling@odot.state.or.us">naomi.zwerdling@odot.state.or.us</a>
ODOT Region 3 Roseburg	John McDonald 541-957-3688 <a href="mailto:john.mcdonald@odot.state.or.us">john.mcdonald@odot.state.or.us</a>
ODOT Region 4 Bend	Devin Hearing 541-388-6388 <a href="mailto:devin.hearing@odot.state.or.us">devin.hearing@odot.state.or.us</a>
ODOT Region 5 La Grande	Cheryl Jarvis-Smith 541-963-1574 <a href="mailto:cheryl.jarvis-smith@odot.state.or.us">cheryl.jarvis-smith@odot.state.or.us</a>
DLCD - Statewide	Bill Holmstrom 503-934-0040 <a href="mailto:bill.holmstrom@state.or.us">bill.holmstrom@state.or.us</a>





Agenda Item # VIII.E

Meeting Date June 16, 2014

**CITY COUNCIL AGENDA ITEM SUMMARY**  
City Of Newport, Oregon

**Issue/Agenda Title:** Resolution No. 3677 - a resolution extending workers compensation coverage to volunteers of the City of Newport for coverage year 2014-2015

Prepared By: lbrown Dept Head Approval: Gazewood\_ City Mgr Approval \_\_\_\_\_

**Issue Before the Council:** The purpose to this annual resolution is to extend workers' compensation coverage to the volunteer workers for the City of Newport for the Fiscal Year 2014-2015.

**Staff Recommendation:** Staff recommends the Council adopts this resolution which will extend workers' compensation coverage to the volunteer workers for the City of Newport for Fiscal Year 2014-2015.

**Proposed Motion:** I move to adopt Resolution No. 3677, a resolution extending City of Newport's Workers Compensation Coverage to volunteers of the City of Newport for fiscal year 2014-2015

**Key Facts and Information Summary:** In pursuant to ORS 656.031 workers' compensation coverage will be provided to the volunteer workers for the City. The City's required to maintain a monthly roster showing dates, hours and class codes for volunteers which work for the City of Newport. An assumed monthly wage of \$1,800 is being used for public safety volunteers (volunteer firefighters and police volunteers) and an assumed hourly rate of the current Oregon minimum wage for non-public safety volunteers. The City of Newport Workers Compensation coverage is through City County Insurance Services (CIS).

**Fiscal Notes:** The City pays approximately \$20,000 each year for volunteer workers compensation. This is included in the budget for Fiscal Year 2014-2015.

CITY OF NEWPORT

RESOLUTION NO. 3677

A RESOLUTION EXTENDING CITY OF NEWPORT'S  
WORKERS' COMPENSATION COVERAGE  
TO VOLUNTEERS OF THE CITY OF NEWPORT  
FOR COVERAGE YEAR 2014/2015

**WHEREAS**, the City of Newport elects the following:

Pursuant to ORS 656.031, workers' compensation coverage will be provided to the volunteer workers by their workers' compensation class code description.

1. An assumed monthly wage of \$1,800 will be used for public safety volunteers (volunteer firefighters and police volunteers); and
2. Non-public safety volunteers will keep track of their hours and have their assumed payroll reported in the correct class code for the type of work being performed using Oregon minimum wage; and
3. A roster of active volunteers will be kept monthly for reporting purposes. It is acknowledged that CIS may request copies of these rosters during year end audit; and
4. Unanticipated volunteer projects or exposure not addressed herein will be added onto the City of Newport's coverage agreement (1) by endorsement, (2) with advance notice to CIS, and (3) allowing two weeks for processing. It is hereby acknowledged that coverage of this type cannot be backdated.

**The City of Newport resolves as follows:** to provide for Workers' Compensation insurance coverage as indicated above. This resolution will be updated annually.

This resolution will become effective July 1, 2014.

Adopted by the Newport City Council on June 16, 2014.

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Sandra N. Roumagoux, Mayor

Attest:

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Margaret M. Hawker, City Recorder

## Spencer Nebel

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**From:** JAMES F WRIGHT <jamesfwright@me.com>  
**Sent:** Sunday, June 08, 2014 3:49 PM  
**To:** Spencer Nebel  
**Cc:** David N. Allen; Peggy Hawker; John Brenneman; Cam Parry; Dean J. Fleck  
**Subject:** Salmon For Oregon Information...  
**Attachments:** SalmonFoundingDocs.pdf; IRSDetermination.pdf; SalmonFinancialReport04.pdf

Spencer,

I am very pleased to announce that on Friday at about 12:30 PM at the Oregon Fish Commission meeting in Salem the ODFW Coastal Management Plan was approved by unanimous consent of the commission.

Part of that overall coastal plan is the spring Chinook project for Yaquina Bay. What that means is our project is now officially on the books and we are set to move forward with planning and implementation. I provided public testimony at both the hearing in Coos Bay on the 25th of April, and the final hearing in Salem this last Friday.

Our focus immediately shifts now to establish as much of a local footprint on this project as possible, and our current work centers on those efforts. We have worked to bring those not normally involved with the fishery into the process, so there is as much buy-in across the spectrum in the community as possible. Setting up long-term infrastructure, management and education support will be very important. A donation from the city will go specifically towards that goal and will not be used for capacity. It will pay for expenses related to travel and infrastructure building, meaning both hard cost associated with obtaining blue prints and building the pens, and establishing a formal volunteer organization that will be associated with the management of the effort, in operation, monitoring, and public relations. All those efforts need to begin immediately, and can because of the background work already established. Our outreach will intensify to specific members of the legislature for help secure additional sustainable funding for the project.

John Brenneman and I are right now developing our road map for the next three months with a plan for a series of meetings with the support groups and contacts as well as local and regional governments, legislators, and ODFW officials. The plan is to take on a Tillamook Anglers type of model for the project. ODFW is putting its trust in us for blazing that trail. Newport's donation will support those efforts. Newport's donation for \$5,000 will also match the contribution received from Lincoln County early in those efforts.

Concerning our budget... Since last August 2013 I personally have worked with no compensation as executive director and will continue to do so for the immediate future. The organization has brought in a total of roughly \$117,000 in donations in the last two and a half years since our founding, most of that coming in our first year. The last nine months, as the confirmation process bogged down, all potential donors took a wait and see attitude, but we continued to work to bring the project to fruition out of our own pockets. Now that we have approval for the project, we

expect that to change. Since January, the organization has brought in very little money, Barely enough to support travel with gas money.

Since our founding, some of our local supporters have been U Da Man Group \$12,500, Lincoln County \$5,000, Coos County \$15,000, Englund Marine \$3500, Oregon Coast Bank \$3000, Starker Forests \$3000, Yaquina Bay Economic Foundation \$2500, Freres Lumber \$2500, and Anonymous and private donations totaling approximately \$82,500.

I encourage you to recommend a donation for \$5,000 to Salmon For Oregon Association, Inc from the current fiscal year budget. We will also have a tourism grant request prepared for you by the end of June for the next fiscal year.

I am including the IRS 501 (c)3 determination letter as well as our incorporating documents as per your request and a financial report month by month overview since January of 2013.

Thank you so much for your consideration.

Jim Wright  
Salmon For Oregon Assoc. Inc.  
503-749-1150

## Spencer Nebel

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**From:** JAMES F WRIGHT <jamesfwright@me.com>  
**Sent:** Wednesday, June 11, 2014 9:28 AM  
**To:** Spencer Nebel  
**Subject:** Re: Salmon For Oregon Information...

The retainer line was all associated with my agreement with Salmon For Oregon. No other retainers were paid except for Wright Media Group, which is me.

As I mentioned I have agreed to no retainers for the immediate future. Any new retainers paid will be addressed probably in the spring or summer of 2015.

Thank you so much,

Jim Wright  
503-749-1150

On Jun 11, 2014, at 7:08 AM, Spencer Nebel wrote:

Hi Jim: One question on the financials is what all is covered under the retainer line item?

### **Spencer R. Nebel**

City Manager  
City of Newport, Oregon 97365  
541-574-0601  
[s.nebel@newportoregon.gov](mailto:s.nebel@newportoregon.gov)

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**From:** JAMES F WRIGHT [mailto:jamesfwright@me.com]  
**Sent:** Tuesday, June 10, 2014 9:28 AM  
**To:** Spencer Nebel  
**Subject:** Re: Salmon For Oregon Information...

Here they are again... The report is a month by month, which is not what asked John for, but I guess it will do for your purposes.

Thanks much,

Jim Wright

829956-98

FILED

ARTICLES OF INCORPORATION  
SALMON FOR OREGON ASSOCIATION, INCORPORATED

JAN 27 2012

OREGON  
SECRETARY OF STATE

ARTICLE I

Name

The name of this corporation is Salmon for Oregon Association, Incorporated, (hereinafter referred to as the Association) and the duration of the Association is perpetual.

ARTICLE II

Purposes

The Association is a public benefit, nonprofit corporation organized for the following purposes:

The Association is organized and shall be operated exclusively for charitable, scientific, or educational purposes, within the meaning of §501(c)(3) of the Internal Revenue Code, as amended (the "Code"), including, but only to the extent consistent with such purposes, the making of distributions to organizations organized and operated exclusively for charitable, scientific, or educational purposes and qualifying for exemption under §501(c)(3) of the Code and not being private foundations.

The assets of the Association are irrevocably dedicated to the purposes described above, and no part of the property of the Association and no part of the net earnings of the Association shall inure to the benefit of or be distributable to its directors, officers or other private persons, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in this Article.

No substantial part of the activities of the Association shall be the carrying on of propaganda, or otherwise attempting to influence legislation. The Association shall not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office.

ARTICLE III

Restrictions on Powers

Notwithstanding any provisions to the contrary in these Articles of Incorporation, the Association shall not engage in any act of self-dealing as defined in §4941(d) of the Code; shall distribute its income at such time and in such manner as not to subject the Association to taxes

are deductible under §170(c)(2), §2055(a)(2) of the Internal Revenue Code (or the corresponding provision of any future United States Internal Revenue Law).

**ARTICLE IV**  
Registered Office and Agent

The address of the initial registered office of the Association is 1740 Shaff Road, Box 410, Stayton, Oregon 97383, and the name of the initial registered agent at such address is Tom Becker.

**ARTICLE V**  
Notice

The name of the individual to whom and the address to which the Corporation Division may mail notices is Tom Becker, 1740 Shaff Road, Box 410, Stayton, Oregon 97383.

**ARTICLE VI**  
Members

There shall be no capital stock in the Association, and the Association shall have no members.

**ARTICLE VII**  
Board of Directors

The Board of Directors of the Association shall be the governing body that is to exercise the powers of this Association and will have the power to adopt rules, regulations and bylaws for the governing of its affairs and the management of its property; provided, however, that such rules and bylaws shall not be inconsistent with any existing law or the Articles of Incorporation of the Association. The Board of Directors shall initially consist of three incorporators who shall serve until their successors have been elected and qualified. There shall be at least three and not more than nine persons on the Board of Directors, to be selected as specified in the Bylaws of the Association.

**ARTICLE VIII**  
Limitations on Liabilities of Directors

No director or uncompensated officer of the Association shall be personally liable to the Association for monetary damages for conduct as a director or an officer; provided, however, that this provision shall not eliminate nor limit the liability of a director or an officer for any act or omission occurring prior to the date of adoption of this Article nor expand or otherwise increase such liability and, provided further, that this provision shall not eliminate or limit the liability of a director or an officer for:

- (a) Any breach of the director's or an officer's duty of loyalty to the Association.
- (b) Acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- (c) Any unlawful distribution;
- (d) Any transaction from which a director or an officer derives an improper personal benefit; and

- (e) Any act or omission in violation of the provisions of the Oregon Nonprofit Corporation Act concerning director conflict of interest, loans to or guarantees for directors and officers, or liability for unlawful distributions.

No amendment to or repeal of this Article or the law relating to this Article shall apply to expand or otherwise increase the liability of any director or officer or the corporation for or with respect to any acts of omissions occurring prior to such amendment or repeal.

If the Oregon Nonprofit Corporation Act or successor statute is amended to authorize the further elimination or limitation of the liability of directors or officers, then the liability of a director or an officer of the Association shall be eliminated or limited to the fullest extent permitted by the statute as so amended.

#### **ARTICLE IX** Indemnification

The Association shall indemnify to the fullest extent permitted by the Oregon Nonprofit Corporation Act, as in effect as of the date of the adoption of these provisions and may be subsequently amended, any current or former director or officer of the Association who is made, or threatened to be made, a party to an action, suit or proceeding, whether civil, criminal, administrative, investigative or other (including an action, suit or proceeding by or in the right of the Association), unless such indemnified person shall have been adjudicated liable to the Association, by reason of the fact that such person is or was a director or officer of the Association, or while serving as a director or officer of the Association, is or was a fiduciary within the meaning of the Employee Retirement Income Security Act of 1974 with respect to any employee benefit plan of the Association, or is or was director, officer, partner, trustee or fiduciary of another corporation, partnership, joint venture, trust employee benefit plan or other enterprise serving at the request of the Association. No amendment to this Article that limits the Association's obligation to indemnify any person shall have any effect on such obligation for any act or omission that occurs prior to the effective date of the amendment.

This Article shall not be deemed exclusive of any other provisions for indemnification or advancement of expenses of directors, officers, employees, agents and fiduciaries that may be included in any statute, bylaw, agreement, general or specific action of the Board of Directors, vote of members or other document or arrangement. In the event subsequent amendment to the Oregon Nonprofit Corporation Act reduces or diminishes such person's rights to indemnification, such amendments shall not apply to the extent permitted by law.

#### **ARTICLE X** Dissolution

Upon dissolution or final liquidation of the Association, all assets, after liabilities and obligations of the Association are paid, satisfied and discharged or adequate provision is made therefor, shall be disposed of exclusively for the purposes of the Association in such manner, or to such organization or organizations organized and operated exclusively for charitable, scientific or educational purposes as shall at the time

qualify as an exempt organization or organizations under §501(c)(3) of the Code, as the Board of Directors shall determine.

IN WITNESS WHEREOF, the undersigned have executed these Articles of Incorporation the 17 day of JANUARY, 2012

Tom Becker  
Tom Becker, Incorporator  
12444 West Stayton Rd. SE  
Aumsville, OR 97325

William G. McNeil  
Dr. Bill McNeil, Incorporator  
1066 West Farthington Way NW  
Salem, OR 97304

Dick Severson  
Dick Severson, Incorporator  
8303 Thurston Rd.  
Springfield, OR 97428-9676

McNEIL

Person to contact about this filing:

Kevin L. Mannix  
Name

503.364.1913  
Daytime Telephone Number



Secretary of State  
Corporation Division  
255 Capitol Street NE, Suite 151  
Salem, OR 97310-1327

Phone:(503)986-2200  
www.filinginoregon.com

Registry Number: 829956-98  
Type: DOMESTIC NONPROFIT CORPORATION

Next Renewal Date: 01/27/2013

· SALMON FOR OREGON ASSOCIATION, ...  
1740 SHAFF RD  
BOX 410  
STAYTON OR 97383

### Acknowledgment Letter

The document you submitted was recorded as shown below. Please review and verify the information listed for accuracy.

**Document**  
ARTICLES OF INCORPORATION

**Filed On**  
01/27/2012

**Jurisdiction**  
OREGON

**Nonprofit Type**  
PUBLIC BENEFIT

**Name**  
SALMON FOR OREGON ASSOCIATION, INCORPORATED

**Registered Agent**  
TOM BECKER  
1740 SHAFF RD  
BOX 410  
STAYTON OR 97383

**Mailing Address**  
1740 SHAFF RD  
BOX 410  
STAYTON OR 97383



Assumed Business Name - New Registration

Secretary of State - Corporation Division - 255 Capitol St. NE, Suite 151 - Salem, OR 97310-1327 - http://www.FilingInOregon.com - Phone: (503) 986-2200

FILED

JAN 27 2012

REGISTRY NUMBER:

829957-97

For office use only

OREGON SECRETARY OF STATE For office use only

In accordance with Oregon Revised Statute 192.410-192.490, all information on this form is publicly available, including addresses. We must release this information to all parties upon request and it will be posted on our website.

Please Type or Print Legibly in Black Ink. Attach Additional Sheet if Necessary.

1) ASSUMED BUSINESS NAME: (To be registered)

SALMON FOR OREGON ASSOCIATION

Registration or filing of a name does not grant exclusive rights or interests in that name. A name may be available for registration; however, someone else may hold a prior right to that name, or the name may be too similar to another, and may result in a case of legal action brought against the registrant for dilution or unfair competition of someone else's business.

2) DESCRIPTION OF BUSINESS: (Primary business activity)

EDUCATION RE SALMON ISSUES

4) WHO IS AUTHORIZED TO REPRESENT THE OWNERS: (Authorized Representative) (One name only)

KEVIN L. MANNIX, ATTORNEY

3) PRINCIPAL PLACE OF BUSINESS: (Address, city, state, zip)

1740 SHAFF ROAD, BOX 410 STAYTON, OR 97383

5) MAILING ADDRESS OF AUTHORIZED REPRESENTATIVE:

2009 STATE ST. SALEM, OR 97301

6) NAMES OF OWNERS (REGISTRANTS) AND PUBLICLY AVAILABLE ADDRESSES: (List name and street address of each person or entity who will conduct or transact business under the assumed business name.) (Attach a separate sheet if necessary.)

Name, Street Address, City, State, Zip Code

SALMON FOR OREGON ASSOCIATION, INCORPORATED 1740 SHAFF ROAD, BOX 410 STAYTON, OR 97383

7) COUNTIES:

- Counties list with checkboxes: Baker, Benton, Clackamas, Clatsop, Columbia, Coos, Crook, Deschutes, Douglas, Gilliam, Grant, Harney, Hood River, Jackson, Jefferson, Josephine, Klamath, Lake, Lane, Lincoln, Linn, Malheur, Marion, Morrow, Multnomah, Polk, Sherman, Tillamook, Umatilla, Union, Wallowa, Wasco, Washington, Wheeler, Yamhill.

8) EXECUTION/SIGNATURE(S): (All owners/registrants must sign.)

By my signature, I declare as an authorized authority, that this filing has been examined by me and is, to the best of my knowledge and belief, true, correct, and complete. Making false statements in this document is against the law and may be penalized by fines, imprisonment or both.

Signature:

Kevin L. Mannix

Printed Name:

Kevin L. Mannix

CONTACT NAME: (To resolve questions with this filing.)

Kevin L. Mannix

PHONE NUMBER: (Include area code.)

503-364-1913

FEES

Required Processing Fee \$50

Confirmation Copy (Optional) \$5

Processing Fees are nonrefundable. Please make check payable to "Corporation Division."



Secretary of State  
Corporation Division  
255 Capitol Street NE, Suite 151  
Salem, OR 97310-1327

Phone: (503) 986-2200  
www.filinginoregon.com

Registry Number: 829957-97  
Type: ASSUMED BUSINESS NAME

Next Renewal Date: 01/27/2014

KEVIN L MANNIX  
2009 STATE ST  
SALEM OR 97301

*NOTE: Assumed Business Names are required  
to renew every two years.*

### Acknowledgment Letter

The document you submitted was recorded as shown below. Please review and verify the information listed for accuracy.

**Document**  
APPLICATION FOR REGISTRATION

**Filed On**  
01/27/2012

**Name**  
SALMON FOR OREGON ASSOCIATION

**Principal Place of Business**  
1740 SHAFF ROAD BOX 410  
STAYTON OR 97383

**Authorized Representative**  
KEVIN L MANNIX  
2009 STATE ST  
SALEM OR 97301

**Registrant**  
SALMON FOR OREGON ASSOCIATION, ...

ALL COUNTIES

THEJOH  
ACK  
01/27/2012

**BYLAWS**  
**SALMON FOR OREGON ASSOCIATION, INCORPORATED**

**ARTICLE I**  
**Offices**

Section 1. Principal Office. The principal office of Salmon for Oregon Association, Incorporated, (hereinafter referred to as "The Association") in the State of Oregon shall initially be located in Stayton, Oregon. The Association may have such other offices, either within or without the State of Oregon, as the Board of Directors may determine or as the affairs of The Association may require from time to time.

Section 2. Registered Office. The Association shall have and continuously maintain a registered office and a registered agent in the State of Oregon as required by the Oregon Nonprofit Corporation Act.

**ARTICLE II**  
**Board of Directors**

Section 1. Number and Term of Office. The business and affairs of The Association shall be managed by the Board of Directors. The number of directors shall be not less than three (3) nor more than nine (9), as shall be established from time to time by the Board of Directors, provided that no decrease in number shall have the effect of shortening the term of any incumbent. The term of each member of the Board of Directors shall be for a period of one year. At every annual meeting thereafter, the directors shall be elected by vote of the incumbent directors of The Association.

Section 2. The Board of Directors shall have the supervision, control, and direction of the affairs of The Association, shall determine its policies, shall actively prosecute its purposes, and shall have control of the funds of the corporation as it may deem advisable, and may, in the execution of the powers of said Board, appoint such agents and delegate such powers as it may consider necessary. No director, officer, nor any agent of such person shall authorize or allow any Association funds to be expended for any purpose other than as set forth in the Articles of Incorporation. The Board may approve policy positions and statements on behalf of The Association; however, an affirmative vote of at least two-thirds of the Board Members present at any meeting shall be required to adopt a policy position on all matters relevant to The Association's stated corporate purpose.

Section 3. Regular Meetings. A regular annual meeting of the Board of Directors shall be held in January each year. The Board of Directors may provide by resolution the time and place, either within or without the State of Oregon, for the holding of additional regular meetings of the Board.

Section 4. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place in Oregon as the place for holding any special meetings of the Board of Directors called by them.

Section 5. Participation. Any or all of the directors may participate in a regular or special meeting by use of a means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

Section 6. Notice. Notice of any meeting shall be given at least two (2) days previous thereto, by written notice, delivered personally or sent by mail or transmitted by facsimile or email to each director at his address or facsimile number or email address as shown by the records of The Association. If mailed, such notice shall be deemed to be delivered on the second day after deposit in the United States mail, so addressed, with postage prepaid thereon. If notice is transmitted via facsimile, or by email, such notice shall be deemed to have been delivered upon confirmation by telephone recodation or by email processing that the facsimile or email has been received.

Section 7. Waiver of Notice. Any director may waive notice of any meeting by signing a written waiver of notice or by attending or participating in such meeting, unless the director promptly at the beginning of the meeting or upon his arrival objects to the holding of the meeting or the transaction of any business and does not thereafter vote or assent to any action taken at the meeting. Neither the business to be transacted nor the purpose of any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting, unless specifically required by law.

Section 8. Unanimous Action of Directors. Any action required to be taken or which may be taken at a meeting of the directors may be taken without a meeting if a consent, in writing, setting forth the action so taken or to be taken, shall be signed by all of the directors entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as the unanimous vote of the directors. Such consent shall be filed in the corporate minute book.

Section 9. Quorum. A majority of the number of elected directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than such majority is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice. The act of the majority of directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. At any meeting of the Board of Directors at which a quorum is present any business may be transacted and the Board may exercise all its powers.

Section 10. Vacancies. A vacancy on the Board of Directors shall exist on the death, resignation, or removal of any director. Any vacancy occurring in the Board of Directors and any directorship to be filled by reason of an increase in the number of directors may be filled by the affirmative vote of a majority of the remaining directors, through less than a quorum of the Board of Directors. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Section 11. Removal and Resignation. Any individual director may resign at any time by giving written notice to the other members of the Board of Directors. Any individual director, at a special meeting of the directors called for that purpose, may be removed from office without

cause by a vote of the majority of the directors. If any one or more of the directors is so removed, new directors may be elected at the same meeting.

Section 12. Compensation. Directors as such shall not receive any stated salaries for their services, but by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board; but nothing herein contained shall be construed to preclude any director from serving The Association in any other capacity and receiving compensation therefor.

### **ARTICLE III** **Officers**

Section 1. Number and Designation. The officers of The Association shall be a President, Secretary, and Treasurer, and such other officers as shall be determined by the Board of Directors, each of whom shall be elected by the Board of Directors. Such other officers, assistant officers, agents, and committees may be elected or appointed by the Board of Directors, as it may deem necessary. Any two or more offices may be held by the same person.

Section 2. Elections and Term of Office. The officers of The Association shall be elected annually by the Board of Directors at the regular annual meeting of the Board. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as may be convenient. Each officer shall hold office until such person's successor has been duly elected and qualified, or until such person's death or resignation, or until such person's removal in the manner herein provided.

Section 3. Removal. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever, in its judgment, the best interests of The Association will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 5. President. The President shall be the principal executive officer of The Association, and, subject to the control of the Board of Directors, shall, in general, supervise and control all of the business and affairs of The Association. The President shall, when present, preside at all meetings of the Board of Directors, and any committee exercising the authority of the board. The President may sign, with the Secretary or any other proper officer of The Association thereunto authorized by the Board of Directors, any deeds, mortgages, bonds, contracts or other instruments that the Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officers or agent of The Association, or shall be required by law to be otherwise signed or executed; and, in general, the President shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6. Secretary. In the absence of the President or in the event of the President's death, or inability or refusal to act, the Secretary shall perform the duties of the President, and

when so acting shall have all the powers of and be subject to all the restrictions upon the President, and shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors. The Secretary shall also: (a) keep the minutes of the meetings of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records of The Association; and (d) in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the President or by the Board of Directors.

Section 7. Treasurer. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of The Association; (b) receive and give receipts for monies due and payable to The Association from any source whatsoever, and deposit all such monies in the name of The Association in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of these Bylaws; and (c) in general, perform all of the duties incident of the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by the President or by the Board of Directors.

#### **ARTICLE IV** **Executive Director and Staff**

Section 1. The administration and management of The Association may be in an Executive Director whose terms and conditions of employment shall be specified by the President. The President of The Association may also serve as the Executive Director.

Section 2. Powers. Subject to the President and the Board of Directors, the Executive Director shall be the Chief Operating Officer of The Association, with responsibility for the management and direction of operations, programs, activities and the day-to-day affairs of The Association. The Executive Director shall employ and may terminate the employment of members of the staff necessary to carry on the work of The Association and fix their compensation within the approved budget, define the duties of the staff, and supervise their performances. The Executive Director shall establish staff titles and delegate those responsibilities of management as shall be in the best interest of The Association. The Executive Director shall have such other duties as may be prescribed by the President.

#### **ARTICLE V** **Special and Standing Committees**

Section 1. Nominating Committee. At least 10 days before the annual meeting of The Association, the President shall appoint a Nominating Committee of at least 3 Board members. This committee shall nominate to the Board one or more person(s) who shall previously have agreed to having his or her name placed in nomination, for election to each elective office which is to be filled.

Section 2. Special Committees. The President may appoint such other committees, subcommittees or task forces as are necessary and whose powers are not in conflict with other provisions of these Bylaws or of ORS 61.141. The duties of any such committees shall be prescribed upon their appointment.

## ARTICLE VI

### Finance

Section 1. Contracts. Consistent with Oregon law, the Articles of Incorporation, and these Bylaws, the President may enter into, or may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name of and on behalf of The Association, and such authority may be general or confined to specific instances. Any such action shall be reported to the Board of Directors at their next meeting following such action.

Section 2. Loans. No loans shall be made by The Association to any officer or to any director. No other loans shall be contracted on behalf of The Association and no evidence of indebtedness shall be issued in its name unless authorized by resolution of the Board of Directors.

Section 3. Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of The Association, shall be signed by such officer or officers, agent or agents of The Association and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 4. Deposits. All funds of The Association not otherwise employed shall be deposited from time to time to the credit of The Association in such banks, trust companies or other depositories as the Board of Directors may select.

Section 5. Gifts. The Board of Directors may accept on behalf of The Association any contribution, gift, bequest or devise for the general purposes, or for any special purpose, or The Association.

Section 6. Books and Records. The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board of Directors and committees having any of the authority of the Board of Directors. All books and records of The Association may be inspected by any member of the Board of Directors, or his or her agent or attorney, for any proper purpose at any reasonable time.

Section 7. Fiscal Year. The fiscal year of The Association shall begin on the first day of January and end on the last day of December in each year.

## ARTICLE VII

### Procedures

Roberts Rules of Order, as amended, shall apply at all meetings of this Alliance except where specifically superseded by these Bylaws.

## ARTICLE VIII

### Conflict of Interest

Section 1. Potential Conflict. A potential conflict of interest exists when a Board member takes an action that reasonably could have a significant positive financial impact on that member, a relative, or a business with which the member of member's relative is associated.

The Board member may participate in an action after declaring the potential conflict and announcing its nature.

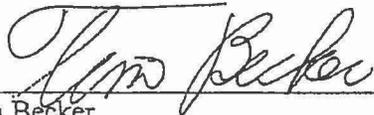
Section 2. Actual Conflict. An actual conflict of interest exists when an action is reasonably certain to result in a significant positive financial impact on a Board member, a relative, or a business with which the member or member's relative is associated. The member will declare the actual conflict and announce its nature. The member must then refrain from taking any action, except when the member's vote is necessary to achieve a quorum. When a vote is necessary to achieve a quorum, the member may vote, but may not participate in any discussion or debate on the issue out of which the actual conflict arises.

### ARTICLE IX

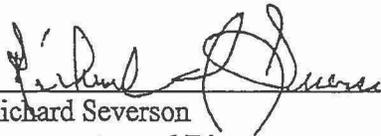
These Bylaws may be altered, amended or repealed, in whole or in part, and new Bylaws may be adopted by a majority vote of all of the Board of Directors at any regular or special meeting of the Board provided that all proposed changes are submitted in writing to each member of the Board at least two days prior to the meeting.

Adoption:

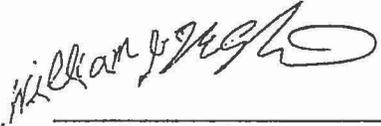
These Bylaws are hereby adopted as of this date: Jan. 24, 2012



\_\_\_\_\_  
Tom Becker  
Incorporator and Director



\_\_\_\_\_  
Richard Severson  
Incorporator and Director



\_\_\_\_\_  
Dr. Bill McNeil  
Incorporator and Director

From Kevin,

Employer Identification Number  
45-4272625

official name is

Salmon For Oregon Association Inc.

PUBLIC  
RELATIONS  
CONSULTING



INTERNAL REVENUE SERVICE  
P. O. BOX 2508  
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date:

**MAY 09 2013**

SALMON FOR OREGON ASSOCIATION INC  
1740 SHAFF RD BOX 410  
STAYTON, OR 97383-0000

Employer Identification Number:

45-4272625

DLN:

602115040

Contact Person:

RICHARD COMBS

ID# 31024

Contact Telephone Number:

(877) 829-5500

Accounting Period Ending:

December 31

Public Charity Status:

170(b)(1)(A)(vi)

Form 990 Required:

Yes

Effective Date of Exemption:

January 27, 2012

Contribution Deductibility:

Yes

Addendum Applies:

No

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

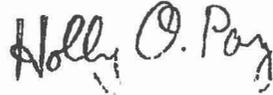
Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. We determined that you are a public charity under the Code section(s) listed in the heading of this letter.

Please see enclosed Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, for some helpful information about your responsibilities as an exempt organization.

Letter 947 (DO/CG)

SALMON FOR OREGON ASSOCIATION INC

Sincerely,

A handwritten signature in cursive script that reads "Holly O. Paz".

Holly O. Paz  
Director, Exempt Organizations  
Rulings and Agreements

Enclosure: Publication 4221-PC

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Income/Expense  
1/1/2013 Through 12/31/2013

6/8/2014

Page 1

Category Description	1/1/2013- 1/31/2013	2/1/2013- 2/28/2013	3/1/2013- 3/31/2013	4/1/2013- 4/30/2013	5/1/2013- 5/31/2013
<b>INCOME</b>					
Balance Forward	10,948.29	0.00	0.00	0.00	0.00
Donation	0.00	1,000.00	1,200.00	3,550.00	2,998.00
<b>TOTAL INCOME</b>	<b>10,948.29</b>	<b>1,000.00</b>	<b>1,200.00</b>	<b>3,550.00</b>	<b>2,998.00</b>
<b>EXPENSES</b>					
Bank Charge	0.00	0.00	0.00	20.00	0.00
Office Supplies	0.00	0.00	0.00	0.00	0.00
Reimburse	0.00	0.00	0.00	0.00	0.00
Retainer	7,000.00	1,500.00	0.00	3,000.00	3,980.00
Travel, Bus	0.00	0.00	0.00	0.00	560.00
<b>TOTAL EXPENSES</b>	<b>7,000.00</b>	<b>1,500.00</b>	<b>0.00</b>	<b>3,020.00</b>	<b>4,540.00</b>
<b>OVERALL TOTAL</b>	<b>3,948.29</b>	<b>-500.00</b>	<b>1,200.00</b>	<b>530.00</b>	<b>-1,542.00</b>

Income/Expense  
1/1/2013 Through 12/31/2013

6/8/2014

Page 2

Category Description	6/1/2013- 6/30/2013	7/1/2013- 7/31/2013	8/1/2013- 8/31/2013	9/1/2013- 9/30/2013	10/1/2013- 10/31/2013
<b>INCOME</b>					
Balance Forward	0.00	0.00	0.00	0.00	0.00
Donation	6,500.00	5,500.00	0.00	0.00	100.00
<b>TOTAL INCOME</b>	<b>6,500.00</b>	<b>5,500.00</b>	<b>0.00</b>	<b>0.00</b>	<b>100.00</b>
<b>EXPENSES</b>					
Bank Charge	0.00	0.00	0.00	0.00	0.00
Office Supplies	112.74	0.00	0.00	0.00	0.00
Reimburse	0.00	2,000.00	0.00	0.00	0.00
Retainer	7,010.00	4,000.00	0.00	0.00	200.00
Travel, Bus	0.00	0.00	0.00	0.00	0.00
<b>TOTAL EXPENSES</b>	<b>7,122.74</b>	<b>6,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>200.00</b>
<b>OVERALL TOTAL</b>	<b>-622.74</b>	<b>-500.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-100.00</b>

Income/Expense  
1/1/2013 Through 12/31/2013

6/8/2014

Page 3

Category Description	11/1/2013- 11/30/2013	12/1/2013- 12/31/2013	OVERALL TOTAL
<b>INCOME</b>			
Balance Forward	0.00	0.00	10,948.29
Donation	118.24	250.00	21,216.24
<b>TOTAL INCOME</b>	<b>118.24</b>	<b>250.00</b>	<b>32,164.53</b>
<b>EXPENSES</b>			
Bank Charge	0.00	0.00	20.00
Office Supplies	0.00	0.00	112.74
Reimburse	0.00	0.00	2,000.00
Retainer	120.00	0.00	26,810.00
Travel, Bus	0.00	240.00	800.00
<b>TOTAL EXPENSES</b>	<b>120.00</b>	<b>240.00</b>	<b>29,742.74</b>
<b>OVERALL TOTAL</b>	<b>-1.76</b>	<b>10.00</b>	<b>2,421.79</b>

Income/Expense  
1/1/2014 Through 12/31/2014

6/8/2014

Page 1

Category Description	1/1/2014- 1/31/2014	2/1/2014- 2/28/2014	3/1/2014- 3/31/2014	4/1/2014- 4/30/2014	5/1/2014- 5/31/2014
<b>INCOME</b>					
Donation	100.00	0.00	-1,000.00	200.00	10.00
<b>TOTAL INCOME</b>	<b>100.00</b>	<b>0.00</b>	<b>-1,000.00</b>	<b>200.00</b>	<b>10.00</b>
<b>EXPENSES</b>					
Office	0.00	0.00	0.00	0.00	10.00
Office Supplies	0.00	18.00	0.00	0.00	0.00
Retainer	400.00	0.00	1,000.00	200.00	0.00
Travel, Bus	100.00	0.00	0.00	0.00	0.00
<b>TOTAL EXPENSES</b>	<b>500.00</b>	<b>18.00</b>	<b>1,000.00</b>	<b>200.00</b>	<b>10.00</b>
<b>OVERALL TOTAL</b>	<b>-400.00</b>	<b>-18.00</b>	<b>-2,000.00</b>	<b>0.00</b>	<b>0.00</b>

Income/Expense  
1/1/2014 Through 12/31/2014

6/8/2014

Page 2

Category Description	6/1/2014- 6/30/2014	7/1/2014- 7/31/2014	8/1/2014- 8/31/2014	9/1/2014- 9/30/2014	10/1/2014- 10/31/2014
<b>INCOME</b>					
Donation	0.00	0.00	0.00	0.00	0.00
<b>TOTAL INCOME</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>EXPENSES</b>					
Office	0.00	0.00	0.00	0.00	0.00
Office Supplies	0.00	0.00	0.00	0.00	0.00
Retainer	0.00	0.00	0.00	0.00	0.00
Travel, Bus	0.00	0.00	0.00	0.00	0.00
<b>TOTAL EXPENSES</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>OVERALL TOTAL</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

Income/Expense  
1/1/2014 Through 12/31/2014

6/8/2014

Page 3

Category Description	11/1/2014- 11/30/2014	12/1/2014- 12/31/2014	OVERALL TOTAL
<b>INCOME</b>			
Donation	0.00	0.00	-690.00
<b>TOTAL INCOME</b>	<b>0.00</b>	<b>0.00</b>	<b>-690.00</b>
<b>EXPENSES</b>			
Office	0.00	0.00	10.00
Office Supplies	0.00	0.00	18.00
Retainer	0.00	0.00	1,600.00
Travel, Bus	0.00	0.00	100.00
<b>TOTAL EXPENSES</b>	<b>0.00</b>	<b>0.00</b>	<b>1,728.00</b>
<b>OVERALL TOTAL</b>	<b>0.00</b>	<b>0.00</b>	<b>-2,418.00</b>





Agenda Item # VIII.G  
Meeting Date June 16, 2014

**CITY COUNCIL/URBAN RENEWAL  
AGENCY AGENDA ITEM SUMMARY**  
City of Newport, Oregon

Issue/Agenda Title: Intergovernmental Agreement Between the City of Newport and Port of Newport Relating to the Yaquina Bay Fruit Processing Facility in South Beach

Prepared By: Derrick Tokos Dept Head Approval: DT City Mgr Approval:

**ISSUE BEFORE THE COUNCIL:** Consideration of whether or not it is in the public interest for the City of Newport and Port of Newport to enter into an Intergovernmental Agreement identifying a timeframe within which the Port will bring the Yaquina Bay Fruit Processing Facility (YBFP) into compliance with City zoning requirements.

**STAFF RECOMMENDATION:** Staff recommends the Council enter into the agreement.

**PROPOSED MOTION:** I move that the City Council enter into an intergovernmental agreement with the Port of Newport relating to the Yaquina Bay Fruit Processing facility’s compliance with city zoning standards, as presented.

**KEY FACTS AND INFORMATION SUMMARY:** Yaquina Bay Fruit Processors (“YBFP”) operates a maraschino cherry manufacturing facility on 2.57 acres of land that it leases from the Port. The property is located at 2000 SE Marine Science Drive. The YBFP facility was permitted by the City of Newport in 2003. The property at that time was zoned W-1/“Water-Dependent”. A water-dependent use is a use which needs contact with or use of the water for water-borne transportation, recreation, energy production, or water supply. The YBFP facility received conditional use approval as a water dependent use because it relied upon a salt water intake structure for cherry processing (File No. 3-CUP-03).

YBFP is non-compliant with its conditional use permit in that it no longer utilizes a salt water intake as part of its manufacturing process. Further, it is impractical for YBFP to utilize such an intake structure. Port was advised of the non-compliant nature of the YBFP operation on October 22, 2009. At that time, the Port was in the process of reconfiguring the YBFP lease area to accommodate the NOAA MOC-P development. On December 3, 2009 the Port indicated that it intended to relocate the YBFP operation in its entirety to an appropriately zoned location, such as the I-3/“Heavy Industrial” property on the north side of the bay. City staff acknowledged the Port’s plan to relocate the YBFP facility within a three year timeframe. This was accomplished with a letter dated December 29, 2009.

Relocating YBFP to the north side of the bay proved impractical, and on March 21, 2012 the Port submitted a request to the City to rezone the YBFP property from W-1/“Water-Dependent” to W-2/“Water-Related” and to create a conditional use permitting option in the W-2 district for manufacturing in conjunction with uses permitted outright in a C-2 district. This change would afford YBFP an opportunity to add retail, tourist oriented elements to its business model through a conditional use process, creating an avenue for it to resolve the land use compliance issue without relocating the operation. The rezoning request was approved by the City on July 16, 2012 (Ordinance No. 2041).

While YBFP initially expressed interest in redesigning its facility to include a tourist-commercial element, it appeared to have ruled that option out in favor of securing a suitable site elsewhere in the state. However, recently YBFP has changed its focus back to its current location. The YBFP lease with the Port is set to expire on April 1, 2015. This does not leave YBFP with enough time to redesign the operation in a manner that conforms to City zoning standards.

The Port of Newport, being sensitive to city requirements and the needs of its tenant, has agreed to extend the YBFP lease by one year provided the City will agree to allow the Port to bring the property into compliance during the term of the extension. This intergovernmental agreement provides the Port that assurance.

**OTHER ALTERNATIVES CONSIDERED:** Not entering into the agreement.

**CITY COUNCIL GOALS:** There are no Council goals directly related to this agenda item.

**ATTACHMENT LIST:**

- Draft Intergovernmental Agreement
- Aerial image of the YBFP lease area
- Ordinance No. 2041
- Conditional Use Permit that originally authorized the YBFP operation (File No 3-CUP-03)
- City and Port Correspondence regarding YBFP compliance issues
- Port of Newport lease extension for YBFP, dated May 20, 2014

**FISCAL NOTES:** There are no direct fiscal impacts. Offering the Port additional time to bring YBFP into conformance with City zoning standards will allow the business to stay in the city, resulting in a positive fiscal impact both in terms of employment and tax revenues.

**INTERGOVERNMENTAL AGREEMENT BETWEEN  
THE CITY OF NEWPORT AND THE PORT OF NEWPORT  
RELATING TO YAQUINA BAY FRUIT PROCESSING  
FACILITY COMPLIANCE WITH CITY ZONING STANDARDS**

This Intergovernmental Agreement is between the Port of Newport, a port district organized under ORS Chapter 777 (“Port”) and the City of Newport (“City”).

Both entities are units of local government, organized and operated under the laws of the state of Oregon. Oregon Revised Statutes, Chapter 190 specifically authorizes agreements between units of local government for any and all functions and activities that any party to the Agreement may perform.

**RECITALS**

A. Yaquina Bay Fruit Processors (“YBFP”) operates a maraschino cherry manufacturing facility on 2.57 acres of land that it leases from the Port. The property is located at 2000 SE Marine Science Drive.

B. The YBFP facility was permitted by the City of Newport in 2003. The property at that time was zoned W-1/“Water-Dependent”. A water-dependent use is a use which needs contact with or use of the water for water-borne transportation, recreation, energy production, or water supply. The YBFP facility received conditional use approval as a water dependent use because it relied upon a salt water intake structure for cherry processing (File No. 3-CUP-03).

C. YBFP is non-compliant with its current conditional use permit in that it no longer utilizes a salt water intake as part of its manufacturing process. Further, it is impractical for YBFP to utilize such an intake structure.

D. Port was advised of the non-compliant nature of the YBFP operation on October 22, 2009. At that time, the Port was in the process of reconfiguring the YBFP lease area to accommodate the NOAA MOC-P development. On December 3, 2009 the Port advised that it intended to relocate the YBFP operation in its entirety to an appropriately zoned location in three years.

E. On December 29, 2009, the City acknowledged the Port’s plan to relocate the YBFP facility within a three year timeframe.

F. On March 21, 2012, the Port submitted a request to the City to rezone the YBFP property from W-1/“Water-Dependent” to W-2/“Water-Related” and to create a conditional use permitting option in the W-2 district for manufacturing in conjunction with uses permitted outright in a C-2 district. The Proposal required YBFP to obtain a new CU permit and add retail, tourist oriented elements to its business model. In so doing, the Proposal resolved the land use compliance issue without relocating YBFP’s operation. The rezoning and text request was approved by the City on July 16, 2012. (See, NMC 14.03.080(18) and Ordinance No. 2041).

G. While YBFP has expressed interest in redesigning its facility to include a tourist-commercial element, it has yet to submit an application for a conditional use permit. The YBFP lease with the Port is set to expire on April 1, 2015.

H. On May 22, 2014, the Port agreed to a one-year extension of the YBFP lease to April 1, 2016, contingent upon receipt of an agreement with the City allowing the Port to bring the property into compliance during the term of the extension.

## TERMS OF AGREEMENT

### 1. Port Obligations.

- a. Port agrees to require its Lessee, YBFP, to obtain a CUP for manufacturing in conjunction with uses permitted outright in a C-2 District, and commence such uses in addition to its existing manufacturing use. The Port will not grant any further leases or lease extensions to YBFP until the existing facility is compliant with City zoning.
- b. Specifically, compliance shall occur in accordance with benchmarks establishing the date by which a CUP will be submitted, building permit secured, and construction completed to ensure full compliance by April, 2016. Port shall provide the City with a schedule containing these benchmark dates no later than August 18, 2014.

2. **City Obligations.** Pursuant to its authority under City Zoning Code 14.47, and in accordance with the City's general policy to obtain voluntary compliance and to cooperate with the Port as a public entity, the City agrees to forgo enforcement against the Port for YBFP's non-compliance with its 2003 conditional use permit, so long as the YBFP continues to operate as currently constituted and the Port establishes, and ensures YBFP satisfies, the benchmarks required pursuant to Section 1 of this IGA.

3. **Term of Agreement.** This Agreement shall be effective through March 31, 2016.

4. **Notice.** All notice required under this Agreement shall be written and sent to the parties at the following addresses:

City of Newport  
Attention: Spencer Nebel, City Manager  
169 SW Coast Highway  
Newport, Oregon 97365

Port of Newport  
Attention: Kevin Greenwood, General Manager

600 SE Bay Boulevard  
Newport, Oregon 97365

5. **Attorney Fees.** If either party commences any arbitration, legal action, suit, or proceeding against the other to rescind, interpret or enforce the terms of this Agreement, the parties agree that the prevailing party shall be awarded reasonable attorney's fees and costs incurred in any such arbitration, action, suit or proceeding and in any later appeals filed as a consequence thereof. Such costs shall bear interest at the statutory legal rate from the date incurred, until the date paid.
6. **Severability.** If any part, term or clause of this contract is held by a court or arbitrator to be unenforceable, of no effect or in conflict with any law, the validity of the remaining provisions and clauses shall not be affected and the rights and obligations of the parties shall be construed and in force as if the Agreement did not contain the particular part, term or clause held to be unenforceable.
7. **Amendments.** The terms of this Agreement may be waived, modified, supplemented or amended only upon written agreement of both parties.

PORT OF NEWPORT

CITY OF NEWPORT

\_\_\_\_\_  
By: Port Authorized Representative

\_\_\_\_\_  
By: City Manager

Date: \_\_\_\_\_

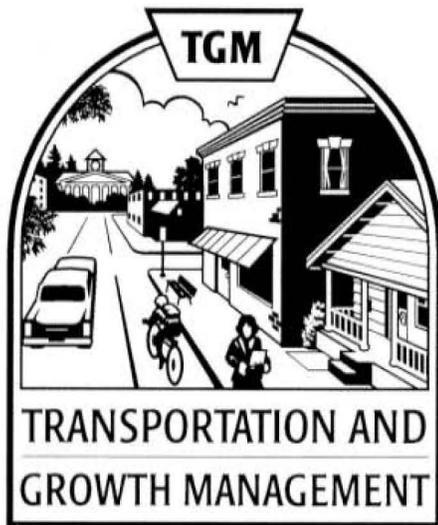
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**2014**

**Transportation and Growth Management  
Grants to Local Governments**

**Application Packet**

Application Deadline:  
4:00 p.m.  
Friday, June 13, 2014



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A joint program of the  
Oregon Department of Transportation and the  
Oregon Department of Land Conservation and Development

*Better Ways to Better Places*

## TGM APPLICATION CHECKLIST

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The electronic Cover Sheet, Application Form, and this Application Packet can be downloaded at: <http://egov.oregon.gov/LCD/TGM/grants.shtml>

**NOTE: Your application materials must be submitted BOTH electronically and via hard copy**

- Submit your application materials electronically via ODOT's FTP site using the instructions on pages 3 and 4.** One project per application submittal.

**Electronically submitted application materials must include:**

- Electronic Cover Sheet
- Application Form (please limit to 10 pages)
- Project area map
- Letters or resolutions of support. *Note: these may be submitted separately from the application. Letters and resolutions of support may be submitted through June 27, 2014. Those submitted after June 13, 2014 must be identified with the jurisdiction and project name and submitted electronically via ODOT's FTP site.*
- You must also mail or hand-deliver 1 paper copy** of all electronically submitted application materials. Paper copy must be submitted on white, three-hole punched, 8-1/2" x 11" recycled paper. NO covers or additional binding.

**Consultants:** Consultants may prepare the jurisdiction's application. Please be aware that uncompensated consultants are not eligible to participate in the project itself. Consultants who are paid to prepare the application may be eligible to participate in the project. Contact Cindy Lesmeister at 503-986-4349 if you have questions.

**Electronic applications must be received by 4:00 p.m. Friday, June 13, 2014.**

**Mailed copy of applications must be POSTMARKED by Friday, June 13, 2014 and sent to:**

**Cindy Lesmeister  
Transportation and Growth Management Program  
ODOT Mill Creek Building  
555 13<sup>th</sup> Street NE, Suite 2  
Salem, OR 97301**

**Sign Up for Emailed Updates:** You may subscribe to receive announcements concerning the TGM Grant Program, other TGM Community Assistance Programs, as well as the ODOT STIP Enhance Funding Program: [Subscribe to Transportation Funding Programs email list](#)

## INSTRUCTIONS FOR ELECTRONICALLY SUBMITTING YOUR TGM GRANT APPLICATION

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1. Place your application and all supporting materials in a folder with the following naming convention:  
Applicant Name\_Project Title
2. Using Internet Explorer, go to <ftp://ftp.odot.state.or.us/incoming/TGM%20Grant%20Apps/>
3. Press Alt on your keyboard to bring up the Internet Explorer File Menu
4. Click View then select Open FTP Site in Windows Explorer
5. Drag the folder containing your application and all supporting materials in the resulting Windows Explorer window. If you are unable to drag the folder, copy and paste it into the resulting window.
6. Notify us of your attempted submission by emailing [TGMGrantApps@odot.state.or.us](mailto:TGMGrantApps@odot.state.or.us)

### **FTP Submittal Process Contact**

If you encounter any issues with the above submittal process, please contact:

Rebecca Coffelt  
Planning Section Web Coordinator  
[Rebecca.D.COFFELT@odot.state.or.us](mailto:Rebecca.D.COFFELT@odot.state.or.us)  
(503) 986-4254

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## INTRODUCTION & GRANT BASICS

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The Transportation and Growth Management (TGM) Program invites you to apply for funding in the 2014 grant cycle. The TGM Program provides resources to help Oregon communities prepare transportation and land use plans to respond to pressing transportation, land use, and growth management issues.

The TGM Program is a joint effort of two state agencies: the Oregon Department of Transportation (ODOT) and the Oregon Department of Land Conservation and Development (DLCD). The mission of TGM is to support community efforts to expand transportation choices. By linking land use and transportation planning, TGM works in partnership with local governments to create vibrant, livable places in which people can walk, bike, take transit or drive where they want to go.

**TGM has the following program goals:**

1. Help local governments plan for well-connected, multi-modal transportation systems that serve land use objectives and meet the requirements and intentions of the Transportation Planning Rule.
2. Help local governments plan for sustainable and efficient transportation systems, land use, and development patterns that meet transportation needs and promote economic vitality.
3. Strengthen the capacity of local governments to manage urban growth and to translate plans into how communities get built.
4. Minimize the cost of transportation facilities and other infrastructure recognizing the very limited funding available for system completion and expansion for all modes, and maximize the return on investment through good planning.
5. Help local governments contribute to meeting transportation-related statewide greenhouse gas emission reduction goals.
6. Educate decision makers and the public on transportation and land use best practices that provide modal choice and enhance urban livability.
7. Partner with and support state agencies and programs where their actions advance TGM goals and objectives.

**TGM supports local government planning that accomplishes one or more of the following objectives:**

**Provide transportation choices** to support communities with the balanced and interconnected transportation networks necessary for mobility and economic growth.

- a. A balanced, interconnected, and safe transportation system that provides a variety of transportation options and supports land uses.
- b. Appropriately sited, designed, and managed local, regional, and state transportation facilities and services that support the movement of goods and services
- c. Mobility choices for those with limited options.

- d. Safe and convenient walking, biking, and public transportation opportunities to support an active lifestyle.

**Create communities** composed of vibrant neighborhoods and lively centers linked by convenient transportation.

- e. Livable towns and cities with a mix of housing types, work places, shops, schools, and parks for people of all ages and income.
- f. Well-located activity centers, including schools and other government services, which are accessible to pedestrians, bicyclists, and transit users.
- g. A healthful, safe, and pleasing physical environment supportive of the social and cultural needs of all the community residents.

**Support economic vitality** by planning for land uses and the movement of people and goods.

- h. Thriving existing neighborhoods and centers and well-planned new growth that accommodate existing and future residents and businesses.
- i. Well-located and accessible industrial and employment centers.

**Save public and private costs** with compact land uses and efficient transportation patterns.

- j. Urban growth accommodated within existing communities, thus minimizing, delaying or providing an alternative to an urban growth boundary expansion.
- k. Future transportation needs accommodated within the existing or improved system thus minimizing, delaying or providing an alternative to constructing additional major infrastructure projects.

**Promote environmental stewardship** through land use and transportation planning.

- l. Transportation systems and land use patterns that protect valuable natural resources, promote energy efficiency, and reduce air pollution and greenhouse gas emissions.

The TGM Program is primarily funded by the federal Moving Ahead for Progress in the 21<sup>st</sup> Century (MAP-21), under an agreement with the Federal Highway Administration with additional staff support and funding provided by the State of Oregon. Awarded projects are administered by TGM on behalf of a local jurisdiction according to state and federal requirements.

The TGM Program awards grants on an annual basis. All grants have a preferred completion period of 18 months from the “Notice to Proceed” but may add up to an additional six months for completion. Award amounts generally range between \$75,000 and \$200,000.

The TGM Program is committed to coordinating with and supporting other state programs. TGM planning grants can help local governments compete for state funding from such programs as:

- [Oregon Main Street Revitalization Program](http://www.oregon.gov/OPRD/HCD/SHPO/Pages/mainstreet.aspx)  
(<http://www.oregon.gov/OPRD/HCD/SHPO/Pages/mainstreet.aspx>)
- [ODOT – Enhance Funding](http://www.oregon.gov/ODOT/TD/TP/Pages/stip_guide.aspx)  
([http://www.oregon.gov/ODOT/TD/TP/Pages/stip\\_guide.aspx](http://www.oregon.gov/ODOT/TD/TP/Pages/stip_guide.aspx))
- [ODOT - Public Transit Division](http://www.oregon.gov/ODOT/PT/Pages/index.aspx)  
(<http://www.oregon.gov/ODOT/PT/Pages/index.aspx>)
- [Department of Land Conservation & Development](http://www.oregon.gov/LCD/Pages/grants.aspx)  
(<http://www.oregon.gov/LCD/Pages/grants.aspx>)

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## ELIGIBLE APPLICANTS

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Cities, counties, some special districts, councils of governments (COGs) (working on behalf of member governments), tribal governments, metropolitan planning organizations (MPOs), and metropolitan service districts. Special districts – such as school districts – may be eligible as part of a joint application with an eligible applicant for an otherwise eligible project. Eligible applicants may join together to propose a project, such as a multi-county TSP or multi-city or city-county corridor plan.

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## GRANT SELECTION

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Projects are selected on a competitive basis within each of the five ODOT regions. Applications are scored using the grant criteria on page 12. Consideration will be given in scoring to ensuring a fair distribution of grant funds to smaller communities. TGM consults with other state agency staff to gain further insights about proposed TGM projects.

In September 2014, successful applicants will receive a grant award letter. The successful applicant and a TGM grant manager will work together to prepare a project statement of work, select a consultant (as appropriate), and complete an intergovernmental agreement (IGA).

Initial project statement of work negotiations must be completed by the end of January 2014 or the grant award may be withdrawn. The grant award is not final until the intergovernmental agreement with ODOT and the local government is signed by all parties.

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## USE OF CONSULTANTS

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For projects using consultants, ODOT, rather than local grantees, will contract with consultants. Using ODOT policies and procedures that meet state and federal requirements, TGM staff will work with jurisdictions to select the project consultant that best fits the specific planning services needed.

## GRANTEE OBLIGATIONS

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**MATCH:** Grantees must provide a match of 12% or more of the total project cost. This may be in the form of cash, staff time, monetized volunteer time, and direct project expenses.

Communities defined as “distressed” by the Oregon Business Development Department may request a partial match waiver. The list of communities meeting the definition of distressed is available at: <http://www.oregon4biz.com/Oregon-by-the-numbers/oregon-economic-data/Distressed-Areas-in-Oregon/>

The ways to fulfill match requirements vary:

- Grantees not using consultants will bill TGM for eligible project costs, such as in-house staff labor or other eligible items. TGM will reimburse the grantee for those costs, less the required match amount.
- Grantees using consultants and **not** being partially reimbursed for their own work must submit match reports that document eligible local project costs to meet the match requirement.
- Grantees using consultants and being partially reimbursed for their own work will bill all of their work and be reimbursed for those costs less the required match. Consultants will bill and be paid at 100%.
- Grantees may send cash directly to TGM at signing of IGA.

***Please Note:*** As a grant award condition, grantees who have any unmet match obligations from previous TGM grant projects must document that the match was provided or pay the balance of unmet match within three weeks of notice of new grant award, or the award will be withdrawn.

**STATEMENT OF WORK:** Grantees are expected to help prepare a project statement of work. This is done before an intergovernmental agreement is signed and is not a reimbursable expense.

**PROJECT MANAGEMENT:** Local commitment is the key ingredient to a successful project. As a condition of award, grantees will be asked to provide written commitment that they will meet all grantee obligations in a timely manner. Grantees must provide a project manager who will:

- serve as principal contact person for the project;
- help to develop a statement of work;
- monitor and coordinate work, including consultant work;
- keep local decision-makers informed about the project;
- make logistical arrangements;
- provide public notification for local meetings and public events;
- work with the TGM grant manager to ensure completion of all work on time and within budget;
- review consultant work products and payment requests; and,
- prepare progress reports, match reports, and reimbursement requests.

ELIGIBLE COSTS: TGM grants and required match can be spent only on “direct project-related costs.” Eligible costs include salary of local government employees assigned to the project, postage, travel, supplies, and printing.

Equipment purchases and indirect costs, including general administrative overhead, are not eligible costs unless you have a federally approved indirect cost plan. Local expenses for persons or firms who contract with a local government to provide planning or other services are **not** eligible costs.

Costs incurred prior to signing an intergovernmental agreement are not eligible project costs. This includes costs of preparing the grant application, preparing a statement of work for the intergovernmental agreement, and selecting a consultant.

TITLE VI/ENVIRONMENTAL JUSTICE/AMERICANS WITH DISABILITIES: Awarded projects are expected to consider environmental justice issues, which is the fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income with respect to the development, implementation, and enforcement of environmental laws, regulations, and policies. The public involvement program must include specific steps to provide opportunities for participation by federal Title VI communities. Grants that include planning for pedestrians must consider Americans with Disabilities Act requirements.

For more information, see:

<http://www.fhwa.dot.gov/environment/ej2000.htm>

<http://www.justice.gov/crt/about/cor/coord/titlevi.php>

[http://www.ada.gov//2010ADASTandards\\_index.htm](http://www.ada.gov//2010ADASTandards_index.htm)

## TIMELINE

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June 13, 2014	Grant Applications due by 4:00 p.m.
June-September 2014	Application scoring and ranking
September, 2014	Project award announcements
January 31, 2015	Must have agreed on a detailed statement of work sufficient to select a Consultant or prepare an IGA if no consultant will be used
July 1, 2015	IGA and personal services contracts must be signed and projects underway

Grant projects should be completed 18 months from IGA Notice to Proceed

Projects designed to take more than two years from award to completion or more than 18 months from Notice to Proceed should be identified as such in your application and may be programmed beyond the two year grant period. Continued funding beyond the two year grant period is subject to available funding and continued project eligibility.

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## ELIGIBLE PROJECTS

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### CATEGORY 1 – TRANSPORTATION SYSTEM PLANS

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#### PURPOSE

To help local governments develop and update transportation system plans and implementing measures that implement the Transportation Planning Rule (OAR 660-012-0045), 1999 Oregon Highway Plan, and 2006 Oregon Transportation Plan, or reduce reliance on the state highway for local travel needs.

#### ELIGIBLE USES

Projects in this category plan for transportation facilities inside Urban Growth Boundaries (UGB's), in urban unincorporated communities, and along rural highway corridors. Projects proposed for areas being considered in a UGB amendment process may be eligible, but TGM will give careful consideration to whether the proposed project is timely and reasonably achievable (TGM scoring criteria #2 and 3). Category 1 projects typically include preparation and adoption of:

- Complete Transportation System Plan (TSP) preparation and adoption that results in a balanced, multi-modal system that addresses and accommodates a range of transportation needs, including movement of freight;
- Discrete portions of TSPs, including such elements as: local street system plans, bike and pedestrian plans, transit plans, transportation system management plans, demand management plans, safe routes to school-related plans, parking plans, freight plans, etc.;
- TSP updates, for example, to address new needs, comply with new state or federal regulations, maintain consistency with a regional transportation plan, or plan for areas newly brought into the UGB.
- TSP implementing measures, such as street design plans, subdivision and site design standards, safe routes to school-related plans, capital improvement plans and other funding strategies and programs, and ordinance amendments required by the Transportation Planning Rule;
- Refinement plans included in an adopted TSP such as corridor plans, highway segment designation, interchange area management plans, or other planning to implement the 1999 Oregon Highway Plan;
- Project-level planning for facilities or improvements included in an adopted TSP that results in resolving important transportation and land uses issues required to move projects forward toward funding consideration;
- Detailed access and circulation planning to improve readiness of key employment centers;
- Other innovative transportation-related projects that are consistent with TGM objectives – contact our staff to discuss your ideas.

## CATEGORY 2 – INTEGRATED LAND USE AND TRANSPORTATION PLANNING

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### PURPOSE

To help local governments develop integrated land use and transportation plans that promote compact, mixed-use, pedestrian-friendly development; increase opportunities for transit, walking, and bicycling; or reduce reliance on the state highway system for local travel needs.

In recent grant cycles, TGM has received fewer Category 2, Land Use and Transportation Planning applications. While there is an ongoing need for communities to keep their transportation systems plans updated, and TGM will continue to provide funding to do so, we are especially interested in hearing your ideas for innovative projects that plan for land use and transportation in an integrated way.

### ELIGIBLE USES

Projects in this category combine land use planning with transportation facility planning to meet transportation needs inside UGBs, urban unincorporated communities, and urban reserve areas. Category 2 projects may include preparation and adoption of:

- Transportation-efficient land use plans for an entire urban area – in metropolitan areas, such plans should be designed to address state goals for reducing greenhouse gas emissions that contribute to climate change;
- Land use and transportation concept plans for areas that have been brought into a UGB;
- Interchange Area Management Plans (if land use focused);
- Specific development, redevelopment, and area plans for a downtown, mixed-use commercial area, or neighborhood, including designation of a multimodal mixed-use area (MMA, as defined in OAR660-012-060(10)) as part of such a plan;
- Implementing measures, such as TSP amendments, code amendments, infill and redevelopment strategies, funding strategies and programs, and intergovernmental agreements;
- Transportation and land use planning related to the Oregon Main Streets Program;
- Other innovative land use and transportation planning-related projects that are consistent with TGM objectives – contact our staff to discuss your ideas.

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## GRANT ELIGIBILITY REQUIREMENTS

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TGM grants are for planning work leading to local policy decisions. Projects should result in the development of an adoption-ready plan or land use regulation amendment. TGM grants also cannot fund preliminary engineering, engineering, or construction work. If in doubt, discuss with your Region TGM planner about whether your proposed work is eligible.

Applications are reviewed on a pass/fail basis on each of the following criteria. Applications found to not meet each of these requirements will not be scored against the award criteria and will not be awarded a grant.

### **1. Clear Transportation Relationship**

A proposed project must have a clear transportation relationship and produce transportation benefits. A project must entail research, analysis, evaluation of alternative scenarios, development of implementation measures, or public involvement that results in a transportation plan, land use plan, or other product that addresses a transportation problem, need, opportunity, or issue of local or regional importance.

### **2. Adoption of Products to meet Project Objectives**

A proposed project must include preparation of an adoption-ready product or products that directly address the project objectives, such as a transportation system plan, comprehensive plan amendment or element, land use regulation, or intergovernmental agreement. Projects that will primarily do outreach, research, study an issue, or compile data are not eligible.

### **3. Support of Local Officials**

A proposed project must clearly demonstrate that local officials understand the purpose of the grant application and support the outcomes of the project. A letter or resolution of support from the governing body of the applying jurisdiction is required to be submitted with the application to meet this requirement.

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## AWARD CRITERIA

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Applications are scored on a range of criteria and receive up to 100 points. Projects are selected primarily based on the points scored; also considered are the grant amounts requested, the estimated amounts TGM believes may be required to complete a project, the amount of grant dollars available for award within a geographic region, and the balance of grant dollars between Category 1 and Category 2 projects.

### **1. Proposed Project Addresses a Need and Supports TGM Objectives**

The project clearly and effectively addresses a local or regional transportation or transportation-related land use issue, problem, need, or opportunity through achieving one or more of the following TGM objectives.

**Provide transportation choices** to support communities with the balanced and interconnected transportation networks necessary for mobility and economic growth.

- a. A balanced, interconnected, and safe transportation system that provides a variety of transportation options and supports land uses.
- b. Appropriately sited, designed, and managed local, regional, and state transportation facilities and services that support the movement of goods and services
- c. Mobility choices for those with limited options.
- d. Safe and convenient walking, biking, and public transportation opportunities to support an active lifestyle.

**Create communities** composed of vibrant neighborhoods and lively centers linked by convenient transportation.

- e. Livable towns and cities with a mix of housing types, work places, shops, schools, and parks for people of all ages and income.
- f. Well-located activity centers, including schools and other government services, which are accessible to pedestrians, bicyclists, and transit users.
- g. A healthful, safe, and pleasing physical environment supportive of the social and cultural needs of all the community residents.

**Support economic vitality** by planning for land uses and the movement of people and goods.

- h. Thriving existing neighborhoods and centers and well-planned new growth that accommodate existing and future residents and businesses.
- i. Well-located and accessible industrial and employment centers.

**Save public and private costs** with compact land uses and efficient transportation patterns.

- j. Urban growth accommodated within existing communities, thus minimizing, delaying or providing an alternative to an urban growth boundary expansion.
- k. Future transportation needs accommodated within the existing or improved system thus minimizing, delaying or providing an alternative to constructing additional major infrastructure projects.

**Promote environmental stewardship** through land use and transportation planning.

- l. Transportation systems and land use patterns that protect valuable natural resources, promote energy efficiency, and reduce emissions of air pollution and greenhouse gases.

**Up to 40 points:** Provide a statement of project purpose and transportation relationships and benefits, and related them to TGM objectives. You must list the specific objective(s) your project supports. Projects that address an issue, problem, need, or opportunity with a clear expected outcome will receive more points. Projects that meet one or several TGM objectives in a substantial, integral way will receive more points than projects that meet one or more TGM objectives superficially. If applying to update your Transportation System Plan and you asked TGM to perform a TSP Assessment, what were the key Assessment recommendations and how do they relate to your proposed project?

## **2. Proposed Project is Timely and Urgent**

The application demonstrates timeliness and urgency. The project is needed now to:

- address pressing local transportation and land use issues;
- make amendments to local plans or regulations necessitated by changes in federal regulations, state requirements, or regional plans;
- make amendments to local plans or regulations necessitated by changes that were not anticipated in previous plans including growth, changes in land use patterns, or changes in available funding;
- build on, complement, or take a necessary step toward completing other high priority community initiatives, including supporting a Governor’s Regional Solutions Team priority; or
- resolve transportation- or land use-related issues affecting the project readiness of local, regional, or state transportation projects for which funding is expected to be obligated within the near future.

**Up to 25 points:** To explain why it is important to do the project at this time, describe what the project will accomplish and how it relates to other initiatives. Projects that match well with the TGM grant timeline will receive more points. Projects or project elements that are not clearly timely or urgent will receive fewer points.

## **3. Proposed Project Approach is Reasonable**

The application demonstrates a clear approach to achieving the expected outcome and results in consideration for adoption. Where substantial coordination with other local, regional, and state planning efforts occurs (or will need to occur), the mechanisms and responsibilities for the coordination are clear.

**Up to 15 points:** Project approaches will receive more points if they clearly address the project need, are achievable considering scope, objectives, and benefits of the project, and are at a level of detail appropriate to the community.

## **4. Proposed Project has Community Support**

The application demonstrates that there is local support for the project objectives, a commitment to participate, and a desire to implement the expected outcome.

**Up to 5 points:** Projects with written support from stakeholders including partner jurisdictions, community institutions, or businesses will receive more points. Letters of support should demonstrate a clear understanding of the project. A letter of support will score higher if it shows independent understanding of the project by the signer and is not identical in text to others that are submitted for a project.

## **5. Proposed Project Sponsor Readiness and Capacity**

The application demonstrates that the local government is ready and able to begin the project within the TGM timetable and that there is local commitment and capability to manage the project considering the complexity of the project, the size of the jurisdiction, and performance on previous TGM projects. Where substantial coordination with other local, regional, and state planning efforts occurs (or will need to occur), all of the partners are ready and able to begin the project within the TGM timetable.

**Up to 5 points:** Projects with a clear description of the jurisdiction's capabilities and experience relative to the complexity of the proposed project will receive more points. Projects that lack a clear description of how the projects will be managed will receive fewer points. You must list any prior TGM projects your community received (grants or Community Assistance service) within the last 10 years and provide their outcomes or receive fewer points. For prior projects that were similar in subject matter or location to your proposed project, discuss why your proposed project is different. [If you are unsure what prior TGM projects your jurisdiction has received, contact Cindy Lesmeister at [cindy.l.lesmeister@odot.state.or.us](mailto:cindy.l.lesmeister@odot.state.or.us)]

## **6. Proposed Project is Innovative**

The application demonstrates that the project will be innovative in its subject matter, approach, or expected outcomes. For example, the project will use health impact assessments or economic impact analysis as part of the evaluation of transportation alternatives.

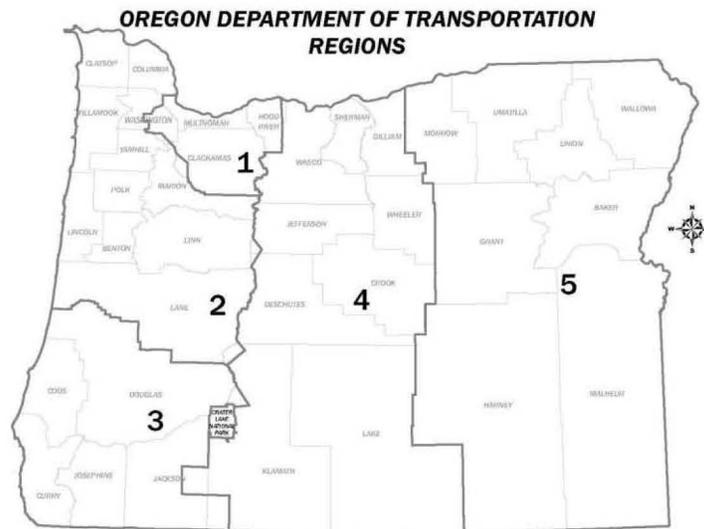
**Up to 10 points:** By the nature of this criterion, most projects will not receive any points. Projects may receive some points for innovative project elements. Projects with innovative subject matter will receive more points.

## TGM STAFF CONTACTS

For general questions about the application process and for assistance with filling out your grant application, contact Cindy Lesmeister at 503-986-4349 or [cindy.l.lesmeister@odot.state.or.us](mailto:cindy.l.lesmeister@odot.state.or.us).

For specific advice on project approach and objectives, contact our lead RegionTGM planners, listed below.

ODOT Region 1 Portland	Lidwien Rahman 503-731-8229 <a href="mailto:lidwien.rahman@odot.state.or.us">lidwien.rahman@odot.state.or.us</a>
ODOT Region 2 Salem	Naomi Zwerdling 503-986-2836 <a href="mailto:naomi.zwerdling@odot.state.or.us">naomi.zwerdling@odot.state.or.us</a>
ODOT Region 3 Roseburg	John McDonald 541-957-3688 <a href="mailto:john.mcdonald@odot.state.or.us">john.mcdonald@odot.state.or.us</a>
ODOT Region 4 Bend	Devin Hearing 541-388-6388 <a href="mailto:devin.hearing@odot.state.or.us">devin.hearing@odot.state.or.us</a>
ODOT Region 5 La Grande	Cheryl Jarvis-Smith 541-963-1574 <a href="mailto:cheryl.jarvis-smith@odot.state.or.us">cheryl.jarvis-smith@odot.state.or.us</a>
DLCD - Statewide	Bill Holmstrom 503-934-0040 <a href="mailto:bill.holmstrom@state.or.us">bill.holmstrom@state.or.us</a>





**City of Newport**  
**Community Development Department**  
169 SW Coast Highway  
Newport, OR 97365  
Phone: 1.541.574.0629  
Fax: 1.541.574.0644

## **Yaquina Bay Fruit Processing Plant Port of Newport Leaseholding**

Image Taken July 2013  
4-inch, 4-band Digital Orthophotos  
David Smith & Associates, Inc. Portland, OR

This map is for informational use only and has not been prepared for, nor is it suitable for legal, engineering, or surveying purposes. It includes data from multiple sources. The City of Newport assumes no responsibility for its compilation or use and users of this information are cautioned to verify all information with the City of Newport Community Development Department.

0 100 200 400 Feet



## CITY OF NEWPORT

### ORDINANCE NO. 2041

#### AN ORDINANCE AMENDING THE ZONING MAP AND ZONING CODE TEXT OF THE CITY OF NEWPORT, NMC 14.03.080, RELATED TO WATER-DEPENDANT AND WATER-RELATED ZONING DISTRICTS

##### Summary of Findings:

1. A request by the Port of Newport (Don Mann, authorized representative) was filed on March 21, 2012 for amendments to the Zoning Map of the City of Newport Zoning Ordinance (Ordinance No. 1308, as amended). The application also requested a text amendment to Section 2-2-1.040 of the Newport Zoning Ordinance (now codified at, and hereafter referred to as §14.03.080 Newport Municipal Code (NMC)).
2. The subject property roughly 11.7 acres in size, consisting of land located north of the South Beach Marina parking lot and south of the National Oceanographic and Atmospheric Administration (NOAA) Pacific Marine Operations Center, west of SE Marine Science Drive. The property is a portion of a larger 62.76 acre parcel owned by the Port of Newport and identified as Tax Lot 111 of Assessor's Tax Map 11-11-17.
3. Existing improvements include the Yaquina Bay Fruit Processing (YBFP) facility, the Port of Newport's upland dredge disposal site and portions of the South Beach Marina.
4. The Comprehensive Plan Map designation for the property is "Shoreland" and the Zoning Map designations are W-1/"Water Dependent" and W-2/"Water Related."
5. With this amendment, the Zoning Map designation for approximately 5.7 acres of the subject property, located between the Port of Newport's upland dredge disposal site and SE Marine Science Drive, south of the NOAA Pacific Marine Operations Center, will be changed from W-1/"Water Dependent" to W-2/"Water Related" zoning. Zoning designations for the remaining 6.0 acres, consisting of the Port's upland dredge disposal site, and portions of the South Beach Marina situated west of the dredge disposal site and north of the marina parking lot, will be changed from W-2/"Water Related" to W-1/"Water Dependent."
6. The Port of Newport's upland dredge disposal site and the subject portions of the South Beach Marina adjoin the bay and are uses that depend upon access to the water. It is appropriate that these lands be placed into a W-1 zone, so that they are protected and reserved for water dependent uses. Such action is consistent with Policies 5 and 8 of the of the Yaquina Bay and Estuary Section of the Newport Comprehensive Plan, which calls for the protection of dredge material disposal sites from conflicting uses and for the W-1 zoning designation to be placed on lands especially suited for water dependent development.
7. Similarly, it is appropriate that the 5.7 acres that is partially occupied by the YBFP facility be placed into a W-2 zone in that this property does not depend upon or possess direct access to the bay. This makes the property suitable for the expanded range of commercial and industrial activities permitted in this district. The change is also consistent with Policies 6 and 7 of the Yaquina Bay and Estuary Section of the Newport Comprehensive Plan, which encourages a mix of uses along the bay front with nonwater-dependent uses being encouraged to locate on upland properties.

8. A text amendment to Section 2-2-1.040 of the Newport Zoning Ordinance, codified as Chapter 14.03.080 of the Newport Municipal Code, to allow “Manufacturing in Conjunction with Uses Permitted Outright in a C-2 District” as a conditional use in the W-2 zone, furthers a public necessity and promotes the general welfare by providing for a mix of uses on upland areas adjacent to the bay. Similar uses, such as Rogue Brewery, already exist in the area and have demonstrated that they can successfully coexist with nearby water dependent uses. This change also affords YBFP an opportunity to add retail, tourist-oriented elements to its business model through a conditional use process creating an avenue for it to resolve documented land use compliance issues inherent to the current manufacturing operation.

9. The amount of W-1 zoned land within the city increases as a result of this Zoning Map amendment. This is consistent with Policy 3 of the Yaquina Bay and Estuary Section of the Newport Comprehensive Plan, which prioritizes W-1/“Water Dependent” zoning over W-2/“Water Related” zoning.

10. The Newport Planning Commission reviewed the proposed revisions to the Zoning Map and Zoning Ordinance (Newport File No. 2-Z-11) at a public hearing on March 21, 2012, and voted unanimously to recommend adoption of the amendments as furthering a public necessity and promoting the general welfare for the following reasons:

- a. The requested zoning map amendments allow for more appropriate zoning classifications for the affected property. The close proximity of the Port of Newport’s upland dredge disposal site to the bay is important to the ongoing maintenance dredging of the Port’s recreational marina. Further, the marina itself is a water dependent use that relies upon direct access to the bay. It is, therefore, appropriate that W-1/“Water Dependent” zoning be put in place to preclude conflicting uses from being established.
- b. Property occupied by YBFP is isolated from and not dependent upon water access. It is, therefore, appropriate that it be placed into a W-2/“Water Related” zoning designation which is more permissive in terms of the range of commercial and industrial uses that can be permitted.
- c. Text amendments to NMC 14.03.080 to allow “Manufacturing in Conjunction with Uses Permitted Outright in a C-2 District” are consistent with the established development pattern in the area and affords YBFP an opportunity to alter its business model to include a meaningful tourist-oriented retail element that would allow it to continue to operate at its present location in a manner that is complementary to nearby, tourist-oriented water-dependent and water-related uses.
- d. Consistent with OAR 660-012-0060(1) this zone change will not significantly affect existing or planned transportation facilities. W-2 zoning allows a broader range of uses than the W-1 district. This means that there is the potential for more vehicle trips being generated from W-2 zoned areas. Considering that the proposed map amendment reduces the amount of W-2 zoned land, there should be fewer anticipated vehicle trips, meaning that the map change will have a negligible impact on existing or planned transportation facilities. The proposed text change clarifies that manufacturing in conjunction with tourist-oriented retail uses can be permitted in the W-2 district subject to conditional use approval. Similar uses already exist in the area (i.e. Rogue Brewery) and the South Beach Peninsula experiences significant tourist and industrial/manufacturing related traffic. Area roads and bike/pedestrian facilities such as SE Marine Science Drive, SE Pacific Way, SE Ferry Slip Road and Hwy 101 have been designed to accommodate this level of use.

11. The City Council held a public hearing on June 18, 2012 regarding the question of the proposed revisions, and voted to accept the Planning Commission's recommendation after considering evidence and argument in the record.

12. Information in the record, including affidavits of mailing and publication, demonstrate that appropriate public notification was provided for both the Planning Commission and City Council public hearings.

**THE CITY OF NEWPORT ORDAINS AS FOLLOWS:**

**Section 1.** The above findings are hereby adopted as support for the Council's following amendments.

**Section 2.** The City Council further adopts the analysis and recommendation contained in the Planning Staff Report as supplemental findings in support of approval of the requested Zoning Map amendment, attached hereto as Exhibit "A" and incorporated herein by this reference.

**Section 3.** Chapter 14.02.020.A of the Newport Municipal Code is hereby amended to rezone lands south of the NOAA Pacific Marine Operations Center, north of the South Beach Marina parking lot, east of the Port of Newport's upland dredge disposal site, and west of SE Marine Science Drive, including the YBFP facility, from "W-1/Water Dependent" to W-2/"Water Related," as illustrated on Exhibit "B", and more specifically described in Exhibit "C" attached hereto and incorporated herein by this reference.

**Section 4.** Chapter 14.02.020.A is hereby amended to rezone the Port of Newport's upland dredge disposal site and portions of the South Beach Marina situated north of the marina parking lot and west of the dredge disposal site, from W-2/"Water Related" to "W-1/Water Dependent," as illustrated on Exhibit "B", and more specifically described in Exhibit "D" attached hereto and incorporated herein by this reference.

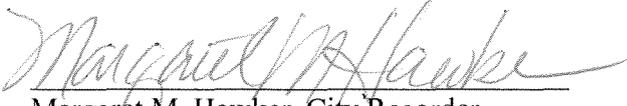
**Section 5.** Chapter 14.03.080 of the Newport Municipal Code is hereby amended to insert "Manufacturing in Conjunction with Uses Permitted Outright in a C-2 District" as subsection 19, with existing subsections 19 and 20 being renumbered appropriately.

**Section 6.** This ordinance shall take effect 30 days after adoption.

Date adopted: July 16, 2012.

  
\_\_\_\_\_  
Mark McConnell, Mayor

ATTEST:

  
\_\_\_\_\_  
Margaret M. Hawker, City Recorder

**PLANNING STAFF REPORT**  
**File No. 2-Z-12**

- A. **APPLICANT & OWNER:** Port of Newport (Don Mann, authorized representative).
- B. **REQUEST:** The request involves a proposed zoning map amendment to rezone approximately 6.10 acres of the Port of Newport's South Beach Marina and dredge disposal site from a W-2 ("Water Related") to a W-1 ("Water Dependent") designation. Roughly 5.0 acres to the interior of the Port's property will be rezoned from W-1 to W-2, including the Yaquina Bay Fruit Processors' site. The request also involves a legislative text amendment to Newport Zoning Ordinance Section 2-2-1.040 to include "Manufacturing in Conjunction with Uses Permitted Outright in a C-2 District" as a conditional use in the W-2 district.
- C. **LOCATION:** The subject property consists of portions of Tax Lot 111 of Assessor's Tax Map 11-11-17. See map in Planning Staff Report Attachment "B".
- D. **LOT SIZE:** Approximately 62.76 acres per the Assessor's map.
- E. **PLANNING COMMISSION ACTION:** The Planning Commission reviews this request and makes a recommendation to the City Council.
- F. **STAFF REPORT:**
1. **Report of Fact**
    - a. **Existing Plan Designation:** "Yaquina Bay Shoreland".
    - b. **Existing Zone Designation:** W-2/"Water Related" for the Port of Newport's South Beach Marina and dredge disposal site, and W-1/"Water Dependent" for the interior Port property that includes the Yaquina Bay Fruit Processors' site.
    - c. **Surrounding Land Uses:** The Port property is surrounded by other water-related and water-dependent uses.
    - d. **Topography and Vegetation:**
    - e. **Existing Structures:** The Port of Newport's South Beach Marina and the Yaquina Bay Fruit Processors' buildings.
    - f. **Utilities:** All city services are available to the Port site.
    - g. **Development Constraints:** None known.
    - h. **Past Land Use Actions:**

File No. 3-CUP-03. Approval of a Conditional Use Permit for a water-dependent use (fruit (cherry) processing facility requiring the use of the adjacent water for water supply through an existing salt water intake pump).

i. **Attachments:**

Attachment "A"	Applicant's Letter of Application
Attachment "A-1"	Aerial Zoning Map showing area of proposed zoning designation change
Attachment "A-2"	Markup copy of NZO Section 2-2-1.040 showing addition of "Manufacturing in Conjunction with Uses Permitted Outright in a C-2 District" as conditional in W-2
Attachment "B"	Notice of Public Hearing and Map
Attachment "C"	Final Order for File No. 3-CUP-03
Attachment "D"	Letter from Pete Dale, Port of Newport, dated October 12, 2009
Attachment "E"	Letter from Derrick Tokos, City of Newport, dated October 22, 2009
Attachment "F"	Letter from Don Mann, Port of Newport, dated December 3, 2009
Attachment "G"	Letter from Derrick Tokos, City of Newport, dated December 29, 2009

j. **Notification.** The Department of Land Conservation & Development was mailed notification of the proposed amendments on March 23, 2012. Applicable city departments, public agencies, and affected property owners within 300 feet of the subject property were notified on April 9, 2012, for the Planning Commission hearing. Notification of the Planning Commission hearing was published in the Newport News-Times on May 4, 2012.

2. **Explanation of the Request:**

The Port of Newport is proposing a Zoning Ordinance map amendment to rezone approximately 6.10 acres of the Port of Newport's South Beach Marina and dredge disposal site from a W-2 ("Water Related") to a W-1 ("Water Dependent") designation and approximately 5.0 acres to the interior of the Port's property from W-1 to W-2, which includes the Yaquina Bay Fruit Processors' (YBFP) site. This is depicted on Attachment "A-1". The Port of Newport leased its property to YBFP in 2003. At the time, YBFP obtained a conditional use permit because its manufacturing process involved the use of salt water (Attachment "C"). The process has since changed, and the YBFP facility is no longer compliant with its conditional use approval. In December of 2009, the Port of Newport and City of Newport agreed to an arrangement where the YBFP operation would be relocated onto Port property

outside of the area now occupied by the NOAA Pacific Marine Operations Center. The Port would then work to resolve the land use compliance issue, which at that time was assumed to be the relocation of the YBFP operation to an appropriately zoned property within three years (Attachments "D" through "G").

This application has been filed by the Port of Newport as a step towards resolving the YBFP land use compliance problem, by getting the facility out of the W-1 ("Water Dependent") district where it is not permitted. The YBFP operation would be placed within a W-2 ("Water Related") zone. The Port is proposing to change the text of the City's zoning code to allow "Manufacturing in Conjunction with Uses Permitted Outright in a C-2 District" as a conditional use in this district (NZO Section 2-2-1.040). Staff understands that YBFP is interested in introducing a meaningful retail/tourist oriented element to their maraschino cherry manufacturing operation and this text amendment, if adopted, would provide them an opportunity to pursue the concept through a conditional use application.

Proposed zoning map and text changes also align with how properties are configured and used in the area. The Port of Newport's upland dredge disposal site and a portion of the South Beach Marina will be rezoned from W-2 to W-1. The Port notes in their application that these areas adjoin the bay and are used in a manner that is consistent with the intent of the W-1 district. The Port also indicates that the YBFP site is isolated from and not dependent upon water access. This makes it more appropriate for a W-2 designation than the dredge disposal site. The text change is consistent with Rogue Brewery's manufacturing and retail operation on the southern portion of the subject parcel. That area is also within a W-2 zoning district (Attachment "A-1").

The Port of Newport notes that there are only five companies that actually produce maraschino cherries. Three companies, including YBFP, grow and process the cherries. YBFP has a potential to grow even more by focusing on upgrading stemless cherries as a separate product; and the manufacturing aspect of the business has tremendous tourist potential in its busy South Beach location. The Port of Newport's Board of Commissioners feel that a recommendation for this proposed zone change is suitable, will allow for more appropriate zone classifications, and will retain a long-standing and valuable local business.

The Port of Newport's application refers to 1.3 acres being rezoned from W-1 to W-2 and 4.0 acres being rezoned from W-2 to W-1. After careful evaluation of the City's zoning maps those figures were changed to 5.0 acres and 6.10 acres respectively.

3. **Evaluation of the Request:**

- a. **Comments:** DLCD was provided notification on March 23, 2012. All applicable property owners, city departments, affected public/private utilities/agencies were notified on April 9, 2012, of the Planning Commission hearing. As of May 9, 2012, no written comments were received by the Community Development Department.

b. **Applicable Criteria:**

Criteria for the Proposed Zoning Map Amendments (Section 2-5-5.005) of the Newport Zoning Ordinance (No. 1308, as amended):

1. The change furthers a public necessity.
2. The change promotes the general welfare.

c. **Staff Analysis:**

The proposed findings submitted by the applicant, and articulated herein; address the criteria established in the Comprehensive Plan and Zoning Ordinance for approving the request.

**In regard to the applicable criteria for the proposed Zoning Map amendment:**

*The change furthers a public necessity and promotes the general welfare.*

The requested zoning map amendments would allow for more appropriate zone classifications for the affected property. The close proximity of the upland dredge disposal site to the bay is important to the ongoing maintenance dredging of the Port's recreational marina, and is; therefore, an activity accessory to and in conjunction with water-dependent uses. The property YBFP occupies is isolated from and not dependent upon water access. YBFP has the capacity to add retail, tourist-oriented, and manufacturing aspects to their operation, and the proposed text amendment to NZO Section 2-2-1.040 to include "Manufacturing in Conjunction with Uses Permitted Outright in a C-2 District" as a conditional use in the W-2 zone would afford YBFP the opportunity to submit for conditional use approval on the property they lease from the Port.

Also, the applicant's findings indicate that the zone change would increase the number of acres in the W-1 designation.

For these reasons, the Planning Commission can find the proposed zoning change to be a public necessity that promotes the general welfare.

**In regard to applicable Oregon Administrative Rules:**

OAR 660-012-0060(1) requires that the Planning Commission establish that the proposed zone change will not significantly affect existing or planned transportation facilities. W-2 zoning allows a broader range of uses than the W-1 district. This means that there is the potential for more vehicle trips being generated from W-2 zoned areas. Considering that the proposed map

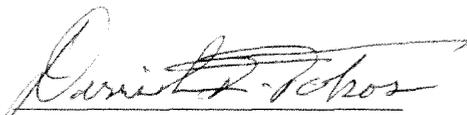
amendment reduces the amount of W-2 zoned land, there should be fewer anticipates vehicle trips, meaning that the map change will have a negligible impact on existing or planned transportation facilities. The proposed text change clarifies that manufacturing in conjunction with tourist oriented retail uses can be permitted in the W-2 district subject to conditional use approval. Similar uses already exist in the area (i.e. Rogue Brewery) and the South Beach Peninsula experiences significant tourist and industrial/manufacturing related traffic. Area roads and bike/pedestrian facilities such as SE Marine Science Drive, SE Pacific Way, SE Ferry Slip Road and Hwy 101 have been designed to accommodate this level of use. Accordingly, the text amendment will not create the potential for vehicle trips at a scale that would significantly affect existing or planned transportation facilities.

4. **Conclusion:**

The applicant requests the zone change in order to more appropriately designate the affected portions of their property and the text amendment to provide an avenue for YBFP to obtain conditional use approval so they can continue to operate at their present location. For those reasons, the Port's Board of Commissioners feels that a favorable recommendation on the proposed amendments is justified.

G. **STAFF RECOMMENDATION:**

The Planning Commission should review the proposed changes to the Zoning Ordinance map and text and the application materials as well as other documentation and testimony that may be submitted during the course of the hearing. The Planning Commission should recommend approval of the request as being in compliance with the applicable criteria if the Commission finds that the criteria have been met. The Commission should identify how the request does not comply with the criteria, or should identify conditions necessary in order to make the request comply with the criteria, if the Commission finds that the criteria have not been met.



Derrick I. Tokos, AICP  
Community Development Director  
City of Newport

May 9, 2012



**Denison Surveying, Inc.**  
**720 SW Angle St.**  
**Newport, Or. 97365**  
**(541) 265-9308**

**LAND DESCRIPTION FOR THE EXTERIOR  
BOUNDARIES OF A PROPOSED LEASE  
AREA AROUND THE  
“YAQUINA BAY FRUIT PROCESSORS”**

A tract of land located in the north ½ of Section 17 and the south 1/2 of Section 8, Township 11 South, Range 11 West, Willamette Meridian in Lincoln County, Oregon, more particularly described as follows:

Commencing at a found Brass Cap stamped “SBP-10”, located at the southerly end of the Yaquina Bay Bridge, said point bears North 02°18’47” East, a distance of 3426.99 feet from the South ¼ corner of said Section 17; thence North 19°11’14” East, a distance of 1884.75 feet; thence South 75°27’18” East, a distance of 368.65 feet to the True Point of Beginning; thence North 14°32’42” East to the most southwesterly corner of a tract of land as described in Document No. 2010-02172, Lincoln County Film Records, a distance of 528.51 feet; thence South 75°27’18” East, along the southwesterly boundary of said tract, a distance of 266.00 feet; thence South 14°32’42” West, along said southwesterly boundary, a distance of 208.53 feet; thence South 75°27’18” East, along the southerly boundary of said tract to the westerly Right of Way of SE Marine Science Drive, a distance of 339.00 feet; thence South 14°32’42” West, along said westerly Right of Way to a point that is South 75°27’18” East from the point of beginning, a distance of 319.98 feet; thence North 75°27’18” West, a distance of 605.00 feet to the point of beginning.

Said tract contains 5.7 acres more or less.

The basis of bearing for this description is grid and was held between found monuments that are labeled “SBP-10” and “YB-32”, on the south and north ends of the Yaquina Bay Bridge (N 35°43’28” W, 2776.56’).

**End of Description**

**Denison Surveying, Inc.**  
**720 SW Angle St.**  
**Newport, Or. 97365**  
**(541) 265-9308**

**LAND DESCRIPTION FOR THE EXTERIOR  
BOUNDARIES OF A PROPOSED LEASE  
AREA AROUND THE DREDGE SITE AND  
A PORTION OF THE SOUTH BEACH MARINA**

A tract of land located in the north ½ of Section 17 and the south 1/2 of Section 8, Township 11 South, Range 11 West, Willamette Meridian in Lincoln County, Oregon, more particularly described as follows:

Commencing at a found Brass Cap stamped "SBP-10", located at the southerly end of the Yaquina Bay Bridge, said point bears North 02°18'47" East, a distance of 3426.99 feet from the South ¼ corner of said Section 17; thence North 19°11'14" East, a distance of 1884.75 feet to the True Point of Beginning of the herein described tract; thence North 77°27'18" West to the top of the rip-rap above the South Beach Marina, a distance of 75 feet more or less; thence Northwesterly along the top of said rip-rap and continuing Northwesterly, along the same alignment to its intersection with the High Water Line of Yaquina Bay; thence Northeasterly, along said High Water Line to the westerly line of a tract of land as described in Document No. 2010-02172, Lincoln County Film Records; thence South 14°32'42" West, along the westerly boundary of said tract and continuing along its extension to a point that is South 75°27'18" East from the point of beginning; thence North 75°27'18" West, a distance of 368.65 feet to the point of beginning.

Said tract contains 6 acres more or less.

The basis of bearing for this description is grid and was held between found monuments that are labeled "SBP-10" and "YB-32", on the south and north ends of the Yaquina Bay Bridge (N 35°43'28" W, 2776.56').

**End of Description**

**This description is intended to include all the areas zoned W-2 located north and west of the tract of land described in Document No. 2010-02172.**

# City of Newport

## COUNCIL RULES

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Effective July 11, 2011  
Amended April 15, 2013  
Amended June 16, 2014

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These rules are authorized by the City Charter. The Council shall review these rules periodically. Amendments shall be adopted by a majority of the entire Council. The Council Rules are not intended to replace or supersede any applicable federal or state laws or regulations, city ordinances or policies, or provisions of the City Charter.

If an interpretation of Council Rules is necessary, the interpretation will be provided by the City Council by a majority vote of the entire Council and in consultation with city staff.

## **RULES GOVERNING COUNCIL MEETINGS**

### ***TYPES OF MEETINGS***

The Council may hold regular, special or emergency meetings. A regular meeting is one held on the Council's normal meeting schedule. A special meeting is one held at a time other than a regularly scheduled meeting time, but with at least 24 ~~hours-notice~~hours' notice. An emergency meeting is one held on less than 24 ~~hours-notice~~hours' notice. All Council meetings and sessions shall be noticed and held in compliance with Oregon public meeting law.

All Council meetings and sessions shall be open to the public, except executive sessions. The Council may, by motion, go into executive session at any regular, special or emergency meeting.

### ***Regular Meetings***

The Council will meet regularly on the first and third Mondays of each month in the Council Chambers. If a regularly scheduled Council meeting time is on a city holiday, the meeting will be held on the first day that is not a city holiday. In addition, the Council will hold a work session on the day of each regular Council meeting. The Council may from time to time hold additional work sessions.

### ***Special Meetings***

A. Special meetings are called by:

- The Mayor, or in the Mayor's absence, the President of the Council, at their discretion
- The Council at the request of two or more members of the Council, or
- The City Manager

B. Written notice of a special meeting shall be directed to each member of the Council at least 24 hours in advance of the meeting. The notice shall be served on each member personally, telephonically, or electronically, or if the Council Member is not found, left at his or her place of residence or business.

### ***Emergency Meetings***

An emergency meeting may be called by the City Manager, the Mayor, or two Councilors, consistent with state law. The minutes of the emergency meeting shall describe the emergency justifying less than 24 hours' notice. The city shall attempt to contact the media and other interested persons to inform them of the meeting.

### ***Work Sessions***

Work sessions will generally be utilized to present information to Council and to allow preliminary discussion on substantive issues in preparation for action at a future regular City Council meeting.

Work sessions will be scheduled on an as-needed basis at the discretion of the Mayor and City Manager. Work sessions dates and times will be dictated by the substance of the issue and the approximate amount of time that may be necessary for discussion.

Work sessions will normally be scheduled prior to regular City Council meetings when less than 45 minutes is planned for the work session; and at noon on Monday if more than 45 minutes is planned. Any Council member requesting future issues for discussion at a work session can place those subject ideas on the white board in the Council Office. The Mayor and City Manager will make a determination as to when the work session will be scheduled. Work sessions can be scheduled at other times during the week when deemed necessary.

~~Work sessions are any regular, special or emergency meetings used to present information to Council, to allow the Council to prepare for regular sessions or to allow preliminary discussion on upcoming Council items. The Council may take formal action at a work session, but formal action items will not normally be scheduled for work sessions.~~

### ***Executive Sessions***

An executive session (meeting closed to the public) may be held in accordance with state law. Care will be taken to ensure that proper and timely notice is made in accordance with statutory requirements. Executive sessions may be held during regular, special or emergency meetings, so long as appropriate statutory requirements are met.

- A. No final action or decision can be made during an executive session. When the Council reconvenes in open session, a final action or decision may be taken. Only the Council, City Manager, City Recorder, City Attorney, news media representatives and others invited by the Council or City Manager may attend an executive session.
- B. A major reason for allowing members of the news media to attend executive sessions is to ensure that the issues discussed are proper subjects under the state laws related to executive sessions and to keep the media informed concerning the background of deliberations so they have a better understanding of any decisions

made as a result of the meeting. Members of the press shall be told that they may not report the substance of an executive session.

C. Minutes or a recording of executive sessions are required.

D. Information discussed during an executive session and other privileged communications should not be disclosed to persons other than Council Members, the City Manager, City Recorder or City Attorney outside the executive session. Disclosure of such information could lead to increased personal or City liability and/or public censure of the person who improperly disclosed the information.

## ***MEETING PROCEDURE***

### ***Requirements of all Meetings***

All notice requirements of state law shall be satisfied before any Council meeting can be conducted.

Council Members shall keep the City Manager informed of their current telephone numbers.

Because of the possibility of special and emergency meetings, Council Members should normally advise the City Manager if they will be absent from the city for more than 24 hours. Advising the City Manager of absences is particularly important if the Council member will be in a location or involved in an activity that limits electronic communication.

### ***Adjournment, Continuance, and Breaks***

In order to give fair consideration to all matters, if a meeting is still in progress at 10:00 P.M., the Council may consider whether it should adjourn and continue unfinished agenda items to a future meeting. The decision whether to adjourn before the agenda has been completed should normally be made between agenda items, rather than in the middle of consideration of an item. If any hearings are postponed to a future meeting, the Council normally will give an opportunity to speak to anyone who wishes to participate in the hearing and is unable to attend the rescheduled hearing. Any member of the Council may request a short break at any time during a Council meeting.

### ***Agenda***

A. Deadlines. In order to provide the members of the City Council with sufficient time to become acquainted with the business that may come before the City Council, it shall

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~~be the responsibility of the City Manager to provide a written agenda packet for all regular City Council meetings. All items to be placed on the City Council agenda shall be provided to the City Manager's office by 5:00 P.M., on the Tuesday prior to the Council meeting. The City Manager's office will compile the agenda packet which will be available via electronic submission by 4:00 P.M. on the Thursday prior to the City Council meeting, and will be available in print form by the Friday before the Council meeting, at 8:00 A.M., at City Hall. The City Manager, in consultation with the Mayor, shall prepare a written agenda for all regular Council meetings. A packet including the agenda and materials on agenda items will normally be available to the Council at least three days before each regularly scheduled Council meeting. The City Manager or Mayor may change the agenda at any time prior to the start of the Council meeting, and the presiding officer may change the agenda after the start of the meeting. A change in the agenda after the start of the Council meeting is a procedural decision.~~

~~BA. Agenda Items. – A Councilor who wishes an item to be placed on the written Council agenda shall advise the City Manager and/or the Mayor. The City Manager and/or the Mayor shall determine whether the item is to be placed on the agenda as an action item or as a discussion item. Members of the City Council, the City Attorney, boards and committees of the city, or any citizen, may request that items be placed on the agenda and it shall be the City Manager's duty to place the requested items on the agenda. Any person requesting that an item be placed on the agenda shall be given the privilege of introducing this item when it is considered by the City Council. The City Manager shall place any items originating from city departments or city administration under the City Manager's report for City Council consideration.~~

~~C. Addition of Agenda Items. No item of business not listed on the agenda shall be considered by the Council, except with an affirmative vote of 75 percent of those voting when a quorum of the City Council is present.~~

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~~DB. A Council Member who wishes staff to undertake major research or drafting to prepare an action item shall raise the issue at a Council meeting, and the City Manager shall take direction from the Council as a whole. Direction to proceed with an item does not commit the Council or any individual Council Member to supporting an action when it comes before Council for a final decision.~~

~~EC. The agenda shall be in any form chosen by the City Manager, subject to direction by the Council.~~

### ***Broadcasting Council Meetings***

The Council wishes to have regular meetings of the Council broadcast on a public access cable television channel and anticipates possible radio broadcasts of Council meetings.

The Council intends any broadcasting of Council meetings be unbiased and even-handed. Any televising of Council meeting should use camera shots that are appropriate for the Council, witnesses and audience members and are relevant to the discussion.

Video and audio shall be deleted only for the purpose of conforming to applicable laws governing public broadcasts. Editing for the above purpose and for the insertion of informational titles and graphics will be allowed. Portions of recorded Council meetings may be used in other news and informational broadcasts provided they are not portrayed out of context.

Any time a Council meeting is broadcast under the control of the city, it shall be simultaneously recorded and may be rebroadcast.

### ***Electronic Communication***

All electronic communication shall be silenced during Council meetings.

### ***Consent Calendar***

In order to make more efficient use of meeting time, the City Manager shall place all items of a routine nature on ~~the which no debate is expected on a~~ consent calendar. ~~Any item placed on the consent calendar shall be disposed of by a single motion "to adopt the consent calendar" which shall not be debatable. Any Councilor or the Mayor can remove an item from the consent calendar by voice request prior to the vote to adopt the consent calendar. Any matter removed from the consent calendar may be considered immediately after the consent calendar or may be discussed and considered as an action item at the meeting. This should include such things as lease renewals, minutes, confirmation of appointments to committees and commissions, and the scheduling of future meetings and other issues that are not anticipated to be controversial. All of the items on the consent calendar can be approved by one vote of the City Council. Before the vote is taken on the items listed in the consent calendar portion of the agenda, any Council Member can request that such an item be removed from the consent calendar and acted upon by separate motion and vote of the Council. Any matter removed from the consent calendar can be considered immediately after the balance of the consent calendar is approved.~~

### ***Decorum*** (see also "Order")

All persons at Council meetings shall behave in a courteous, orderly, and respectful manner, considering the importance of Council meetings and the need to proceed with Council business. Except in case of injury, persons shall not rest their feet on chairs or tables, or stand on chairs or tables. The presiding officer has the authority to preserve order at all meetings of the Council, to cause the removal of any person from any meeting for disorderly conduct, and to enforce the Council Rules. The presiding officer may request the assistance of a sergeant-at-arms to restore order at any meeting.

### ***Exhibits***

Exhibits presented before the Council in connection with its deliberations on a legislative, quasi-judicial or other substantive matter shall be accepted by the Council and made part of the record. The exhibit or a copy thereof shall be provided to the meeting recorder.

### ***Meeting Procedure***

The presiding officer shall make all initial procedural decisions. The Council by majority vote may overrule the procedural ruling of the presiding officer. The City Attorney, if requested, shall act as the Council's parliamentarian, but will have no vote.

### ***Meeting Staffing***

The City Manager will attend all Council meetings unless excused. The City Manager may make recommendations to the Council and shall have the right to take part in all Council discussions but shall have no vote. The City Attorney will attend all regular Council meetings, upon request, and shall have the right to take part in Council discussion, and will, upon request, give an opinion, either written or oral, on legal questions. The City Recorder or designee shall attend all Council meetings, keep the official minutes, and perform such other duties as may be needed for the orderly conduct of meetings. Department directors or other staff will attend Council meetings upon request of the City Manager or Council through the City Manager.

### ***Minutes***

Minutes shall be prepared with sufficient detail to meet their intended uses. Verbatim minutes are not required.

A. Council meeting minutes shall contain:

1. Date and time of call to order and the date and time of any adjournment.
2. The name of Council Members and staff present.
3. All motions, proposals, resolutions, orders, ordinances and measures proposed and their disposition.
4. The result of any votes, including ayes and nays and the names of the Council Members who voted.
5. The substance of the discussion on any matter.
6. Reference to any document discussed at the meeting.

- B. The Council may amend the minutes to more accurately reflect what transpired at a meeting. Upon receipt of the minutes in the Council agenda packet, the Council Members should read them and if possible submit any changes, additions or corrections to the City Recorder in order that a corrected copy can be prepared prior to the meeting for approval. Under no circumstances shall the minutes be changed following approval by the Council, unless the Council authorizes the change by majority vote.

***Motions***

When a motion is made, it shall be clearly and concisely stated by its mover. Council Members are encouraged to exercise their ability to make motions and to do so prior to debate in order to focus discussion on an issue and speed the Council's proceedings. The presiding officer will state the name of the Council Member who made the motion and the name of the Council Member who made the second. When the Council concurs or agrees to an item that does not require a formal motion, the presiding officer will summarize the agreement at the conclusion of discussion. The following rules shall apply to motions during proceedings of the Council:

- A. A motion may be withdrawn by the mover at any time without the consent of the Council.
- B. If a motion does not receive a second, it dies.
- C. A motion that receives a tie vote fails.
- D. A call for the question is intended to close the debate on the main motion and does not require a second and is not debatable. A call for the question fails without a majority vote. Debate on the main subject resumes if the motion fails.
- E. A motion to amend can be made to a motion that is on the floor and has been seconded. An amendment is made by inserting or adding, striking out, striking out and inserting, or substituting.
- F. A motion to adjourn cannot be amended.
- G. A motion to amend an amendment is allowed.
- H. Amendments are voted on first, then the main motion as amended.
- I. Council will discuss a motion only after the motion has been moved and seconded. Nothing in this section prevents general discussion or expression of opinions before a motion is made.
- J. The motion maker, presiding officer, meeting recorder, City Manager, or City Attorney should repeat the motion and/or the amendment prior to voting.

K. A point of order, after being addressed by the presiding officer, may be appealed to the body.

***News Media***

The Council recognizes the important role of the news media in informing the public about the decisions, activities and priorities of government. Workspace shall be reserved for members of the press at Council meetings so that they may observe and hear proceedings clearly. The terms “news media” “press” and “representative of the press” for the purpose of these rules are interchangeable and mean someone who:

- A. Represents an established channel of communication, such as a newspaper or magazine, radio or television station, or other electronic media; and either
- B. Regularly reports on the activities of government or the governing body; or
- C. Regularly reports on the particular topic to be discussed by the governing body in executive session.

***Order***

A law enforcement officer of the city may be sergeant-at-arms of the Council meetings. The sergeant-at-arms shall carry out all orders and instructions given by the presiding officer for the purposes of maintaining order and decorum at the Council meeting.

- A. Any of the following shall be sufficient cause for the sergeant-at-arms to, at the direction of the presiding officer, or by a majority of the Council present, remove any person from the Council chamber for the duration of the meeting:
  - 1. Use of unreasonably loud or disruptive language or noise.
  - 2. Engaging in violent or disruptive action, including any violence towards any person.
  - 3. Willful damage to city or private property.
  - 4. Refusal to obey these rules or other applicable regulations, including limitations on occupancy and seating capacity.
  - 5. Refusal to obey an order of the presiding officer or an order issued by a Councilor that has been approved by a majority of the Council present.
- B. Before the sergeant-at-arms is directed to remove any person from a Council meeting for conduct described in this section, that person may be given a warning by the presiding officer to cease his or her conduct. A warning is not required, but will generally be given to provide the person an opportunity to correct his or her behavior. If a meeting is disrupted by one or more members of the audience, the

presiding officer or a majority of the Council present may declare a recess and/or order that the Council chamber be cleared.

### ***Order of Business***

The City Manager shall arrange the order of business to achieve an orderly and efficient meeting. ~~In general,~~ the order of business will be as follows:

- I. Roll Call
- II. Proclamations, Recognitions, and Special Presentations~~Additions/Deletions to the Agenda~~
- III. Public Comment (three minutes per person) ~~on non-agenda items (Normal maximum per person 3 minutes, but may be adjusted based on number of persons wishing to comment.)~~
- IV. Consent Calendar (confirmation of Mayoral appointments, approval of minutes, renewal of leases, routine issues, etc.)~~Proclamations, Recognitions, Special Presentations~~
- V. Public Hearings/Special Orders of Business~~Consent Calendar~~
- ~~VI.~~ Communications (agenda items requested by Council Members, City Attorney, commissions, task forces, committees, community groups, or individuals with a ten minute time limit for presentation)~~Unfinished Items from IV, V or VI VI. Officers' Reports will consist of reports from the Mayor, City Manager, and City Attorney~~
- VII. City Manager's Report (includes all items from the City Manager, department heads, and other staff requiring City Council action, and informational items.)~~Discussion Items (Items that do not require immediate Council action, such as presentations, discussion of potential future action items)~~
- VIII. City Council acting as the Local Contract Review Board
- ~~IX.~~ Public Comment (three minutes per speaker)~~Action Items (Items expected to result in motions, resolutions, orders or ordinances). Each action item that requires a public hearing shall be clearly identified as a public hearing. Public hearings shall be set before other items in this section of the agenda. Hearings will be noticed for 7 P.M.~~
- ~~X.~~ Mayor and Councilor reports and comments~~Public Comment (Additional time for public comment 5 minutes per speaker)~~
- ~~XI.~~ Councilor's Reports and Comments

XIII. Adjournment

***Ordinances and Resolutions***

All ordinances and resolutions shall be prepared under the supervision of the City Manager or City Attorney. Any ordinance or resolution not prepared by the City Attorney shall, upon request, be reviewed and approved as to form by the City Attorney. Ordinances and resolutions may be introduced by a member of the Council, the City Manager, the City Attorney or any department head.

- A. Unless the motion for adoption provides otherwise, resolutions shall be adopted by reference to the title or number of the resolution and shall be effective upon adoption. A roll-call vote is not required for resolutions unless it is unclear whether a majority favor the resolution.
- B. Ordinances shall be adopted as provided by the City Charter. Failure to comply with post-adoption signature requirements shall not invalidate an ordinance.
- C. Ordinances shall be effective on the thirtieth day after adoption, unless the ordinance provides that it will become effective at a later time. An emergency ordinance which includes a provision that the ordinance is necessary for immediate preservation of the public peace, property, health, or safety may provide that it will become effective upon adoption or other time less than 30 days after adoption.
- D. Ordinances shall be adopted by roll-call vote.

***Planning Commission Testimony***

The Planning Commission was established in compliance with state statute to make recommendations to the City Council on general land use issues and to act as a hearing body for the city. For legislative land use matters before the Council, commissioners may testify as a commissioner, as a commission representative if so designated by the commission, or as a citizen.

***Presiding Officer***

The Mayor shall be the presiding officer and conduct all meetings, preserve order, enforce the rules of the Council and determine the order and length of discussion on any matter before the Council, subject to these rules. The Council President shall preside in the absence of the Mayor. The Mayor may ask the Council President to preside over all or part of a meeting at any time to provide the Council President with experience in presiding over Council meetings. The presiding officer shall not be deprived of any of the rights and privileges of a Council member. In case of the absence of the Mayor and the Council President, the City Manager shall call the meeting to order and the Council shall elect a chairperson for the meeting by majority vote.

***Public ~~Participation~~Comment at Council Meetings***

Opportunities for public comment are important for policy development. It should be noted, that City Council meetings are meetings of the public body held in public, not public forums. Except when a public hearing is expressly required by applicable law, members of the public do not have a right to speak on items on the Council agenda. Nevertheless, the Council will normally allow public comment on action items. Any member of the public can submit a completed public comment form to the City Recorder for each item they wish to address on the agenda. The general public is allowed three minutes. During any public comment or public hearing time, the public will be allowed to utilize their time to speak and share their comments with the City Council provided that the testimony is relative to the topic of the agenda item. During this time, public participants at City Council meetings shall be allowed to make appropriate comments with the three-minute period of time that is allowed without interruption from the Council or staff. Please note that the public participants may ask questions, however, the questions will be answered after the public comment period is closed in order to allow the individual to utilize their full three minutes of time. Following the close of public comments or a public hearing, any questions raised or comments made will be addressed for all participants in the hearing. If City Council members and/or staff have questions for any of the public participants as a result of the testimony, that discussion will follow the close of the public comment period when the questions can be asked. This will assure fair participation by the public at City Council meetings and will eliminate any active debate or discussion between the public and Council during public hearings and/or public comment sections. The Council shall allow a general public comment period at each regularly scheduled meeting, but need not allow public comment at emergency and special meetings. Comments at the general public comment period should normally be limited to matters related to city government and that are properly the object of Council consideration. The presiding officer shall exercise discretion in controlling public comment. Comments relating to a public hearing that has been closed are not properly the object of Council consideration. Any comments on an item on the Council agenda should be made during the discussion of the specific agenda item, rather than in the general Council session. The Council may allow comment on any Council action item other than an item on which comments have been received and the public testimony portion of the hearing or other agenda item has been closed. Comments on any item that are expected to come before the Council as a quasi-judicial land use matter shall not be permitted outside the scope of the land use hearing on the matter.

### ***Public Hearings and Participation.***

Except when a public hearing is expressly required by applicable law, members of the public do not have the right to speak on items on the Council agenda. Nevertheless, the Council will normally allow public comment on action items, but is not required to do so. The Council may limit public comment and may disallow further public comment.

Different public hearings have different standards. If applicable law provides for a public hearing but does not regulate the type of hearing, the Council will allow any person with

a right to a hearing to present written and oral testimony and argument. The Council may limit the time of oral testimony and argument.

Some public hearing law provides a right to a hearing to certain persons, but not to others. The Council shall allow persons with a right to a hearing to speak, but may prohibit or limit participation by others.

### ***Public Addressing the Council***

Each person addressing the Council shall submit a completed testimony form to the City Recorder. A separate form must be completed for each item desiring to be addressed.

- A. When called by the presiding officer, those wishing to address the Council shall come to the designated area and state their name. They shall limit their remarks to the time allocated by the presiding officer or Council. They should address all remarks to the Council as a body and not to any member thereof.
- B. No person, ~~other than the Council, the City Manager, the City Attorney, appropriate staff person, and the person having the floor,~~ shall be permitted to enter into any discussion, without the permission of the presiding officer. Questions from the public shall be asked of a Councilor or staff through the presiding officer.
- C. Any person making personal, offensive, or slanderous remarks, or who becomes threatening or personally abusive while addressing the Council may be requested to leave the meeting.
- D. Testimony shall be relevant to the topic of the agenda item and not redundant. The presiding officer may terminate redundant and/or irrelevant testimony. Pre-hearing testimony on quasi-judicial land use actions that may come before the Council will not be permitted.
- E. The intent of this section is not to stifle public debate, but to provide guidelines to allow meaningful and productive comment and debate.

### ***Quorum***

The quorum requirement for the conduct of Council business is four Council Members.

### ***Reconsideration of Actions Taken***

A member who voted with the majority may move for a reconsideration of an action at the same or the next regular meeting. The second of a motion may be a member of the minority. Once a matter has been reconsidered, no motion for further reconsideration shall be made without unanimous consent of the Council. However, nothing in this section precludes a new motion on the same subject matter as a previous decision with the possibility of a different result.

### ***Suspension of Rules***

These rules may be suspended upon an affirmative vote of 75 percent of those voting when a quorum of the Council is present. Suspension of the rules should only occur in cases of extreme necessity. Notwithstanding the above, quorum and majority voting requirements shall not be suspended or waived.

### ***Voting***

Every Council Member who may legally vote on a motion shall vote on a motion unless a majority of the Council present, for special reason, allows the Council Member to abstain. The Council Member must declare the intent to abstain prior to the vote and explain the reason for the abstention.

- A. No Council Member shall be permitted to vote on any subject in which he or she has an actual conflict of interest, unless allowed by state law, or is otherwise disqualified from participation.
- B. The concurrence of a majority of the Council Members voting when a quorum is present at a Council meeting shall be necessary to decide any question before the Council.

## GENERAL COUNCIL RULES

### *Annual Report of Boards, Commissions, Committees, and Task Forces*

At the request of the Council, boards, commissions, committees and task forces will report to the Council on their activities.

### *Appointed Positions*

The Council appoints and can remove the City Manager, the City Attorney, and the Municipal Judge. The Council shall evaluate the City Manager and the City Attorney in accordance with their respective contracts, but no less frequently than once a year. The Council may meet with the Municipal Judge once annually, but will not interfere with the Municipal Judge's exercise of judicial authority and discretion.

### *Attendance and Presence in the City*

Councilor Members will inform the Mayor and/or City Manager if they will be unable to attend any meetings. If the Mayor will be absent, the Mayor will inform the City Manager and the Council President. Under the City Charter, a Council position becomes vacant if the Council member is absent from the city for more than 30 days without Council permission. The permission to be absent from the city must be requested before the absence, or in the case of a family illness or other unforeseen event, prior to the end of the 30-day absence.

### *Communication with Staff*

All Council Members shall respect the separation between the Council's role and the City Manager's responsibilities by:

- A. Not interfering with the day-to-day administration of city business, which is the responsibility of the City Manager.
- B. Working together as a team within a spirit of mutual confidence and support.
- C. Respecting the administrative functions of the City Manager, the City Attorney, and department heads and refraining from actions that would undermine the authority of the City Manager or department heads. The Council will abide by the City Charter in its dealings with the City Manager and City Attorney.
- D. Limiting individual inquiries and requests for information from staff or department heads to those questions that may be answered readily as part of staff's day-to-day responsibilities. Questions of a more complex nature shall be directed to the City Manager or Mayor. Questions from individual Council Members requiring significant staff time or resources (generally, two hours or more) should normally require approval of the Council, although the City Manager or the Mayor may determine to follow up on requests from Councilor Members. Written requests for information

requested by an individual Council Member should normally be responded to in writing to the Council as a whole, with a notation as to which Council Member requested the information. Council Members should normally share any information obtained from staff with the entire Council. This section is not intended to apply to questions by Council Members acting in their individual capacity rather than as Council Members, or to questions regarding conflict of interest or similar issues particular to the Council member.

- E. Communication with the City Attorney by individual Councilors should be authorized, in advance, by either the Mayor or the Council President with the exception of issues such as personal conflicts of interest and other individual issues.
- F. Limiting individual contacts with city officers and employees so as to not influence staff decisions or recommendations, so as to not interfere with staff work performance, and so as to not undermine the authority of the City Manager, department heads, and other managerial and supervisory employees.
- G. Respecting staff and their roles and responsibilities, even if expressing criticism of an action.

Nothing in this section precludes Council Members from obtaining information and asking questions during Council meetings or from evaluating the performance of the City Manager or City Attorney.

***Conduct of Council Members.***

- A. *Non-Participation.* A Councilor shall not participate in a quasi-judicial decision if the Council member is biased to the extent that the Council Member cannot decide the matter by applying the applicable standards and criteria to the facts of the situation as presented to the Council. A Council Member shall not participate in any decision when participation in the decision is contrary to state law. Any person may challenge the participation of a Council Member at the start of the proceeding. If a challenge is made, the Council Member may choose to withdraw or rehabilitate him or herself, by stating on the record that he or she can make a fair decision based solely upon the evidence presented and applicable criteria. If the Council Member does not withdraw or rehabilitate him or herself, the remainder of the Council will decide by motion whether the Council Member will participate. A Council Member who is not participating shall not sit at the Council table, and shall move into the audience seating.
- B. *Conflict of Interest.* Under state law, an actual conflict of interest is defined as one that *would* or will result in a financial benefit or the avoidance of financial debt to a Council Member, his or her relative or a business with which the Council Member is associated. A potential conflict of interest is one that *could* or might result in financial benefit or avoidance of financial debt. A Council Member must publicly announce both potential and actual conflicts of interest each time the issue creating the conflict arises before the Council. In the case of an actual conflict of interest, the Council

Member must refrain from participating in debate on the issue and from voting unless allowed by state law. If a Councilor believes that he or she qualified to vote on the matter despite an actual conflict of interest, that Councilor should seek legal advice from the City Attorney prior to voting or debating the matter. A Council Member who is not participating because of an actual conflict of interest shall leave the Council table after declaring the conflict. For the purposes of this policy, the term "relative" shall be defined consistent with ORS 244.020.

- C. *Ex Parte Contacts.* For quasi-judicial hearings, Council Members will endeavor to refrain from having ex parte contacts relating to any issue of the hearing. Ex parte contacts include any information relevant to the issue at hand, other than contacts with staff, gained outside the formal hearing process and not in the record relating to the subject matter of the quasi-judicial hearing. Ex parte contacts include both oral and written communication. If a Council Member has an ex parte contact prior to any hearing, the Council Member will reveal the contact on the record at the beginning of the hearing, and describe the substance of the contact. After all declarations of ex parte contacts, the presiding officer shall announce the right of interested persons to rebut the substance of the communication.
- D. *Absence for Portion of a Hearing.* For quasi-judicial hearings, a Council Member who was absent during the presentation of evidence cannot participate in any deliberations or decision regarding the matter unless the Council Member has reviewed all the evidence and testimony received.
- E. *Government Ethics Requirements and Reporting.* Council Members shall review and observe the requirements of the State Ethics Law (ORS 244.010 to 244.390) dealing with use of public office for private financial gain. Council Members shall give public notice of any actual or potential conflict of interest and the notice will be reported in the meeting minutes. Council Members shall timely file annual statements of economic interest with the Government Ethics Commission.
- F. *Ethical Conduct and Fair Treatment.* In addition to matters of financial interest, Council Members shall maintain the highest standards of ethical conduct and assure fair and equal treatment of all persons, claims, and transactions coming before the Council. This general obligation includes the duty to refrain from:
  - 1. Disclosing information that is confidential under law or making use of special knowledge or information before it is made available to the general public.
  - 2. Making city decisions involving the Councilor's business associates, customers, clients, and competitors.
  - 3. Repeated violations of these Council Rules.
  - 4. Promoting relatives, clients, employees or for boards, commissions, committees, and task forces.

5. Requesting preferential treatment for themselves, relatives, associates, clients, coworkers, or friends.
  6. Seeking employment of relatives with the city.
  7. Actions benefiting special interest groups at the expense of the city as a whole.
  8. Expressing an opinion contrary to the official position of the Council without so stating.
- G. *General Conduct.* In general, Council Members shall conduct themselves so as to bring credit upon the government of the city by respecting the rule of law, ensuring non-discriminatory delivery of public services, keeping informed concerning the matters coming before the Council and abiding by all decisions of the Council, whether or not the member voted on the prevailing side.
- H. *Participation in Council Meetings.* Any Council Member desiring to be heard during a Council meeting should normally be recognized by the presiding officer and shall confine his or her remarks to the subject under consideration or to be considered. Council Members will speak one at a time, allowing one another to finish. The presiding officer may allow flexibility in the application of this rule.

#### ***Conferences and Seminars***

Council Members are urged to educate themselves about local government. To that end, and as funding allows, Council Members are urged to attend the League of Oregon Cities functions at city expense. Requests to attend other government-related conferences, training, seminars, and meetings will be presented to the Council for approval. Council Members who serve on committees or the boards of the League of Oregon Cities, the National League of Cities, or other similar associations of local governments will be reimbursed for reasonable expenses not covered by the respective body.

#### ***Confidentiality***

Council Members will keep all information provided to them on matters that are confidential under law in complete confidence to ensure that the city's position is not compromised. No mention of any information confidential under law, whether provided to the Council Members in written form or verbally, should be made to anyone other than other Council Members, the City Manager, the City Attorney, the City Recorder, or responsible department heads.

- A. If the Council in executive session provides direction to staff on proposed terms and conditions for any type of negotiation, whether it be related to property acquisition or disposal, a pending or likely claim or litigation, or employee negotiations, all contact with other parties shall be made by designated staff or representatives handling the negotiations or litigation. A Council Member will not have any contact or discussion

with any other party or its representative nor communicate any executive session discussion, except as authorized by Council.

- B. All public statements, information, or press releases relating to matters that are confidential under law will be handled by the City Manager or other person authorized by the Council.
- C. The Council, by resolution or motion and with a majority vote of the entire Council, may censure a member who discloses a matter that is confidential under law.

### ***Contacts with Organizations***

The City Council will seek meetings with the Lincoln County Board of Commissioners, the Lincoln County School District Board, the Port of Newport, and other local governments, and groups, as needed to address issues of common interest. The City Council will allow local groups such as the Chamber of Commerce, and local business, neighborhood or citizens groups, to make presentations to the Council on matters of common interest.

### ***Expenses, Reimbursement and Compensation***

Council Members shall receive no pay or other compensation for serving on the Council. Council Members will follow the same rules and procedures for reimbursement as those which apply to city employees, when seeking reimbursement for attendance at authorized conferences or other authorized reimbursement. The city does not reimburse Council Members for expenses incurred by their spouses and/or guests.

### ***Gifts by the Council***

On occasion, and within the approved budget, the Council may wish to purchase a gift or memento for someone with city funds. Expenditures of this type shall require consensus approval of the Council.

### **~~*Liaison to Boards, Commissions and Committees*~~**

~~The Mayor may appoint Council Members to act as liaison to boards, commissions, committees, task forces, or other bodies that advise the Council. In the event a Council liaison is unable to attend a meeting of the board, commission, committee, or task force, the liaison will either contact another Council member to act as liaison for the meeting or ask the Mayor to find a substitute.~~

~~When attending a meeting of a city board, commission, committee, or task force as liaison, Council Members will:~~

- ~~A. Not attempt to lobby or influence the board, commission, committee, or task force on any item under its consideration, unless the City has taken an official position regarding that item.~~
- ~~B. Not vote at the body's meeting on any item. This rule applies only when the Council Member is acting as liaison; it does not apply when the Council Member is a member of the board, commission, committee, or task force and does not apply to non-city bodies when the Council Member is the representative of the city.~~

### ***Litigation***

The City Manager and/or City Attorney will provide the City Council with a confidential memo regarding claims and may meet in executive session with the Council within 30 days of the city's receipt of:

- A. A statutory notice of intent to sue, or
- B. A summons and complaint for damages.

The City Manager and/or City Attorney will provide the Council with a report of all claims filed against the city.

### ***Public Records***

The disposition of public records created or received by individual Council Members shall be in accordance with Oregon Public Records Law. Written information incidental to the official duties of a member of the City Council, including electronic mail messages, notes, memos, and calendars (e.g., "Daytimers") are public records and are subject to disclosure under the public records law.

### ***Representing the City***

When a member of the City Council represents the city before another governmental agency, before a community organization or media, the official should first indicate the majority position of the Council if there is one. Personal opinions and comments may be expressed only if the Council Member clarifies that those statements do not represent the position of the Council.

- A. The effectiveness of city lobbying in Salem or in Washington, D.C., depends on the clarity of the city's voice. When Council Members represent the city in a "lobbying" situation, it is appropriate that the Council Members avoid expressions of personal dissent from an adopted Council policy.
- B. When Council Members attend meetings of organizations such as the League of Oregon Cities or the National League of Cities and their boards and committees, they do so as individual elected officials and are free to express their individual views. If the City Council has an adopted policy relating to an issue under discussion, the Council Member is expected to report that fact.

C. By resolution, the Council may appoint one or two of its members to act as negotiators with groups, individuals, or other governmental entities. Any agreements made by such negotiators shall require approval of the Council as a whole to take effect.

**Establishment of Boards, Commissions, Committees, Task Forces, Work Groups, and Sub-Groups**

The City Council may establish boards, commissions, and standing committees by ordinance. These are typically groups that would deal with on-going issues.

The City Council may establish Task Forces by Council resolution which should contain a specific task and completion date for the task.

The City Council may establish work groups and sub-groups for the purpose of studying a specific issue. Work groups and sub-groups may be established by Council motion which should include a topic to be studied along with direction as to the composition of the group and an approximate completion date of the study.

Every meeting of any board, commission, committee, task force, work group, and sub-group established by the City Council will be attended by appropriate city staff as assigned by the City Manager. With the exception of work groups and sub-groups which include no more than two City Councilors as members; all meetings of any board, commission, committee, task force, work group, and sub-group will be properly noticed pursuant to the Oregon Public Meetings Law. Agendas, minutes, and audiofiles will be prepared for all meetings except work groups and sub-groups with two or fewer Councilors. All agendas, minutes, and audiofiles required by these Rules will be posted on the city's website.

Appointments to Boards, Commissions, Committees, Task Forces, Work Groups, and Sub-Groups shall be made by the Mayor subject to confirmation by the City Council.

**Liaison to Boards, Commissions, and Committees**

The Mayor may appoint Council Members to act as liaison to boards, commissions, committees, task forces, or other bodies that advise the Council. In the event a Council liaison is unable to attend a meeting of the board, commission, committee, or task force, the liaison will either contact another Council member to act as liaison for the meeting or ask the Mayor to find a substitute.

When attending a meeting of a city board, commission, committee, or task force as liaison, Council Members will:

A. Not attempt to lobby or influence the board, commission, committee, or task force on any item under its consideration, unless the City has taken an official position regarding that item.

B. Not vote at the body's meeting on any item. This rule applies only when the Council Member is acting as liaison; it does not apply when the Council Member is a member of the board, commission, committee, or task force and does not apply to non-city bodies when the Council Member is the representative of the city.

***Vacancies on Boards, Commissions and Committees***

The Mayor, subject to ratification by the Council, shall appoint all members of boards, commissions, committees, and task forces, and appoint persons to fill all vacancies. The City Manager will seek applications from interested candidates. The Council may, and normally will, interview applicants for the Planning Commission and Budget Committee. Other committees, boards, and task forces will make recommendations to the Mayor regarding candidates to fill vacancies that may occur on committees, boards, and task forces other than the Planning Commission and Budget Committee.

Unless otherwise specified by City Charter or state statute, a residency requirement of an advisory board shall be met by property ownership and/or residency within the city limits of Newport.

***Vacancies on the Council***

Upon declaring a vacancy on the City Council, the Council will fill the vacancy under provisions of the City Charter. The vacancy will be advertised and applications will be accepted. After the filing deadline has passed, the Council will conduct public interviews of all applicants. The Council will make a decision to fill the vacancy in a public meeting.