



**CITY COUNCIL REGULAR SESSION AGENDA**  
**Monday, April 04, 2016 - 6:00 PM**  
**Council Chambers - 169 SW Coast Highway, Newport, Oregon 97365**

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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 agenda may be amended during the meeting to add or delete items, change the order of agenda items, or discuss any other business deemed necessary at the time of the meeting.

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**1. CALL TO ORDER AND ROLL CALL**

**2. PLEDGE OF ALLEGIANCE**

**3. 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*

**4. 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.*

**4.A. Proclamation: National Library Week, Ted Smith**

[Proclamation Natinal Library Week](#)

**4.B. Proclamation: Sexual Assault Awareness Month (SAAM), Tracy Cummings**  
[Proclamation Sexual Assault Awareness Month.pdf](#)

**5. 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.*

**5.A. Approval of Minutes of the Regular City Council Meeting of March 21, 2016**  
[March 21, 2016 City Council Minutes.docx](#)

**5.B. Approval of City Council Minutes from the March 7, 2016 Regular Meeting**  
[March 7, 2016.docx](#)

**5.C. Approval of Minutes from the City Council Work Session of March 21, 2016**  
[March 21, 2016.docx](#)

**5.D. Approval of Executive Session Minutes from the Meeting of March 21, 2016**

**5.E. Confirmation of the Mayor's Appointment of David Heater to The City of Newport Retirement Trust for a Term Expiring 12/31/16.**  
[City Manager's Report and Recommendation-Mayor's Confirmation of Appt.-Retirement Trust.pdf](#)  
[Retirement Board Application.pdf](#)

**6. 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.*

**6.A. Public Hearing and Possible Adoption of Ordinance No. 2096 Changing the Name of the Senior Citizen Advisory Committee to the 60+ Advisory Committee**  
[City Manager's Report and Recommendation-Adopting Ordinance No. 2096-60+ Advisory Committee.pdf](#)  
[Staff Report - Ord. No. 2096 - Name Change for Senior Citizen Advisory Committee.docx](#)  
[Ord. No. 2096 - Senior Center Advisory Committee Name Change.docx](#)

**7. 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.*

## 8. CITY MANAGER'S 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.*

### 8.A. Consideration and Authorization for Staff to Pursue a Paperless Agenda and Packet System/Process for City Council Agendas/Packets

[City Manager's Report and Recommendation-Authorize Paperless Council Packets.pdf](#)

[Staff Report - Paperless Agenda-Packet Implementation.docx](#)

[Council Rules Amendment - Use of City-Owned Hardware and Software.docx](#)

### 8.B. Consideration of Approval of City Manager's Recommendation for Distribution of the Remaining Tourism Facility Grant Funds

[City Manager's Report and Recommendation-Tourism Grant Funds.pdf](#)

[Staff Report - Consideration of Award of Remaining Tourism Facility Grant Funds.docx](#)

[Lincoln County Historical Society - Tourism Facility Grant Application - 2016.pdf](#)

[Oregon Coast Council for the Arts - Tourism Facility Grant Application - 2016.pdf](#)

[Sea Lion Docks Foundation - Tourism Facilities Grant Application - 2016.pdf](#)

[OCCA - Amendment to Tourism Facilities Grant Agreement.docx](#)

[Agreement - Improvements to the PAC.pdf](#)

### 8.C. Authorization to Utilize Funding to Purchase a Pioneer 8x6 Electric 250 HP Centrifugal Pump

[City Manager's Report and Recommendation-Authorize purchase of Electronic 250 pump.pdf](#)

[Staff Report Pioneer 8x6 electric 250 HP pump.docx](#)

[Pioneer 8x6 Electric 250 HP Centrifugal Pump PO and quote.pdf](#)

### 8.D. Consideration and Approval of a Modification to the Contract for Auditing Services with Boldt, Carlisle, and Smith, LLC

[City Manager's Report and Recommendation-Authorize funding for Auditors to prepare Financial Statement \(002\).pdf](#)

[BCS Modification to Audit Contract - 4-4-16 Council Mtg.pdf](#)

[2015-16 Fiancial Stmt Prep Proposal.pdf](#)

[BCS Audit RFP Response - Attachment A.pdf](#)

[RFP AUDIT SERVICES Final.pdf](#)

### 8.E. Status Report on Mombetsu Sister City 50th Anniversary Flag Design

[City Manager's Report and Recommendation-Mombetsu Flag Development Report.pdf](#)

## 9. LOCAL CONTRACT REVIEW BOARD

- 9.A. Authorization to purchase 2016 Ford F550 Dump Truck with Hydraulic Crane**  
[City Manager's Report and Recommendation-LCRB-Purchase of Ford Dump Truck.pdf](#)  
[Staff Report - 2016 Ford 550 Dump truck with hydraulic crane 3-28-16.docx](#)  
[Park Maintenance 2016 Ford F550 quote.pdf](#)

**10. 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.*

**11. 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.*

**12. ADJOURNMENT**



## Proclamation National Library Week 2016

**WHEREAS**, libraries are not just about what they have for people, but what they do for and with people; and

**WHEREAS**, libraries have long served as trusted and treasured institutions, and library workers and librarians fuel efforts to better their communities, campuses, and schools; and

**WHEREAS**, libraries are evolving in order to serve their communities and to continue to fulfill their role in leveling the playing field for all who seek information and access to technologies; and

**WHEREAS**, libraries and librarians open up a world of possibilities through innovative STEAM programming, Makerspaces, job-seeking resources, and the power of reading; and

**WHEREAS**, libraries and librarians are looking beyond their traditional roles and providing more opportunities for community engagement and delivering new services that connect closely with patrons' needs; and

**WHEREAS**, libraries support democracy and effect social change through their commitment to provide equitable access to information for all library users regardless of race, ethnicity, creed, ability, sexual orientation, gender identity, or socio-economic status; and

**WHEREAS**, libraries, librarians, library workers, and supporters across America are celebrating National Library Week.

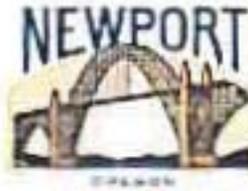
**NOW, THEREFORE**, I, Sandra N. Roumagoux, Mayor of the City of Newport, Oregon, do hereby proclaim April 10 - 16, 2016 as National Library Week in the City of Newport. I encourage all residents to visit the library to explore what's new and engage with your librarian. Because of you, Libraries Transform.

Dated: April 4, 2016

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Sandra N. Roumagoux, Mayor





**Proclamation  
Sexual Assault Awareness Month 2016**

**WHEREAS**, sexual assault affects Oregonians every day, whether as a victim or survivor, or as a family member, friend, partner, neighbor, employer or co-worker; and

**WHEREAS**, it is estimated that 1 in 4 adult women in Oregon has been the victim of forcible rape and nearly 1 in 5 adult men in Oregon has experienced sexual violence in their lifetime; and

**WHEREAS**, sexual violence is preventable; and communities, including campus communities, are strengthened by encouraging healthy, non-violent interactions, relationships and social norms; and

**WHEREAS**, institutions and systems can lead violence prevention by implementing policies that address disparities and promote equity for all people; and

**WHEREAS**, compassionate, courageous, and dedicated individuals and local organizations have provided services and support for victims and survivors, and worked to prevent sexual violence for decades; and

**WHEREAS**, every individual and community in Oregon has the ability and a role to play to help eliminate sexual violence by working together to promote social change.

**NOW, THEREFORE**, I, Sandra N. Roumagoux, Mayor of the city of Newport, Oregon, do hereby proclaim April, 2016 to be "Sexual Assault Awareness Month" in Newport and encourage all residents to join in this observance.

Dated: April 4, 2016.

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Sandra N. Roumagoux, Mayor



March 21, 2016  
6:00 P.M.  
Newport,

**CITY COUNCIL MEETING MINUTES**  
Oregon

**ROLL CALL**

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

Staff in attendance were: Spencer Nebel, City Manager, Peggy Hawker, City Recorder/Special Projects Director, Steven Rich, City Attorney, Derrick Tokos, Community Development Director, Tim Gross, Public Works Director, and Mark Miranda, Police Chief.

**PLEDGE OF ALLEGIANCE**

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

**CONSENT CALENDAR**

The consent calendar consisted of the following items:

- A. Approval of minutes of the joint meeting of the City Council, Urban Renewal Agency, and Audit Committee meeting of March 7, 2016.
- B. Request to excuse the City Manager from the July 18, 2016 City Council meeting.

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

**PUBLIC HEARING**

**Public Hearing on the Consideration and Possible Adoption of City Council Goals for the 2016/2017 Fiscal Year.** Hawker introduced the agenda item. Nebel reported that on February 23, the City Council met to hear reports from the city departments on departmental goals for the 2016/2017 Fiscal Year, and to identify Council goals for the next fiscal year. He stated that with Council's direction to conduct a long-term community visioning project during the 2016/2017 Fiscal Year, the goal setting process will see some significant changes in future years. He noted that he hopes and expects that the visioning process will develop a framework for Council to

consider adopting longer term goals that would be tied to various aspects of the overall vision for the greater Newport area.

Nebel reported that the Council Goals include the status of the 2015/2016 Council goals indicating whether they are either ongoing, completed, or dropped, and these are followed by the draft 2016/2017 Council goals which were established at the work session on February 23. He stated that throughout the course of the day, many different ideas and concepts were written down by Councilors as part of the overall presentations from departments; reviewing previous planning efforts; and including issues of importance to Councilors. He added that those items were then categorized and prioritized by the City Council. He noted that items prioritized by three or more Councilors have been included with the report contained in the packet. He stated that Council also reviewed a number of items that the city previously committed itself to for inclusion in the goals. He stated that these are listed by consensus in the report with a "(C)." He noted that the goals are included to recognize other significant efforts that staff will be working on through the course of the year.

Nebel reported that at the March 7 Council meeting, a public hearing, on the proposed 2016/2017 Fiscal Year goals, was scheduled for the March 21 City Council meeting. He noted that the draft report was also sent to the various boards and committees for their review with a request that they forward any comments prior to the March 21 meeting. He stated that he included the comments received to date in the Council packet, and that several other comments are available this evening.

Roumagoux opened the public hearing on the proposed 2016/2017 Fiscal Year goals at 6:05 P.M. She called for public comment.

Nyla Jebousek recommended that the city focus on promoting the Yaquina Bay State Park in a manner similar to what is done at Shore Acres State Park during the holiday season. She stated that the Shore Acres event draws 55,000 visitors per season, and that the City of Newport could benefit from that level of tourist activity at that time of year. She noted that she addressed the Destination Newport Committee on this suggestion, and added that she would like to see this Committee focus more on events to draw visitors to the city.

There was no other public comment, and Roumagoux closed the public hearing at 6:08 P.M. for Council deliberation.

Allen stated that Jebousek had made this suggestion last year. He added that he believed that staff was going to look into it, and asked whether this had occurred. Nebel reported that he had asked the Destination Newport Committee to discuss the idea, and added that he could refer the matter back to the DNC to further discuss the issue and report on it. Busby stated that he supports Jebousek's idea.

Busby requested that the goals of the Public Arts Committee be incorporated into the City Council goals. He read the Public Arts Committee goals into the record. MOTION was made by Busby, seconded by Saelens, to incorporate the Public Arts Committee goals into the City Council goals for the 2016/2017 Fiscal Year. The motion carried unanimously in a voice vote.

Swanson reported that the Senior Center Advisory Board had developed goals in response to Nebel's request of committees. She stated that these goals included ADA cut-outs in front of the 60+ Activity Center, and increasing paid staff so that the Center is always staffed when it is open for events. Gross reported that the ADA cut-outs would

be installed in the very near future. Allen stated that he would want to hear from Nebel regarding the increase in staff time.

Swanson reported that the City Center Newport Association had a goal of moving the clock tower to the northwest corner of Highway 101 and Hurbert Street. Nebel reported that this issue is being worked on. Swanson noted that even if the clock tower does not move; the clock is not working. Hawker reported that the parts to repair the clock had been ordered.

MOTION was made by Swanson, seconded by Busby, to adopt the 2016/2017 City Council Goals as amended this evening. The motion carried unanimously in a voice vote.

## **COMMUNICATIONS**

### **Communication from Bret Fox Regarding the Farmer's Market Location.**

Hawker introduced the agenda item. Roumagoux apologized to Fox for the short notice that he received regarding the last meeting on this topic. She stated that these are public meetings; noted that protocol needed to be followed; and asked that the audience refrain from comments and applause unless called upon.

Nebel reported that over the past months, there have been numerous discussions and options discussed with the Farmer's Market and business owners regarding the location of the 2016 Farmer's Market. He stated that on March 7, a report was forwarded to the City Council on this issue. He noted that as was indicated in that report, several locations have been evaluated for the possible location of the 2016 Market. He added that prior to issuing a Special Event Permit for the Market, the issue of location needed to be resolved. He stated that after presentation from Market stakeholders, citizens, and business interests, Council approved the following motion: "Approve the yellow area as defined on the map for Farmer's Market for the coming year with the stipulation that the Farmer's Market reimburse the cost of a uniformed guard to those merchants who occupy the property to the north, and that City Council review the situation at the second meeting in June."

Nebel reported that as a result of this action, these items need to be incorporated into the Farmer's Market special event permit application for review and approval by the City Manager pursuant to Chapter 9.80 of the Municipal Code. He stated that the Farmer's Market special event permit has not been issued as of this date.

Nebel reported that Bret Fox has requested time tonight to address Council on its decision to allow the Farmer's Market to continue to operate in the right-of-way adjacent to his property, and has submitted a letter from his attorney, Michael Robinson, outlining concerns they have with the process and criteria the city is using to permit the Farmer's Market. He stated that specifically, Robinson asserts that a land use decision-making process must be followed because of the significant impact that the Market has on his client's property, and because he believes that the city's codes for approving special events fits within the statutory definition of a land use decision.

Nebel reported that while he does not necessarily agree with arguments raised in Robinson's letter, the fact that Fox went to the effort of retaining an attorney to outline his concerns speaks to how seriously he views the situation. He stated that after hearing comment, Council may elect to take no further action, or reaffirm its desire that

the city issue a special event permit to the Farmer's Market in the "yellow area." He noted that the Market will need to provide a complete application addressing issues raised on March 7. He stated that he would then proceed with reviewing and issuing the permit, provided that the application meets the requirements of Chapter 9.80 of the Municipal Code. He noted that if this occurs, there is a legitimate risk that the city's decision will be challenged at either the Land Use Board of Appeals or Circuit Court. He added that it is unlikely that such a challenge would be resolved in time for the Farmer's Market to open at this location as scheduled. He noted that this same timing issue exists if the city were to elect to take the Farmer's Market proposal through a land use decision-making process, as such a process requires advance notice to neighboring property owners and a written decision with findings of fact that is appealable.

Nebel reported that alternatively, Council may want to consider a motion advising that it wants the Farmer's Market to provide a complete special event permit application for the "blue area" discussed at the March 7 meeting. He stated that it is his understanding that Market representatives have met with the neighboring property owners and that none of them believe that the Market would significantly impact them. He added that concerns were raised about the adequacy of accessible parking, and that he will provide additional information addressing that issue.

Bret Fox, owner of the strip mall where the Antique Mall and Big Five Sporting Goods is located, stated that he is disappointed that he could not attend the meeting two weeks ago. He reported that he had requested an appearance before Council because last summer's Market location caused serious problems for the tenants of his shopping center. He added that the center suffered through last summer with the Market trying to resolve the issues, but in the end, there was not a satisfactory solution. He reiterated that the shopping center and the individual tenants were hurt throughout the entire summer. He stated that he supports the Market, and in the past had allowed the Market to use other property that he owns free of charge. He added that he has been supportive of the city in other ways, noting that he currently owns the property between City Hall and Walgreens, and that he allows the swimming pool contractor to park machinery on this property. He stated that he is willing to accommodate and help in this process. He added that this Walgreens is different from any others that he has developed in that the city, and community members, wanted the building to be designed in an Art Deco style, and that he incorporated Art Deco elements into the design. He stated that he, and the other owners, want to support the community and believe that the Market adds flavor and personality to the city, but does not believe that this should be at his expense. Fox cited traffic, safety, parking, and trespassing problems at his shopping center last summer. He noted that in the emotion of the last Council meeting, Council did not fully evaluate alternate locations. He reported that the economy for a lot of retailers is not great, and cited that the auto parts store, located in his mall, got a new local competitor last year. He stated that the Dollar Tree sales are down; the Saturday sales at the Big Five Sporting Goods were down; and he can only attribute the loss of sales to the location of the Market. He reiterated that this is a tough market, and his tenants do not need other challenges for their businesses to succeed. He noted that the Antique Mall had a tough year last year, and added that he does not know how many difficult years this business can weather. He reported that he is not asking the city to

help; rather that he is asking the city not to hinder his ability to function and have good businesses as part of the city.

Fox stated that he believes that the Market has tremendous support. He stated that there was some concern when the Market had to move to the west side of highway. He added that if the Market moves one block south, it will still have tremendous support. He noted that evidence shows that the support will follow them. He stated that he cannot move the shopping center. He added that he had offered to try to help and support the Market, noting that there has to be a Market location that does not hurt his property. He stated that he and his tenants have done their share, and that it is unfair to put up with the same problems as last summer. He added that it is time for someone else to help the Market find a location that does not harm businesses. He stated that he is looking for a win/win for everyone, but that it should not be at his, and his tenants, expense. He requested Council thoroughly evaluate the situation, and supported Nebel's suggestion that the Market move one block south. He added that he does not understand how one block would have a dramatic effect on the Market's success this year, and noted that the current location does have a negative effect on his shopping center.

Busby stated that he has heard about the detrimental economic effect that the Market location has had on the tenants of the shopping center, and asked whether Fox would be willing to provide documentation showing the negative economic effect on the center's tenants. Fox reported that he would not be able to get this information from some of the tenants. Busby stated that he cannot believe Fox would go forward without evidence to substantiate his position. Fox stated that he is getting a lot of pressure from tenants, and is doing his best to follow through with their wishes. Fox noted that there are well-documented problems with the parking lot. He added that the presence of security guards would not help sales. He stated that he would continue to do whatever he can to object to the Market's location next to his property. Busby asked whether he would file a LUBA complaint, and Fox reported that he would appeal the city's decision to allow the Market to locate at the 2015 location. He added that he would not hire an attorney if there was not a serious problem.

Kurt Gehlken, Vice-President of the Farmer's Market, reported that the Board of Directors has had lengthy discussions, and tried to promote a friendly environment at the Market. He added that unfortunately, a friendly environment is impossible in the yellow area. He noted that even though there will be a potential loss of business, and a financial burden to move, that the Market is willing to move into the blue area that the City Manager has recommended because the Market does not want to burden the city. He stated that to move into the blue area, the Market would like the city to paint a crosswalk on Second Street and repair the potholes on Lee Street. He reiterated that it will be an expense to the Market to move, and it takes time to get advertising out, notify vendors, etc., but the Market is willing to accept the blue zone.

Nyla Jebousek read prepared comments into the record regarding a potential LUBA appeal. She also addressed the matter of whether this decision is a land use issue; the lack of evidence of an actual loss of income to mall tenants; the ample supply of parking at the Lincoln County lot; the lack of evidence of a traffic circulation problem; and the blocking of access to the Lincoln County Law Library.

Allen stated that Fox' attorney works with a highly-regarded law firm, and that quite a bit of time was spent on the letter. He added that he is glad that Busby asked Fox

whether he is willing to take this issue to the next level. He reported that this is so late in the process, that a challenge to the yellow area could stop the Market from happening. He added that if this decision was made last fall, there would be time to get it sorted out, but at this point, it is too late in the game for a legal challenge. He noted that when a LUBA filing is made, LUBA decides whether it is a land use issue and whether they have jurisdiction. He added that if LUBA does not have jurisdiction, there is still the possibility of a writ of review in the Circuit Court. He noted that in a writ of review, there is some risk and liability that the local government may have to pay the attorney fees for both sides.

Rich stated that he would echo Allen's comments, adding that it is unknown, if further action was taken, whether the city would prevail, but that the Market season would be over. He suggested finding an alternative and moving forward.

Saelens stated that at the last meeting, he did not feel that there was a lot of compromise in the room. He noted that there are obviously concerned business owners who feel so impacted that they are willing to spend money and time to take this issue to the next step to protect their interests. He added that the Farmer's Market has offered a compromise. He suggested arriving at an agreement this evening and starting the process earlier next year.

MOTION was made by Allen, seconded by Saelens, to reconsider the Council decision from the March 7, 2016 meeting at which Council endorsed the "yellow" area as a location for the 2016 Farmer's Market.

MOTION was made by Allen, seconded by Saelens, to authorize the City Manager to work with Farmer's Market representative to submit a special event permit application for the 2016 Farmer's Market at the site designated as the "blue" area, as noted in the City Council packet, and which would in effect require the closure of SW Lee Street and Seventh Street, and to authorize staff to work with Farmer's Market representatives to consider the stipulations presented by the Farmer's Market, relative to the "blue" area," in painting a crosswalk and repairing potholes on Lee Street. The motion carried unanimously in a voice vote.

Busby asked how much trouble it would be to paint a crosswalk. Gross stated that he was not in favor of a mid-block crossing, but that a crossing could likely be painted in the general area.

Kelly Greer, Farmer's Market Manager, suggested closing Hurbert Street. Nebel noted that no through traffic barricades would be placed at the Hurbert Street intersection.

**From C2C Partnership – Dr. Richard Beemer – Regarding the Status of the Corvallis to Sea Trail.** Hawker introduced the agenda item. Nebel reported that since the mid-1970's, there has been the concept of developing a trail through the Siuslaw National Forest from the Willamette Valley to the Oregon coast. He stated that there were several distinct efforts to address the challenges of finding a route for a trail that would cross both national forest property as well as private timber lands and other properties.

Nebel reported that the current effort dates back to March 2003 when the Corvallis-to-the-Sea-Trail Partnership was established. He stated that since this time, the C2C Partnership has been working to diligently to build this trail system. He added that Dr.

Richard Beemer has been a member of this group for many years and will give an update on the status of the Corvallis to Sea Trail.

Beemer, distributed a handout, and addressed Council regarding the efforts of the group to acquire the appropriate property and complete the trail. He reported that the C2C Trail received approval, last week, from the Siuslaw National Forest, for traveling through forest property between Philomath and Harlan. He reported that June 4 is National Trail Day, and the goal date for the opening of the C2C Trail. He added that only one section of trail is having to be built, as most of the trail uses abandoned roads, etc. He stated that Derek Chapman will speak on the trail at the April 15 Chamber luncheon. He added that the bad news is that from Harlan west, the planned route passes through a great deal of Siuslaw National Forest land, some of which contains nesting sites for the Spotted Owl and the Marbled Murrelet. Beemer reported that the good news for bike riders is that once you get to Harlan, you can go to the coast on public roads without anyone's permission. He described the route, and further detailed efforts to complete the trail. Swanson expressed concern regarding pedestrians in a bicycling environment. Beemer noted that there would be very few trail users, and they would have good trail usage manners. Beemer talked about erosion control materials; the clearing of foliage; and signage and maps.

**Request from the Newport Senior Citizens Advisory Committee to Change the Name of the Newport Senior Advisory Committee to the Newport 60+ Committee.**

Hawker introduced the agenda item. Nebel reported that the Senior Citizens Advisory Committee has requested that Council consider formally changing the name of the committee to the 60+ Advisory Committee. He stated that this would be consistent with the renaming of the 60+ Activity Center that was done in 2015. He noted that if Council wishes to change the name of the advisory committee, this will need to be done by ordinance amending 2.05.050 of the City Municipal Code.

Peggy O'Callaghan, 60+ Activity Center Director, and Mike Rickus, Senior Citizens Advisory Committee member, appeared before Council regarding the name change request. O'Callaghan presented a video regarding 60+ Activity Center activities and events.

MOTION was made by Saelens, seconded by Swanson, to concur with the Senior Citizen Advisory Committee to rename the Senior Citizen Advisory Committee to the Newport 60+ Advisory Committee, and direct city administration to prepare an ordinance for Council to review and approve this change. The motion carried unanimously in a voice vote.

**CITY MANAGER'S REPORT**

**Consideration and Possible Adoption of Resolution No. 3744, a Resolution Authorizing an Application for FEMA Hazard Mitigation Grant Funds to Acquire, from Willing Sellers, Residential Property along NE 70<sup>th</sup> Drive, Impacted by the Landslide that Occurred as a Result of the December 2015 Storms.** Hawker introduced the agenda item. Nebel reported that as a result of significant weather events in December, a landslide occurred on NE 70<sup>th</sup> Drive which threatened seven residential properties. He stated that three of those properties have been red tagged,

meaning they are unsafe to occupy or enter, and those residences are located at 380, 384, and 392 NE 70<sup>th</sup> Drive. He added that four other homes have restricted use and have been yellow tagged to allow owners to access the units but not reside in them overnight.

Nebel reported that the proposed grant would allow the city to acquire these seven properties to mitigate the potential future loss of property and life at this location. He stated that the maximum that FEMA will pay to acquire these types of properties is 75% of the properties pre-disaster assessed valuation. He noted that once the property is acquired, the city would be responsible for removing the structures with the property remaining open space once the structures are removed. He added that the city owns the property below the lots that would be acquired with these grant funds.

Nebel reported that these mitigation funds became available as a result of the major disaster declaration by FEMA on February 19, 2016. He stated that the mitigation funds are limited to \$3.5 million in the state, so this grant application will be competing with other applications in those counties that were included in the emergency declaration. Nebel and Tokos responded to Council questions.

MOTION was made by Swanson, seconded by Saelens, to adopt Resolution 3744, a resolution authorizing the submittal of an application for FEMA Hazard Mitigation Grant Funds to acquire from willing sellers, residential property along the Northeast 70<sup>th</sup> side impacted by the landslide that occurred as a result of the December 2015 storms. The motion carried unanimously in a voice vote.

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

Roumagoux reported that she met, on March 9, with Kevin Raichl who is creating the video, "Ebb and Flow," based on the history of Newport.

Roumagoux reported that, on March 10, she delivered the welcome address at Kurt Schrader's Town Hall meeting, and drew speaker tickets. She noted that Schrader's main message was that there was actually a lot of legislation that was passed.

Roumagoux reported that, on March 11, she attended the opening of Joyce Gaffin's art exhibit at the Pacific Maritime Heritage Museum. She noted that it is a beautiful exhibit.

Roumagoux reported that, on March 13, she attended OMSI's Camp Gray opening in the afternoon, and the dinner later that evening. She noted that Nancy Stuber, from OMSI, commended Tokos for his help with this project.

Roumagoux reported that, on March 13, she met with Maryann Bozza and Bob Cowen, from the Hatfield Marine Science Center, to plan an art exhibit on the OSU Campus.

Roumagoux reported that, on March 14, she attended the introductory Budget Committee meeting.

Roumagoux reported that, on March 17, she attended a fundraising event for the Children's Advocacy Center which was held at the Eagles.

Roumagoux reported that, on March 18, she met with the Oregon Mayor's Association Board, which continued to refine plans for the upcoming conference which will be held at Salishan in July.

Saelens asked whether the Police Department could contact Newport Middle School regarding pedestrian safety when students are coming and going from school.

Saelens asked whether the Police Department could tighten enforcement of people ignoring stop signs.

Saelens reported that, in Eugene, if an animal is involved in a biting incident, it is required to wear an orange collar and muzzle for a year. He recommended the city consider better vicious animal enforcement.

Swanson reported that she attended Schrader's roundtable for elected officials, as well as the Town Hall meeting on the same date. She noted that they were interesting meetings.

Swanson reported that she attended the open house on the Airport Master Plan update, and was the only person, other than consultants and staff, in attendance.

Swanson reported that she attended the recent preliminary Budget Committee meeting.

Swanson reported that she attended OMSI's Camp Gray opening. She noted that the intriguing thing is that Saelens and his wife provided the benches around the fire pit which are made of various kinds of wood. She added that the benches will be labeled indicating the type of wood used for each bench.

Swanson reported that the Mombetsu Committee is in full gear preparing for the upcoming exchange. She noted that the McConnell's are handling the tree planting, plaque, banquet, reception, transportation, etc. She added that she volunteered to research the newspaper archives that could be used to commemorate the 50<sup>th</sup> Anniversary of the Sister City relationship. She stated that a Sister City flag is being designed as a part of the gift to dignitaries when they arrive. She distributed a copy of the flag, and thanked Tad Taylor, in the city's IT office, for his assistance.

Nebel reviewed upcoming commitments. He noted that the final Budget Committee meeting is scheduled for May 17, and that he is proposing a special City Council meeting on May 18, at 5:00 P.M., at which Mombetsu city officials will attend and be sworn in as official Newport citizens, for a formal recognition of the 50th anniversary of the Sister City relationship. Nebel noted that he would forward the final dates for all the events associated with this visit to the City Council.

Busby reported that he attended a recent meeting of the Public Arts Committee. He noted that the Committee established goals and is working diligently on meeting them. He stated that C J Rench, the artist creating the Aquatic Center public art, will be in town on April 28 and 29 at which time he will be working with students, the Rotary Club, and the Chamber of Commerce to promote awareness of this project and public art in general.

Busby reported that he drives down Bay Boulevard daily, and asked whether there is anything that can be done about the parking of longer vehicles that extend into the roadway. He also noted that some of the loading and unloading of trucks appears to take longer than necessary.

Allen reported that he attended his first League of Oregon Cities Board meeting as a Board Member. He noted that it was a good meeting. He stated that a discussion occurred regarding the Handy vs. Lane County public meetings issue, and the matter

has been referred to the Oregon Supreme Court. He added that the LOC has filed an amicus brief in the matter.

Allen reported that he attended Schrader's Town Hall meeting and elected official's roundtable. He noted that there was a good turnout from Newport, and that Schrader took notes and asked his staff to remain in contact with Nebel regarding regional airport and other issues.

Allen reported that he attended the preliminary Budget Committee meeting and that it was informative.

Allen reported that FINE met last week, and discussions ensued on the OMSI Camp Gray and that fishermen would like to engage OMSI staff for teaching opportunities when ocean-related sessions are scheduled. Also discussed was the NNMREC funding issue and other ocean-related topics.

### **PUBLIC COMMENT**

Marletta Noe reported that she has been trying, for years, to get something done about dangerous dogs. She related the issue of her neighbor's dangerous dog and its attack on her and her dog. She expressed frustration about unenforced leash laws.

### **ADJOURNMENT**

Having no further business, the meeting adjourned at 8:03 P.M.

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Margaret M. Hawker, City Recorder

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Sandra N. Roumagoux, Mayor

March 7, 2016  
6:07 P.M.  
Newport,

**CITY COUNCIL MEETING**  
Oregon

**ROLL CALL**

The Newport City Council, and the City Council acting as the Local Contract Review Board, met on the above date in the Council Chambers of the Newport City Hall. On roll call, Allen, Engler, Busby, Roumagoux, Swanson, Saelens, and Sawyer were present.

Staff in attendance were: Spencer Nebel, City Manager, Peggy Hawker, City Recorder/Special Projects Director, Steven Rich, City Attorney, Derrick Tokos, Community Development Director, Mike Murzynsky, Finance Director, Mark Miranda, Police Chief, Rob Murphy, Fire Chief, and Jim Protiva, Parks and Recreation Director.

**PLEDGE OF ALLEGIANCE**

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

**CONSENT CALENDAR**

The consent calendar consisted of the following items:

- A. Approval of minutes of the City Council work session and regular meeting of February 16, 2016.

MOTION was made by Busby, seconded by Engler, to approve the consent calendar with the changes to the minutes as noted by Allen. The motion carried unanimously in a voice vote.

**PUBLIC HEARINGS**

**Consideration and Possible Adoption of Resolution No. 3740, a Resolution Providing for a Supplemental Budget and Making Appropriation/Total Requirement Changes for the 2015/2016 Fiscal Year.** Hawker introduced the agenda item. Nebel reported that Resolution No. 3740 makes certain changes to the budget to address unforeseen circumstances that occurred during the course of the fiscal year. He stated that the supplemental budget transfers monies that were set aside for salary and wage adjustments in a contingency line item to the appropriate expenses. He noted that the adjustments recognize \$127,835 in revenue that was received by the city to offset expenses for fire personnel participation in conflagration events last summer. He added that the Airport Fund is adjusted to address slide damage that was repaired as part of

an emergency declaration by the City Council. He stated that the Parks and Recreation Fund is recognizing unanticipated revenues and expenses for a middle school basketball project. He added that the capital projects are being adjusted to reflect the audited expenditures that occurred in the previous fiscal year for projects continued in the current fiscal year. He noted that project expenditures were estimated in April in order to complete the budget process, and that this amendment will adjust those projects based on the actual expenses incurred through June 30 for those projects.

Nebel reported that an error was discovered on the breakdown of the proposed supplemental budget after publication. He stated that it is appropriate for Council to correct this error at time it adopts the resolution. He added that the error related to the Capitol Projects - General Fund resources and the additional removal of AIP 22 RW 34. He stated that since this is a reduction in expenditures, it does not require further public notice. He added that these numbers should be adjusted as indicated in the revised summary when the supplemental budget is adopted.

Recommendation:

Roumagoux opened the public hearing at 6:47 P.M. She called for public comment. There was none. She closed the public hearing at 6:48 P.M. for Council deliberation.

MOTION was made by Engler, seconded by Sawyer, to adopt Resolution No. 3740 with Attachment A, as revised, a resolution providing for a supplemental budget and making appropriation/total requirement changes for the Fiscal Year 2015-2016, with a correction from the published resolution to Capital Projects - General Fund Budget Amendment recognizing revised FAA-Airport revenues of \$1,270,101 and deleting the AIP RW 34 Runway Rehabilitation project for \$990,933. The motion carried unanimously in a voice vote.

## **COMMUNICATIONS**

**From the Surfrider Foundation Regarding Bacteria Testing in the Nye Beach Storm Sewer Basin.** Hawker introduced the agenda item. Nebel reported the Surfrider Foundation will present findings related to bacteria testing in the Nye Beach Storm Sewer Basin as well as the results of the "Blue Water Scholar" student intern, Leland Wood, who conducted a six-week program to test certain points upstream from the Nye Beach Storm Water Basin. He stated that the Surfrider Foundation has worked closely with the Public Works Department and the Oregon Coast Aquarium on this effort.

Teresa Mealy, Youth Programs Coordinator at the Oregon Coast Aquarium, introduced Leland Wood, youth volunteer, and Frank DiFilippis, volunteer with the Surfrider Foundation water quality project. She noted that Charlie Plybon, representing Surfrider Foundation would arrive soon.

Wood reported that he is a junior at Newport High School. He described his background, and noted that he began working with water quality and Mealy at the Aquarium. He added that the city approached the Surfrider Foundation about the water quality project, and that Surfrider believed that it would be a good youth project. He stated that the project objective was to investigate possible sources of harmful bacteria in the city's storm drainage system through testing for Enterococcus. He made a brief PowerPoint presentation that reviewed the testing; the testing sites; sample collection of water; results/analysis; total results; map of sample sites; site comparison; site and day

averages; weather comparison; and correlation with rain patterns. He reported that he gained work experience, possible scholarships, potential career experience, possible school credit, community betterment, and had fun in the process.

Mealy discussed possible next steps and noted that the Surfrider Foundation is reaching out to more students, including Portland State University graduate students.

Allen asked what Public Works Director Gross thinks of this work, and Nebel reported that Gross thought this was great progress until the record breaking rains of December. He noted that there will be a lot of ongoing activity in an attempt to determine what is going on with this issue.

Charlie Plybon, Oregon Policy Manager for the Surfrider Foundation, made a PowerPoint presentation regarding the Blue Water Task Force. The presentation covered volunteer water quality monitoring; education; advocacy; the testing of marine beaches and freshwater sources for the Enterococcus bacteria; using IDEXX Quantitray Sealers; the Newport model of operation; the collection of weekly samples and the communication of data; the lab located at the Oregon Coast Aquarium which is part of the partnership with the Youth Volunteer Program; analyzing samples; engaging youth volunteers; operation of the lab; and financial impact of the volunteer work.

**From the Northwest National Marine Renewable Energy Center (NNMREC), Dr. Belinda Batten and Dan Hellin, Report on Pacific Marine Energy Center – Wave Energy Test Sites.** Hawker introduced the agenda item. Nebel reported that Dr. Belinda Batten Director of the Northwest NNMREC at Oregon State University, and Kaety Jacobsen, will be giving a presentation on the Pacific Marine Energy Center - Wave Energy Test Sites off the coast of Newport. He stated that NNMREC's mission is to facilitate the commercialization of marine energy technology, and this effort puts Newport at the forefront of wave energy research and development.

Batten and Jacobsen make a PowerPoint presentation reviewing the work of NNMREC and P MEC.

Allen reported that he had been on the site selection team for this project. He asked when a decision was expected from the DOE on a recent grant application. Batten reported that the project should be contracted by September 30. She added that additional funding of \$425,000 must be obtained prior to the DOE making a decision. She noted that there has been competition with California on this project, and that receipt of this grant is critical. She added that if the grant is not awarded, the project would be on hold for the near future. Allen asked about the timeline for testing if the grant is awarded, and Batten noted that it is possible that the project could be in operation in 2019 or 2020. Batten stated that she will do everything possible to secure the remainder of the needed funding.

**From the Regional Airport Review Task Force, Final Report Recommendations Related to the Newport Municipal Airport.** Hawker introduced the agenda item. Nebel reported that on July 24, 2014, Council approved Resolution No. 3689 establishing a Regional Airport Review Task Force. He stated that Council delayed the appointment of Task Force members until 2015 with the first meeting being held on July 28, 2015. He noted that over the next eight months, the Task Force met six times as a group and worked individually on various aspects of the report. He added that the final meeting of

the Task Force was held on February 17, 2016. He stated that the work of the Task Force was broken down into six categories including commercial air service, governance, finance, marketing, land use issues, and emergency services with a total of 27 recommendations for the City Council, Airport Committee, and the Airport Master Plan Planning Advisory Committee. He stated that Busby was elected Chair of the Task Force, will provide additional comments regarding the work of the Task Force.

Nebel reported that once presented to the City Council, the Council can share the report with the Airport Committee and the Airport Master Plan Planning Advisory Committee to initiate an action plan for following through with the recommendations outlined in the report. He stated that this is an opportune time to have the report issued since the city is currently engaged with WH Pacific on completing a new Master Plan for the airport. He noted that it is the hope that many of these recommendations will fall within the realm of that process. He added that for items not related to the airport master plan, he will provide a follow-up report for Council and the Airport Committee outlining those items that will need to be addressed outside of this process.

Nebel reported that he greatly appreciated the time invested by the members of the Regional Airport Review Task Force which included Mayor A.J. Mattila, Depoe Bay; Mayor Don Williams, Lincoln City; Mayor Sandy Roumagoux, Newport; Former Mayor of Toledo and Airport Committee Member Ralph Grutzmacher; County Commissioner Doug Hunt; General Manager of the Port Kevin Greenwood; John Lavrakas representing economic development interests; Lorna Davis of the Greater Newport Chamber of Commerce; Susan Painter representing the Airport Committee; Council Busby; Jamie Rand and Mark Fisher serving as an at-large members of the Task Force. He stated that the group did an excellent job in taking their charge very seriously, and he believes that the Task Force has developed sound recommendations for Council consideration.

Allen asked whether a more permanent administrative structure meant increasing staff or making current employees more permanent. Nebel noted that it is important to him that an administrative structure is in place. He added that the city is not in a position where it can substantially expand staff. He noted that he has not had sufficient time to develop thoughts on this, but suggested that this may be something that can be worked on with Tony Hann, one of the proposers, from services standpoint. Allen asked what the timing is for a more permanent structure. Nebel noted that he would like to incorporate the revised structure into the budgeting process.

MOTION was made by Sawyer, seconded by Saelens, to accept the February 17, 2016 report regarding recommendations on the future operations and development of the Newport Municipal Airport and further convey copies of this report to the Airport Committee and the Airport Master Plan Planning Advisory Committee for their review, consideration, and action. The motion carried unanimously in a voice vote.

**From the Airport Committee – Recommendations on the Airport Operations RFP.** Hawker introduced the agenda item. Nebel reported on the possibility of using a private contractor for the operation of the airport and the fixed base operations. He stated that in February 2015, the Airport Committee, with the consent of Council, had issued Expressions of Interest for the operation of the airport. He noted that at that time, three firms submitted Expressions of Interest indicating interest in submitting a proposal

for the operation of the airport. He added that based on this level of interest, the Airport Committee recommended, and Council concurred, that an RFP should be developed to give private operators an opportunity to bid on the operation of the airport. He stated that beginning in the summer of 2015, the Airport Committee initiated review and revisions for an RFP for the operation of the airport. He added that the proposals were structured with the operator keeping the revenues obtained from the operation of the airport and being responsible for the expenses of the airport. He noted that this put the risk/benefit onto the contractor who would be successful in receiving a contract to operate the airport. He stated that the RFP was issued with the response deadline of January 6, 2016. He noted that on January 6, the city received three proposals for the operation of the airport from the following companies:

1. ABS Aviation, submitter Michael A. Hodges, Tampa, Florida ;
2. Aviation Career Services, submitter Eric L. Mercado, Chicago, Illinois;
3. Infinite Air Center, Tony Hann, Albany.

Nebel reported that the three proposals, and the RFP, can be found in the Airport Committee Agenda Packet for February 9, 2016.

Nebel reported that the bids received from ABS Aviation and Aviation Career Services departed substantially from requirements of the RFP, placing the risk/benefit of operating the airport back on the city. He stated that the proposal that most closely met the original intent of the RFP was from Infinite Air Center.

Nebel reported that one of the stated objectives in the RFP was the reduction and/or elimination of the subsidy from the city's General Fund over a three to five-year period for airport operations. He noted that the packet contains an evaluation of what the city's revenues and expenditures would be with each of the three proposals. He added that utilizing the 2015/2016 budget as a base, the proposals would cost the city more than what is projected in the 2015/2016 budget with city operations. He stated that the increase in cost ranged from \$62,448 to \$240,769 over the cost of current city operations.

Nebel reported that the other objectives of the RFP were to maximize reinvestment in public infrastructure, expand the commercial use of the airport, continue to exercise quality customer service, and facilitate local economic development by positioning the airport in surrounding property to be ready for development. He stated that while the firms submitting the proposals would bring a certain level of value to the airport and could increase services at the airport, it was the Airport Committee's unanimous recommendation to Council that the three proposals be rejected. He added that there was discussion from the Airport Committee that it was a very significant benefit to go through the RFP process to determine whether the airport could be operated much more economically through a contractor arrangement. He stated that based on the proposals received, operating the airport with a private operator would not save the city money. He added that the unanswered question is whether a private operator would be able to substantially increase activity at the airport, and this remains an unknown.

Nebel reported that since the time of his predecessor, the airport has been operated with temporary staffing and with a temporary structure. He stated that he would like to work with the Airport Committee to determine a more permanent administrative

structure and staffing for the operation of the airport as a continued department of the city, based on the city's inability to find a cost effective contractor for operation of the airport. He expressed his appreciation to Lance Vanderbeck and John Matherly who have done an excellent job of keeping the airport going in a positive direction during the discussions of privatization. He noted that throughout this time, both of these people have been professional and matter-of-fact regarding the potential impact on their jobs should the city choose to go forward with a private contractor. He stated that as part of the 2016/2017 budget, it is his intent to lay out an administrative structure for the airport going forward.

MOTION was made by Busby, seconded by Engler, to concur with the Airport Committee recommendation to reject the three proposals for the operation of the airport and direct the City Manager to work with the Airport Committee to develop a permanent administrative structure for the operation of the Newport Municipal Airport. The motion carried unanimously in a voice vote.

**From the Destination Newport Committee – Recommendation to Approve a Tourism Marketing Grant for the Coast Hills Classic Mountain Bike Race.**

Hawker introduced the agenda item. Nebel reported that the Coast Hills Classic Mountain Bike Race will take place on May 14, 2016. He stated that the Destination Newport Committee is recommending that Council approve the requested amount of \$3,000 for the Newport Parks and Recreation Department to promote the 2016 Coast Hills Classic Mountain Bike Race. He noted that this will be the last year of eligibility for this event.

MOTION was made by Sawyer, seconded by Saelens, to approve a tourism marketing grant, submitted by the City of Newport Parks and Recreation Department, for assistance with marketing and advertising for the of the 2016 Coast Hills Classic Mountain Bike Race, in the amount of \$3,000. The motion carried unanimously in a voice vote.

**From the Destination Newport Committee – Recommendation to Approve a Tourism Marketing Grant for the Oregon Coast Aquarium 5K.**

Hawker introduced the agenda item. Nebel reported that the Oregon Coast Aquarium 5K will take place on April 23, 2016 at the Aquarium. He stated that the Destination Newport Committee is recommending that \$3,500 be awarded to the Oregon Coast Aquarium to offset marketing cost to bring individuals in from outside the Newport area. He noted that this is the second year that this grant has been approved for this event which was formerly called Flippers, Feathers, and Fins 5K.

MOTION was made by Sawyer, seconded by Saelens, to approve the tourism marketing grant request, from the Oregon Coast Aquarium, for assistance with marketing and advertising for the of the 2016 Oregon Coast Aquarium 5K, in the amount of \$3,500. The motion carried unanimously in a voice vote.

**From the City Manager Salary Work Group – Report and Possible Action on City Manager Salary.**

Hawker introduced the agenda item. Roumagoux read the following letter, that she had written to the City Council, into the record: "Re: Salary Adjustment for City Manager, Spencer Nebel. On Monday December 7, 2015, the City

Council in Executive Session, received a report on the performance evaluation of City Manager, Spencer Nebel. The Council indicated that they were most pleased with the City Manager's performance during his third year as an employee with the City of Newport. At the regularly scheduled City Council meeting on February 1, 2016, there was a report on the 2015 evaluation of the city manager. There was no adjustment in salary for City Manager Spencer Nebel's first two years of employment except for cost of living increases. A work group consisting of Councilor Busby, Council President Saelens, and me met to review the compensation for the City Manager. The work group from the City Council reviewed compensation structures used in other cities for the City Manager position. The attached City Manager's Compensation Study spreadsheet completed February 23, 2016 lists the cities surveyed. In addition, Spencer Nebel's stellar evaluations from the City Council were factored in. Spencer Nebel's expertise as city manager has resulted in a superior job performance. I am recommending that the City Council approve a salary of \$125,500.00 retroactive to January 1, 2016. An amendment to the City Manager's employment contract with the new amount is attached."

Allen noted that the initial agreement was for an annual salary of \$115,000, and that there have been two cost-of-living increases since then, so the annual salary is now \$119,646. Sawyer recommended making any salary increase effective July 1, 2015.

MOTION was made by Allen, seconded by Engler, to accept the recommendation to increase the City Manager, Spencer Nebel's salary to \$125,000 annually, retroactive to January 1, 2016, and authorize the Mayor to sign Amendment No. 1 to the employment agreement with Spencer Nebel on behalf of the City Council. The motion carried unanimously in a voice vote.

### **CITY MANAGER'S REPORT**

**Consideration and Possible Adoption of Resolution Nos. 3741 and 3742 Approving Clean Water State Revolving Fund Loan Agreements.** Hawker introduced the agenda item. Nebel reported that at the February 1 Council meeting, Council approved a motion authorizing the CWSRF Loan Agreement No R68935 with the Oregon Department of Environmental Quality for the Bay/Moore Basin Storm Sewer Improvements; the Sam Moore Creek Bio-Retention Facility; and the Big Creek Fish Passage Mitigation in the amount of \$4,128,454 and authorized the Mayor to execute that agreement.

Nebel reported that in addition, Council approved a motion authorizing a CWSRF Loan Agreement R68934 with the Oregon Department of Environmental Quality for the Nye Beach Pump Station Grinder and sanitary sewer pipe replacement to address infiltration issues in the amount of \$1,115,000 with the Mayor being authorized to execute agreement.

Nebel reported that both of these loans carry a favorable one percent interest rate for the life of the loan. He stated that since these funds are distributed on a reimbursement basis, the city is only charged interest on funds that are actually dispersed and the repayment of the loan is not required to begin until six months after the project is completed. He noted that in preparing the submission for these loans, it was discovered that staff did not have Council approve these actions by resolution. He

requested that Council approve Resolution Nos. 3741 and 3742 to confirm the actions taken at the February 1 Council meeting.

Nebel reported that Rich has prepared letters for both loans required for legal review of the bond issuance, and these letters have been included in the packet.

MOTION was made by Engler, seconded by Sawyer, to adopt Resolution No. 3741, a resolution approving a CWSRF Loan Agreement for the Nye Beach Grinder and various wastewater improvement to address inflow and infiltration, and authorizing the Mayor to execute the agreement No. R68934 with the Oregon Department of Environmental Quality. The motion carried unanimously in a voice vote.

MOTION was made by Engler, seconded to Sawyer, to adopt Resolution No. 3742, a resolution approving a CWSRF Loan Agreement for the Bay/Moore Basin Storm Sewer Improvements, the Sam Moore Creek Bio-Retention Facility, and the Big Creek Fish Passage Mitigation, and authorizing the Mayor to execute the agreement No. R68935 with the Oregon Department of Environmental Quality. The motion carried unanimously in a voice vote.

**Possible Action Regarding the Location of the 2016 Farmer's Market.** Hawker introduced the agenda item. Nebel reported that the Farmer's Market has operated at various locations in the city over the years. He stated that the Market brings in a significant amount of people to purchase fresh foods, art, and crafts produced in the region. He added that for a number of years, the Farmer's Market was held on SW Angle Street immediately south of City Hall and on the grounds of City Hall. He noted that in 2015, the Market was shifted to the west side of US 101 to Angle/Second Streets running between US 101 and Nye Street. He stated that while there was some resistance from the Farmer's Market to making this move, the site proved to be a good site from the Farmer's Market perspective. He noted that through the course of the Saturday events, the city received a number of complaints from business owners in the immediate proximity of the Farmer's Market primarily due to problems with parking and congestion that impacted their businesses on Saturdays. He added that in order to try to address those issues, the city assisted the Farmer's Market with parking signage and required the Market man the parking lot at Big 5 and the Antique Mall in order to ensure adequate parking for the customers of those businesses. He stated that the city was a recipient of complaints throughout the Market season indicating that the Market had a negative impact on the Antique Mall. He added that Newport Pawn also indicated that they experienced a significant reduction in sales during the Market hours and had difficulty accessing the back of their store during Market hours. He noted that on February 7, 2016, strip mall owner, Bret Fox, indicated that the Market was disruptive for the businesses that are housed in the strip mall he has developed. He stated that this particularly affected the Antique Mall and Big 5, but he indicated that he had complaints through the season from Napa, the Dollar Store, and others. He added that Fox indicated that he pays significant property taxes for the mall, and that the Market is having a negative impact on his property. He noted that Peggy Sabanskas indicated that she pays significant rent for her business to be located at its current location, and she does not believe it is fair to the businesses paying substantial leases and property taxes to be negatively impacted by the Farmer's Market which pays no fees or taxes to

the city. He stated that Fox indicated that the Market should be moved west, perhaps on Nye Street between Second and Olive Streets. He noted that Fox indicated that he would participate financially in signage for the Market if it were moved to the west of its current location.

Nebel reported that the city has had a number of conversations with County Counsel, Wayne Belmont, regarding other options for the Market in the same general area. He stated that the use of Nye Street is problematic from the county jail standpoint, as well as from the US Post Office standpoint, since all of their vehicles that utilize the back parking lot are required to use Nye Street. He noted that Belmont offered the Fairgrounds on a year-round basis, for the Farmer's Market, as an alternative. He added that there would be an effort to tie in the county fair the Farmer's Market on that day when both events are going on at the same time. He stated that the Market representatives were concerned about trying to operate the Market in the grassy area of the fairgrounds since many of their customers are older and require an even surface to walk on. He noted that there was an inquiry about the use of NE Harney Street between NE Third and Seventh Streets for the Market, so this could be a possibility. He added that since the February 7 meeting, the Market has looked at two alternative locations. He stated that the first location would be utilizing SW Lee Street from US 101 to Seventh Street and Seventh Street up to the bank exit driveway. He noted that Market personnel have spoken to various property owners regarding this option and have not received any objections from the owners that would be impacted by the closure. He added that this concept was circulated to city staff and from a Police, Fire, and Public Works standpoint, there was concern about closing SW Seventh Street which serves as a secondary route for local drivers avoiding the US 101 corridor. He stated that emergency vehicles use this route regularly.

Nebel reported that this information was shared with the Farmer's Market which then explored a third option of closing SW Second Street between Nye Street and Lee Street as well as Lee Street between SW Second and Seventh, and then utilizing the private parking lot located just to the south between Seventh and SW Second Streets. He stated that he discussed this with the Post Office which indicated that it would not object to the closure of SW Second Street at this location. He noted that the Farmer's Market had talked with the other property owners that would be impacted by this closure, but on further review by the Farmers Market Board of Directors, it was determined that this location would not be feasible due to the disconnected segments and some of the slopes that costumers of the Market would need to navigate at this location. He added that the Market indicated to him that the only two viable options they see are the 2015 location or the alternate of closing Seventh Street and utilizing Lee Street from US 101 to Second Street.

Nebel reported that at a staff level, it was suggested to the Farmer's Market the option of Lee Street between and east of US 101 and SW Ninth Street plus utilizing the parking lot off of Lee Street owned by Western Title. He stated that the Market looked at this option but there are a couple of businesses that front Lee Street that could be seriously impacted by this configuration. He added that it places available parking at a greater distance from the Market than what would be available with the other two options.

Nebel reviewed potential Market locations and potential issues related to those sites. He stated that Mary Young, President of the Board of Directors of the Lincoln County Small Farmers Association, indicated that the only two options that would really work for the Market, that are in the City Center area, would either be Angle/Second Streets which was utilized in 2015, or Lee Street with the closure of Seventh Street from US 101 west to Second Street.

Nebel recommended the Council consider the use of Lee Street with the closure of Seventh Street as the best option to minimize conflicts with existing businesses and to provide a reasonable location for the Farmer's Market in the City Center area. He stated that while this location would create some traffic issues on Saturday mornings, he believes that individuals and vehicles will be able to reroute themselves around this closure at this location. He added that he understands the impact that the closure of Seventh Street would have to local traffic on Saturday mornings, and stated that it is his opinion that this is less of a concern than the complaints from business owners that the Farmer's Market is creating an economic hardship on businesses in the immediate vicinity of US 101 and Second Street.

Roumagoux read the names of individuals submitting letters into the record. She noted that several people have requested to speak.

Ulrike Bremer urged City Council support of the Farmer's Market in its 2015 location.

Nanci Courtney stated that she works at the Farmer's Market, and that it serves as a community center. She noted that locals and tourists love the Market; it is a part of people's incomes; helps maintain the lands as agricultural; and that the merchants are usually happy due to the extra traffic caused by the proximity to US 101.

Angela Wartes-Kahl, reported that she is an organic farmer outside of Alsea, and serves on the Board as an ex-officio member. She stated that more organic and local food is better. She noted that the Market has a positive economic impact on this community, and suggested that the greater good overwhelms a very small inconvenience.

David Ogden Stiers submitted a Ford Foundation study, and information from Wikipedia regarding farmer's markets. He stated that he hopes the Council decision is equitable in favoring the Farmer's Market and the people who find it a need, rather than a community decoration.

Larry Tapenen, representing the OSU Extension Master Gardeners, reported that the group has been active in the Market for a long time. He noted that this activity meets the visibility aspect for educational efforts in the community

John Eveland, owner of Gathering Together Farm, cited statistics regarding attendees at farmer's markets, concluding that 55% of the attendees are there via word of mouth; another 25% are there because they drove by and saw the market; and of that 25%, 10% of those customers are new. He stated that people driving by will not attend if the Market is off of US 101.

Kurt Gehlken, Vice-President of the Farmer's Market, reported that this is the Market's 38<sup>th</sup> year of operation. He stated that last year's location was the best and safest location ever, and accessible for every customer. He noted that he has heard business owners speak about the Farmer's Market, and stated that the Market and its vendors pay taxes on homes and businesses that they own and operate in the area. He noted that the Market tried to resolve issues from the past year, and that funding for a

parking lot monitor is included in the Market budget, along with temporary fencing. He asked that the Market be allowed to operate at last year's location as it is the safest in the city.

Anja Chaves stated that she had been a Market vendor for the last 15 years, and that she supports four children through her work at the Market. She noted that farmer's markets are a big movement in other communities, and they are educational, entertaining, and informal. She added that all vendors support tradition by showing that farming is a way to live. She stated that the Market supports other businesses through referrals.

Allen asked Eveland if he recognizes a loss in business when the Market moves to its winter facility. Eveland reported that he loses approximately half his business at the winter location. He stated that to make the Market vibrant, it is necessary to attract people driving by and new customers. Allen asked whether signage would attract people to a less visible Market location. Eveland reported that good signage would point someone in the right direction. He added that the Market places flower and vegetable displays on US 101 which he believes is far more persuasive than signage.

Anja Chaves reported that a survey was conducted in 2006 or 2007, when the Market was located at the Armory, regarding how customers found the Market. She stated that the majority response was that customers found the Market due to its visibility from US 101.

A discussion ensued regarding access to the Bank of the West. Nebel reported that Market representatives had communicated with the bank, and that as long as access to the ATM and night deposit area is available, there should not be a problem.

Engler noted that the Farmer's Market is important, and it is critical to find a parking solution for the City Hall campus. She noted that this could be one of the goals of the parking study.

Nebel reported that there are a number of opportunities that may open up in 2017 on the opposite side of US 101.

Busby reiterated that everyone wants the Farmer's Market to be successful.

Allen noted that on the displayed map, the blue area is Nebel's recommendation for the Farmer's Market location while the yellow area is the location preference of the Farmer's Market. He asked whether, during the last Market season, there was still a lot of parking available in the county parking lot. Gehlken reported that the issue was in educating people on where to park. He noted that a parking attendant was hired, and as the year progressed, more people learned to park in the county lot. Allen noted that the options presented are only for this year. He asked Gehlken whether, if Council approved the Market location in the yellow area, and parking issues arose, would the Market be willing to move to the blue area. Gehlken reported that during the course of last summer's Market, the Antique Mall used a part of its parking lot for a flea market. He reiterated that customers became better educated as the season progressed.

Saelens noted that he appreciates the Farmer's Market, and was glad that Allen had suggested a compromise. He suggested the possibility of extending the blue area to US 101.

Sawyer noted that his preference is that the Market be located in one location.

Allen stated that certainty is good, but that over the course of the past year, he has heard several concerns expressed during work sessions, and he is trying to reach a

compromise. He asked whether there is a middle ground that can address both perspectives. He asked whether the Market could move to the blue area for the remainder of the season if the yellow area became problematic during the season. He acknowledged the importance of the Farmer's Market and the concerns of business owners. Gehlken stated that he understands the predicament. He added that the Market tried to find alternate locations, and although it prefers the yellow area, it would utilize the blue area if the city denied use of the yellow area. He reiterated that a location needs to be determined and used throughout the season.

Nebel asked about the primary problems with the blue area. Gehlken stated that the street is rough in areas; access from the county lot involves crossing a street; disabled parking spaces would have to be established on the east side of 7<sup>th</sup> Street; and that there could be other factors that affect neighboring businesses.

Kelly Greer, Market Manager, expressed concern regarding logistics, safety, ADA compliance, installation of temporary disabled parking spaces, and the lack of painted crosswalks across 2<sup>nd</sup> Street. He noted that the Lee Street location would require significant additional signage. He added that he is concerned that motorists would turn into the Market location when driving down the 2<sup>nd</sup> Street hill. Busby noted that the yellow area has a great crosswalk. Allen stated that he recognizes the ADA issue, and asked whether there would be an ADA issue with the blue area. Nebel noted that the city has not reviewed the areas for ADA compliance. Allen asked whether the ADA issue could be addressed in the blue area.

Thomas Leaton, owner of Sitka Springs Farm, expressed concerns regarding safety in the blue area, particularly when the Market is closing at the end of the day.

Judy McNeil stated that there is not a marked crosswalk on Lee Street.

Jerilynn Wooley reported that if the Market is located in the blue area, it will not be providing a parking monitor at the Antique Mall.

Peggy Sabanskas, owner of the Antique Mall, stated that her issue is with the city and its commitment to businesses. She reported that Antique Mall vendors did utilize the flea market as they were losing money inside the Mall on Market days. She noted that there were two motor vehicle accidents at this location due to the sharp right turn into the parking lot. She stated that the Goodwill truck is concerned about cars entering and exiting the parking lot which causes difficulty in loading and unloading. She asked what other businesses would want the Market in their "back yard."

Allen noted that a promise was made by Gehlken that the Market would have a more responsible parking attendant if it was in the yellow area. He asked Sabanskas whether she thought that a more responsible parking attendant would be effective. Sabanskas indicated that she did not believe it would be effective due to the bend getting into her parking lot.

Busby asked whether Sabanskas was prepared to produce Market signs if the Market moved to the blue area. Sabanskas reported that she is prepared to produce signage, and that signage could also be placed on the side of the pawn shop building. Busby asked whether, due to the proximity of the Antique Mall parking lot to the blue area, she believed that Market customers would continue to utilize her parking lot. Sabanskas reported that when the Market was across the street, at City Hall, there was not a problem. She also indicated that Bret Fox, owner of the mall, is considering building a restaurant at that location this year.

Engler reported that the kick-off of the parking study is tomorrow evening, and that she would try to get the Farmer's Market parking issue on the study agenda. She stated that the letter from Market's board of directors summarizes the chain of events and the new measures they are willing to take related to the 2016 Market. She added that it is imperative to move forward, and noted that pushing the Market off US 101 goes against the greater good. She noted that other factors could be affecting area businesses. She stated that the Market fulfills the city's mission. She added that the Market and area businesses need to work together to take advantage of foot traffic. She noted that this matter needs to be dealt with immediately, and staff should be directed to issue a permit for the 2016 Market location at the same location as the 2015 Market.

Allen asked Nebel whether his recommendation had changed after hearing comments made at this meeting. Spencer stated that the Market is important to the community, but that due to complaints regarding the 2015 location, he was seeking an alternative to keep the Market in the city center area. He noted that giving a special right to close a public right-of-way is a significant decision. He added that the blue area is still his recommendation.

Allen noted that this location is for only one year. He added that if the yellow area is used, and the same concerns are heard at the beginning of the season, it would still need to remain at the yellow location. Nebel stated that the steps that were taken during the 2015 Market season were the best that could be taken to address the concerns of the business owners. He noted that on Market Saturdays, US 101 is congested, and he is unsure whether there is more that can be done. He added that if the yellow location is Council's decision, the same measures that were utilized last year would be implemented this year. He stated that many signs were produced directing people to the county parking lot, but there was still a parking concern.

Allen asked whether the ADA issue could be addressed in the blue area. Rich reported that he has not been on the site and did not know what could be done to bring it into compliance.

Ray Winward, a former Market vendor and current consumer, suggested that the business owners hire a parking monitor with the requirement that the Market pay for the monitor.

Sawyer asked whether there were specific costs to the Police Department other than volunteers. Nebel noted that there were no costs to the Police Department in the last few years.

Allen asked Sabanskas whether it would work for the business owners to hire a parking monitor that is paid for by the Market. Sabanskas stated that this would be better than nothing, but that she did not think it would work.

Maggie White, former Market vendor, stated that the blue area would be a fiasco for pedestrians. She added that it is sad that it is all about the business owners in the mall. She noted that all vendors are business owners who pay taxes.

Allen stated that he could support the yellow area with the option that the private business owner hires a parking attendant with reimbursement to the private property owner by the Farmer's Market.

Busby stated that Council should review the situation.

Sawyer recommended that the parking attendant wear a uniform. Gehlken reported that the Market had talked with TCB Security about monitoring the parking lot.

MOTION was made by Busby, seconded by Engler, to approve the yellow area, as defined on the map, for the Farmer's Market, for the coming year, with the stipulation that the Farmer's Market reimburse the cost of a uniformed guard to those merchants who occupy the property to the north, and that the City Council review the situation at its second meeting in June. The motion carried unanimously in a voice vote.

**Report on Workforce and Affordable Housing Strategies.** Hawker introduced the agenda item. Nebel reported that at the February 23 goal setting session, time was spent discussing specific strategies to encourage the development of workforce housing and affordable housing in and around the city. He stated that at the goal setting session, a number of concepts were discussed, and the Council then determining whether a majority consensus existed for each of the concepts discussed. He noted that Tokos' report outlines the concepts that Council supported as a strategy for dealing with affordable and workforce housing issues in the city. He stated that staff combined a couple of issues that were brought up at the goal setting session, including participating in regional forums with regional partner agencies such as is proposed by the Economic Development Alliance of Lincoln County with a workforce housing forum in Newport scheduled for April 5. He stated that staff also expanded the potential opportunities to use city-owned properties to incentivize housing on a land banking/donation or sale basis. He noted that this would keep a broad range of options available regarding the use of city property.

Nebel reported that Council has had extensive discussions regarding the city's relationship with the Lincoln Community Land Trust particularly related to the handling of the potential development of city property located adjacent to Don Davis Park. He stated that in this case, the Trust had issued proposals for the potential development of the city-owned site without specific Council approval or notification of their desire to consider the development of that property. He added that this matter was compounded further when inquiries were made by Councilors and information was not shared in a transparent manner to the Council by the Trust. He noted that in a January 29 communication to Council from Trust President Bill Hall, the Lincoln Community Land Trust acknowledged its failings in acting transparently

Nebel reported that as a result of discussions between the city and Trust, the Trust is now providing monthly meeting packets to Council, and have agreed to a multi-step process to provide transparency in consideration of any other city properties for workforce housing projects prior to proceeding with any specific proposals. He stated that the Trust has invited both the Cities of Newport and Lincoln City to designate one of its members as an ex-officio board member to act as a liaison between the cities and the Trust. He noted that any Councilors are welcome to attend any meeting of the Trust.

Nebel reported that in evaluating the situation on behalf of the city, he believes that there are several reasons why the city should continue its commitment with the Trust. He stated that he believes that Proud Ground, as contractor for the Trust, has an opportunity to meaningfully address workforce housing in Lincoln County as they have done in the City of Portland. He noted that it is important to remember that the Trust has not had professional support to carry out its initiatives up until their recent agreement with Proud Ground. He noted that he believes that affordable/workforce housing issues are only going to be addressed with collaborations such as the city currently shares with

Lincoln City and Lincoln County. He stated that he also believes that there may be opportunities to collaborate with other organizations in an effort to try to address this significant issue. He noted that it is important for the city to maintain its commitment to intergovernmental agreements that it enters into unless significant problems with that relationship exist and go uncorrected. He added that he believes that the Trust has made a good faith effort to address the serious concerns that the city shared with the Trust regarding the operational methods of that organization. He stated that it is important that when the city enters into this type of commitment that the city be viewed as a trusted and reliable partner to the end of that commitment. He recommended that the city actively participate with the Trust for remaining year and a half of the memorandum of understanding. He noted that the packet contains communications outlining the Trust's commitment to address the concerns that Council shared regarding the ongoing relationship with the memorandum of understanding.

Engler stated that this subject needs more discussion than what could occur this evening. She noted that there are different approaches to housing solutions.

Allen asked Engler what more she thinks Council can do to more fully evaluate the ten identified options. Engler reported that she believes that the April 5 Housing Forum may be of value, and suggested a possible collaboration with the Willamette Valley Housing Services.

Nebel reported that there is nothing critical about acting on this issue tonight.

Saelens agreed with waiting to discuss the issue until after the April 5 Housing Forum.

Sawyer stated that the city needs more partners. He suggested utilizing realtors. He agreed to delay the issue to determine what more can be brought to the table.

Busby agreed that the issue should be postponed.

It was the consensus of Council that this item be postponed until the April 18, 2016 Council meeting.

A discussion ensued regarding whether the memorandum of understanding with the Trust is a binding agreement and whether the city can, from a legal standpoint, leave the agreement at any time. It was asked whether the Trust was relying on the funding from the city. Nebel noted that the other point is the city entering into agreements with other entities. He stated that the city has a responsibility to follow through with its commitments, and that a change of mind, in mid-course, would be problematic.

Rich reported that the city can walk away from the agreement, but that these are public partners, and he questioned the damage that could be done by exiting the agreement at this time.

Busby noted that this is a loose agreement, and the city is not legally obligated. He stated that it is the city's right to recognize the contractor's failure to perform to the city's satisfaction. He added that if this was a contract, it would contain a performance clause. He noted that the contractor has not performed, and recommended that the MOU be revised, or a contract written, to contain a performance clause where the city gets something for its money. He suggested that this occur prior to paying additional monies, or offering suitable land for construction.

Saelens asked what Council would think about considering the current year as "water under the bridge."

Allen asked how much money the other jurisdictions have contributed since July 1, 2015, and how much money that Proud Ground has expended during the first six months of this fiscal year.

Rich noted that there are two other public partners, and suggested that the city is obligated to pay \$30,000.

Engler noted that there are a lot of things about the LCLT that are unclear, including the mixing of roles. She stated that the Trust has not produced anything and is wasting taxpayer dollars. She added that she is not in favor of donating land to the Trust, and that she does not favor the proposed model of buying a house without property. She noted that Habitat for Humanity has its clients testify at public meetings, and that she has not heard testimony from clients of the Trust. She stated that this is a waste of taxpayer money, and it would reflect well on the city if it pulled out of the agreement.

Saelens suggested a compromise of paying the \$30,000 this year, and discussing next year's financial commitment at another date.

Nebel stated that Proud Ground has only been engaged for a short period of time. He noted that a question that deserves a response is where the Trust is going with Proud Ground, and if the city stays with the program, what can it expect to get. He added that the other challenge with housing is that with the high cost of land and development, it will likely require a series of partnerships to make a meaningful difference.

Roumagoux stated that it is important for the city to maintain its relationships. Saelens agreed with Roumagoux.

Allen reported that after the trust issues with the LCLT, there has been an effort, by the Trust, to be more transparent. He stated that in all fairness regarding expenditures, he is not inclined to agree to pay the entire \$30,000, but would agree with Rich' suggestion to pay at least a third of what has been expended this fiscal year.

Sawyer agreed with Allen. He suggested this item be tabled until after the upcoming Housing Forum.

Allen stated that the city needs to let the Trust know something so that the city does not have to continue making payments.

Busby stated that he does not believe the city is under a legal obligation to pay from the time it passed the motion. He noted that it is interesting that if there is a terrible housing shortage, no employers have paid anything toward a solution. He asked whether this is the best use of \$30,000 of city money. He suggested a housing stipend for new city employees, and reiterated that the city has no obligation to continue with this agreement.

Allen stated that Council previously voted to withhold money several meetings ago. He added that this was notification to the Trust, so there is no need for further action this evening. He noted that this can be discussed after information has been provided regarding what the Trust has spent, to date, this fiscal year.

#### **Schedule a Public Hearing on City Council Goals for the 2016/2017 Fiscal Year.**

Hawker introduced the agenda item. Nebel reported that on February 23, the Council met to hear reports from city departments on departmental goals, and to identify Council goals for this next fiscal year. He stated that in addition, with the Council's direction to conduct a long-term community visioning project during the 2016/2017 Fiscal Year, the

goal setting process will see some significant changes in future years. He added that it is his hope and expectation that the visioning process will develop a framework for the Council to consider adopting longer-term goals that would be tied to various aspects of the overall vision that will be ultimately developed for the greater Newport area.

Nebel reported that the Council goals include the status of the 2015/2016 Council goals indicating whether they are either ongoing, completed, or dropped, and that these are followed by the draft 2016/2017 Council goals which were established at the work session on February 23. He stated that throughout the course of the day, many different ideas and concepts were written down by Council as part of the overall presentations from departments, reviewing previous planning efforts, and including issues of importance to Councilors. He noted that these items were categorized and prioritized by Council. He added that items prioritized by three or more Councilors have been included in this report contained in the packet. He stated that there are a number of items that Council has previously committed itself to which are listed by consensus, and these are included to recognize other significant efforts that staff will be working on during the year.

MOTION was made by Engler, seconded by Saelens, that the draft report for the City Council Goals for the 2016/2017 Fiscal Year be accepted, and a public hearing be scheduled on the goals for the March 21, 2016 City Council meeting. The motion carried unanimously in a voice vote.

### **LOCAL CONTRACT REVIEW BOARD**

The City Council met as the Local Contract Review Board.

**Approval to Purchase a 2016 Ford F550 Crew Cab Service Truck for the Water Distribution Division.** Hawker introduced the agenda item. Nebel reported that the Public Works Department - Water Distribution Division scheduled the replacement of this vehicle in the current fiscal year budget. He stated that the purchase is being conducted under the state bid program at a cost of \$65,214, less trade-in value, bringing the purchase price to \$56,964. He noted that this vehicle will replace a 2005 Chevrolet 3500 service truck with over 100,000 miles.

MOTION was made by Sawyer, seconded by Saelens, to approve the purchase of a 2016 Ford F550 Crew Cab service truck for the Water Distribution Division of Public Works through the state bid program, in the amount of \$65,214, less trade-in value \$8,250, bringing the total purchase price to \$56,964, and to authorize the City Manager to sign the purchase order on behalf of the City of Newport. The motion carried unanimously in a voice vote.

**Approval of Change Order No. 3 with C&M Excavation for the SW Abalone/Brant Street Improvement Project.** Hawker introduced the agenda item. Nebel reported that the SW Abalone/Brant Street Project continues to move forward. He stated that Change Order No. 3 addresses additional earth work that was necessary to deal with several design challenges and difficulties associated with historical property line surveys. He noted that the actual location of right-of-way lines required additional cut/fill work with the most significant part of the increase being \$67,919 for additional

earth work. He stated that the second largest component of the change order is \$11,060 for rock and erosion matting, with the balance of the work being divided into nine different work change directives for this project. He noted that the total change order is \$101,909 bringing the total contract price up to \$1,667,839.85.

Busby asked whether the costs were due to defective engineering or oversight. Nebel reported that the engineer has paid for some items, and that he would prepare a report for Council. He added that many quantities were underestimated. Busby asked whether this was a legal issue, and Nebel reported that the engineer is cooperating and has acknowledged its mistakes.

MOTION was made by Busby, seconded by Engler, to approve Change Order No. 3 with C&M Excavation and Utilities, LLC., in the amount of \$101,909 for the SW Abalone/Brant Street Improvement Project, and authorize the City Manager to execute the change order on behalf of the City of Newport. The motion carried unanimously in a voice vote.

### **RETURN TO CITY COUNCIL MEETING**

At the conclusion of the Local Contract Review Board meeting, Council returned to its regular meeting.

### **MAYOR AND COUNCIL COMMENTS**

Engler and Sawyer requested excused absences from the meetings of March 21. MOTION was made by Allen, seconded by Saelens, to excuse Engler and Sawyer from the meetings of March 21, 2016. The motion carried unanimously in a voice vote.

Roumagoux suggested that, due to the lateness of the hour, that Mayor and Council comments be held until the next meeting. Council concurred.

### **ADJOURNMENT**

Having no further business, the meeting adjourned at 10:10 P.M.

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Margaret M. Hawker, City Recorder

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Sandra N. Roumagoux, Mayor

March 21, 2016  
Noon  
Newport, Oregon

The Newport City Council met in a work session at the above time in the Conference Room A of the Newport City Hall. On roll call, Saelens, Allen, Swanson, Roumagoux, and Busby were present. Engler and Sawyer excused.

Staff present was City Manager Nebel, City Recorder Hawker, City Attorney Rich, Airport Operations Manager Vanderbeck, and Engineering Technician Roman.

Also in attendance was Dave Nafie from WH Pacific, and Jim Shaw, resident.

### **ROLL CALL AND INTRODUCTIONS**

Roll was called and introductions were made.

### **AGENDA SOFTWARE DEMONSTRATION FOR COUNCIL MEMBERS – GRANICUS**

Nebel reported that over the last couple of months, the city has been implementing the Granicus agenda management system for producing packets for the City Council and other city committees. He stated that one of the options associated with this agenda management system is that paperless packets can be considered. He noted that this would result in a substantial reduction in the use of paper, and time producing the packets. He added that with the Granicus system, it is very easy to navigate through agenda items, including highlighting, making notes, bookmarking, and other similar activities that currently occur with paper packets. He stated that Granicus will demonstrate some of the system's capabilities to streamline the process for citizens providing comments on agenda items. He noted that if a decision is made to proceed with a paperless agenda system, the city would issue tablets or laptops to Council members which would be used for the agenda and packet, for city e-mail, and other related business. He stated that this would provide an option to Council members to separate personal e-mails from city e-mails that are public records. He noted that following the demo, the issue of moving forward with paperless packets will be revisited.

Carolyn Maroney, with Granicus, demonstrated the agenda management system and responded to Council questions.

### **UPDATE ON THE AIRPORT MASTER PLANNING PROCESS**

Nafie presented an Airport Master Plan update. He made a PowerPoint presentation that covered: Master Plan goals; issues to be addressed; the Planning Advisory Committee; the airport role; aeronautical activity forecasts; forecasting methodology; general aviation trends; local trends; airport baseline data; based aircraft forecast; operations forecast; critical aircraft; airport reference code; cargo forecasting; air service forecasting; Part 139 certification; commercial air service options; passenger screening; and next steps.

Allen suggested providing the final Master Plan draft to Lincoln County, the Port of Newport, and other agencies for review.

Shaw asked whether, with a limited passenger demand, passenger and cargo services could be combined.

**ADJOURNMENT**

Having no further business, the meeting adjourned at 2:00 P.M.

# CITY MANAGER'S REPORT AND RECOMMENDATIONS



Agenda #:5.E.  
Meeting Date: 4-4-16

## Agenda Item:

### Confirmation of Mayor's Appointment of David Heater to the Retirement Trust for a Term Expiring 12-31-16

#### Background:

Currently there is one vacancies on the Newport Employee's Retirement Trust. Members of the Retirement Board had suggested and discussed with David Heater of possibly serving on the Retirement Trust.

#### Recommendation:

I recommend the City Council confirm the appointment of David Heater to the Retirement Trust for a term expiring 12/31/16, as part of the consent agenda.

#### Fiscal Effects:

None recommended.

#### Alternatives:

None recommended.

Respectfully Submitted,

Spencer R. Nebel  
City Manager

## Cindy Breves

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**From:** CommitteeApp@newportoregon.gov  
**Sent:** Tuesday, March 08, 2016 11:55 AM  
**To:** Cindy Breves; Peggy Hawker  
**Cc:**  
**Subject:** Committee Application

Application for City Council - Email Application  
 Date: 3/8/2016  
 Commission/Committee of Interest: City of Newport Trustee  
 Name: David C Heater  
 Address: |  
 Workphone:  
 Homephone:  
 Email: |  
 Occupation: General Manager  
 Employer: Mariner Square a subsidiary of Oak Bay Marine Group

Why do you want to serve on this committee/commission/board/task force, and how do you believe you can add value?  
 To serve this city and this community has been a long tradition in my family. My respect for this city coupled with my experience in many different areas will enable me to assist the other trustees in doing the business of the people.

What is a difficult decision you have made concerning issues of bias and/or issues of conflict of interest? As a previous associate pastor and now as a general manager there have been many circumstances when I have had to manage and deal with instances of bias and disagreement. I have dealt with everything from age discrimination to sexual abuse. Beyond the demands of the law I simply try to have very little tolerance for bias or discrimination in regards to race, religion, sexual orientation, etc. Regarding disagreements or conflict. As a team member I try to be supportive of both sides and aid in coming to the best decision. As a leader much the same while always knowing that in the end sometimes tough choices are necessary.

Describe the process of how you make decisions. Try to gather all the information that is current and known. Gather from my experience...keeping the goals in mind. If needed I look for professional advice or seek the knowledge of those who have experience, etc. Of course, I look for advice and input from my team and then make the best decision possible.

What do you think about consensus decision making? What does the consensus decision making process mean to you? I am in favor of the process of deliberation that consensus decision making requires. I like to have as much input as possible and think that any knowledge delivered with good intent deserves to be heard. It opens up discussions to a wider group of participants and a wider range of needs and desires. In the end a leader may be responsible for decisions but the process of consensus decision making helps to assure as many voices and as much information as necessary has been used to make sound and grounded choices.

Describe all other pertinent information/background for this position. on the Destination Newport Committee and coach Newport high school baseball. Member of Rotary, Chamber of Commerce and the Booster Club.

# CITY MANAGER'S REPORT AND RECOMMENDATION



Agenda #:6.A.  
Meeting Date: 4-4-16

## Agenda Item:

### **Public Hearing and Possible Adoption of Ordinance No. 2096, an Ordinance Changing the Name of Senior Citizen Advisory Committee to 60+ Advisory Committee.**

#### **Background:**

At the March 21, 2016, City Council meeting, the Council directed city administration to develop an ordinance amending Chapter 2.05.050 of the Newport Municipal Code to change the name of the advisory committee to the 60+ Advisory Committee. This change is consistent with the visioning process the Senior Citizen Advisory Committee has been actively involved with over the past year, and will be consistent with the name of the facility housing these programs as well.

#### **Recommendation:**

I recommend that the Mayor conduct a public hearing on Ordinance No. 2096, an ordinance repealing and reenacting Chapter 2.05.050 of the Newport Municipal Code changing the name of the Senior Citizen Advisory Committee to the 60+ Advisory Committee.

I further recommend the City Council consider the following motion:

**I move to read Ordinance No. 2096, an ordinance changing the name of the Senior Citizen Advisory Committee to 60+ Advisory Committee by title only and place for final adoption.**

*The Mayor will then ask for a voice vote on whether or not to read the ordinance by title only and placed for final passage.*

*If the motion is approved, the City Recorder will read the title of the 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 this ordinance.

#### **Alternatives:**

None recommended.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "S. Nebel".

Spencer R. Nebel, City Manager





**STAFF REPORT  
CITY COUNCIL AGENDA  
ITFM**

Meeting Date: April 4, 2016

**Title:** Public Hearing and Possible Adoption of Ordinance No. 2096 Changing the Name of the Senior Citizen Advisory Committee to the 60+ Advisory Committee

**Prepared by:** Peggy Hawker

**Recommended Motion:** I move to read Ordinance No. 2096, an ordinance changing the name of the Senior Citizen Advisory Committee to the 60+ Advisory Committee, by title only, and place for final adoption.

**Background Information:** Michael Rickus, a member of the Senior Citizen Advisory Committee, and Peggy O'Callaghan, director of the 60+ Activity Center, appeared before Council at the March 21, 2016 meeting, and requested that the name of the Senior Citizen Advisory Committee be changed to the 60+ Advisory Committee. Because this is a standing committee and a part of the Newport Municipal Code, the name change must occur by ordinance since it effectively changes the Code. The name of the senior center was recently changed to the 60+ Activity Center, so the requested name change of the Committee is logical and appropriate.

Public hearings are being scheduled for ordinance adoptions. After the public hearing, Council is being asked to adopt Ordinance No. 2096 as requested.

**Fiscal Notes:** None.

**Alternatives:** None.

**Attachments:** Ordinance No. 2096

**CITY OF NEWPORT**

**ORDINANCE NO. 2096**

**An Ordinance Repealing and Re-Enacting  
Chapter 2.05.050 of the Newport Municipal Code  
Changing the Name of the Senior Citizen Advisory Committee  
To the 60+ Advisory Committee**

**WHEREAS**, the Senior Citizen Advisory Committee has requested that the City Council change the name of this Committee to the 60+ Advisory Committee; and

**WHEREAS**, the city's senior center has been officially renamed the "60+ Activity Center," and the requested Committee name change would more accurately tie the Committee to the Center.

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

**Section 1.** Chapter 2.05.050 of the Newport Municipal Code is repealed and re-enacted as shown in the attached Exhibit A.

**Section 2.** Exhibit A will change the name of the Committee to the 60+ Advisory Committee.

**Section 3.** This ordinance shall become effective 30 days after passage.

Adopted by the Newport City Council on April 4, 2016.

Signed by the Mayor on April 5, 2016.

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Sandra N. Roumagoux, Mayor

ATTEST:

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Margaret M. Hawker, City Recorder

APPROVED AS TO FORM:

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Steven E. Rich, City Attorney

**EXHIBIT A.**

2.05.050 60+ Advisory Committee

- A. The 60+ Advisory Committee shall consist of seven members who serve two-year terms.
- B. The City Manager shall designate a staff member to attend all 60+ Advisory Committee meetings. The staff member may participate in discussions and shall act as secretary for the Committee, but shall have no vote.
- C. The 60+ Advisory Committee shall have the following rights, responsibilities, and authority:
  - 1. To study and make recommendations to Council regarding the economics, physical condition, operation, maintenance, development, use, regulation, and expansion of the 60+ Activity Center.
  - 2. To acquire and promote programs for seniors in the city.



# CITY MANAGER'S REPORT AND RECOMMENDATION



Agenda #:8.A.  
Meeting Date: 4-4-16

## **Agenda Item:**

### **Consideration and Authorization for Staff to Pursue a “Paperless” Agenda and Packet System/Process for City Council Agendas/Packets**

#### **Background:**

Earlier this year City staff began using Granicus Software in order to prepare and compile all the agenda packets for City Council meetings. The use of the Granicus software has significantly streamlined the compilation of our agenda packets, which can often include two or three hundred pages of information.

There continues to be a significant amount of staff time to compile the paper packets. Overall, just with the cost of the paper, a proration of ink, toner, staples, and staff time, the annual cost for printing the paper packets is in excess of \$2600. This is based on the 2015 calendar year packets. Payback on the investment of I-pads for the City Council members would be in about 15 months.

At a work session held on March 21, the City Council had an opportunity to see how flexible the I-pads were for making notes on packets, drawings, highlighting and book marking certain pages that the Council members want to refer to during the Council meetings. As we begin using some of public comment capabilities of the agenda management system, public comments on agenda items will be readily available on Council member’s I-pads without requiring the additional compilation, copying and distribution of these types of messages that come in right prior to the Council meetings.

I have also included a possible amendment to the Council rules outlining the use of City issued computers by Council members for your review. If the Council goes forward with directing city administration to acquire the I-pads, then we will prepare an amendment to the City Council rules addressing the use of city issued computers by Council members for the Council’s review and action

I think this will be a significant move, which will reduce the use of various recourses and ultimately save the city, both money and time in producing the agenda packets for the Council meetings. It will also facilitate the ability of the Council members to search previous agenda packet, and to get information on an as needed basis.

#### **Recommendation:**

I recommend that the City Council consider the following motion:

**I move that city administration be authorized to proceed with the purchase of appropriate hardware, and the development of appropriate modifications of the rules of order, to allow for implementing a “paperless” agenda packet system for Council meetings.**

Fiscal Effects:

The cost for purchasing six I-pads with keyboards and cases will be \$2,994. The payback on this purchase will be realized in just over a year's time.

Alternatives:

Continue preparing paper packets, or as suggested by the City Council.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "S. Nebel".

Spencer R. Nebel  
City Manager



**STAFF REPORT  
CITY COUNCIL AGENDA ITEM**

Meeting Date: April 4, 2016

**Title:** Consideration and Authorization for Staff to Pursue a Paperless Agenda and Packet System/Process for City Council Agendas/Packets

**Prepared by:** Peggy Hawker

**Recommended Motion:** I move to approve a paperless agenda and packet system/process for City Council agendas/packets, and direct staff to purchase appropriate hardware to implement the paperless process.

**Background Information:** In September of 2015, an RFP was issued for agenda management/video streaming software. The response deadline was October 14, 2015. Four proposals were received, and staff chose Granicus to provide agenda management/video streaming software.

Granicus has been providing staff training since early this year, and staff has implemented the agenda management and video streaming system. On March 21, 2016, the City Council viewed a demonstration of the product and how it would provide the flexibility to make on-line notes, drawings, etc., and effectively eliminate the need for paper packets.

One of the major factors in opting to purchase the agenda management software is that it streamlines the agenda/packet preparation process freeing up staff time. Another critical factor is the cost reduction that would ultimately be recognized by moving from a paper to a paperless packet. And, finally, fiscal responsibility and environmental sustainability has been a specific Council goal, and a paperless system would be a positive step toward achieving that goal.

During the 2015 calendar year, the number of paper pages that were printed in the production of regular City Council/URA meeting packets was 66,770 (eleven packets). This breaks down to 6,070 pages per person receiving printed packets. To visualize this, it would be 13.35 boxes of copy paper.

This amount of paper costs approximately \$400.49 annually. The cost of printer ink; toner; and staples is approximately \$901.14 annually. And the copier lease payment is approximately \$161.04 monthly, and one month could reasonably be attributed to the

production of City Council/URA packets. The cost of the maintenance agreement and depreciation also need to be factored in.

It takes the CMO staff approximately two hours to compile every regular meeting packet. This breaks down to personnel costs of approximately \$1,221.88 annually. The approximate cost of printing eleven paper packets, for the 2015 calendar year was \$2,684.55.

**Fiscal Notes:** If Council authorizes staff to proceed with a paperless agenda and packet system/process, it is recommended that iPads be purchased for each Councilor, the City Manager, and the City Attorney.

The cost to purchase an additional six (the city has three iPads with keyboards/cases), iPads with keyboards/cases is \$2,994,

**Alternatives:** Continue preparing paper packets.

**Attachments:** None.

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**AMENDMENT TO COUNCIL RULES**  
**RELATED TO THE USE OF CITY-OWNED/ISSUED**  
**ELECTRONIC DEVICES BY THE CITY COUNCIL**

**Use of City-Owned/Issued Electronic Devices by Councilors.**

**Definitions**

- A. **City E-mail Address.** The e-mail address established by the city for the Mayor and City Council to use during their term of office to conduct city business.
- B. **E-mail.** Electronic mail is a method of exchanging information in a digital format, including various attachments from one author to one or more recipients.
- C. **Electronic Devices.** Electronic devices include desktop and laptop computers, smart phones, or tablets that the Mayor and City Council are issued by the city.
- D. **City Council.** Includes the Mayor and City Council elected to serve the city during their current term of office.
- E. **Public Record.** “Includes, but is not limited to, a document, book, paper, photograph, file, sound recording or machine readable electronic record, regardless of physical form or characteristics, made, received, filed, or recorded in pursuance of law or in connection with the transaction of public business, whether or not confidential or restricted in use” (ORS 192.005(5)). In addition, a public record includes “. . .any writing containing information relating to the conduct of the public’s business. . .prepared, owned, used or retained by a public body regardless of physical form or characteristics.” (ORS 192.410(4)).
- F. **Retention.** The length of time a public record must be kept to satisfy the administrative, legal, fiscal, and/or historical needs of the city. Retention periods are tied to the content of a record, not the form of the record.

City Councilors shall have the use of a city-issued electronic device with appropriate software. Agenda materials will primarily be provided to Council electronically.

City-issued electronic devices are intended to be used primarily for city business, however, incidental personal use is allowed in accordance with these policies. The following rules shall apply to Councilor’s use of city-owned electronic devices:

- A. The city shall supply the electronic device with appropriate software. Councilors shall not download any programs, or install any software on the electronic device without prior approval of the city’s IT Manager.
- B. The electronic device shall be equipped to allow internet access and e-mail capabilities; however, Councilors shall not have access to the internet or e-mail accounts, unless so directed by the Mayor, during any Council meetings, and the

electronic device shall not be used by Councilor's to communicate with each other, or any member of the public, during a Council meeting.

- C. E-mail use by Councilors will comply with the requirements of the Oregon Public Records Law, ORS 192.410 through 192.505, and the State Archivist public records retention scheduled adopted pursuant to ORS 327.825 and the related administrative rules.
- D. Councilors shall have the use of the electronic device during their term of office, and such right shall terminate at the same time as the member's term of office ends, at which time, the electronic device shall be returned to the city.
- E. Councilors shall be responsible for maintaining the electronic device in good condition, and to reasonably protect it from theft, loss, or damage.
- F. Councilors shall not use the electronic device in connection with election or re-election efforts or campaigning for themselves or any other candidate for public office.
- G. Councilors shall not use the electronic device, or the internet access or e-mail provided with it, for any commercial, illegal, or illicit purpose or activity, or for financial gain.
- H. Councilors should recognize that documents that exist on the electronic device, from the production of a document, internet usage, e-mail, are subject to disclosure under the Oregon Public Records Law. Councilors shall not delete any e-mail messages, or other public records, related to their role as City Council members, unless specifically authorized by city staff.
- I. Councilors shall not use the electronic devices for any purpose that violates the Oregon Public Meetings Law.
- J. The electronic device shall, at all times, remain city property, and therefore subject to return upon request, for inspection, repair, installation of additional hardware/software, or other applications.
- K. It is the responsibility of Councilors to return the city-owned electronic device to the City Manager's Office for service or repairs.
- L. Councilors shall be responsible for costs relating to internet connectivity outside of City Hall.

# CITY MANAGER'S REPORT AND RECOMMENDATION



Agenda #:8.B.  
Meeting Date: 4-4-16

## Agenda Item:

### **Consideration of Approval of City Manager's Recommendation for Distribution of the Remaining Tourism Facility Grant Funds**

#### Background:

Over the years, the City Council has distributed all but \$26,000 of a million-dollar fund that was established for the creation of an event center for the City of Newport. When this did not materialize, these funds were allocated to assist various organizations in creating tourism facilities within the City of Newport. At this point, all that remains is \$26,000 of the original million dollars, which has not been allocated at this time. In December, the Council approved an administrative process to authorize the City Manager to solicit proposals for the funds from those organizations who had previously received funding in the past. Applications were received from the Oregon Coast Council for the Arts, the Lincoln County Historical Society, and the Sea Lion Dock Foundation.

In order to review the applications, I appointed an internal committee consisting of City Recorder, Peggy Hawker, Community Development Director, Derrick Tokos and I to review the proposals. All three proposals met the eligibility requirements for this program. All three organizations have been good stewards of previous funds granted. It was the consensus of our review committee, that the funds be allocated equally among the three organizations. If the Council is in agreement with this allocation, then a Tourism Facility's Grant agreement will be executed with each of these organizations.

In reviewing the existing agreements for the organizations, it was noted the agreement between the City of Newport and the Oregon Coast Council for the Arts had some unique provisions placed into it. While the agreement runs through June 30, 2017, there is a provision in the default section of this agreement for the original grants which indicates "failure to provide \$250,000 in matching funds to the city by July 1, 2015" may result in default. This provision may be different with OCCA since OCCA is improving a city owned building, where the other organizations are improving their own facilities. Since OCCA is improving a city owned facility, the contracts for any building improvements have run through the city with OCCA providing the matching share plus additional funding in order to cover the cost for the contract at the time the contract is awarded by the city. We have drafted an amendment to the agreement with OCCA that will tie this date to the expiration date of the agreement, as well as assuring that OCCA will provide the necessary funding in addition to the Tourism Facility Grant funds in order to pay for contracted services at the Performing Arts Center,

**Recommendation:**

I recommend the City Council consider the following motions:

I move to improve the distribution of the remaining \$25,000 in Tourism Facility Grant funds as follows: \$8,666 to the Lincoln County Historical Society, \$8,667 to the Oregon Coast Council for the Arts, and \$8,667 to the Sea Lion Dock Foundation, conditioned upon each of the organizations, conditioned upon each of organizations executing a Tourism Facilities Grant agreement approved by the City Attorney and executed by the City Manager on behalf of the City of Newport.

I move to approve an amendment to the agreement for improvements to the Performing Arts Center between the City of Newport and the Oregon Coast Council for the Arts, effective January 31, 2013, to modify the July 1, 2015, default provisions and require the total funding, including the dollar for dollar match of city funds are provided to the city by OCCA, prior to bid award for any remaining phases of the improvements to the Performing Arts Center.

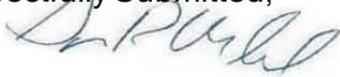
**Fiscal Effects:**

The \$26,000 is appropriated and is available for allocation at this time.

**Alternatives:**

None suggested.

Respectfully Submitted,



Spencer R. Nebel, City Manager



**STAFF REPORT  
CITY COUNCIL AGENDA**

Meeting Date: April 4, 2016

**Title:** Approval of City Manager's Recommendation for the Distribution of the Remaining \$26,000 of Tourism Facility Grant Funds

**Prepared by:** Peggy Hawker

**Recommended Motions:** I move to approve the City Manager's recommendation for the distribution of the remaining \$26,000 of tourism facility grant funds as follows: \$8,666.66 for the Lincoln County Historical Society; \$8,666.66 for the Oregon Coast Council for the Arts; and \$8,666.66 for the Sea Lion Dock Foundation, conditioned upon each of the organizations executing a tourism facilities grant agreement, approved by the City Attorney, and executed by the City Manager on behalf of the City of Newport.

I move to approve the amendment to the "Agreement for Improvements to Performing Arts Center," to clarify Paragraph 5.A.i. of the Agreement to read as follows: "Failure to provide required matching funds and/or other additional funds at the request of the City, prior to the award of any contract for a project phase."

**Background Information:** The issue before Council is consideration of approval of the City Manager's recommendation for the distribution of the remaining \$26,000 of tourism facility grant funds.

In December of 2015, Council approved an administrative process that authorized the City Manager to solicit applications, from previous grantees of tourism facility grant funds, and make recommendation(s) to Council, for an award of some or all of the remaining \$26,000. Council also approved the Final Grant Round Rules and application instructions for the remaining \$26,000. As a part of the rules, it was determined that only organizations having previously received tourism facility grant funds would be eligible to apply for the remaining monies. This funding was created by a \$1,000,000 allocation that was initially earmarked for an event center that did not come to fruition. In previous years, the Task Force recommended funding totaling \$974,000.

The following entities were eligible to participate in the final grant round as previous recipients of past tourism facilities grant funds: Oregon Coast Council for the Arts, Oregon Coast Aquarium, Lincoln County Historical Society, OMSI, Sea Lion Docks Foundation, and the Pacific Communities Health District Foundation.

Applications were received from the Oregon Coast Council for the Arts for the Performing Arts Center lobby expansion, Lincoln County Historical Society for lower floor renovations to the Pacific Maritime Heritage Center, and from the Sea Lion Docks Foundation for a portion of the manufacture and installation of the sea lion docks viewing platform.

Following a staff review of the applications by City Manager Nebel, City Recorder/Special Projects Director Hawker, and Community Development Director Tokos, it was the consensus of the reviewers that each applicant has received tourism facility grant funding in the past; is a non-profit organization; has applied for funding that meets the criteria for a tourism facility; and that each project is worthy and will contribute to tourist experience in the City of Newport. Based on this conclusion, it is recommended that the remaining \$26,000 be shared equally among the applicants resulting in an award of \$8,666.66 for each applicant.

OCCA requested clarification of Section 5(A)(i) of the "Agreement for Improvements to Performing Arts Center." As written, it is unclear what the intent is. The project is being completed in phases, so a change to read: "Failure to provide required matching funds and/or other additional funds at the request of the City, prior to the award of any contract for a project phase," clarifies this section.

**Fiscal Notes:** If Council authorizes award of the remaining monies earmarked for the event center, and the remaining funds of \$26,000 are awarded, there would be no additional tourism facility grant funds unless additional funds are appropriated by the City Council.

**Alternatives:** None.

**Attachments:** Applications from the Lincoln County Historical Society, Oregon Coast Council for the Arts, and the Sea Lion Docks Foundation.

1. Name of Applicant;

The **Lincoln County Historical Society** respectfully requests \$26,000 in tourism facility grants funds or any portion of the available funds for Phase II, lower floor renovations at the Pacific Maritime Heritage Center.

2. Amount(s) and date(s) of previous award of tourism facility monies;

Previous Newport Tourism Facility grants were in 2012/13 and 2015. The 2012/13 grant for \$200,000 came with a welcome challenge to open the main floor of the Pacific Maritime Heritage Center in 2013. We were successful in meeting this challenge - *on budget and on time*.

The second tourism grant was in 2015 for the Bay Boulevard prop/streetscape project. These funds have not yet been expended as this complex project has many unique planning, land use, and engineering challenges. Design work has been completed, the building permit application for the project has been issued. In mid-February the encroachment permit application and necessary documentation was submitted to the City of Newport. Last month the prop was moved to the Port of Toledo where prep and engineering work is underway. Once the engineering work is completed for the prop's stand, the plan will be submitted to the city for review. Preliminary work on the wall is scheduled to commence in March 2016. It is our goal to have the prop installed prior to the upcoming summer season. We believe this goal is achievable.

City of Newport Tourism Facility grants along with funds from the Lincoln County, multiple individuals, and foundations such as the Murdock Charitable Trust, Meyer Memorial Trust and the Oregon Community Foundation have been of great assistance in making the Pacific Maritime Heritage Center a reality.

3. Is this application for a continuation of a project for which a grant was previously awarded; or a new project by an organization previously receiving tourism facilities grant monies;

The requested \$26,0000 is for the Pacific Maritime Heritage Center, Phase II. Lower Floor Renovation project. This is an ongoing, pay as you go, renovation project. Phase II work completed, and paid for, thus far includes, but not limited to, installation of an ADA compliant public elevator, new staircase, and three separate significant structural upgrades.

Currently the lower floor restrooms are under renovation to comply with ADA standards and a corridor gallery is being configured, in the heart of the lower floor.

4. Name, mailing and e-mail addresses, and telephone numbers of the Applicant's contact person(s) and, if applicable, the Applicant's fiscal officer(s);

Steve Wyatt [director@oregoncoasthistory.org](mailto:director@oregoncoasthistory.org) (541) 265-7509 Executive Director  
 Brenda Baker [finance@oregoncoasthistory.org](mailto:finance@oregoncoasthistory.org) (541)265-7509 Finance Manager

5. The name and a description of the proposed new project or expansion of previously awarded project;

This ambitious project has momentum: Phase II work already completed and paid for include, planning, significant structural upgrades, exterior renovations, cement work, new public staircase, renovation of non-public exhibit work area, creation of a 2000 square foot secure artifact storage room, and completion of an ADA compliant public elevator that reaches all three floors of the building, major structural upgrades, preliminary work on the prop streetscape, and renovations to the historic stone foundation. At the time of this writing work, 100% funded, is underway on the public restrooms and corridor gallery.

The work yet to be done to complete Phase II can be broken down into four components that could potentially be carried out independently: restroom rehabilitation/renovation; Doerfler Family Theater; outdoor children's discovery area, conference/exhibit gallery room, and prop streetscape. If work were to proceed on all of these components simultaneously, it would take twelve months. The anticipated outcome of Phase II renovations is that museum attendance and revenue will double upon completion. Approx. 40% of visitors to the Maritime Center are locals; the remaining were tourists from Oregon, out-of-state, and from around the globe.

6. Estimated line item budget for the project;

Phase II Project Budget

Budgeted expenditures:

Demolition	\$2,200.00
Concrete Work	\$29,500.00
Metals	\$5,350.00
Wood, Plastic & Composites	\$39,700.00
Thermal & Moisture Protection	\$30,175.00
Finishes	\$130,285.00
Equipment	\$66,550.00
Furnishings	\$60,350.00
Plumbing	\$8,400.00
Electrical	\$36,000.00
Earthwork	\$11,500.00
Exterior Improvements	\$21,500.00

20% Contingency	\$88,490.00
TOTAL	\$530,000.00

7. Identification of specific project elements for which Grant Funds will be used; Specifically, these funds will be used for bricks and mortar renovations on the two remaining central components of Phase II, the Doerfler Family Theatre and the conference/gallery room. Aspects of these projects included electrical heating, flooring, built-in theatre style seating, stage construction, and finish work. The Doerfler family Theatre will seat over 100 people and have a small stage for lectures and performance as well as a video projection system. The conference room will double as a museum gallery. Local contractors will be engaged to carry out the work whenever possible.

8. A list of any non-Grant Funds, services or materials available or secured for the project and any conditions which may affect the completion of the project or this phase of the project;

All work on the Pacific Maritime Heritage Center has been, and will continue to be, done on a pay-as-you-go basis, incurring no debt. Grant awards are unpredictable and completion date is contingent upon funding. The planning and design work for this project is largely complete. Work can be carried out immediately upon the receipt of funding. The goal of Phase II is to open all lower floor public areas the Pacific Maritime Heritage Center Fall 2017.

9. A description of the previously funded project accomplishments; Phase II work already completed and paid for include, planning, significant structural upgrades to the theatre, two structural deficiencies engineered and reminded, exterior renovations, cement work, new public staircase, creation of non-public exhibit work area, creation of a 2000 square foot secure artifact storage room, completion of ADA complaint public elevator reaching all three floors of the building, and renovations to the historic stone foundation. Planning, land use, engineering, and prep work is currently in progress on the prop streetscape project (Funded by tourism dollars last year). A building permit has been approved for the project and the encroachment permit application has been submitted to the city.

10. A project schedule including times of project beginning and completion; Work on the project is underway. All work on the Pacific Maritime

Heritage Center has been and will continue to be done on a pay-as-you-go basis, incurring no debt. The goal of Phase II is to open all public areas on the lower floor of the Pacific Maritime Heritage Center Fall 2017

11. Any information requested by the Tourism Facilities Task Force or the Council in order to evaluate the project.

12.

B. All Applicants shall demonstrate how a dollar for dollar match will be achieved, based on the total Grant Funds request, at the time of application.

A matching grant for this \$26,000 grant request has been secured from the Doerfler Family Trust.

F. Description of how the Grant Funds requested will be used to fund Tourism-Related Facilities.

The Pacific Maritime Heritage Center is an up-and-coming destination for tourists and locals alike. A recent study by the Oregon Parks Department concluded, "Cultural and heritage experiences are important factors in attracting travelers to visit Oregon. Once here these cultural heritage travelers spend nearly 60 percent more than the national average."

The value added visitor experience afforded by completion of the Maritime Center's refurbishment adds to the drawing power of the Newport's Bayfront as a tourist destination. This ultimately will increase the number of visitors spending time and money in Lincoln County. Special events at the Maritime Center create jobs and revenue opportunities at the PMHC, local restaurants, lodging establishments, rental businesses and for performers.

G. Applications must include the following attachments:

1. If applicable, documentation from the Internal Revenue Service confirming that the Applicant is a 501(c) tax exempt organization;

**See end of this document**

2. Three years of year-end revenue/expense summaries and current balance sheet, or feasibility study;

**See end of this document**

3. An executive summary of the business plan for the project, including a budget;  
A Tourism Fund grant award of \$26,000 (which will be matched by the

Doerfler Family Trust making this a \$52,000 grant) will significantly advance renovation work on this project. A demonstration of local support such as this will also advance fundraising efforts by giving the project added credibility.

A grant of this size will enable us to complete renovation work on a sizable portion of the project thus completing refurbishment of the Maritime Center faster and more efficiently.

#### Phase II Project Budget

##### Budgeted expenditures:

Demolition	\$2,200.00
Concrete Work	\$29,500.00
Metals	\$5,350.00
Wood, Plastic & Composites	\$39,700.00
Thermal & Moisture Protection	\$30,175.00
Finishes	\$130,285.00
Equipment	\$66,550.00
Furnishings	\$60,350.00
Plumbing	\$8,400.00
Electrical	\$36,000.00
Earthwork	\$11,500.00
Exterior Improvements	\$21,500.00
20% Contingency	\$88,490.00
<b>TOTAL</b>	<b>\$530,000.00</b>

4. A time frame for fundraising, if applicable;  
 Murdock Charitable Trust - \$150,000 secured  
 Doerfler Family Trust match grant - \$115,000 secured  
 City of Newport Tourism Fund - \$26,000 applied for  
 Collins Foundation - application in progress - \$50,000.  
 Inkind Support - \$4,500. -secured  
 Inkind Support - ongoing requests - \$10,500.

Georgia Pacific Foundation - \$2,500. secured  
 Oregon Community Foundation - \$40,000.00 application under review  
 Lincoln County - \$10,000 secured  
 Lincoln County - \$10,000 will apply for Dec. 2017  
 Multiple Individual Donors - \$14,000. - secured  
 Multiple Individual Donors - \$41,000. ongoing requests  
 Ford Family Foundation - \$50,500. -will apply for 2016  
 Oregon Heritage Commission - \$6,000 - will apply for April 2016

**Total secured = \$296,000**

**Total unsecured pending requests = \$66,000**

**Total unsecured future requests = \$168,000**  
**\$530,000**

4. A time frame for project completion.

All work on the Pacific Maritime Heritage Center has been and will continue to be done on a pay-as-you-go basis, incurring no debt. Grant awards are unpredictable and completion date is contingent upon funding. The planning and design work for this project is largely complete. Work can be carried immediately upon the receipt of funding. The goal of Phase II is to open all lower floor public areas the Pacific Maritime Heritage Center Fall 2017.

H. Clarification of information submitted may be sought from the Applicant during the evaluation process.

VII. Application Processing

A. Submission of an application does not ensure funding. Decisions to award Grant Funds will be made based on the criteria and rating schedule attached to these rules as Exhibit

Internal Revenue Service

Department of the Treasury

District  
Director

P.O. Box 3151, Los Angeles, Calif. 90053

Lincoln County Historical Society  
545 SW 9th  
Newport, OR 97365-4726

Person to Contact: Felicia C. Miraflor

Telephone Number: 213-894-4232

Refer Reply to: EO-1106-90

Date: NOV 13 1990

RE: Lincoln County Historical Society  
EIN: 93-0545940

Gentlemen:

This is in response to your request for a determination letter of the above named organization.

A review of our records indicate that Lincoln County Historical Society was recognized to be exempt from Federal income tax in October 1955, as an organization described in Internal Revenue Code section 501(c)(3). It is further classified as an organization that is not a private foundation as defined in section 170(b)(1)(A)(vi).

If you need any further assistance, please feel free to contact me at the above address or telephone number.

Sincerely,



Felicia C. Miraflor  
Disclosure Assistant

1:11 PM

02/16/16

Accrual Basis

**Lincoln County Historical Society**  
**Profit & Loss Prev Year Comparison**  
**July 2013 through June 2014**

	Jul '13 - Jun 14	Jul '12 - Jun 13	% Change
<b>Income</b>			
4000 · County Approp-Current Yr Tax	214,476.00	214,476.00	0.0%
4014 · County App. Building Fund Int.	37.88	68.56	-44.8%
4015 · County Approp-Interest on Acct	157.99	185.44	-4.5%
4100 · Contributions/Donations			
4101 · Burrows House	7,303.15	3,163.35	130.9%
4102 · Log Cabin	1,100.00	248.71	345.9%
4103 · Maritime			
41031 · Maritime Binocular Donations	13.52	0.00	100.0%
4103 · Maritime - Other	106,401.36	125,966.00	-15.5%
<b>Total 4103 · Maritime</b>	<b>106,414.88</b>	<b>125,966.00</b>	<b>-15.5%</b>
4104 · PH&MC Grant Match	0.00	19,901.00	-100.0%
4105 · Kingfisher	0.00	20.00	-100.0%
4106 · Special Events	0.00	175.00	-100.0%
4107 · Grant Match-Doerfler	3,989.00	0.00	100.0%
<b>Total 4100 · Contributions/Donations</b>	<b>118,807.03</b>	<b>149,472.06</b>	<b>-20.5%</b>
4150 · Contributions-In-Kind	2,237.50	6,144.30	-63.8%
4175 · Fundraising			
4175001 · Crab Krack Ticket Sales	7,195.00	7,220.00	-0.4%
4175002 · Crab Krack Silent Auction	4,908.50	6,020.00	-18.5%
4175003 · Crab Krack Donations	2,795.00	2,370.00	17.9%
<b>Total 4175 · Fundraising</b>	<b>14,898.50</b>	<b>15,610.00</b>	<b>-4.8%</b>
4200 · Membership Dues	9,229.95	11,130.00	-17.1%
4300 · Museum Publications	4,713.22	3,449.46	36.6%
4310 · Museum Bookshop Sales			
4315 · Consignment Sales			
4315001 · Consignment - Paradise Cay	1,693.84	0.00	100.0%
4315002 · Consignment - S. Blackman	138.00	0.00	100.0%
4315003 · Consignment - M. Molr	155.00	3.00	5,066.7%
4315004 · Consignment - J. Ziemba	480.00	0.00	100.0%
4315005 · Consignment - E.Hearn	16.00	0.00	100.0%
431501 · Consignment - J.Palmer	285.00	61.50	363.4%
431502 · Consignment - EF	4.00	0.00	100.0%
431504 · Consignment - J.Niemi	0.00	5.00	-100.0%
<b>Total 4315 · Consignment Sales</b>	<b>2,771.84</b>	<b>69.50</b>	<b>3,888.3%</b>
4310 · Museum Bookshop Sales - Other	5,907.92	4,523.42	30.6%
<b>Total 4310 · Museum Bookshop Sales</b>	<b>8,679.76</b>	<b>4,592.92</b>	<b>89.0%</b>
4320 · Gift Shop Sales Discounts	-990.94	-163.28	-506.9%
4325 · Art Gallery Sales	5,250.00	0.00	100.0%
4350 · Rental Income	1,500.00	0.00	100.0%
4400 · Grant Income	1,000.00	0.00	100.0%
4450 · Grant Income - Bay Blvd.	31,000.00	309,224.00	-90.0%
4500 · Interest Earned & Dividends	225.42	304.90	-26.1%
4600 · Photographic Services			
4601 · Photographs - Gift Shop	240.00	390.00	-38.5%
4602 · Photo Magnets	15.80	7.90	100.0%
4600 · Photographic Services - Other	1,233.00	902.95	36.6%
<b>Total 4600 · Photographic Services</b>	<b>1,488.80</b>	<b>1,300.85</b>	<b>14.5%</b>
4610 · Shipping & Handling	53.20	115.41	-53.9%
4620 · Copier Income	48.50	75.25	-35.6%
4690 · Archival Research	141.00	83.75	68.4%
4700 · Miscellaneous Income	580.00	98.58	468.1%
4710 · Tour & Program Income	321.25	415.25	-22.6%
4720 · Royalties - Arcadia	145.16	227.99	-36.3%
4730 · Admissions - Bay Blvd.	10,233.00	842.00	1,115.3%
4735 · PM&HC Event Rental			
473501 · PM&HC Event Rental- NR Deposit	300.00	0.00	100.0%
4735 · PM&HC Event Rental - Other	6,050.00	0.00	100.0%
<b>Total 4735 · PM&amp;HC Event Rental</b>	<b>6,350.00</b>	<b>0.00</b>	<b>100.0%</b>
4850 · Tax Refund	1,428.19	1,567.66	-8.9%
<b>Total Income</b>	<b>431,991.39</b>	<b>719,201.30</b>	<b>-39.9%</b>

**Lincoln County Historical Society**  
**Profit & Loss Prev Year Comparison**  
**July 2013 through June 2014**

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Accrual Basis

	Jul '13 - Jun 14	Jul '12 - Jun 13	% Change
<b>Cost of Goods Sold</b>			
5001 · Cost of Goods Sold			
5002 · LCHS Merchandise	2,274.41	1,595.86	42.5%
5003 · Books	2,905.36	2,441.93	19.0%
5004 · Gift Merchandise	245.70	185.17	32.7%
<b>Total 5001 · Cost of Goods Sold</b>	<b>5,425.47</b>	<b>4,222.76</b>	<b>28.5%</b>
<b>Total COGS</b>	<b>5,425.47</b>	<b>4,222.76</b>	<b>28.5%</b>
<b>Gross Profit</b>	<b>426,565.92</b>	<b>714,978.54</b>	<b>-40.3%</b>
<b>Expense</b>			
5000 · Employee Expenses			
5010 · Payroll Expense	135,819.74	132,765.67	2.3%
5020 · FICA & Medicare Employer	10,236.56	9,815.82	4.3%
5040 · SUTA Expense	2,450.35	2,624.71	-8.6%
5045 · WBF Employer	150.31	109.35	37.5%
5060 · Employee Health Insurance	45,782.48	41,498.28	10.3%
5055 · Workers' Compensation Ins.	559.08	559.70	-0.1%
5060 · Payroll Costs	492.35	345.00	42.7%
<b>Total 5000 · Employee Expenses</b>	<b>195,470.85</b>	<b>187,718.53</b>	<b>4.1%</b>
5110 · Acquisitions Expense	0.00	213.00	-100.0%
5120 · Advertising & Fundraising	3,598.03	3,384.22	6.3%
5130 · Bank Charges	30.00	30.00	0.0%
5150 · Conference & Seminar Expense	364.00	30.00	1,113.3%
5160 · Credit Card Monthly Fees	919.99	425.44	118.2%
5170 · Curatorial Expense			
5171 · Kingfisher Expenses	46,053.78	1,498.00	2,974.4%
5170 · Curatorial Expense - Other	2,125.45	8,879.99	-76.1%
<b>Total 5170 · Curatorial Expense</b>	<b>48,179.23</b>	<b>10,377.99</b>	<b>364.2%</b>
5180 · Custodial Expense	1,306.88	1,353.20	-3.4%
5183 · Depreciation Expense	37,102.00	11,076.00	235.0%
5190 · Equipment Rental	239.40	239.40	0.0%
5200 · Exhibits Expense	148.48	1,075.62	-86.2%
5250 · Furniture & Equipment Expense	793.14	370.00	114.4%
5300 · Giftshop Purchases			
5301 · Consignment Expense			
530101 · Consignment - JP	205.10	37.45	447.7%
<b>Total 5301 · Consignment Expense</b>	<b>205.10</b>	<b>37.45</b>	<b>447.7%</b>
5302 · Giftshop - Camp Adair	204.00	396.00	-48.5%
5300 · Giftshop Purchases - Other	8,057.23	1,996.79	303.5%
<b>Total 5300 · Giftshop Purchases</b>	<b>8,466.33</b>	<b>2,430.24</b>	<b>248.4%</b>
5305 · Giftshop Expenses	28.99	0.00	100.0%
5320 · Grounds Maintenance	713.97	432.00	65.3%
5400 · Insurance Expense - General			
5401 · Kingfisher Ins.	656.00	1,525.00	-57.0%
5400 · Insurance Expense - General - Other	8,641.00	5,089.00	30.5%
<b>Total 5400 · Insurance Expense - General</b>	<b>7,297.00</b>	<b>6,614.00</b>	<b>10.3%</b>
5475 · Inventory Adjustments	-10,885.09	-1,688.32	-540.5%
5500 · Library Expense	838.41	838.01	0.1%
5600 · Maintenance & Repair	3,607.70	488.82	638.0%
5610 · Membership & Dues Expense	1,248.00	895.00	39.4%
5620 · Mileage & Travel	97.00	494.63	-80.4%
5630 · Meeting Expense	201.20	203.82	-1.3%
5650 · Miscellaneous Expense	253.00	218.00	16.1%
5700 · Office Expense	3,101.64	2,678.56	15.8%
5730 · Photographic Supplies	48.50	584.65	-91.7%
5740 · Postage & Freight Expense	2,126.29	2,887.32	-26.4%
5760 · Professional & Acct. Expense	4,742.00	6,378.25	-25.7%
5770 · Program Expense			
577001 · Pathfinder Anniversary	0.00	317.23	-100.0%
5770 · Program Expense - Other	487.20	1,134.16	-57.0%
<b>Total 5770 · Program Expense</b>	<b>487.20</b>	<b>1,451.39</b>	<b>-66.4%</b>
5780 · Publications Expense	1,912.53	2,111.37	-9.4%
5790 · Recruitment	191.55	0.00	100.0%
5800 · Telephone	1,944.48	2,676.16	-27.3%
5850 · Utilities Expense	4,795.67	5,683.30	-18.5%
5870 · WEB Site	299.00	89.99	232.3%
5971 · PM&HC Art Gallery	3,937.50	0.00	100.0%
5972 · PM&HC Program Expense	2,110.32	0.00	100.0%
5973 · PM&HC Office Expense	594.85	0.00	100.0%

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**Lincoln County Historical Society**  
**Profit & Loss Prev Year Comparison**  
July 2013 through June 2014

	Jul '13 - Jun 14	Jul '12 - Jun 13	% Change
<b>5974 · Bay Blvd. Gift Shop</b>			
5974000 · Consignment Sales Expenses			
5974001 · Consignment - Paradise Cay	512.50	0.00	100.0%
5974002 · Consignment - S. Blackman	82.80	0.00	100.0%
5974003 · Consignment - M.Moir	94.80	0.00	100.0%
5974004 · Consignment - J. Ziemba	240.00	0.00	100.0%
<b>Total 5974000 · Consignment Sales Expenses</b>	<b>930.10</b>	<b>0.00</b>	<b>100.0%</b>
597401 · Bay Blvd Gift Shop Supplies	296.53	0.00	100.0%
5974 · Bay Blvd. Gift Shop - Other	2,946.04	0.00	100.0%
<b>Total 5974 · Bay Blvd. Gift Shop</b>	<b>4,172.67</b>	<b>0.00</b>	<b>100.0%</b>
<b>5975 · Bay Blvd. Grant Expenses</b>			
597501 · Bay Blvd. LCCEDF Grant	0.00	-101.10	100.0%
5975 · Bay Blvd. Grant Expenses - Other	0.00	105.00	-100.0%
<b>Total 5975 · Bay Blvd. Grant Expenses</b>	<b>0.00</b>	<b>3.90</b>	<b>-100.0%</b>
<b>5977 · Bay Blvd Fundraising</b>			
5977001 · Crab Krack Fundraising Expenses	3,170.24	3,579.34	-11.4%
5977 · Bay Blvd Fundraising - Other	218.96	52.00	321.1%
<b>Total 5977 · Bay Blvd Fundraising</b>	<b>3,389.20</b>	<b>3,631.34</b>	<b>-6.7%</b>
5978 · Bay Blvd Furniture & Equipment	3,290.44	8,439.02	-61.0%
5979 · Bay Blvd Exhibit Expense	6,698.69	6,058.57	10.6%
<b>5980 · Bay Blvd Development</b>			
598001 · Bay Blvd. Fundraising	751.88	274.10	174.3%
598003 · Bay Blvd. Design	0.00	0.00	0.0%
5980 · Bay Blvd Development - Other	100.00	25.54	291.5%
<b>Total 5980 · Bay Blvd Development</b>	<b>851.86</b>	<b>299.64</b>	<b>184.3%</b>
5981 · Bay Blvd Custodial	2,135.21	1,052.38	102.9%
5982 · Bay Blvd Grounds Maintenance	100.00	685.00	-85.4%
5983 · Bay Blvd Insurance	2,601.00	1,785.00	45.7%
5984 · Bay Blvd Telephone	1,797.56	1,488.66	20.8%
5985 · Bay Blvd Utilities	6,067.98	4,355.62	39.3%
5986 · Bay Blvd Professional Fees	0.00	0.00	0.0%
5987 · Bay Blvd Facility Planning	0.00	42.62	-100.0%
5989 · Bay Blvd Building Improvements	0.00	0.00	0.0%
5990 · Ninth St. Bldg & Improvements	0.00	156.00	-100.0%
<b>Total Expense</b>	<b>357,614.85</b>	<b>279,978.34</b>	<b>27.7%</b>
<b>Net Income</b>	<b>68,951.27</b>	<b>435,000.20</b>	<b>-84.2%</b>

**Lincoln County Historical Society**  
**Profit & Loss Prev Year Comparison**  
 July 2015 through June 2016

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	Jul '15 - Jun 16	Jul '14 - Jun 15	% Change
<b>Income</b>			
4000 · County Approp-Current Yr Tax	165,171.75	220,910.00	-25.2%
4015 · County Approp-Interest on Acct	97.29	174.51	-44.3%
4100 · Contributions/Donations			
4101 · Burrows House	2,738.45	4,005.15	-31.7%
4103 · Maritime			
41032 · Lincoln County Oral History	1,500.00	0.00	100.0%
4103 · Maritime - Other	5,458.47	91,834.67	-94.0%
<b>Total 4103 · Maritime</b>	<b>6,958.47</b>	<b>91,834.67</b>	<b>-92.4%</b>
4105 · Kingfisher	0.00	110.00	-100.0%
4107 · Grant Match-Doerfler	15,495.00	4,267.38	263.1%
<b>Total 4100 · Contributions/Donations</b>	<b>25,189.92</b>	<b>100,017.21</b>	<b>-74.8%</b>
4150 · Contributions-In-Kind	0.00	1,549.75	-100.0%
4175 · Fundraising			
4175001 · Crab Krack Ticket Sales	4,470.00	6,075.00	-26.4%
4175002 · Crab Krack Silent Auction	4,779.00	4,069.00	17.5%
4175003 · Crab Krack Donations	1,185.00	2,945.00	-59.8%
<b>Total 4175 · Fundraising</b>	<b>10,434.00</b>	<b>13,089.00</b>	<b>-20.3%</b>
4200 · Membership Dues	5,730.00	11,225.00	-49.0%
4300 · Museum Publications	1,930.27	3,924.57	-50.8%
4310 · Museum Bookshop Sales			
4315 · Consignment Sales			
4315001 · Consignment - Paradise Cay	0.00	923.54	-100.0%
4315002 · Consignment - S. Blackman	32.00	74.00	-56.8%
4315003 · Consignment - M. Moir	129.50	216.00	-40.1%
4315004 · Consignment - J. Ziemba	460.00	538.00	-14.2%
4315005 · Consignment - E.Hearn	21.00	28.00	-25.0%
4315006 · Consignment-Newport Crossroads	51.83	105.67	-51.0%
4315007 · Consignment-M.Gibbons	0.00	70.00	-100.0%
4315008 · Consignment - H.Fortner	0.00	180.00	-100.0%
4315009 · Consignment - B.Kolke	97.00	344.00	-71.8%
431501 · Consignment - J.Palmer	330.00	440.00	-25.0%
4315010 · Consignment - J.Carrabbio	50.00	0.00	100.0%
4315011 · Consignment - K. Blodget	10.00	0.00	100.0%
4315012 · Consignment - M. Beyer	72.00	0.00	100.0%
4315013 · Consignment - K. Kirkeby	96.00	0.00	100.0%
4315014 · Consignment - T.Nelson	16.00	0.00	100.0%
4315015 · Consignment - L. Rose	12.00	0.00	100.0%
4315016 · Consignment - N.Sherwood	54.00	0.00	100.0%
431504 · Consignment - J.Nieml	0.00	5.00	-100.0%
<b>Total 4315 · Consignment Sales</b>	<b>1,431.33</b>	<b>2,922.21</b>	<b>-51.0%</b>
4310 · Museum Bookshop Sales - Other	4,303.07	6,708.94	-35.9%
<b>Total 4310 · Museum Bookshop Sales</b>	<b>5,734.40</b>	<b>9,631.15</b>	<b>-40.5%</b>
4320 · Gift Shop Sales Discounts	-279.98	-1,015.25	72.4%
4325 · Art Gallery Sales	1,395.00	5,285.00	-73.6%
4350 · Rental Income	0.00	25.00	-100.0%
4400 · Grant Income	1,300.00	1,300.00	0.0%
4450 · Grant Income - Bay Blvd.	100,000.00	110,880.28	-9.8%
4500 · Interest Earned & Dividends	169.08	104.70	61.5%
4600 · Photographic Services			
4601 · Photographs - Gift Shop	30.00	90.00	-66.7%
4602 · Photo Magnets	7.90	7.90	0.0%
4600 · Photographic Services - Other	345.00	707.00	-51.2%
<b>Total 4600 · Photographic Services</b>	<b>382.90</b>	<b>804.90</b>	<b>-52.4%</b>
4610 · Shipping & Handling	5.00	164.85	-97.0%
4620 · Copier Income	4.50	26.25	-82.9%
4690 · Archival Research	120.00	226.50	-47.0%
4700 · Miscellaneous Income	155.85	0.00	100.0%
4710 · Tour & Program Income			
471001 · Bayfront Tours	0.00	90.00	-100.0%
4710 · Tour & Program Income - Other	933.00	115.00	711.3%
<b>Total 4710 · Tour &amp; Program Income</b>	<b>933.00</b>	<b>205.00</b>	<b>355.1%</b>
4720 · Royalties - Arcadia	89.57	124.56	-28.1%
4730 · Admissions - Bay Blvd.			
473001 · Pre-sale Tickets	1,095.00	1,449.00	-24.4%
4730 · Admissions - Bay Blvd. - Other	5,925.00	9,558.00	-38.0%
<b>Total 4730 · Admissions - Bay Blvd.</b>	<b>7,020.00</b>	<b>11,007.00</b>	<b>-36.2%</b>

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**Lincoln County Historical Society  
Profit & Loss Prev Year Comparison  
July 2015 through June 2016**

	Jul '15 - Jun 16	Jul '14 - Jun 15	% Change
<b>4735 · PM&amp;HC Event Rental</b>			
473501 · PM&HC Event Rental- NR Deposit	-100.00	300.00	-133.3%
4735 · PM&HC Event Rental - Other	3,220.00	10,295.00	-68.7%
<b>Total 4735 · PM&amp;HC Event Rental</b>	<b>3,120.00</b>	<b>10,595.00</b>	<b>-70.6%</b>
<b>4850 · Tax Refund</b>	0.00	2,559.45	-100.0%
<b>Total Income</b>	<b>328,702.55</b>	<b>502,814.41</b>	<b>-34.6%</b>
<b>Cost of Goods Sold</b>			
5001 · Cost of Goods Sold			
5002 · LCHS Merchandise	839.73	1,728.45	-51.4%
5003 · Books	2,321.55	3,718.95	-37.6%
5004 · Gift Merchandise	90.11	224.42	-59.9%
<b>Total 5001 · Cost of Goods Sold</b>	<b>3,251.39</b>	<b>5,671.82</b>	<b>-42.7%</b>
<b>Total COGS</b>	<b>3,251.39</b>	<b>5,671.82</b>	<b>-42.7%</b>
<b>Gross Profit</b>	<b>325,451.16</b>	<b>497,142.59</b>	<b>-34.5%</b>
<b>Expense</b>			
5000 · Employee Expenses			
5010 · Payroll Expense	87,241.96	133,786.86	-34.8%
5020 · FICA & Medicare Employer	6,693.20	10,305.86	-35.1%
5040 · SUTA Expense	1,170.02	2,087.13	-43.4%
5045 · WBF Employer	90.92	148.40	-38.7%
5050 · Employee Health Insurance	14,452.84	46,678.32	-69.0%
5055 · Workers' Compensation ins.	559.08	0.00	100.0%
5060 · Payroll Costs	778.31	743.96	4.6%
5000 · Employee Expenses - Other	0.00	0.00	0.0%
<b>Total 5000 · Employee Expenses</b>	<b>110,985.31</b>	<b>193,730.53</b>	<b>-42.7%</b>
5120 · Advertising & Fundraising	232.97	990.67	-76.5%
5130 · Bank Charges	17.50	30.00	-41.7%
5140 · Cash Short (Over) Expense	40.00	0.00	100.0%
5150 · Conference & Seminar Expense	0.00	247.49	-100.0%
5160 · Credit Card Monthly Fees	1,065.10	1,667.19	-36.1%
5170 · Curatorial Expense	0.00	356.34	-100.0%
5180 · Custodial Expense	601.87	1,180.34	-48.1%
5185 · Donations	0.00	33.57	-100.0%
5190 · Equipment Rental	0.00	263.40	-100.0%
5200 · Exhibits Expense	1,178.55	113.92	934.5%
5250 · Furniture & Equipment Expense	504.87	638.88	-21.0%
5300 · Giftshop Purchases			
5301 · Consignment Expense			
530101 · Consignment - JP	220.50	308.00	-28.4%
<b>Total 5301 · Consignment Expense</b>	<b>220.50</b>	<b>308.00</b>	<b>-28.4%</b>
5302 · Giftshop - Camp Adair	0.00	324.00	-100.0%
5300 · Giftshop Purchases - Other	404.32	2,071.22	-80.5%
<b>Total 5300 · Giftshop Purchases</b>	<b>624.82</b>	<b>2,703.22</b>	<b>-76.9%</b>
5305 · Giftshop Expenses	0.00	88.17	-100.0%
5310 · Grant Expense			
53101 · Sletzt Grant Expenditures	0.00	0.00	0.0%
<b>Total 5310 · Grant Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0.0%</b>
5320 · Grounds Maintenance	0.00	284.29	-100.0%
5400 · Insurance Expense - General	4,885.00	4,845.50	0.8%
5475 · Inventory Adjustments	-317.69	-2,304.93	86.2%
5500 · Library Expense	206.46	547.54	-62.3%
5600 · Maintenance & Repair	195.76	817.72	-76.1%
5610 · Membership & Dues Expense	619.00	815.00	-24.1%
5620 · Mileage & Travel	0.00	20.00	-100.0%
5630 · Meeting Expense	279.49	243.31	14.9%
5650 · Miscellaneous Expense	205.65	286.00	-28.0%
5700 · Office Expense	2,024.21	2,992.15	-32.4%
5730 · Photographic Supplies	184.12	345.04	-46.6%
5740 · Postage & Freight Expense	1,161.83	1,776.75	-34.6%
5760 · Professional & Acct. Expense	600.00	6,860.00	-91.3%
5770 · Program Expense	0.00	2,008.38	-100.0%

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**Lincoln County Historical Society**  
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	Jul '15 - Jun 16	Jul '14 - Jun 15	% Change
5780 · Publications Expense	86.50	522.70	-83.5%
5800 · Telephone	1,182.14	1,938.84	-39.0%
5850 · Utilities Expense	2,872.06	4,984.08	-42.4%
5870 · WEB Site	350.34	299.00	17.2%
5965 · PM&HC Advertising	0.00	3,171.97	-100.0%
5971 · PM&HC Art Gallery	140.00	3,897.00	-96.4%
5972 · PM&HC Program Expense	1,538.02	3,253.93	-52.7%
5973 · PM&HC Office Expense	144.99	265.23	-45.3%
5974 · Bay Blvd. Gift Shop			
5974000 · Consignment Sales Expenses			
5974001 · Consignment - Paradise Cay	0.00	1,797.83	-100.0%
5974002 · Consignment - S. Blackman	17.40	43.80	-60.3%
5974003 · Consignment - M.Moir	69.60	144.90	-52.0%
5974004 · Consignment - J. Ziemba	230.00	268.00	-14.2%
5974005 · Consignment - E.Hearn	12.60	24.30	-48.2%
5974006 · Consignment-Newport Crossroads	6.32	22.57	-72.0%
5974008 · Consignment - H.Fortner	836.50	108.00	874.5%
5974009 · Consignment-B.Koike	53.90	240.80	-77.6%
5974010 · Consignment - J.Carrabbio	30.00	0.00	100.0%
5974012 · Consignment - M.Beyer	14.40	0.00	100.0%
5974013 · Consignment - K.Kirkaby	47.40	0.00	100.0%
5974016 · Consignment - N.Sherwood	32.40	0.00	100.0%
<b>Total 5974000 · Consignment Sales Expenses</b>	<b>1,350.52</b>	<b>2,650.00</b>	<b>-49.0%</b>
597401 · Bay Blvd Gift Shop Supplies	0.00	31.69	-100.0%
5974 · Bay Blvd. Gift Shop - Other	749.16	1,977.28	-62.1%
<b>Total 5974 · Bay Blvd. Gift Shop</b>	<b>2,099.68</b>	<b>4,658.97</b>	<b>-54.9%</b>
5975 · Bay Blvd. Grant Expenses	55.14	100.00	-44.9%
5977 · Bay Blvd Fundraising			
5977001 · Crab Crack Fundraising Expenses	2,255.02	2,848.88	-20.9%
5977 · Bay Blvd Fundraising - Other	300.30	23.97	1,152.8%
<b>Total 5977 · Bay Blvd Fundraising</b>	<b>2,555.32</b>	<b>2,872.85</b>	<b>-11.1%</b>
5978 · Bay Blvd Furniture & Equipment	1,099.97	145.00	657.9%
5979 · Bay Blvd Exhibit Expense	1,029.38	1,476.16	-30.3%
5980 · Bay Blvd Development			
598001 · Bay Blvd. Fundraising	804.95	0.00	100.0%
598003 · Bay Blvd. Design	0.00	0.00	0.0%
5980 · Bay Blvd Development - Other	397.60	0.00	100.0%
<b>Total 5980 · Bay Blvd Development</b>	<b>1,202.55</b>	<b>0.00</b>	<b>100.0%</b>
5981 · Bay Blvd Custodial	867.44	1,064.88	-18.5%
5982 · Bay Blvd Grounds Maintenance	0.00	690.00	-100.0%
5983 · Bay Blvd Insurance	3,808.00	3,513.50	8.3%
5984 · Bay Blvd Telephone	1,058.08	1,305.22	-19.1%
5985 · Bay Blvd Utilities	3,856.06	5,472.64	-29.5%
5986 · Bay Blvd Professional Fees			
598609 · Bay Blvd. Legal	0.00	200.00	-100.0%
<b>Total 5986 · Bay Blvd Professional Fees</b>	<b>0.00</b>	<b>200.00</b>	<b>-100.0%</b>
5987 · Bay Blvd Facility Planning	0.00	38.00	-100.0%
5988 · Bay Blvd Maintenance/Repair Exp	0.00	237.19	-100.0%
5989 · Bay Blvd Building Improvements			
5989001 · PMHC Elevator costs	18,353.83	0.00	100.0%
5989 · Bay Blvd Building Improvements - Other	63,139.08	0.00	100.0%
<b>Total 5989 · Bay Blvd Building Improvements</b>	<b>81,492.91</b>	<b>0.00</b>	<b>100.0%</b>
5990 · Ninth St. Bldg & Improvements	1,098.60	0.00	100.0%
<b>Total Expense</b>	<b>231,828.20</b>	<b>281,667.71</b>	<b>-11.4%</b>
<b>Net Income</b>	<b>93,622.96</b>	<b>235,474.88</b>	<b>-60.2%</b>

CITY OF NEWPORT  
TOURISM FACILITIES GRANT APPLICATION INSTRUCTIONS

Answer questions completely within the page limitations provided below. Applications will be considered based the criteria outlined in the City of Newport, Tourism Facilities Grant Program - Final Grant Round Rules. Applicants may be contacted to provide more information. All applications are to be submitted by e-mail to: Peggy Hawker, at [p.hawker@newportoregon.gov](mailto:p.hawker@newportoregon.gov). The application deadline is Friday, February 19, 2016, at 3:00 P.M., PST. Applications submitted in another format will not be accepted. Only one application per entity allowed.

Please Note:

1. These funds were created by transient room tax collections. There are legal restrictions on how the money may be spent, and if the project cannot meet the legal requirements, the project cannot be funded. Definitions are included in the Tourism Facilities Grant Program - Final Grant Round Rules.
2. The Newport City Manager has established policies governing the final round of the Tourism Facilities Grant Program. A copy of those policies is attached to this application.
3. Applicants will be selected for funding based on information included in the application materials.
4. A one-to-one funding match is required.
5. Applicants must be a 501(c) organization or government entity, and have previously received Tourism Facilities Grant funding.

Currently, there is \$26,000.00 in the Room Tax Fund of the City of Newport budget to be used for the Tourism Facilities Grant Program. Once these funds are distributed, the program will cease unless the City Council budgets monies for it to continue. The City Manager has established a process for distributing these final funds.

Once grant applications are received, the City Manager will review and rate the applications and make a recommendation(s) regarding award of the remaining funds to the City Council for consideration of the recommendation(s). After approval of recommendation(s) by the City Council, the City Manager, on behalf of the City of Newport, will enter into an agreement with the grantee that will spell out the terms of the grant and the time frame in which the grant funds will be released. Each agreement will be tailored to fit the grantee's proposed project. The grantee will be required to indemnify the City of Newport from financial liabilities incurred by the project. The grant funds will not be distributed until the matching dollars for a project have been raised.

Each application will be considered on its own merits. Each application will be judged by the criteria attached to the City of Newport Tourism Facilities Grant Program - Final Grant Round Rules, as Exhibit A.

Submission of an application does not ensure funding. Funding decisions will be made based on the criteria in Exhibit A of the City of Newport Tourism Facilities Grant Program - Final Grant Round Rules.

The City Manager will review and rate all applications and make a recommendation(s) regarding award of the remaining funds to the City Council for consideration of the recommendation(s). After approval of recommendation(s) by the City Council, the City Manager, on behalf of the City of Newport, will enter into an agreement with the grantee that will spell out the terms of the grant and the time frame in which the grant funds will be released. Each agreement will be tailored to fit the grantee's proposed project. The grantee will be required to indemnify the City of Newport from financial liabilities incurred by the project. The grant funds will not be distributed until the matching dollars for a project have been raised.

The applicant should respond via e-mail to [p.hawker@newportoregon.gov](mailto:p.hawker@newportoregon.gov). The application deadline is Friday, February 19, 2016, at 3:00 P.M., PST.

**PREVAILING WAGE**

Please note that use of City funds in a public works project may subject your project to prevailing wage laws. You may wish to consider whether acceptance of Tourism Facilities Grant Funds will subject your project to prevailing wage and review the project budget in light of that determination.

**City of Newport  
169 SW Coast Highway  
Newport, Oregon 97365  
541.574.0613**

CITY OF NEWPORT  
TOURISM FACILITIES GRANT APPLICATION

Name of Applicant/Organization: Oregon Coast Council for the Arts  
Mailing Address & City: PO Box 1315, Newport  
Contact Person: Catherine Rickbone  
Contact Phone No.: (541) 574-2652  
Contact E-Mail Address: crickbone@coastarts.org  
Project Title: PAC Lobby Expansion  
Total Project Budget: \$ 332,267  
Amount Requested: \$ 26,000  
Submitted by: Barbara Berge  
Title: Capital Campaign Assistant

I. General

Check the appropriate boxes below.

Is the project proposed by a government agency? Yes  No

OR

Is the project proposed by a non-profit organization? Yes  No   
(A non-profit agency is defined as a 501(c) organization)

Will the project encourage people to travel to Newport from more than 50 miles away? Yes  No

Will the project encourage people to spend the night in Newport? Yes  No

Is the reason the project encourages visitors due to one or more of the following? (Check all that apply):

- Business
- Pleasure
- Recreation
- Arts
- Heritage
- Culture

Are you requesting funding for improved real property with a useful life of at least ten years? Yes  No

## II. Project Description

In this section, describe the project and how it meets the criteria outlined in Exhibit A of the City of Newport Tourism Facilities Grant Program - Final Grant Round Rules. First review the heading and questions, then check all boxes that apply to the project or give short answers. Finally, provide a narrative explaining how the project addresses the questions. The length of the answer to any question is optional, however, the applicant should attempt to answer all questions. Applicants are encouraged to be as concise as possible.

### A. Summary description of the project (summarize the project so that reviewers have a general sense of the project)

The additional funds requested will be used specifically to offset the unexpected costs related to the roof design of the Lobby expansion phase of the capital campaign. At one of our planning meetings with the City Engineer, we were asked to incorporate the existing flat roofed area over the offices into our remodel. We agree that a sloped roof will be more aesthetic, and will also eliminate long-range maintenance issues associated with the flat roof. This more extensive sloped roof area was not in our original estimates or fund-raising goals. Working with the architects they have estimated the difference in costs. An estimate for the sloped roof (2,516 sq ft) is \$75,000.00. Extending the flat roof over just the new lobby area (720sq ft) would be around \$25,000.00. It could cost about \$50,000.00 more to construct the sloped roof over the entire office and lobby extension. Our request would provide about 50% of the unexpected extra costs.

### B. Business Plan and Budget: (25 points)

What is the total cost of the project? (The existing budget is \$282,267 plus an additional \$50,000 for the roof project)	<u>\$332,267</u>
What is the amount requested from the city?	<u>\$26,000</u>
What is the ratio of the request to the total cost?	<u>1 : 12</u>
What funds have already been raised for the project? (Include the source of funds, i.e., cash on hand, grants awarded, grants committed.)	<u>\$273,732(Individual donations Ford Family Foundation, Fundraising Events</u>
What funds remain to be raised for the project?	<u>\$58,535</u>

How are the remaining funds to be raised? (Other grants, pledges, etc.) City of Newport Tourism Facilities Grant, local fundraising events at the PAC, direct donor solicitation, Lobby naming opportunities and 2012 Newport Tourism Facilities Grant.

Does the project provide a service that the city currently funds? Yes  No

Does the project require continued support from the city? If yes, explain. Yes  No

When do you anticipate completion of the project? December 2016

What is the plan for operations over a 3 - 5 year period? The plan for operations over a 3 - 5 year period is based on the existing model where the City of Newport owns the PAC and supports maintenance activities, the OCCA manages operations of the PAC, and collaborative partners and users of the PAC support operational costs through rental and user-fees. A financial 3-5 year Pro Forma is available upon request.

How does the project demonstrate financial stability? The goal of the PAC Lobby Expansion Project is to allow for simultaneous performances in the Alice Silverman and Studio Theatres and as a stand-alone community meeting space. By significantly expanding the performance capacity of the PAC, OCCA and the PAC Resident Artist Teams (PAC RATS) will generate more programmatic revenue each year while having minor rental rates and user-fees increases.

How does the project demonstrate a viable business plan? The PAC Remodel and Expansion Project provides a prudent and sustainable strategy to ensure the OCCA has the resources and capacity to provide the highest level of service to the community and visiting patrons for the foreseeable future. Currently, approximately 40 percent of the PAC's annual revenue is derived from rents, surcharge, and advertising. By significantly expanding the performance capacity of the PAC, this project will allow the OCCA and the PAC RAT's to generate more programmatic revenue each year while having minor rental rates or user-fees increases. This approach is critical, especially in a time when economic uncertainty is leading many organizations and individuals to be more sensitive to cost increases. A five year pro forma was developed in 2013 to forecast the impacts of the overall campaign. (Available on request.)

C. Tourism Spending: (15 points)

How does the project encourage overnight stays? The "Americans for the Arts" estimate that 32% of attendees of cultural performances come from outside the county in which the performance is staged. Since many performances at the PAC occur in the evening, it is highly likely that a large percentage of the out-of-town attendees will spend the night in Newport. This is consistent with the *Vision 2020* statement, "Tourists choose to extend the time they stay in Newport not only because of the range of recreational opportunities, but also to enjoy an array of arts

and cultural opportunities.”

**How does the project encourage increased spending at local businesses?**

In their study “Arts & Economic Prosperity IV”, the Americans for the Arts shows that non-local attendees spend twice as much as local attendees (\$39.96 vs. \$17.42). Local and non-local audience expenditures tend to focus around restaurants, hotels and hospitality services. Additionally, non-local audience attendees are likely to spend on lodging, fuel and groceries.

**How does the project increase the capacity for tourism?** Simultaneous performances occurring in the Alice Silverman and Studio Theatres will result in an increase in the variety and number of performances that will be staged at the PAC. This will have a direct impact on expanding the capacity of the PAC to work as a magnet for tourism to the community.

**D. Facility Usage:** (Check all that apply) (10 points)

**Is the project open year round:** Yes  No   
If yes:

Daily   
Weekdays   
Weekends   
Once a week

**Is the project seasonal:** Yes  No

Daily   
Weekdays   
Weekends   
Once a week

**Is the project off-season:** Yes  No

Daily   
Weekdays   
Weekends   
Once a week

**Is the project monthly:** Yes  No

Daily   
Weekdays   
Weekends   
Once a week

Is the project open on holidays: Yes  No  Only

**Other:** The PAC is available for use by collaborative partners throughout the year. Therefore, the project itself will impact all seasons and all time periods. However, specific performances and activities may be targeted to specific seasonality and time periods based on the needs and strategies employed by the organizations utilizing the amenities at the PAC for their programs.

Will the project attract repeat visits:

- during a single stay? Yes  No
- during a single season? Yes  No
- over a single year? Yes  No
- over multiple years? Yes  No

**What is the potential for repeat business?** Traditionally, cultural performances are heavily dependent on repeat business. This is not only true to local audiences who may be a "season ticket holder" to a theatrical group or local symphony, this is also a prevalent trend in cultural tourism. It is common for visitors from within the region state to make annual trips to venues like the Oregon Shakespearean Festival in Ashland, the Blues Festival in Sisters, the Britt Festival in Jacksonville, or the Oregon Coast Jazz Party in Newport. These annual pilgrimages to attend music festivals, theatrical performances are a somewhat unique and powerful asset within the tourism industry.

**What is the regularity of usage?** Oregon Coast Council for the Arts collaborates with 12 resident theatre, dance and music companies. For Fiscal Year 2014/15, the PAC was home to 121 performances. In addition to ticketed events, the PAC is in use over 350 days each year with rehearsals, meetings, set construction crews, weekend box office support and community events.

**Does the project allow for multiple activities or uses? State size and types of events.** This project will expand the performance capacity of the PAC by providing the opportunity to stage simultaneous performances at the Silverman and Studio Theatres. The PAC Lobby also serves as a stand-alone meeting space for many area service organizations and groups. Recently, the Lobby has hosted numerous training seminars, fundraisers and community meetings. Expansion of this area will allow an increased community use of this area.

**Is there a particular new demographic that the project is intended to reach? (Check all that apply)**

- Children
- Families
- Adults 21+
- Seniors
- Groups

- Business
- Pleasure
- Arts
- Heritage
- Cultural
- Sports
- Other

**E. Economic Impact: (20 points)**

**Are project funds to be spent locally on:**

- Planning            Yes     No
- Design             Yes     No
- Construction      Yes     No
- Post-Completion   Yes     No

**How does the project create local jobs in all phases?** We've hired the local architect firm of Goebel and Capri. We will be utilizing the bidding process of the City of Newport which may or may not result in the use of a local contractor.

**What is the projected economic impact?** There are a number of ways to project the economic impact of this project. Clearly the \$332,267 that will be spent on the remodel and expansion of the PAC Lobby will have an impact locally and will produce a multiplying effect on the economy. The expansion of the Lobby is the sixth Phase in our efforts to increase the audience, community and performance capacity at the PAC. The additional Lobby space will allow for simultaneous performances in the Alice Silverman and Studio Theatre. If the newly remodeled and expanded PAC averages only a 25 percent increase in annual performances, this would result in an additional \$185,611 in local economic impact each year.

**Will the project create spin-off businesses?** While this project doesn't focus on the development of spin-off businesses, it will impact the development and sustainability of the existing companies that use the PAC and conduct business within the City.

**F. Other: (5 points)**

**How does the location relate to the current tourism hubs?** According to the Dean Runyan Report, visitor spending on arts, entertainment and recreation already exceeds \$18.9 million a year. The PAC is one of Newport's premier tourism hubs associated with this spending. This project expands and enhances the PAC and, therefore, supports cultural tourism in Newport.

**How is the project energy efficient or environmentally friendly?** This project will incorporate many energy saving measures as possible, including upgrading to energy-efficient LED lighting in the lobby.

**What is the effect of the project on local livability components?** The project will provide distinct benefits to the livability of Newport by an increase in the variety and number of performances at the PAC

**Is there any additional information that you would like the committee to consider?**  
The PAC is part of Newport's total tourism package. When other facilities close for the day, the PAC opens for business encouraging people to experience the arts and to stay overnight.

**G. Overall Project (25 points)**

**H. Required Attachments**

1. IRS determination letter for 501(c) - if applicable;
2. Executive Summary of the business plan for the project, including a budget;
3. Timeframe for fundraising;
4. Timeframe for project construction/completion.

**Optional Attachments**

1. Drawings of any facility and floor plan to be constructed or renovated with the requested funds

**Executive Summary – As of 2/16/16  
“Entertain the Future!”**

**Project:**

On the eve of the Newport Performing Arts Center’s 28<sup>th</sup> anniversary we are undertaking the next two phases of a multi year capital campaign. *This application requests funding specifically for Phase 6, Lobby Expansion.* With Phases 1-4 of the PAC Remodel and Expansion Project completed, the dream continues to meet the expectations that the community, the area, and the region have come to expect. Still growing after 27 years the PAC embodies many of the ideas that initially compelled this community and foundations to support its construction. In the ensuing time over one-half million people have come through its doors. The PAC is a destination!

Over the last 28 years over 584,000 people have attended ticketed performances. (Data taken from OCCA ticketed attendance records.) Audiences have experienced the performing arts: theatre, music, dance “At the PAC.”

Additionally, during this time, another 125,500 individuals have experienced the arts, in one form or another, at the PAC through school shows, local and county community events, regional and statewide music festivals, and regional meetings, whereby attendees stay in local hotels, eat at local restaurants while attending and doing business at the PAC.

The PAC is “home” to:

- three theatre companies
- three dance companies
- a symphony orchestra
- two choral companies
- an international film series
- OMTA (Oregon Music Teachers Association – Lincoln County branch)
- New Visions Arts

In addition OCCA presents: An international jazz party, live in HD performances, such as Met Opera, National Theatre London, Broadway plays, and international art museum exhibits

With the PAC Remodel and Expansion Project, the community has an opportunity to capitalize on the visions that excited so many people years ago to draw more tourists, audience and high quality touring performers to Newport.

The PAC Remodel and Expansion Project focuses on three primary goals. These include:

- 1) enhance the audience experience by upgrading key equipment
- 2) increase the range of performances appropriate to the PAC by expanding the Studio Theatre physically and technologically to allow it to serve as a formal performance space
- 3) increase the performance capacity of the PAC by creating the ability to stage simultaneous performances in the Silverman and Studio Theatres. To accomplish these goals the following key upgrades and expansions will be undertaken.

## **Background:**

**1983** – PAC concept floated

**1985-1988** - The 1.7 million to construct the building was secured from the City of Newport's Urban Renewal funds, regional grants, individual donations and vigorous local fundraising with local companies and the Oregon Coast Council for the Arts (OCCA) taking the lead.

**September 17, 1988** - The Newport Performing Arts Center was completed and dedicated. At the dedication there were not only community members, dignitaries, local arts representatives, and city officials, all exhibiting a great deal of pride, but representatives from the Oregon Arts Commission and the National Endowment for the Arts who spoke glowingly about this accomplishment called the Newport Performing Arts Center (PAC). It was proclaimed nothing short of a miracle that a small fishing village, such as Newport, could create and complete such a visionary structure for the performing arts to support local and area youth and adults and to attract tourists to Newport and to the venue.

**1989 – 2011** - OCCA along with PAC RATs, the resident companies, have provided other upgrades, including furniture, draperies, stage lighting fixtures, HVAC timing system, additional rigging, new movie screen and HD equipment, pianos, acoustic towers and more.

**2002-2003** – Fourteen years from opening, necessary and needed upgrades and remodels occurred at the PAC. The expansion of the lobby, box office, administrative offices and addition of a conference room allowed OCCA and the PAC to be more efficient to arts patrons and to expand usefulness to the performing companies. Once again the City of Newport's Urban Renewal monies, regional grants, donations, and local fundraising by the resident companies and OCCA, helped make the 2002 efforts possible.

**2012** - The PAC once again is in need of upgrades, remodels and expansion, as is usual for any building that receives the intense use and programming impact the PAC experiences. The PAC is in use over 350 days per year. If cultural events are happening in Newport, it's probably at the PAC. Very seldom is it "dark."

**2013-2015** – Phases 1-4 of "Entertain the Future!" were completed. Significant upgrades have occurred to the Alice Silverman Theatre with a total replacement of the sound and PA system, the addition of the Meyer 'Constellation' Acoustic system, and the replacement of outdated and failing lighting systems. In addition, the signage and building marquee have been updated to allow for better marketing of the multiple events occurring at the PAC.

**2016** - Phases 5 and 6 are well underway. Architectural work is 90% complete. Funding is primarily in place to proceed with bidding and construction, with completion by the end of the year.

### Overview of Project Goals:

The overview of project goals for PAC project are to (1) enhance audience experience, (2) expand performance capacity and (3) increase the range of performances.

#### (1) Enhance Audience Experience

- Improve Sound and Lighting (Silverman)- *Started 2013 and Completed 2015*
- Improve Use and Flexibility of Studio
- Improve Common Space Amenities (Lobby and Women's Restroom)-*Current Project*

#### (2) Expand Performance Capacity

- Increase use of Silverman Theater by reducing downtime associated with "set-up/tear down functions"-*Completed 2015*
- Increase seating capacity and flexibility in Studio Theatre
- Increase capability to operate simultaneous programming
  - a. Separate entrances to theatres
  - b. Separate green rooms and backstage space
  - c. Larger more flexible lobby, concession space, and restrooms- *Current Project*
  - d. Sound proofing and independent equipment

#### (3) Increase the Range of Performance

- New performance possibilities created from improved acoustic capability in Silverman-*Completed 2014*
- New performance possibilities created by enlarged size and enhanced features of Studio Theatre.

### Overview of Proposed Remodel & Expansion Elements:

The purpose of the remodel and expansion elements is to improve the experiences of PAC attendees in the (1) Alice Silverman Theatre, (2) Studio Theatre and (3) public spaces in the PAC.

#### (1) Alice Silverman Theatre Upgrades

- Sound (P/A, Amps, Microphones, Monitors, Sound Board) – *Completed 2013*
- Sound (Meyer ‘Constellation’ Acoustic System) – *Completed 2014*
- Lighting – *Completed 2015*

#### (2) Studio Theatre and Support Area Upgrades

- Expand Capacity
- Improve Seating (including flexible configurations)
- Improve Staging
- Separate Entrance
- Improve Green Room and Back Stage Area

#### (3) Public Space Upgrades

- Expand Lobby- *Current Project*
- Remodel of Women's Restroom – *Current Project*
- Expand Backstage and Green Room Area

### Estimated Project Budget for Lobby Expansion

•Permits	\$ 5,000.00
•Architect and Design Fees	\$ 24,990.00
•Addition of 612 sq. ft. X \$225.00 sq.ft. Based on the current commercial project being done by the Hospital Foundation for their Health Education Center.	\$137,700.00
•Alterations to current building. Demolition, relocation of office window, <b>Includes the additional roof over administration offices.</b>	\$ 80,000.00
•Flooring Includes removal and prep for all new flooring.	\$ 24,690.00
•Furniture Additional multi use lobby tables and chairs.	\$ 7,000.00
•Multi Media Upgrades Display screens, digital projection equipment for meeting use and production companies.	\$ 10,000.00
•Lighting and Sound Reconfigure lighting controls, new energy efficient lighting, extend sound system to new area, install PA system for meetings and alternate uses.	\$ 20,000.00
•Reconfigure Concession Area Reconfigure access, and customer counter areas.	\$ 5,000.00
•Contingency	<u>\$ 17,887.00</u>
<b>Total</b>	<b>\$ 332,267.00</b>

### Fundraising Timeline

Funds Raised to Date: \$ 273,732.00  
(Individual Donors, Ford Family Foundation, Fundraising Events)

Remaining Funds to Raised in 2016: \$ 58,535.00

### Fundraising Sources for 2016

City of Newport Tourism Facilities Grant- 2016 \$ 26,000.00

Local Fund Raising Goal for 2016 \$ 32,535.00

•Events Planned in 2016:

Country on the Coast March 18  
Hallie Loren in Concert June 11  
Pendleton Men’s Chorus June 25  
Louden Wainwright September 17  
Capitol Steps November 3,4

•Naming Opportunities for Lobby Elements and Lobby Overall

•Wish List Donations

### Project Timeline

Summer 2015 Hire Architect Firm—Contract with Goebel and Capri August 4, 2015  
Fall 2015 Convene Design Review Committee  
Meetings held to date: September 30, 2015 / January 8 & 27, 2016  
February 2016 Building Permit Application  
March 2016 RFP/ Bidding for Construction  
May 2016 Contractor Selection  
June-December 2016 Construction

**Internal Revenue Service**

**Department of the Treasury**

**P. O. Box 2508  
Cincinnati, OH 45201**

Date: May 22, 2000

**Person to Contact:**  
Robert Molloy 31-04023  
Customer Service Representative  
**Toll Free Telephone Number:**  
8:00 a.m. to 9:30 p.m. EST  
877-829-5500  
**Fax Number:**  
513-263-3756  
**Federal Identification Number:**  
93-0696250

Oregon Coast Council of the Arts  
P.O. Box 1315  
Newport, OR 97365-0101

Dear Madam:

This letter is in response to your request for a copy of your organization's determination letter. This letter will take the place of the copy you requested.

Our records indicate that a determination letter issued in May 1978 granted your organization exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code. That letter is still in effect.

Based on information subsequently submitted, we classified your organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in sections 509(a)(1) and 170(b)(1)(A)(vi).

This classification was based on the assumption that your organization's operations would continue as stated in the application. If your organization's sources of support, or its character, method of operations, or purposes have changed, please let us know so we can consider the effect of the change on the exempt status and foundation status of your organization.

Your organization is required to file Form 990, Return of Organization Exempt from Income Tax, only if its gross receipts each year are normally more than \$25,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of the organization's annual accounting period. The law imposes a penalty of \$20 a day, up to a maximum of \$10,000, when a return is filed late, unless there is reasonable cause for the delay.

All exempt organizations (unless specifically excluded) are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more paid to each employee during a calendar year. Your organization is not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, these organizations are not automatically exempt from other federal excise taxes.

Donors may deduct contributions to your organization as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to your organization or for its use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

-2-

Oregon Coast Council of the Arts  
93-0696250

Your organization is not required to file federal income tax returns unless it is subject to the tax on unrelated business income under section 511 of the Code. If your organization is subject to this tax, it must file an income tax return on the Form 990-T, Exempt Organization Business Income Tax Return. In this letter, we are not determining whether any of your organization's present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

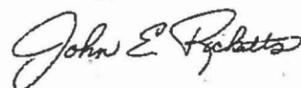
The law requires you to make your organization's annual return available for public inspection without charge for three years after the due date of the return. You are also required to make available for public inspection a copy of your organization's exemption application, any supporting documents and the exemption letter to any individual who requests such documents in person or in writing. You can charge only a reasonable fee for reproduction and actual postage costs for the copied materials. The law does not require you to provide copies of public inspection documents that are widely available, such as by posting them on the Internet (World Wide Web). You may be liable for a penalty of \$20 a day for each day you do not make these documents available for public inspection (up to a maximum of \$10,000 in the case of an annual return).

Because this letter could help resolve any questions about your organization's exempt status and foundation status, you should keep it with the organization's permanent records.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

This letter affirms your organization's exempt status.

Sincerely,

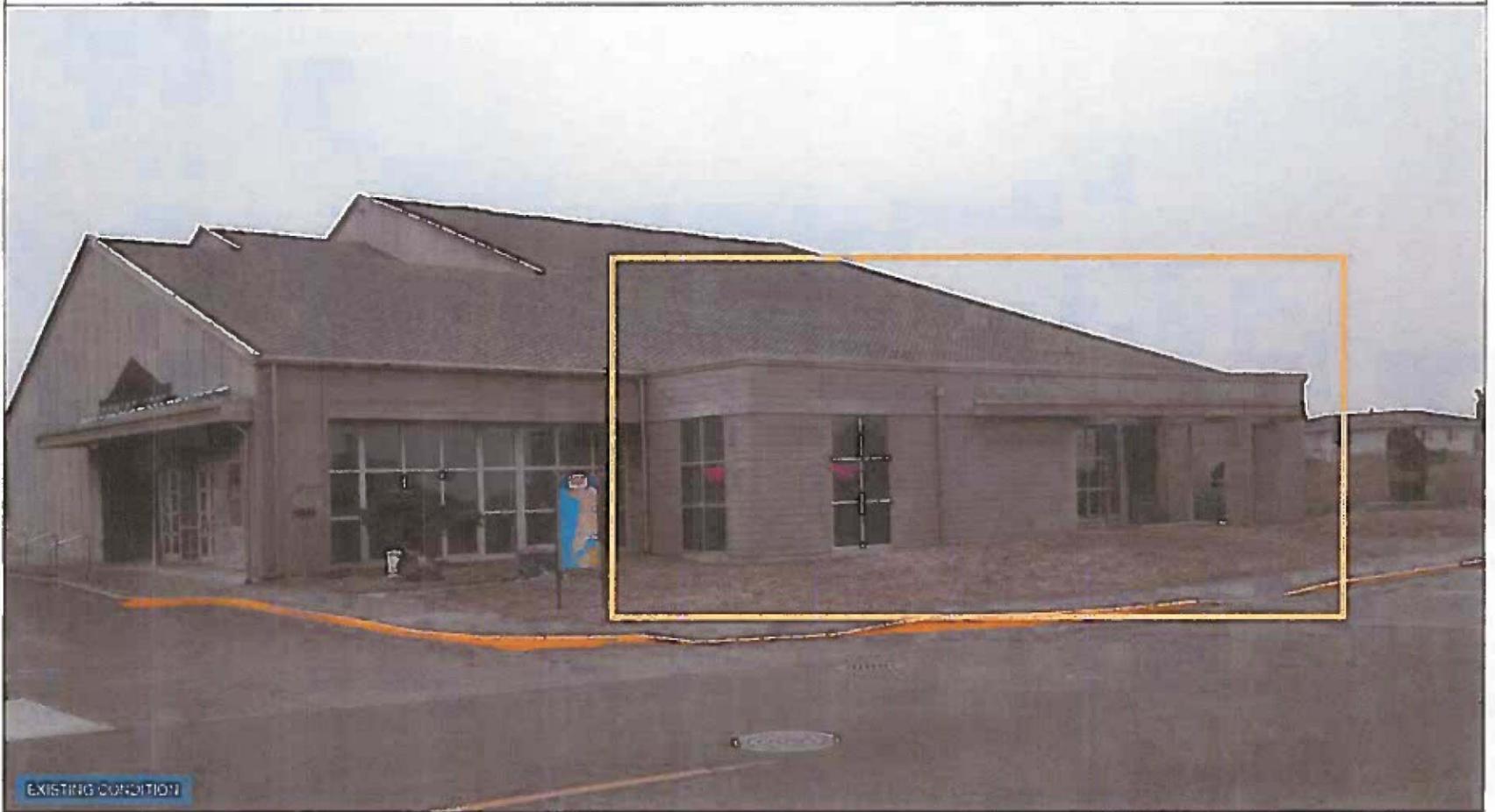


John E. Ricketts  
Director, TE/GE CAS

**NEWPORT PERFORMING ART CENTER**  
ENTRY ADDITION

**DHGoebel, Architect**  
541.270.2758 dietmar@dhgoebel.com

**capriarchitecture**  
541.961.0503 info@capriarchitecture.com



EXISTING CONDITION

**NEWPORT PERFORMING ART CENTER**  
ENTRY ADDITION: DESIGN PHASE SUBMITTAL - 30 SEPTEMBER 2015

**DHGoebel, Architect**  
541.270.2758 dietmar@dhgoebel.com

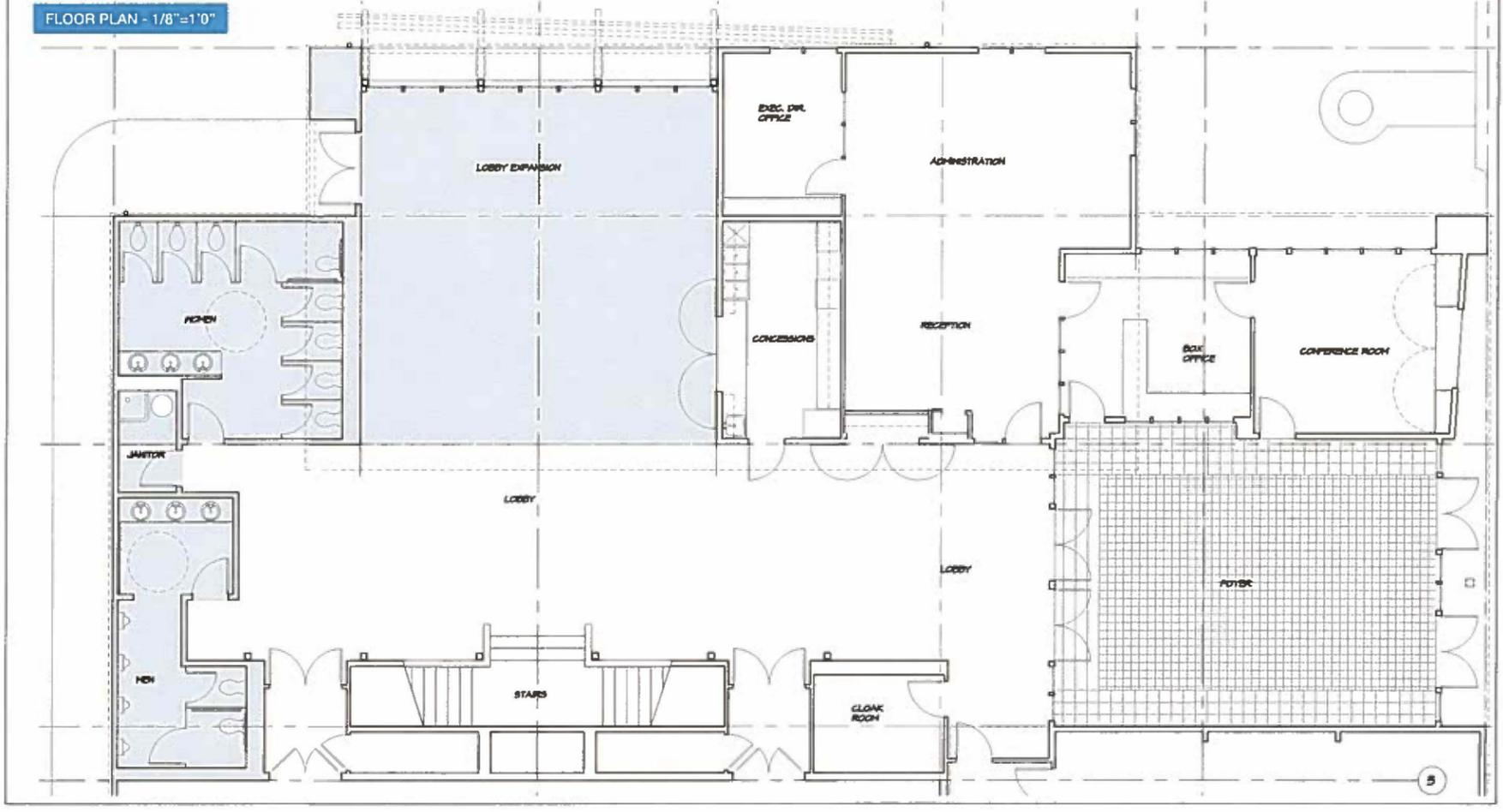
**capriarchitecture**  
541.961.0503 info@capriarchitecture.com



ENTRY PERSPECTIVE

EXISTING CONDITION

FLOOR PLAN - 1/8"=1'0"

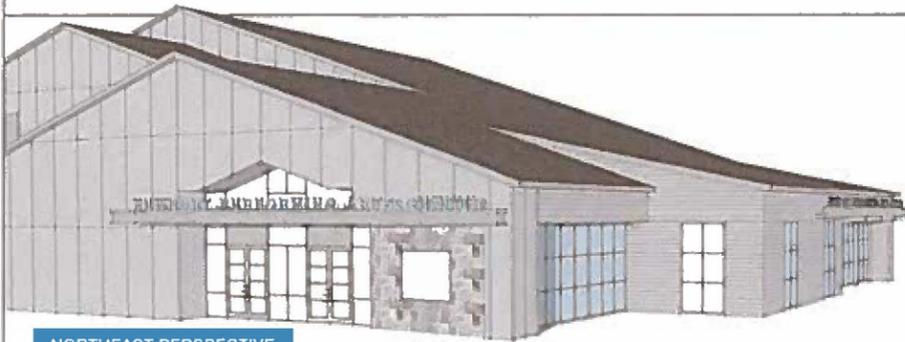


# NEWPORT PERFORMING ART CENTER

ENTRY ADDITION: DESIGN PHASE SUBMITTAL - 30 SEPTEMBER 2015

**DHGoebel, Architect**  
541.270.2758 dietmar@dhgoebel.com

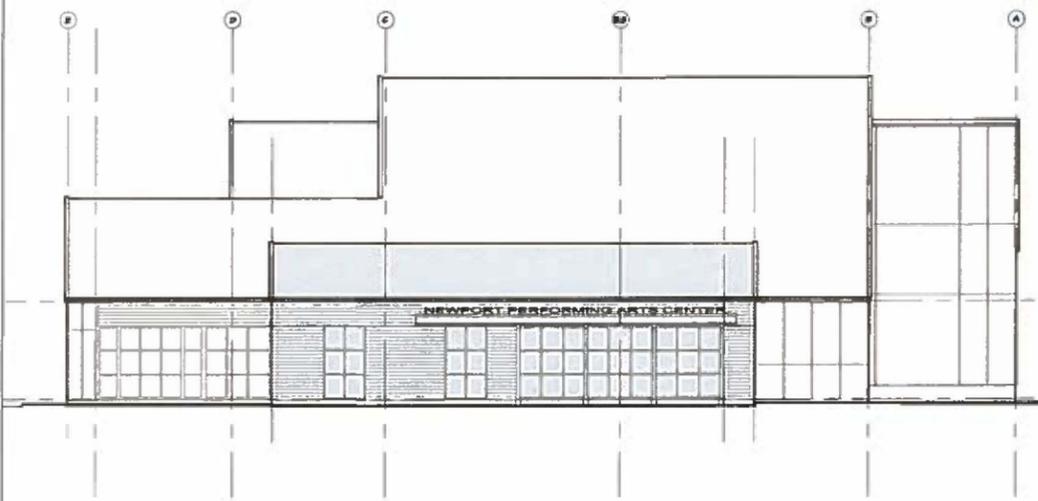
**capriarchitecture**  
541.961.0503 info@capriarchitecture.com



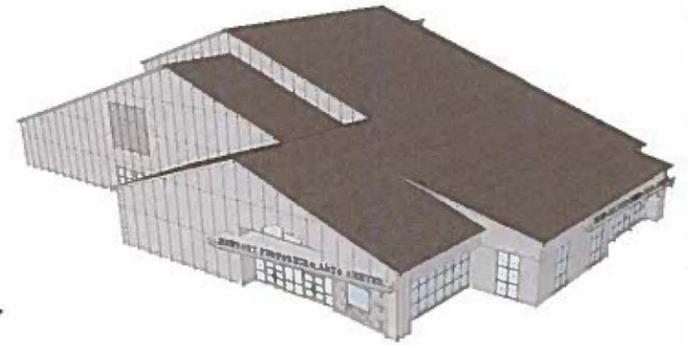
NORTHEAST PERSPECTIVE



NORTHWEST PERSPECTIVE



NORTH ELEVATION - 1/16"=1'0"



AERIAL PERSPECTIVE

**CITY OF NEWPORT  
TOURISM FACILITIES GRANT APPLICATION INSTRUCTIONS**

**Answer questions completely within the page limitations provided below. Applications will be considered based on the criteria outlined in the City of Newport, Tourism Facilities Grant Program - Final Grant Round Rules. Applicants may be contacted to provide more information. All applications are to be submitted by e-mail to: Peggy Hawker, at [p.hawker@newportoregon.gov](mailto:p.hawker@newportoregon.gov). The application deadline is Friday, February 19, 2016, at 3:00 P.M., PST. Applications submitted in another format will not be accepted. Only one application per entity allowed.**

Please Note:

1. These funds were created by transient room tax collections. There are legal restrictions on how the money may be spent, and if the project cannot meet the legal requirements, the project cannot be funded. Definitions are included in the Tourism Facilities Grant Program - Final Grant Round Rules.
2. The Newport City Manager has established policies governing the final round of the Tourism Facilities Grant Program. A copy of those policies is attached to this application.
3. Applicants will be selected for funding based on information included in the application materials.
4. A one-to-one funding match is required.
5. Applicants must be a 501(c) organization or government entity, and have previously received Tourism Facilities Grant funding.

Currently, there is \$26,000.00 in the Room Tax Fund of the City of Newport budget to be used for the Tourism Facilities Grant Program. Once these funds are distributed, the program will cease unless the City Council budgets monies for it to continue. The City Manager has established a process for distributing these final funds.

Once grant applications are received, the City Manager will review and rate the applications and make a recommendation(s) regarding award of the remaining funds to the City Council for consideration of the recommendation(s). After approval of recommendation(s) by the City Council, the City Manager, on behalf of the City of Newport, will enter into an agreement with the grantee that will spell out the terms of the grant and the time frame in which the grant funds will be released. Each agreement will be tailored to fit the grantee's proposed project. The grantee will be required to indemnify the City of Newport from financial liabilities incurred by the project. The grant funds will not be distributed until the matching dollars for a project have been raised.

Each application will be considered on its own merits. Each application will be judged by the criteria attached to the City of Newport Tourism Facilities Grant Program - Final Grant Round Rules, as Exhibit A.

Submission of an application does not ensure funding. Funding decisions will be made based on the criteria in Exhibit A of the City of Newport Tourism Facilities Grant Program - Final Grant Round Rules.

The City Manager will review and rate all applications and make a recommendation(s) regarding award of the remaining funds to the City Council for consideration of the recommendation(s). After approval of recommendation(s) by the City Council, the City Manager, on behalf of the City of Newport, will enter into an agreement with the grantee that will spell out the terms of the grant and the time frame in which the grant funds will be released. Each agreement will be tailored to fit the grantee's proposed project. The grantee will be required to indemnify the City of Newport from financial liabilities incurred by the project. The grant funds will not be distributed until the matching dollars for a project have been raised.

The applicant should respond via e-mail to [p.hawker@newportoregon.gov](mailto:p.hawker@newportoregon.gov). The application deadline is Friday, February 19, 2016, at 3:00 P.M., PST.

**PREVAILING WAGE**

Please note that use of City funds in a public works project may subject your project to prevailing wage laws. You may wish to consider whether acceptance of Tourism Facilities Grant Funds will subject your project to prevailing wage and review the project budget in light of that determination.

**City of Newport  
169 SW Coast Highway  
Newport, Oregon 97365  
541.574.0613**

CITY OF NEWPORT  
TOURISM FACILITIES GRANT APPLICATION

Name of Applicant/Organization: \_\_Newport Sea Lion Docks Foundation\_\_  
Mailing Address & City: \_\_525 NW 57 Street, Newport, OR 97365\_\_  
Contact Person: \_\_Bob Ward\_\_  
Contact Phone No.: \_\_(541) 574 4475\_\_  
Contact E-Mail Address: \_\_wcmi@live.com\_\_  
Project Title: \_\_Manufacture and Installation of the Sea Lion Docks Viewing Platform\_\_  
Total Project Budget:  \$ \_74.000  
Amount Requested:  \$ \_20,000 in addition to the \$10,000 already committed  
Submitted by: \_\_Bob Ward\_\_  
Title: \_\_Vice President, NSLDF\_\_

I. General

Check the appropriate boxes below.

Is the project proposed by a government agency? Yes  No

OR

Is the project proposed by a non-profit organization? Yes  No   
(A non-profit agency is defined as a 501(c) organization)

Will the project encourage people to travel to Newport from more than 50 miles away? Yes  No

Will the project encourage people to spend the night in Newport? Yes  No

Is the reason the project encourages visitors due to one or more of the following? (Check all that apply):

- Business
- Pleasure
- Recreation
- Arts
- Heritage
- Culture

Are you requesting funding for improved real property with a useful life of at least ten years? Yes  No

## II. Project Description

In this section, describe the project and how it meets the criteria outlined in Exhibit A of the City of Newport Tourism Facilities Grant Program - Final Grant Round Rules. First review the heading and questions, then check all boxes that apply to the project or give short answers. Finally, provide a narrative explaining how the project addresses the questions. The length of the answer to any question is optional, however, the applicant should attempt to answer all questions. Applicants are encouraged to be as concise as possible.

### A. Summary description of the project (summarize the project so that reviewers have a general sense of the project)

This request is for a further \$20,000 towards the cost of the final stage of the sea lion docks replacement program: the manufacture and installation of the public viewing platform. The City has previously provided a grant of \$50,000 in 2013 towards the cost of replacing the sea lion floating docks and \$10,000 (approved in 2014 but not yet received) towards the viewing platform that will separate members of the public from trucks servicing fishing boats moored at Port Dock 1. The total cost of this final stage of the project is \$74,000, of which the City will have provided \$30,000 if this application is successful. The overall cost of the entire project is \$180,000, of which the City will have provided a total of \$80,000. The Foundation I very grateful to the City for its financial support.

Sea lions have been using a set of floating docks adjacent to Pier Dock 1 on the Newport Bay Front for almost twenty years. The docks were originally built for use by small boats visiting Newport, but almost immediately were commandeered by sea lions. The pier at Port Dock One, which is a working dock, allows members of the public a rare opportunity to view these interesting and amusing animals from close up, and they soon became a key attraction for both tourists and Newport residents alike, and an integral feature of the Newport tourist industry. Indeed, many people regard a visit to the sea lion docks as the quintessential Newport experience. Over 300,000 people a year visit the sea lion docks, and feedback suggests that it is the sea lions that cause many people to choose Newport rather than alternative destinations.

Over the 2011/12 winter, storms severely damaged the docks, and by spring of 2012, only a 40 foot section of the original 120 foot of dock was left, and this in very poor condition. Traditionally the docks had been maintained by local businesses supplying materials and the Port of Newport supplying the associated labor. However, the Port made it clear that it had no resources to devote to repairing or replacing the sea lion docks, and this tourist attraction was in danger of disappearing. A group of local residents, including some of the Bay Front Merchants, decided to take on the task of funding the replacement of the docks, and formed a non-profit Foundation to act as the vehicle for funding the replacement and ongoing maintenance of the docks. Initially just the floating docks were to be replaced, but the Port made it a pre-condition of allowing continued

public access to the Port Dock 1 pier that a viewing platform be built abutting the pier so that people viewing the sea lions could be separated from vehicles using the pier to service fishing boats moored at the end of it. This more than trebled the cost of the project.

IRS 501.c.3 status was achieved, and the Foundation started collecting public donations and applying to funding foundations for the money. In October 2012, the final section of dock disintegrated. The Foundation bought an 80 foot length of used dock from the Port as a short term measure, and this enabled continuity to be maintained for visitors wanting to enjoy the sea lions.

In February 2014, the Foundation installed five new pilings for the floating docks, and would have replaced the floating docks themselves, but the Federal Government introduced new regulations that forbade the use of treated wood in floating docks. This caused the cost of the replacement docks to more than double, and caused a significant delay while alternatives were explored. A further 40 foot of temporary dock was installed to take advantage of the new pilings.

The docks were redesigned, to consist of ten sections of concrete dock, each separated by two feet to meet new environmental regulations, and joined by hinged steel mechanisms. The new docks were installed in September, 2014, and proved very popular with both the sea lions and the visitors watching them.

In February 2015, the five pilings that will support the new public viewing platform were put in place. It was originally hoped that the viewing platform would be installed almost immediately afterwards, but it was found that in incorporating some essential safety aspects to the design, the cost of the platform and its installation had increased significantly, from about \$40,000 to \$74,000.

Although the Foundation's fund-raising has been reasonably successful, competition is fierce and funds are proving hard to come by, and this current request for an additional \$20,000 is being made to help ensure that this final phase of the work can be completed in the near future. Knowing that this extra funding from the City is available will enable the Foundation to have the manufacture of the platform initiated while the balance of funding for the installation is put in place. It will also reduce the amount that has to be raised from other sources, and will help with that process, as many of the Foundations look for evidence of matching funds.

The project has widespread support in the community, and thanks to the continued efforts of the Foundation, there has been no interruption of the availability of the sea lion docks as a tourist attraction. A 24 x 7 web cam has been installed by OSU's Marine Mammal Institute, and can be accessed from the Foundation's web site, and a program of volunteer docents, provided in cooperation with the Oregon Sea Grant program is in place for the third. More details of the project, the Foundation and several letters of support can be viewed at the Foundation's website at [www.newportsealiondocks.com](http://www.newportsealiondocks.com).

**B. Business Plan and Budget: (25 points)**

What is the total cost of the project? \$74,000

What is the amount requested from the city? \$20,000

What is the ratio of the request to the total cost? 27%

What funds have already been raised for the project? (Include the source of funds, i.e., cash on hand, grants awarded, grants committed.) \$ 25, 570

Second grant already committed from City Tourist Facility Fund: \$10,000  
Balance of cash in hand from public donations and other sources: \$15,570

Note that over \$100,000 has already been spent on the project to date. Sources of funding have included \$22,000 from the Oregon Community Foundation, \$15,000 from Lincoln County, \$12,000 from Meyer Memorial Trust, and over \$23,000 from public donations, as well as the \$50,000 initial grant from the City's Tourist Facilities Fund.

What funds remain to be raised for the project? \$28,430

How are the remaining funds to be raised? (Other grants, pledges, etc.)

The balance of the funding will be raised using a combination of grants from Funding Foundations (\$20,000), and contributions from the public (\$3,430) and from local businesses (\$5,000)

The most likely Foundation grant sources are a second grant from the Oregon Community Foundation (\$10,000) and one from the Collins Foundation (\$10,000), but if the current application are unsuccessful, there are others foundations whose criteria are met by the project. Public donations come via the Foundation's website, from a donation box on Port Dock One, and from donation boxes in 12 local businesses. Because of the poor economy in recent years, we have not targeted local businesses, but there is widespread recognition of the value and importance of the sea lion docks for the local tourist economy, and we believe that businesses will be responsive to an appeal once we know how much is required to finish the project. Note that the City requirement for a dollar to dollar match will be met.

Does the project provide a service that the city currently funds? Yes  No

Does the project require continued support from Yes  No

the city? If yes, explain.

When do you anticipate completion of the project?

All of the in-water work (which can only take place from November 1 to February 15 each year) associated with the project has now been completed, so the only constraint is the availability of the funds, and the time needed to manufacture and install the viewing platform. It is hoped that the work will be completed by the end of 2016, provided that the current funding applications are successful. However, even if there are delays, it is hoped that the work will be completed by the middle of 2017, perhaps allowing installation in July, 2017 when the sea lions usually take their month-long annual migration to Southern California, in order to mate.

What is the plan for operations over a 3 - 5 year period?

The sea lion docks attract visitors all year round, but especially in the Tourist Season, from Memorial Day at the end of May to Labor Day in September.

After initially providing the replacement sea lion docks and the public observation platform, the Foundation will provide funds for ongoing maintenance and for future damage replacement by collecting public donations via web-site and collection boxes. (Estimated income \$3,000 p.a.) The Foundation would also be able to apply to funding foundations in the future if, for example, a major storm destroyed the docks before the Foundation had built up sufficient funds to replace them again from its own reserves.

The annual migration by the sea lions to mate in Southern California, when they are away for about four or five weeks, provides the ideal opportunity to inspect the docks and carry out any maintenance that might be appropriate.

The Foundation is also going to promote the sea lion docks (and thus Newport) in the media and through signage on Highways 101 and 20: "This way to Sea Lion Docks" and "Newport, Home of the Sea Lion Docks!", etc., and through increased use of social media such as Facebook. None of the Room Tax funds will be used for such ongoing operating costs. In recent years, Newport has seen a reduction in its share of visitors to the central Oregon coast, and perhaps this will help redress that situation.

The Foundation has no staff and all Board members are unpaid volunteers, so there are almost no operating costs, just very minor costs like that of providing collection boxes, paying for the web site, printing and annual reporting costs.

How does the project demonstrate financial stability?

The Foundation's Board includes four experienced business people with successful track records, and the project has wide public appeal. The Foundation has achieved 501.c.3 status and collected over \$120,000 in donations since its inception. There are virtually no operating expenses, and lots of potential funding

sources if additional costs are faced in the future (e.g. if the new docks were destroyed prematurely by future storms or a tsunami), or if any of the current applications are rejected. This combination of factors means that the Foundation will be prudently managed so that its finances remain stable in the future. The Foundation has never had to borrow money, and has always lived within our means.

Access to the sea lion docks is free (one of its attractions) and they have been attracting and entertaining members of the public for almost twenty years in their current location. The beneficiaries of the Foundation's investment are: (a) members of the public who get a rare close-up view of these interesting and entertaining wild animals, and (b) Newport businesses and employees who will benefit from the tourists that the sea lions help to attract/retain.

The project has taken longer and the capital costs are higher than originally envisaged. This is partly because initial cost estimates were optimistic, and partly because we have had to accommodate changes in environmental regulations that increased the costs and delayed the project. However, we have, at all stages, managed the resulting changes, and have ensured that our primary aim, of attracting visitors to the City, has been continuously achieved.

How does the project demonstrate a viable business plan?

The replacement docks and the new observation decks are being funded out of public donations and a series of grants from the City and other funding sources that are mainly available because the Foundation is 501.c.3 approved.

The success of the sea lion docks does not depend on attracting paying customers, and there is about 18 years of history showing that the docks are a proven tourist attraction. The Board has at all times operated its business and its ongoing development in a prudent, conservative manner, so there is not really a risk associated with the replacement of the docks, nor a question mark over the viability of the project.

**C. Tourism Spending: (15 points)**

How does the project encourage overnight stays?

Replacement of the sea lion docks has enabled them to continue to attract visitors, who might be less inclined to visit the City if the opportunity to view these animals in the wild but close up was allowed to just disappear. More than 300,000 people visit the sea lion docks each year. From the feedback we receive, for many people the sea lion docks represent the quintessential Newport experience, and are a key element in the decision to visit Newport in the first place. This will increase as the Foundation plays a more proactive role in promoting the sea lion docks, and Newport as a whole. The Foundation's web-site already does this, but at this stage is just the tip of a potentially large iceberg. The volunteer docents, who are present

at the docks each day during the tourist season, encourage visitors to explore other attractions in Newport, and the feedback from the docents is that visitors often tell them that they are extending their stay to properly explore the City's attractions.

How does the project encourage increased spending at local businesses?

The sea lion docks are located in the heart of the Bay Front, so when visitors visit the sea lions, they are immediately exposed to the temptation of the local businesses and attractions. The experience of seeing these interesting wild animals close up can itself also spark an interest in exploring other similar experiences. For example, people might want to take marine tours, or visit the Aquarium, or HMSC, the Under Sea Gardens or other areas of interest. Some businesses actually overlook the docks and attract customers who want to refresh themselves while continuing to watch the sea lions. Other local businesses sell sea-lion related products, such as soft toys or T shirts. The longer a visitor spends in Newport, the more they are likely to spend money in local businesses, whether it be retail, food or lodging.

How does the project increase the capacity for tourism?

The project is initially about continuing to capture tourist capacity that would otherwise be lost. In addition, the forming of the non-profit Foundation provides a vehicle for interested parties such as the Board of Directors to extend their reach into promoting the sea lion docks as a Community Asset, to the benefit of both the local economy and local residents. The project is also building bridges between parts of the communities that have not always seen themselves as interwoven. For example, it is helping the Port of Newport and the Commercial Fishing Community to recognize their responsibility to the larger community, and to develop the mutual benefits that will come from working cooperatively with the tourist economy.

**D. Facility Usage:** (Check all that apply) (10 points)

Is the project open year round:                      Yes   X   No

If yes:

- Daily
- Weekdays
- Weekends
- Once a week

Is the project seasonal:                              Yes      No X

- Daily
- Weekdays
- Weekends
- Once a week

Is the project off-season: Not Applicable Yes  No

Daily \_\_\_\_\_  
Weekdays \_\_\_\_\_  
Weekends \_\_\_\_\_  
Once a week \_\_\_\_\_

Is the project monthly: Not applicable Yes  No

Daily \_\_\_\_\_  
Weekdays \_\_\_\_\_  
Weekends \_\_\_\_\_  
Once a week \_\_\_\_\_

Is the project open on holidays: Yes  No  Only

Other: \_The project is open 24 x 7 x 365 days a year\_\_\_\_\_

Will the project attract repeat visits:

during a single stay? Yes  No   
during a single season? Yes  No   
over a single year? Yes  No   
over multiple years? Yes  No

What is the potential for repeat business?

Anecdotal evidence in the form of feedback to docents and to local businesses suggests that people visit and revisit the sea lion docks while they are in Newport. This is also verified by some of the messages that we receive via the web site. It is also the case that people come back to Newport time and time again, and visit the sea lion docks when they do so. Local businesses confirm that they see some customers over and over again. We even have people who tell us that they first visited the sea lion docks with their parents, and are now coming back with their own children.

What is the regularity of usage?

We do not have a mechanism for accurately measuring this, but estimates suggest that there are more than 300,000 visits to the sea lion docks each year, and there is anecdotal evidence that people make multiple visits

Does the project allow for multiple activities or uses? State size and types of events.

Not at this stage, though the creation of a "Sea Lion Fair" has been suggested.

Is there a particular new demographic that the project is intended to reach? (Check all that apply)

- Children
- Families
- Adults 21+
- Seniors
- Groups
- Business
- Pleasure
- Arts
- Heritage
- Cultural
- Sports
- Other  (Nature, recreation and education)

**E. Economic Impact:** (20 points)

Are project funds to be spent locally on:

- |                 |     |                                     |    |                          |
|-----------------|-----|-------------------------------------|----|--------------------------|
| Planning        | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> |
| Design          | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> |
| Construction    | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> |
| Post-Completion | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> |

How does the project create local jobs in all phases?

It has been the policy of the Foundation to use local resources whenever possible. However, there is no longer a local source for pile driving, for example. The Foundation had started with a local pile driver, but when he stopped doing that work, we had to use the Coos Bay piling contractor (Billeter Marine) used by the Port of Newport and most other local ports.

The floating docks were designed and constructed using local companies, Trevillion Construction and Halco Welding, who are also performing the maintenance of the docks. Local engineer John Holbrook provided the layout drawings for the various permits.

However, none of these can provide the professional engineering that is required to sign off the design of the safety-critical viewing platform, and certify its manufacture and installation. Therefore, we have had to use Billeter Marine, the Coos Bay contractor, to design, manufacture and install the viewing platform, as they have done for similar facilities in the Port of Newport. This is especially important as the design and installation are safety critical. It is anticipated that our local contractors will perform the ongoing maintenance of the platform.

What is the projected economic impact?

The value to the local economy of the use of local companies for the floating docks is of the order of \$100,000. Unfortunately, there is virtually no local benefit from the viewing platform element of the project, except of course for the hundreds of thousands of dollars that is added to the local tourist economy by the visitors who are drawn to Newport by the sea lion docks, and who might otherwise go elsewhere.

Will the project create spin-off businesses?

No. The project is not large enough to generate any spin-off businesses, as such, but some local businesses do sell sea lion toys, statuettes or other related merchandize, and of course lots of local businesses benefit from the increased business associated with additional visitors brought into the community by the sea lion docks.

**F. Other:** (5 points)

How does the location relate to the current tourism hubs?

The sea lion docks are at the heart of the Bay Front, adjacent to Mariner Square, the Bay Front shops and restaurants, and the charter fishing businesses. Nearly all of these businesses benefit directly from the fact that the sea lion docks attract large numbers of visitors to the Bay Front. Incidentally, there are complementary bus services from the Bay Front that take passengers to other tourism hubs, such as the Nye Beach area.

How is the project energy efficient or environmentally friendly?

The project consumes no energy whatsoever, requires minimal maintenance, and is effectively a part of the surrounding natural environment, and thus totally sustainable.

What is the effect of the project on local livability components?

The sea lion docks offer a unique opportunity to observe close up wild animals that are an integral element of the waterfront environment in which Newport is located. The experience is constantly varied and totally free, and perhaps epitomizes life in our Community.

Is there any additional information that you would like the committee to consider?

We would suggest that anybody evaluating this proposal looks to their own experience. The sea lion docks are one of the first place I personally take any people visiting me, and they are always a hit. Is this your experience also ?

**G. Overall Project (25 points)**

Sea lions have been using a set of floating docks adjacent to Pier Dock 1 on the Newport Bay Front for almost twenty years. The docks were originally built for use by small boats visiting Newport, but almost immediately were commandeered by sea lions. Pier Dock One allows members of the public a rare opportunity to view these interesting and amusing animals from close up, and they soon became a key attraction for both tourists and Newport residents alike, and an integral feature of the Newport tourist industry. Indeed, many people regard a visit to the sea lion docks as the quintessential Newport experience. Over 300,000 people a year visit the sea lion docks, and feedback suggests that it is the sea lions that cause many people to choose Newport rather than alternative destinations.

Over the 2011/12 winter, storms severely damaged the docks, and by spring of 2012, only a 40 foot section of the original 120 foot of dock was left, and this in very poor condition. Traditionally the docks had been maintained by local businesses supplying materials and the Port of Newport supplying the associated labor. At a meeting of stakeholders, including the Port of Newport, local business owners, Hatfield Marine Science Center and Oregon Sea Grant, it was agreed that the community wanted the docks to be replaced, but the Port explained that it had no resources to apply to the project, because of the priority needed for projects like the new NOAA dock and the new international terminal. A non-profit corporation, the Newport Sea Lion Docks Foundation, was formed by some interested local people, including some of the local merchants, in order to fund the replacement of the docks. However, the Port made it a pre-condition of allowing continued public access to the Port Dock 1 pier that a viewing platform be built abutting the pier so that people viewing the sea lions could be separated from vehicles using the pier to service fishing boats moored at the end of it. This requirement has more than trebled the cost, but adds a Public Safety element to the project's benefits.

IRS 501.c.3 status was achieved, and the Foundation started collecting public donations and applying to funding foundations for the money. In October 2012, the final section of dock disintegrated. The Foundation bought an 80 foot length of used dock from the Port as a short term measure, and this enabled continuity to be maintained for visitors wanting to enjoy the sea lions.

In-water work can only take place each year between November 1 and February 15, so as to not disturb important salmon species that are spawning in Yaquina Bay. In February 2014, the Foundation installed five new pilings for the floating docks, and would have replaced the floating docks themselves, but the Federal Government introduced new regulations that forbade the use of treated wood in floating docks, and this caused the cost of the planned replacement docks to more than double, and caused a significant delay while alternatives were explored. A further 40 foot of temporary dock was installed to take advantage of the new pilings.

The docks had been redesigned, to comprise ten sections of concrete docks, each separated by two feet to meet new environmental regulations, and joined by hinged

steel mechanisms. The docks were installed in January 2015. The new design proved very popular with both the sea lions and the visitors watching them, and almost twice as many sea lions were found to be using the new docks compared to the former design.

In February 2015, the five pilings that will support the public viewing platform were put in place. It was originally hoped that the viewing platform would be installed almost immediately afterwards, but it was found that in incorporating some essential safety aspects to the design, the cost of the platform and its installation had increased significantly, from about \$40,000 to \$74,000. There are no time constraints, as this work is not considered to be in-water, and can be undertaken as soon as the funding is in place.

Although the Foundation's fund-raising has been reasonably successful, competition is fierce and funds are always hard to come by. This current request for an additional \$20,000 is being made to help ensure that this final phase of the work can be completed in the near future. Knowing that this extra funding is in place will enable the Foundation to have the manufacture of the platform initiated while the balance of funding for the installation is put in place.

The project has widespread support in the community, and thanks to the continued efforts of the Foundation, there has been no interruption of the availability of the sea lion docks as a tourist attraction. A 24 x 7 x 365 web cam has been installed by OSU's Marine Mammal Institute, and can be accessed from the Foundation's web site, and a program of volunteer docents, provided in cooperation with the Oregon Sea Grant program is in place for the second year. More details of the project, the Foundation and several letters of support can be viewed at website [www.newportsealionsdocks.com](http://www.newportsealionsdocks.com), which also promotes Newport as a tourist destination.

#### **H. Required Attachments**

1. IRS determination letter for 501(c) - if applicable;
2. Executive Summary of the business plan for the project, including a budget;
3. Timeframe for fundraising;
4. Timeframe for project construction/completion.

#### **Optional Attachments**

1. Drawings of any facility and floor plan to be constructed or renovated with the requested funds

Required Attachments:

- 1. IRS 501(c)3 Determination Letter.

<p>INTERNAL REVENUE SERVICE P. O. BOX 2508 CINCINNATI, OH 45201</p>	<p>DEPARTMENT OF THE TREASURY</p>
<p>Date: <b>AUG 30 2012</b></p> <p>NEWPORT SEA LION DOCKS FOUNDATION C/O ROBERT MARD 525 NW 57 ST NEWPORT, OR 97165</p>	<p>Employer Identification Number: 45-5170075 DLN: 17053200308022 Contact Person: GLENN W COLLINS ID# 11392 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: April 23, 2012 Contribution Deductibility: Yes Addendum Applies: No</p>

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.

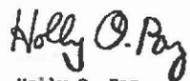
Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. We determined that you are a public charity under the Code section(s) listed in the heading of this letter.

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)

NEWPORT SEA LION DOCKS FOUNDATION

Sincerely,



Holly O. Paz  
Director, Exempt Organizations  
Rulings and Agreements

Enclosure: Publication 4221-PC

Letter 947 (DO/CG)

2. FINANCIAL STATEMENTS: Newport Sea Lion Docks Foundation

The Newport Sea Lion Docks was incorporated on April 23, 2012. The year end for the Corporation is December 31 of each year. Below are the last three year-end position. The year-end accounts for 2015 have not yet been compiled. All figures in \$.

	2012	2013	2014	
<b>Income:</b>				
Donations	7,449	13,826	6,953	
Grants	0	8,000	52,000	
<b>Total Income</b>	<b>7,449</b>	<b>21,826</b>	<b>58,953</b>	
<b>Expenditure:</b>				
Fees	460	740	60	
Temp docks	2,800	0	0	
Other costs	105	720	880	
Pilings	0	0	30,000	
<b>Total Expenditure:</b>	<b>565</b>	<b>4,260</b>	<b>30,940</b>	
<b>Balance :</b>				
Cash in Hand	6,884	24,450	52,463	
<b>Assets:</b>				
Temporary dock	2,800	1,400	0	Assets written off over 2 years
Set of pilings		0	30,000	
<b>Liabilities:</b>				
Invoice for dock	2,800	0	0	
Costs not yet incurred	0	0	1,621	
<b>Net Assets:</b>	<b>6,884</b>	<b>25,850</b>	<b>82,463</b>	
Plus City grant held by City	0	0	35,000	
<b>Available assets inc. City grant</b>	<b>4,084</b>	<b>25,850</b>	<b>117,463</b>	

Bob Ward  
Director and Secretary

02.06.2016

### 3. EXECUTIVE SUMMARY OF BUSINESS PLAN and BUDGET

The Mission of the Newport Sea Lion Docks Foundation is to fund, and to organize, the replacement and on-going maintenance of the Sea Lion Docks adjacent to Pier Dock One on the Newport Bay Front, which were severely damaged in 2011-12 by winter storms weather, and to improve the safety of the public looking at the sea lions by providing a viewing platform to separate them from trucks servicing boats moored at Port Dock 1.

The objective in replacing the docks is to provide an ongoing attraction for tourists, who have demonstrated over the past twenty years or so a liking for viewing these wild sea lions from close up, and who now form an important element of the local tourist economy.

The winter storms had caused extensive damage to the 100 foot of floating docks, and the pilings securing the docks. Replacement of pilings requires Government permits and can only take place between November 1<sup>st</sup> and February 15<sup>th</sup> each year. When the last section of the original docks finally disintegrated in October 2012, a temporary replacement 60 foot long was bought from the Port of Newport for \$2,800 and put in place until the long-term replacement docks were available.

New pilings for the floating docks were installed in February 2014, at a cost of \$30,000 but replacement docks were not available because a change in environmental regulations banning the use of treated wood meant that the design of the proposed docks had to be reassessed. A set of concrete docks were designed, and installed in January 2015, at a cost of \$41,600, and five pilings to support the new viewing platform were installed in February 2015 at a cost of \$34,283.

That leaves only the actual platform to be manufactured and installed, at a cost of about \$74,000, for a total project cost of \$180,000. Some \$26,000 is available towards that balance, consisting of cash in hand plus a \$10,000 grant that has been previously approved by the City from the Tourist Facilities Fund, but not yet distributed to the Foundation.

A further \$20,000 is now being requested from the City's Tourist Facilities fund. If the application is successful, then the City will have provided \$80,000 towards a grand total of \$180,000, or 44% of the total, which satisfies the matching funds requirement.

The balance of \$45,570 required to manufacture and install the viewing platform consists of \$55,000 for the manufacture, plus \$19,000 installation. The former is based on quotes from two alternative suppliers and the latter includes the cost of transportation to the site, and of the crane for putting the platform in place. Care is required in attaching the platform to the 50 year old wooden pier, so that the surfaces are level. The five pilings that have already been put in place to support the weight of the platform will be cut to height immediately before the platform is installed, and the cross members installed.

\$28,430 will be left for the Foundation to raise, plus any shortfall if the City is not able to provide the full \$20,000 requested from the Tourist facilities Fund. Of this, about \$3,500 will be raised from public donations via the Foundation’s web-site and from the donation boxes located on the pier and in local businesses. A further \$5,000 will be raised through a funding drive directed at local businesses that benefit from the presence of the sea lion docks. The Foundation has not targeted local businesses to date, because the economy has been suffering in recent years, and has not yet recovered from the recession of 2008-09. However, most local businesses are well aware of the debt they owe to the continued presence of the sea lion docks, and we are confident that the \$5,000 will be raised.

That leaves \$20,000 to be raised from Funding Foundations, and applications are in process with the Oregon Community Foundation and the Collins Foundation, each for \$10,000. If either of these are unsuccessful, or if there is a shortfall between the \$20,000 requested from the City and any grant that is made, then further funds will be requested from another Funding Foundation(s)

The budget for the remaining work is, therefore:

Costs:

Manufacture of viewing platform	\$ 55,000	
Installation of platform	\$ 19,000	
Total		\$ 74,000

Source of Funds:

Cash in Hand	\$ 15,570	
Grant already approved by City	\$ 10,000	
Grant being requested from City	\$ 20,000	
Public Donations to be collected	\$ 3,430	
Donations from local businesses	\$ 5,000	
Grants from Funding Foundations	\$ 20,000	
Total		\$ 74,000

4. TIMEFRAME FOR FUNDRAISING and PROJECT COMPLETION

The platform will take approximately six to eight weeks to manufacture, plus a week for installation, so the key element in determining the timescale for completion is the securing of the necessary funds. As soon as the funding for the manufacture of the platform is available, it will be ordered, so that it is being built while the Foundation completes the fundraising for the installation.

It is hoped that the project can be completed this year. The ideal time to install the Platform would be July, when the sea lions are away on their annual mating migration

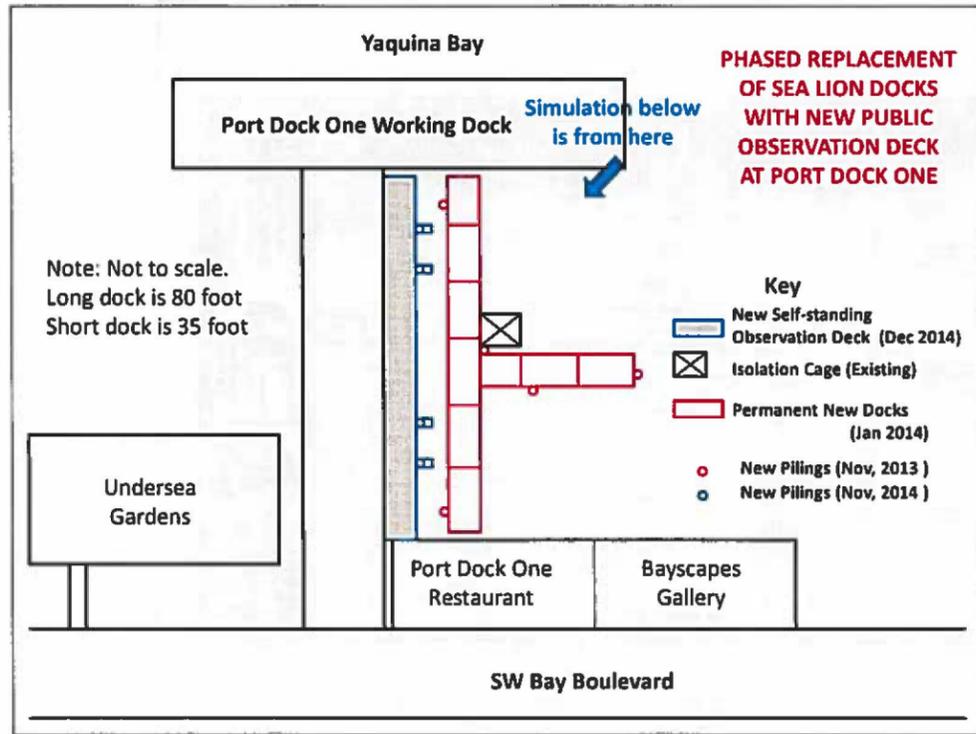
to Southern California. However, if there are any delays in obtaining the necessary funding, then the manufacture and installation of the platform will have to be delayed. This would not be a disaster, as long as the tourists continue to visit the docks.

The lowering of the viewing platform onto its supports and subsequent attachment does not have to be done during the in-water work window, as the platform is located above the high water mark.

**Optional Attachments:**

The following are attached:

1. Illustration of how the Viewing platform will look when installed.
2. Drawing of the plan and elevation of the Viewing Platform.
3. Photos of sea lions on the old and new floating docks.



Schematic of New Floating Docks and Viewing Platform

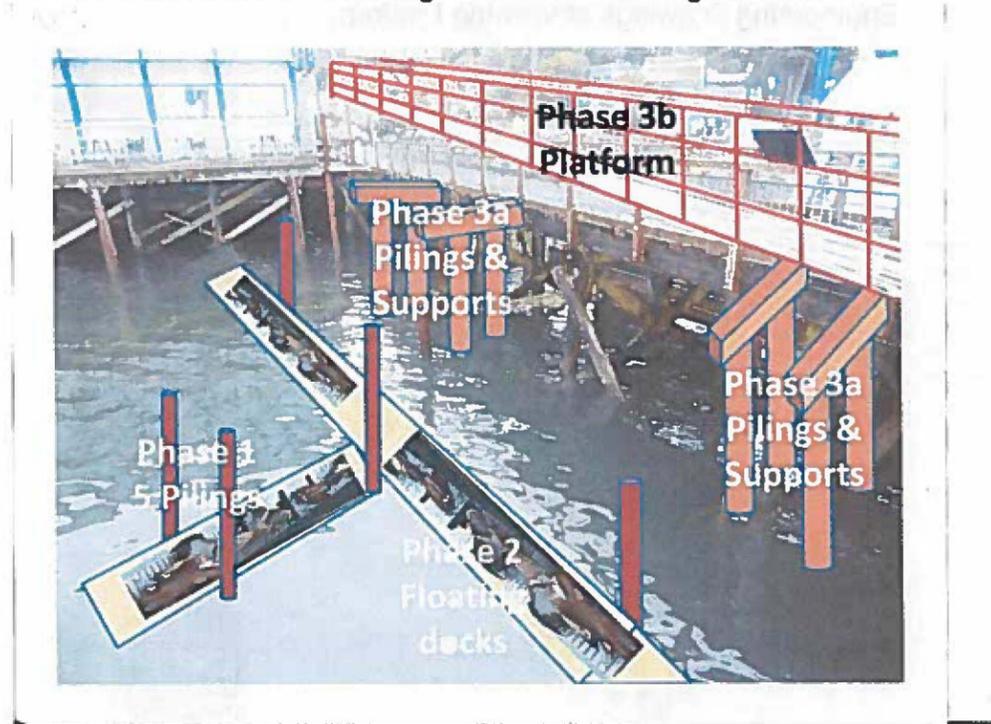
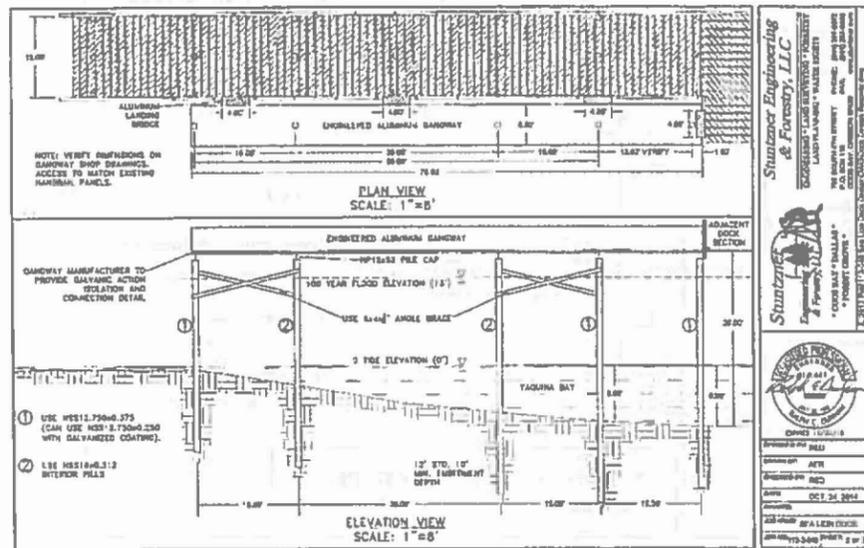
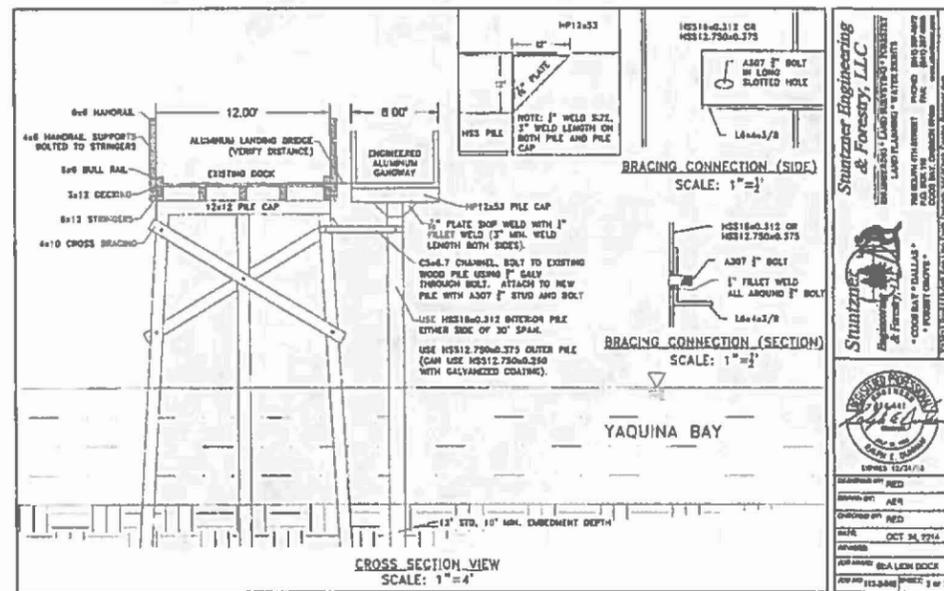


Illustration of Phased Implementation of Project

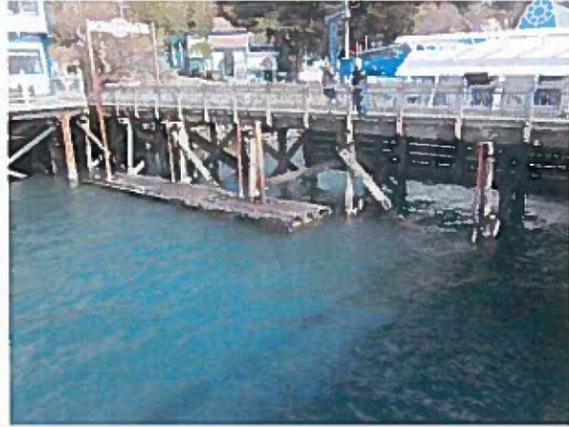


Engineering Drawings of Viewing Platform





Old docks deteriorating



Old docks almost gone



New docks, new pilings



Sea lions enjoying new docks



New pilings for viewing platform



Sign thanking major sponsors

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**AMENDMENT TO THE  
AGREEMENT FOR IMPROVEMENTS TO PERFORMING ARTS CENTER  
BETWEEN THE CITY OF NEWPORT  
AND OREGON COAST COUNCIL FOR THE ARTS**

**THIS AMENDMENT** dated April 5, 2016 is to the above described Agreement dated January 31, 2013, between the City of Newport, a municipal corporation of the State of Oregon (“City”), and Oregon Coast Council for the Arts, a nonprofit corporation of the State of Oregon (“OCCA”)

**WHEREAS**, the above described agreement describes events of default in paragraph 5; and

**WHEREAS**, one of the events of default is described in paragraph 5.A.i and provides: “Failure to provide \$250,000 in matching funds to the City by July 1, 2015”; and

**WHEREAS**, that provision has been determined to lack sufficient clarity to adequately describe the matching funds and dates by which said funds are to be provided; and

**WHEREAS**, it seems desirable and fitting to clarify said provision of the agreement

**NOW THEREFORE**, the parties acknowledge and agree as follows:

1. Paragraph 5.A.i. of the herein described Agreement is amended to read as follows:  
“Failure to provide required matching funds and/or other additional funds at the request of the City, prior to the award of any contract for a project phase.
2. Except as expressly set forth herein, all provisions of the described Agreement shall continue and remain in full force and effect during the term of the Agreement.

Approved by the City Council on April 4, 2016.

CITY OF NEWPORT

OREGON COAST COUNCIL FOR THE ARTS

---

Sandra N. Roumagoux, Mayor

---

Catherine Rickbone, Executive Director

ATTEST:

APPROVED AS TO FORM:

---

Margaret M. Hawker, City Recorder

Steven E. Rich, City Attorney

## AGREEMENT FOR IMPROVEMENTS TO PERFORMING ARTS CENTER

**BETWEEN:** City of Newport,  
a municipal corporation of the State of Oregon, (City)

**AND:** Oregon Coast Council for the Arts,  
a nonprofit corporation incorporated in the State of Oregon, (OCCA)

**EFFECTIVE DATE:** The latest date signed by the parties.

### RECITALS

- A. The City of Newport (City) is a municipal corporation with Home Rule authority pursuant to its Charter and the constitution of the State of Oregon.
- B. The Oregon Coast Council for the Arts (OCCA) is a nonprofit corporation organized under section 501(c)(3) of the Internal Revenue Code and the Laws of the State of Oregon.
- C. The City is the owner of the Newport Performing Arts Center (PAC), located at 777 W. Olive Street, Newport, OR, 97365.
- D. The City has contracted with the OCCA to manage the PAC.
- E. The OCCA has presented the City with a proposal for certain improvements to the PAC that will: 1) enhance the audience experience by upgrading key equipment, 2) increase the range of performances appropriate to the PAC by expanding the Studio Theater (located within the PAC) to allow it to serve as a formal performance space, and 3) increase the performance capacity of the PAC by creating the ability to stage simultaneous performances in the Silverman and Studio Theaters.
- F. Pursuant to state law and the Newport Municipal Code, the City collects transient room tax revenues from the occupants of transient lodging facilities located within the City.
- G. The City desires to use a portion of its transient room tax revenues to fund certain improvements to the PAC.

- H. It is appropriate for the City to use transient room tax funds to improve the PAC because the PAC is improved real property that has a useful life of 10 or more years and has a substantial purpose of supporting tourism or accommodating tourist activities.
- I. The OCCA submitted a plan for improvements to the PAC as described in the materials attached to this Agreement as Exhibit A (Project). The Project may be constructed in Phases approved by the City.
- J. City staff have experience and expertise in conducting public procurements and in overseeing public improvement projects.
- K. The City wishes to contribute transient room tax funds totaling \$250,000 to be used for the Project.
- L. OCCA wishes to contribute funds totaling approximately \$3,680,000 to be used for the Project. A portion of that contribution will be used as the dollar for dollar match for the City's \$250,000 described in paragraph 1.B. of this Agreement.

## **AGREEMENT**

1. In consideration of the promises and obligations contained in this Agreement, the parties agree to the following, subject to the terms and conditions of this Agreement:
  - A. The City agrees to take all actions necessary to effectuate the Project, including but not limited to conducting procurement activities and entering into contracts for planning, architectural, engineering and construction services.
  - B. The City further agrees to contribute transient room tax funds (City Funds) totaling \$250,000 to be used for the Project.
  - C. The City will not contribute any City Funds to the Project unless and until the City has received a one-to-one dollar match for the City Funds from OCCA or the dollar match has been documented to the City's satisfaction.
  - D. OCCA agrees to contribute funds totaling not less than \$250,000 to be used for the Project, and to continue to fundraise in good faith to raise monies to be used to complete the Project.
  - E. It is understood and agreed by the parties that the scope of work attached as Exhibit A to this Agreement is preliminary and will continue to be refined during the course of the Project.

- F. The parties agree that OCCA will have input in all phases of the Project, but the City will have final say in the selection of any contractor working on the Project and the City will have sole authority for all payment obligations, change orders, and any final approval and/or acceptance of work done on the Project that relate to physical improvements or permanent fixtures in the Newport Performing Arts Center.

## 2. TERM.

This Agreement takes effect on the date it is signed by all the parties, and expires June 30, 2017, unless earlier terminated pursuant to the terms of this Agreement.

## 3. CITY OBLIGATIONS

- A. The City will perform or contract for the performance of all work on the Project related to physical improvements or permanent fixtures at the Newport Performing Arts Center. The City may, but is not required to contract for the purchase of goods and services for the Project on behalf of OCCA.
- B. The City will not begin work on a Project Phase unless and until the funding for that phase has been documented to the City's satisfaction.
- C. The City acknowledges and agrees that funds received by the City from the OCCA pursuant to this Agreement will be used exclusively to perform work on the Project as described in Exhibit A.
- D. The City acknowledges and agrees that the City is responsible for all the expenses of operation and maintenance of the Project, including but not limited to adequate insurance and any taxes or special assessments applicable to the Project. The City may use funds provided by the OCCA to pay the expenses required by this paragraph.
- E. The City will comply with all federal, state, and local laws and regulations applicable to the Project, including but not limited to the City's Tourism Facilities Grant Program Policies, workers' compensation laws, and any applicable provisions of ORS Chapters 279A, 279B, and 279C.
- F. Portions of the Project are a public work as defined by ORS 279C.800(6)(a); therefore, the City will comply with all state laws regulating prevailing wage rates and will require compliance with state laws regulating prevailing wage rates from any contractors employed on the Project.

- G. The City will keep an accounting of funds received from OCCA pursuant to this Agreement to ensure that the funds received from OCCA are used as required by this Agreement. The City will provide the accounting required by this paragraph to the OCCA annually during the term of this Agreement.
- H. In the event that the City completes the Project without using all of the funds provided by OCCA, any unexpended OCCA funds will be returned to the OCCA.
- I. Notwithstanding paragraph 1.B. of this Agreement, the City's payment obligations under this Agreement are contingent upon the availability of funds in the Tourism Grant Facilities Program.

#### 4. OCCA OBLIGATIONS

- A. OCCA agrees to pay the City a minimum of \$250,000, as dollar-for-dollar match for the City Funds, to be used on the initial phases of the Project. OCCA further agrees to continue to fundraise in good faith to raise monies to be used to complete subsequent phases of the Project.
- B. The OCCA will indemnify, defend, save, and hold harmless the City and its officers, employees, and agents from any and all claims, suits, or actions of any nature arising out of the activities or omissions and due to the negligence and/or fault of the OCCA, its officers, employees, agents, contractors and subcontractors pursuant to this Agreement.
- C. Notwithstanding the OCCA's defense obligations described in paragraph B of this section, neither the OCCA nor any attorney engaged by the OCCA shall defend any claim in the name of the City, nor purport to act as a legal representative of the City, without the prior written consent of the City's attorney. The City may, at any time, elect to assume its own defense and settlement. The City reserves all rights to pursue any claims it may have against the OCCA if the City elects to assume its own defense.
- D. The OCCA acknowledges and agrees that the City shall have reasonable access to the OCCA's books, documents, papers and records related to this Agreement during the term of this Agreement and for a period of six years after termination of this Agreement. The OCCA will make copies of applicable records available to the City upon request.
- E. The OCCA acknowledges and agrees that this Agreement does not create an employment relationship between the City and the OCCA, its officials, employees, agents, or contractors. The OCCA further agrees that the OCCA is exclusively responsible for all costs and expenses related to

OCCA's employment of individuals to perform work related to the Project, including but not limited to retirement contributions, workers' compensation, unemployment taxes, and state and federal income tax withholdings.

## 5. DEFAULT

A. The following constitute default by the OCCA under this Agreement:

- i. Failure to provide \$250,000 in matching funds to the City by July 1, 2015, ;
- ii. A determination by the City that material statements, information, or representations in the materials attached as Exhibit A to this Agreement are false, misleading, fraudulent, or misrepresentations;
- iii. Violation of any of the terms or conditions of this Agreement;
- iv. Dissolution of the OCCA; and
- v. Appointment of a receiver, trustee, liquidator, or conservator for the OCCA or to take possession of all or substantially all of the OCCA's property; or the filing of a petition for bankruptcy, insolvency, dissolution, liquidation, or reorganization, or order for relief in which the OCCA is named as debtor, by, against, or with respect to the OCCA pursuant to any federal or state statute, regulation or law for the protection of debtors; and, with respect to any such appointment or filing, failure of the OCCA to secure a stay or discharge thereof within 45 days after such appointment or filing.

B. In the event of a default by the OCCA, the City will not exercise the remedies provided in paragraph C of this section unless and until the City notifies the OCCA in writing of the default and the OCCA fails to cure the default within 20 days of receipt of the notice; or if the default cannot reasonably be cured within 20 days, the OCCA commences action to cure the default within 10 days of receipt of the notice and diligently pursues the cure to completion. In no event will the time for opportunity to cure exceed 60 days from the date of receipt of notice of default. If the default is not cured within the time provided in this paragraph, the City may elect to pursue any of the remedies provided in paragraph C of this section.

C. In the event of default or failure to cure within the time period provided in paragraph B of this section, the City may pursue any one or more of the following remedies:

- i. City withholding of unexpended City Funds;

ii. Termination of this Agreement.

D. The remedies provided by paragraph C of this section are cumulative, not exclusive, and are in addition to any other rights and remedies provided by law or under this Agreement.

## 6. TERMINATION

A. The City may terminate this Agreement effective upon delivery of written notice to the OCCA or at such later date as may be determined by the City upon the following conditions:

i. Default by the OCCA under this Agreement; or

ii. Lack of funding necessary to contribute City Funds to the Project.

B. The OCCA may terminate this Agreement effective upon delivery of written notice to the City if the City fails to make payments due under this Agreement or fails to abide by the terms and conditions of this Agreement.

C. Termination of this Agreement will not prejudice any rights or obligations of the parties accrued prior to termination.

D. The City's entitlement to the remedies provided in section 6 of this Agreement survives termination of this Agreement.

## 7. NOTICE

All notices given pursuant to this Agreement must be in writing and delivered to the parties at the following addresses. Notice given pursuant to this section will be deemed to have been received on the date of personal delivery, three calendar days after deposit in the United States mail postage prepaid, or on the date of confirmed delivery by: 1) facsimile; 2) registered mail, return receipt requested; or 3) overnight delivery. Either party may change its notice address under this section at any time by written notice to the other party.

CITY:

City of Newport  
Attn: Jim Voetberg, City Manager  
169 SW Coast Highway  
Newport, Oregon 97365

OCCA:

Oregon Coast Council for the Arts  
Attn: Catherine Rickbone  
777 W. Olive  
Newport, Oregon 97365

## 8. ASSIGNMENT

The OCCA may not assign any of its rights, interests, or obligations under this Agreement without the prior written consent of the City, which may be withheld in the City's sole discretion.

## 9. MODIFICATION

No modification of this Agreement will be valid unless it is in writing and signed by both parties.

## 10. RELATIONSHIP OF PARTIES

The parties acknowledge and agree that nothing in this Agreement is intended to nor shall be construed to create any form of partnership or joint venture relationship between the parties.

## 11. NO THIRD PARTY BENEFICIARIES

This Agreement is entered into for the sole benefit of the City and the OCCA, and nothing contained herein is intended for the benefit of any other person or entity.

## 12. SEVERABILITY

If any provision of this Agreement is held by any court of competent jurisdiction to be invalid, such invalidity will not affect any other provisions of this Agreement, and this Agreement will be construed as if the invalid provision had never been included in this Agreement.

## 13. WAIVER OF BREACH

The waiver by either the City or the OCCA of a breach of any provision of this Agreement will not operate or be construed as a waiver of any other provision of this Agreement or of any subsequent breach of the same provision of this Agreement.

## 14. GOVERNING LAW

This Agreement is to be governed by and construed in accordance with the laws of the state of Oregon, without regard to conflicts of law principles.

## 15. VENUE

Any legal action or proceeding arising out of or relating to this Agreement shall be commenced in the Circuit Court of the State of Oregon for Lincoln County. The parties hereby consent to the jurisdiction of that court, waive any objections to venue and waive any claim that the forum is an inconvenient forum.

16. ENTIRE AGREEMENT

This Agreement and all attached exhibits constitute the entire agreement of the parties relating to the subject matter herein. There are no promises, terms, conditions or obligations oral or written other than those contained herein. This Agreement supersedes all prior communications, representations or agreements, either oral or written, between the parties relating to the subject matter herein.

17. COUNTERPARTS

This Agreement may be executed in multiple counterparts, each of which will be considered an original and all of which together will constitute one and the same agreement.

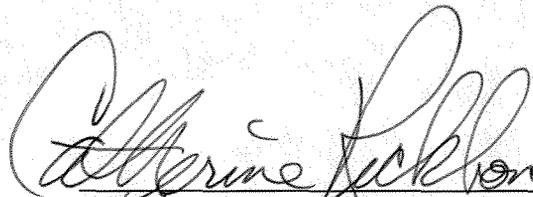
18. PARAGRAPH HEADINGS

Paragraph headings are used solely for convenience and are not to be used in construing or interpreting this Agreement.

19. AUTHORITY TO ENTER INTO AGREEMENT

Each person executing this agreement on behalf of a party to this agreement hereby covenants that he or she is duly authorized by that party to bind that party to this agreement.

 1-30-13  
\_\_\_\_\_  
Jim Voetberg, City Administrator (Date)  
City of Newport

 1/31/13  
\_\_\_\_\_  
Catherine Rickbone (Date)  
Oregon Coast Council for the Arts



# CITY MANAGER'S REPORT AND RECOMMENDATION



Agenda #:8.C.  
Meeting Date: 4-4-16

## Agenda Item:

### **Authorization to Utilize Funding to Purchase a Pioneer 8x6 Electronic 250 HP Centrifugal Pump**

#### Background:

Through the course of this winter, we had a number of failures at lift stations that required the rental of pumps to address emergency situations at those locations. Furthermore, these pumps were operated via diesel motor requiring regular refueling causing a significant noise. The Public Works Department is proposing to utilize the remaining funds from the purchase of the new loader to purchase a new electric by-pass pump that will be trailer-mounted. This will allow the Public Works Department to by-pass any pump station in an emergency situation. The proposed source of funding is the residual funding from the purchase of a new loader in the Wastewater Department, which left \$85,089 of appropriated funds unspent. Please note that the actual expenditure is within the authority I have as City Manager to spend the funds. However, I would ask the Council authorize the use of a portion of the remaining funds from the purchase of front-end loader for this purchase.

#### Recommendation:

I recommend the City Council consider the following motion:

**I move to authorize the use of the funds remaining from the purchase of a new loader to purchase a trailer-mounted electric 250 horse power centrifugal pump in the amount of \$48,996.**

#### Fiscal Effects:

As outlined above.

#### Alternatives:

Do not proceed with the purchase at this time, or as suggested by the City Council.

Respectfully Submitted,

Spencer R. Nebel, City Manager





**STAFF REPORT  
CITY COUNCIL AGENDA**

**Prepared by:** Timothy Gross, PE, Director of Public Works/City Engineer

**Title:** Authorization to purchase Pioneer 8x6 Electric 250 HP Centrifugal Pump

**Recommended Motion:**

I move to authorize the Wastewater Department to purchase a Pioneer 8x6 Electric 250 HP Centrifugal Pump in the amount of \$48,996.

**Background Information:**

In FY 15-16 the Wastewater Department budgeted \$210,000 for a new loader. This equipment ended up costing \$124,911, leaving \$85,089 remaining.

The winter of 2015-16 was a rough year for wastewater. Both the Big Creek Pump Station and the NW 48<sup>th</sup> Street Pump station needed to be operated on a temporary pump while the main pumps were repaired. Because of frequent bypassing needs, the Wastewater Department has also installed bypass suction and discharge connection points at several pump stations to allow temporary pumps to be connected in case of pump failure. Since December, the City has spent \$13,500 on pump rental costs alone.

With the remaining funds left in capital procurement, Public Works is proposing to purchase a trailer mounted electric bypass pump that will allow the Wastewater Department to bypass any pump station in emergency situations. Both of the rental pumps were operated via a diesel motor, requiring regular refueling and causing significant noise. This pump is proposed to be electric which will be more reliable and will be friendlier on the neighborhood where the pump is operating. All of the pump stations where this pump will be used have sufficient electrical service capabilities to allow the pump to be connected to the service panel and operate off the existing level sensing and alarm system.

**Fiscal Notes:**

Please see above.

**Alternatives:**

- Do not purchase the pump. Based upon the cost for rental pumps from this year and past years, this pump would pay for itself shortly.
- Purchase a diesel pump. A diesel pump is louder but will not require any electrical work to connect to the station. Based upon the problems we have had this year using the diesel rental pumps, we decided electric was a better option. A diesel pump is also more expensive.

**Attachments:**

- Purchase order and quote for Pioneer 8x6 Electric 250 HP Centrifugal Pump





**MITCHELL LEWIS & STAVER CO.**  
 9935 SW COMMERCE CIRCLE  
 WILSONVILLE, OR 97070  
 Phone: 503-682-1800 FAX: 503-570-0712

**QUOTE**

Number	073965
Date	08/31/2015
Page	1

Website: www.mitchellewis.com

<b>Bill To:</b> 13979	<b>CITY OF NEWPORT</b> 169 SOUTHWEST COAST HIGHWAY NEWPORT OR 97365	<b>Ship To:</b> SAME	<b>CITY OF NEWPORT</b> 169 SOUTHWEST COAST HIGHWAY NEWPORT OR 97365
--------------------------	---	-------------------------	---

Reference #	Expires	Slsp	Terms	Wh	Freight	Ship Via
<b>DRY PIT</b>	<b>09/30/15</b>	<b>222 JAK</b>	<b>NET 30 DAYS</b>	<b>O1</b>	<b>PPA</b>	<b>BEST WAY</b>

<b>Quoted By:</b> JAK	<b>Quoted To:</b> JOHN RITCHEY
-----------------------	--------------------------------

Item	Description	Ordered	UM	Price	UM	Extension
SC86S17L71-VC-250-4	PIONEER 8X6 ELECTRIC PACKAGE Pioneer Heavy Duty Centrifugal Solids Handling Pump  Standard Ductile Iron Construction with Run Dry Mechanical Seal and Cast Iron Wear Rings  17 Inch Full Diameter CA6NM Stainless Steel Impeller  Grease Lubricated Bearing Frame  250 HP 1800 RPM 3 PH 230/460 V 60hz Vertical P based motor  Painted Steel base, with Coupling, and Guard -Pump Assembled, Primed & Painted Pioneer Green before Shipment  10x12 base elbow provided by others  8-10 WEEK LEAD TIME FOB CANBY, OR	1	EA	48996.00	EA	48996.00

Merchandise	Misc	Tax	Freight	Total
48996.00	.00	.00	.00	48996.00



**Xylem Water Solutions USA, Inc.  
Flygt Products**

2630 North Marine Dr  
Portland, Oregon 97217  
Tel (503) 240-1980  
Fax (503) 240-3445

August 4, 2015

CITY OF NEWPORT  
169 SE COASTAL HWY  
NEWPORT OR 97366

Quote # 2015-POR-0216  
Alternate 1, Version 2

Re: Headworks Pump Station

Xylem Water Solutions USA, Inc. is pleased to provide a quote for the following Flygt equipment.

Qty	Description	Unit Price
1	NT3231.745 480 impeller (405mm) 250hp 460vac. with 2x 50' power cable 1x 50' sensor cable Pump to be FM approved.	\$ 59,750.00
1	MINI-CASII/FUS 120/24VAC,24VDC	\$ 300.00
1	SOCKET,11-PIN BACK MOUNTING	\$ 47.00

**Freight**

Qty	Description	Unit Price
1	SHIPPING AND HANDLING-NO TAX	\$ 818.00

**Total Project Price \$ 60,915.00**

**Incoterm:** 1 FCA - Free Carrier      **Named Placed:** 02 - US WH/ Factory  
 Incoterms 2010 clarify responsibility for costs, risks, & tasks associated with the shipment of goods to the named place.  
**Terms of payment:** 100% N30 after invoice date.  
**Validity:** This Quote is valid for ninety (90) days.  
**Customer Acceptance:** A signed facsimile copy of this quote is acceptable as a binding contract.

Signature: \_\_\_\_\_ Company/Utility: \_\_\_\_\_  
 Name : \_\_\_\_\_ Address: \_\_\_\_\_  
 (PLEASE PRINT)  
 Email: \_\_\_\_\_  
 Date: \_\_\_\_\_ Phone \_\_\_\_\_  
 PO#: \_\_\_\_\_ Fax: \_\_\_\_\_



Thank you for the opportunity to provide this quotation. Please contact us if there are any questions.

Sincerely,



Dave Olson  
Sales Representative  
Phone: 503-290-2175  
Cell: 503-789-7330  
david.olson2@xyleminc.com



Andee Kramer  
Technical Inside Sales Associate  
Phone: 503-290-2170  
Fax: 503-240-3445  
andee.kramer@xyleminc.com





PumpTech Inc.  
 321 S. Sequoia Parkway  
 Canby, OR 97013  
 Phone: 503-659-6230  
 Fax: 503-659-8718  
 dcarlile@pumptechnw.com

## Sales Quotation

TO:  
 John Richey  
 Newport, City of (OR)  
 169 SW Coast Hwy  
 Newport, OR 97365  
 Phone: 541-574-3371  
 Fax: 541-867-7663

Salesperson: Don Carlile / Frank Baker  
 Lead Time: 11-13 Weeks  
 FOB: FOB ORIGIN - FFA  
 Ship Via: BEST WAY  
 Project Name: Cornell Pump

Customer#: 0103900  
 Quote #: 0119550  
 Date: 4/1/2015  
 Expires: 8/16/2015

Item		Price	Qty	Extend
Cornell Pump	Model 8NHTA-VC18DB, vertical mounted pump with standard cast iron construction, double HT wear rings, T-C Cycloseal and 250 HP, 1800 RPM, 460 volt, TEFC, premium efficient motor. Includes freight. Design condition 3500 GPM @ 210' TDH.	60,738.00	1.00	60,738.00

SubTotal 60,738.00

Sales Tax: 0.00

Total: 60,738.00

The above order is subject to Pumptechnw Inc. standard terms and conditions and credit approval which are attached and made part of this agreement. We appreciate your interest in our products and services and if you have any questions on our offerings please do not hesitate to call.  
 By signature below, I accept this offering:

Signed: \_\_\_\_\_  
 Name: \_\_\_\_\_ Title: \_\_\_\_\_



**STANDARD TERMS & CONDITIONS**

**SHIPMENT**

Estimated shipment from manufacturer can proceed as quoted after receipt of approved submittals and purchase order. Quoted shipment time is not guaranteed and is based on information from our suppliers. Any late delivery charges due to shipment beyond the above estimated schedule will not be accepted.

**CONDITIONS OF SALE**

PUMPTECH INC is not bound by the terms and conditions in Purchaser's Purchase Order or in Purchaser's or Owner's Plans & Specifications unless such terms are delivered to PumpTech prior to quotation and referenced in the quotation.

PUMPTECH INC is not responsible for delay, disruption, consequential or liquidated damages of any sort, unless Purchaser requests and receives a quotation which includes pricing and terms for such damages.

**CREDIT APPROVAL AND PAYMENT TERMS**

Credit approval is required by PUMPTECH INC. prior to release of order to manufacturer; however, submittal may begin at the time of receipt of purchase order. PUMPTECH, INC.'s payment terms are Net 30 days from invoice date. In some circumstances PUMPTECH, INC. may require Progress Payments. Progress payments are due and payable on receipt of invoice. "Standard Progress Payment Plan" is defined as a payment plan that includes the following terms in the Purchase Order or in the agreement:

- a. 15% - Fifteen percent on receipt of approved drawings
- b. 30% - Thirty percent with order of major components
- c. 20% - Twenty percent on receipt of major components at our facility
- d. 30% - Thirty percent upon shipment
- e. 5% - Five percent on start up

A finance charge of 1.5% per month will be charged on all past due balances. If PUMPTECH, INC. is forced to turn this over to a collection agency; purchaser agrees to pay costs of the collection to the extent that is allowed by law for commercial accounts. Purchaser also agrees to pay attorney fees and court costs in the event of a suit.

**WARRANTY**

The only warranty/guarantee implied or applied to this quotation are those as put forth by the original manufacturer. Products manufactured by PUMPTECH INC. are warranted to be free from defects in material and workmanship for a period of one (1) year from the date of installation provided that the product is properly installed, serviced, and operated under normal conditions.

**TAXES**

The pricing in the quotation does not include any local, state, or federal taxes. If applicable, taxes will be included on the invoice.

With the signature below, purchaser agrees to the above terms and conditions, and authorizes PUMPTECH INC. to proceed with the order.

\_\_\_\_\_  
(Purchaser's signature)

\_\_\_\_\_  
Printed Name & Title

\_\_\_\_\_  
(Date)

# CITY MANAGER'S REPORT AND RECOMMENDATION



Agenda #:8.D.  
Meeting Date: 4-4-16

## Agenda Item:

### **Consideration and Approval of a Modification to the Contract for Auditing Services with Boldt, Carlisle and Smith LLC**

#### Background:

As you are aware, there were delays in the completion of the city's annual audit for the fiscal year that ended June 30, 2015. There were several reasons that extended the time necessary in order to complete this audit. One of the issues that led to this delay was the effort of Finance Director, Mike Murzynsky and finance staff to draft the financial statement on behalf of the city. Most cities our size and even larger usually have the auditors complete the financial statements for the fiscal year. Finance Director, Mike Murzynsky, had hoped that we could do this internally. However, he has come to the realization that the current staffing is not sufficient to complete this task on a timely basis. Boldt, Carlisle and Smith draft financial statements for the majority of their municipal audit clients. Since this would be a change in services beyond those contemplated in the agreement to furnish audit services to the City of Newport, they are proposing an additional fee for the June 30, 2016 audit of \$5,000. This will be paid to cover the initial setup and creation of the financial statements for the City of Newport, including notes, required supplement information and other information required for the financial statements. For any years after the June 30, 2016 audit, they are proposing \$1,500 in additional audit fees be added in order for Boldt, Carlisle and Smith to take over this effort.

I certainly appreciate Finance Director, Mike Murzynsky's, efforts in trying to prepare the financial statements in-house. However, in reviewing this year's audit, this was one of the things that led to a late audit, and also delayed a number of other efforts that Finance was trying to undertake in order to complete the financial statements for the audit.

Based on the proposals that were issued for auditing services, which indicated the city would be preparing the financial statements for audit, I believe this additional charge is both reasonable and a good investment by the City of Newport in order to streamline the auditing process for the 2015-16 audited financial statements.

#### Recommendation:

I recommend the City Council consider the following motion:

**I move acceptance of the proposal to modify the contract between the City of Newport, and Boldt, Carlisle, and Smith LLC, to provide for a one-time payment of \$5,000 for the 2015-16 audit and \$1,500 for subsequent audits with the responsibility of preparing the financial statements being shifted from the Finance Department to the auditors.**

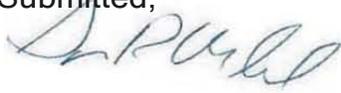
#### Fiscal Effects:

Sufficient funds are available for this additional contracted amount.

Alternatives:

Continue to prepare the financial statements in-house, or as suggested by the City Council.

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



STAFF REPORT  
CITY COUNCIL AGENDA ITEM

**Prepared by:** Mike Murzynsky, Director of Finance

**Title:** Proposal to modify Audit Contract with Boldt, Carlisle and Smith, LLC

**Recommended Motion:**

I move that the Council accept the proposal and modify the contract between the City of Newport and Boldt, Carlisle, and Smith LLC (BC&S) and authorize the City Manager to sign modify the contract terms for a one-time payment of \$5,000 and an increase of \$1,500 to RFP prices for professional auditing services for the next two years and another possible two years if the option to extend the contract for two additional, one-year terms is chosen.

**Background Information:**

As you know we brought new auditors on board to 1) help us with the transition of the City's annual financial reports to a comprehensive annual financial report (CAFR), 2) to have new audit firm review and audit the financials, and 3) to help the City complete the audit in a timely manner. Per the RFP for new auditors, the audit was scheduled to be completed by December 15<sup>th</sup>. However, the audit was not completed in a timely manner for the following reasons.

1. The previous audits contained some very crucial errors so previous beginning balances had to be restated with Prior Period Adjustments;
2. The year under audit was implementation of the GASB 67 & 68 transition, the complexity of the transition was more than anyone thought;
3. The Notes to the Financials increased by approximately 40 extra pages.
4. Finance staff took on the task of creating the financials and additional training is necessary for this to happen.

Because of the delay BC&S has approached the City with an interesting proposition. BC&S is proposing to tie into our financials and Notes to the Financials and complete the financial statement process for the City. The costs appear to be reasonable and if we go this way the audit will be completed timely and more efficiently. And personally, I will be relieved to continue with my Director duties and let Finance staff complete the process under my direction and the help of BC&S, it will be a win/win!!

Finally, in the next few years we can train Finance staff to complete this process.

**Fiscal Notes:**

In the 2016-17 Fiscal Year, a one-time cost of \$5,000 and an additional \$1,500 to the annual audit contract per the RFP cost sheet.

**Alternatives:**

Do not allow the modification

**Attachments:**

1. BC&S February 17, 2016 Proposal
2. BC&S Fee schedule from Response to Audit RFP (dated February 19, 2015) - Attachment A



1255 Lee Street SE Suite 210 Salem Oregon 97302 | P 503.585.7751 | F 503.370.3781  
408 N Third Avenue Stayton Oregon 97383 | P 503.769.2186 | F 503.769.4312  
200 Calapooia Street SW Albany Oregon 97321 | P 541.928.3354 | F 541.967.7668

www.bcsllc.com

February 17, 2016

City of Newport  
Newport, Oregon

In conducting the audit of the City’s June 30, 2015 financial statements we encountered circumstances that were not anticipated when we originally submitted our proposal for professional auditing services.

The unanticipated circumstances involved the drafting of the financial statements, footnotes, required supplementary information and other supplementary information upon which we would issue reports. It was anticipated that the City would draft this document and allow sufficient time for use to complete our audit procedures and issue our reports before December 15, 2105. The City did draft the document, but the date that is was provided did not allow us sufficient time to complete our audit procedures. Additionally, the draft provided contained numerous errors and omissions that required several iterations to correct.

We would like to avoid these circumstances in the future. Accordingly, we propose that Boldt Carlisle + Smith draft the financial statements on behalf of the City until such time as the City can draft them. While not ideal, auditors are allowed under professional standards to draft financial statements on behalf of audit clients. However, care needs to be taken to demonstrate that the City has someone with appropriate skills, knowledge or experience to oversee the drafting of the financial statements and take responsibility on behalf of the City for the financial statements. We believe that Michael Murzynsky can fulfill that role for the City. As part of our audit we would draft the financial statements based upon information provided to us by the City. Once drafted we would deliver to the City, for Michael Murzynsky’s review and approval, draft financial statements, trial balance reports, adjusting entries proposed during the drafting of the financial statements and a disclosure checklist.

Boldt Carlisle + Smith drafts the financial statements for the majority of our municipal audit clients. In order to perform those services efficiently we have invested significant amounts of time and money in software systems that integrates the audit process with the drafting of the financial statements.

Our drafting of the financial statements would be an expansion of services beyond those contemplated in our agreement to furnish audit services to the City of Newport. As such, an additional fee would be appropriate. We propose an additional fee for the June 30, 2016 audit of \$5,000 to cover the initial setup and creation of the financial statements, notes, required supplementary information and other supplementary information. For years subsequent to June 30, 2017 we propose an additional \$1,500 to the audit fees previously agreed to.

If you have any questions or would like to discuss these matters further, please feel free to contact me.

  
Brad Bingenheimer  
Boldt Carlisle + Smith  
Certified Public Accountants

ATTACHMENT A

**ATTACHMENT A  
FEE SCHEDULE**

**Not to exceed price for Proposed Service Schedule**

In accordance with the Request for Proposal for Professional Auditing Services issued by the City of Newport, Oregon, the firm referenced below hereby submits the following hourly fee quotation and hours proposed for all positions to be assigned to the audit:

Key Personnel	Fiscal Year Ended June 30, 2015 for City of Newport				
	F/S Audit Hours	Single Audit Hours	Total Hours	Hourly Rate	Total
Engagement Partners	14	2	16	210	3,360
Engagement Manager	72	4	76	165	12,540
Engagement Senior	40	8	48	140	6,720
Engagement Staff	96	12	108	110	11,880
Clerical/Support Staff	3	1	4	80	320
Other	-	-	-	-	-

In accordance with the Request for Proposal for Professional Auditing Services issued by the City of Newport, Oregon, the firm referenced below hereby submits the following cost proposal:

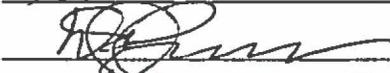
	Fiscal Years Ending June 30th for City of Newport				
	2015	2016	2017	2018	2019
Financial Statement Audit:	28,250	29,520	30,850	32,240	33,690
Single Audit:	** 2,500	** 2,500	** 2,500	** 2,500	** 2,500
Cost of Supplies & Materials:	-	-	-	-	-
Additional Fees (if applicable)*:	-	-	-	-	-
Total	<u>\$ 28,250</u>	<u>\$ 29,520</u>	<u>\$ 30,850</u>	<u>\$ 32,240</u>	<u>\$ 33,690</u>
	30,750	32,020	33,350	34,740	36,190

\* Technical assistance of up to 10 hours per year is included in the cost above. Assistance with the conversion of the City's AFR to a CAFR will be provided at \$150 per hour for the year ending June 30, 2016.

\*\* Single Audit fee will be based on a percentage of Federal Expenditures (.0015% - .005%)

\*The City of Newport expects to receive technical assistance, as needed, from the audit firm throughout the fiscal year that may include inquiries regarding accounting, reporting and internal control issues. If fees related to this technical assistance are not included in the firm's financial statement audit fee, please include them here.

I hereby certify that the undersigned is authorized to represent the firm stated below, and empowered to submit this bid, and if selected, authorized to sign a contract with the City of Newport for the services identified in the Request for Proposal.

Firm Name: Boldt Carlisle + Smith, LLC  
 Signature:   
 Printed Name: Douglas C. Parham  
 Title: LLC Member  
 Date: 2/19/15

TAKE / USE  
\$500K  
X.005

**ATTACHMENT A  
FEE SCHEDULE**

**Not to exceed price for Proposed Service Schedule**

In accordance with the Request for Proposal for Professional Auditing Services issued by the City of Newport, Oregon, the firm referenced below hereby submits the following hourly fee quotation and hours proposed for all positions to be assigned to the audit:

Fiscal Year Ended June 30, 2015 for Newport Urban Renewal Agency					
Key Personnel	F/S Audit	Single Audit	Total Hours	Hourly Rate	Total
	Hours	Hours			
Engagement Partners	4	-	4	210	840
Engagement Manager	10	-	10	165	1,650
Engagement Senior	16	-	16	140	2,240
Engagement Staff	24	-	24	110	2,640
Clerical/Support Staff	2	-	2	80	160
Other	-	-	-	-	-

In accordance with the Request for Proposal for Professional Auditing Services issued by the City of Newport, Oregon, the firm referenced below hereby submits the following cost proposal:

Fiscal Year Ended June 30, 2015 for Newport Urban Renewal Agency					
	2015	2016	2017	2018	2019
Financial Statement Audit:	7,500	7,840	8,190	8,560	8,945
Single Audit:	-	-	-	-	-
Cost of Supplies & Materials:	-	-	-	-	-
Additional Fees (if applicable)*:	-	-	-	-	-
<b>Total</b>	<b>\$ 7,500</b>	<b>\$ 7,840</b>	<b>\$ 8,190</b>	<b>\$ 8,560</b>	<b>\$ 8,945</b>

\*The City of Newport expects to receive technical assistance, as needed, from the audit firm throughout the fiscal year that may include inquiries regarding accounting, reporting and internal control issues. If fees related to this technical assistance are not included in the firm's financial statement audit fee, please include them here.

I hereby certify that the undersigned is authorized to represent the firm stated below, and empowered to submit this bid, and if selected, authorized to sign a contract with the City of Newport for the services identified in the Request for Proposal.

Firm Name: Boldt Carlisle + Smith, LLC  
 Signature:   
 Printed Name: Douglas C. Parham  
 Title: LLC Member  
 Date: 2/19/15

**ATTACHMENT A  
FEE SCHEDULE**

**PROPOSED HOURS FOR SUBSEQUENT AUDITS OF CITY OF NEWPORT**

Key Personnel	Fiscal Years Ended June 30, 2016 - 2019		Total Hours
	F/S Audit Hours	Single Audit Hours	
Engagement Partners	9	2	11
Engagement Manager	64	4	68
Engagement Senior	40	8	48
Engagement Staff	96	12	108
Clerical/Support Staff	3	1	4
Other	-	-	-
<b>Total Hours</b>	<b>212</b>	<b>27</b>	<b>239</b>

Boldt Carlisle + Smith does not anticipate a change in the proposed hours for the audits of Fiscal Years Ended June 30, 2016 through June 30, 2019. If additional hours are necessary related due to the conversion from the City's AFR to a CAFR report those will be charged under a separate engagement.

# City of Newport, Oregon

## REQUEST FOR PROPOSALS

for

## Professional Auditing Services

**Due Date: February 20, 2015**

**City Manager** ..... **Spencer Nebel**  
**Finance Director**..... **Mike Murzynsky**  
**Assistant Finance Director** ..... **Linda Brown**  
**Financial Specialist III** ..... **John Dubois**

For more information regarding this Request for Proposals,  
contact Mike Murzynsky 541-574-0610

## FINANCE DEPARTMENT

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SOLE PROPRIETOR	
CORPORATION	
PARTNERSHIP	

## PROPOSER'S SUBMITTAL CHECKLIST

**Proposals must be submitted by the time designated and to the address listed in the Request for Proposals and marked received with time and date by City staff. Any proposals submitted after the designated closing time or to any other location will be determined nonresponsive and will not be opened. It is the responsibility of the Proposer to deliver the proposal by the indicated deadline to the designated location.**

Proposers must **submit five (5) copies** of their proposal. All proposals must be received with the following required submittals to be considered:

- Letter of Transmittal
- References
- Qualifications and Experience
- Fee Schedule (*Attachment A*)
- Non-Collusion and Conflict of Interest Certification (*Attachment B*)
- Signed Addenda (*if applicable*)

**City of Newport**  
**Request for Proposals (RFP)**  
**Professional Auditing Services**  
***Proposals Due by 4:00 p.m., Friday, February 20, 2015***

Notice is hereby given that the City of Newport (“City”) is requesting proposals for Auditing Services for three consecutive years starting with the audit for the fiscal year beginning July 1, 2014 through June 30, 2015 with an option to extend the contract for two additional one-year terms.

The scope of work includes:

- Auditing the City’s Annual Financial Report (AFR) in accordance with the provisions contained in this request for proposal;
- Assist with the conversion of the City’s AFR to a Comprehensive Annual Financial (CAFR) report in accordance with Government Finance Officer Association (GFOA) standard;
- Expressing an opinion on the fair presentation of the City’s basic financial statements as a whole, in conformity with generally accepted accounting principles;
- Performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board (GASB), as mandated by generally accepted auditing standards (GAAS);
- Submitting drafts of all reports for management’s review prior to final review with the City’s Audit Committee;
- Meeting with finance staff and the City’s Audit Committee to discuss the audit, management letter, and conclusions.

The Request for Proposals can be downloaded from the City of Newport website at <http://www.newportoregon.gov/rfp>. It is imperative that those who download the solicitation documents check the website regularly for addenda, clarifications, and other notifications that may be pertinent. In addition, all proposers known by the City of Newport to have received a complete set of the Proposal Documents will receive notification when additional items are posted. Please call (541) 574 - 0611 for additional information regarding this RFP.

Sealed proposals must be received by the City of Newport, at the Finance Counter, not later than 4:00 p.m., Friday, February 20, 2015 addressed to the City of Newport, Finance Department, Attn: Mike Murzynsky, Finance Director, 169 SW Coast Highway, Newport, OR 97365. The outside of the envelopes shall plainly identify the project: “Audit Services RFP.” Facsimile proposals will not be accepted. Proposals received after the designated time and date will be returned unopened.

The City may reject any proposal not in compliance with all prescribed solicitation procedures and requirements and other applicable law, and may reject any or all proposals in whole or in part when the cancellation or rejection is in the best interest of the City, and at no cost to the City.

DATED THIS 23rd DAY OF January 2015.

*Mike Murzynsky*

Mike Murzynsky  
Finance Director

PUBLISH: Daily Journal of Commerce, Friday January 23, 2015  
Newport News Times, **Friday January 23, 2015**

## SECTION 1 – INTRODUCTION AND GENERAL INFORMATION

### 1.1 INTRODUCTION

The City of Newport (City) is an Oregon municipal corporation with a 2014 population of approximately 10,500. The City employs approximately 125 FTEs and is organized under the council/manager form of government with a City Council comprised of six councilors and the Mayor, and a City Manager.

The City is requesting proposals for Audit Services for three consecutive years starting with the audit for the fiscal year July 1, 2014 through June 30, 2015. The contract includes a provision to extend the contract for two additional one-year terms at the option of the City.

The City currently utilizes Caselle's Clarity accounting software. Caselle modules used by the City include general ledger, payroll, accounts receivable, accounts payable, utility billing, municipal court, and cash management. The Caselle system uses both online real-time entry and batch processing. The City's in-house Information Technology Department is responsible for system security, backups, and installing vendor up-grades.

The City of Newport intends to apply for the following awards from the Government Finance Officers Association (GFOA):

**Budget:** the *Distinguished Budget Presentation Award* for the 2015-2016 Adopted Budget.

**Audit:** the *Certificate of Achievement for Excellence in Financial Reporting* for the year ended June 30, 2016.

### 1.2 ISSUING OFFICE AND SUBMITTAL LOCATION

The City Finance Director will issue the Request for Proposal document and will be the point of contact for the City for questions, concerns, and protests.

Each proposer shall provide five (5) total copies of their proposal with one copy marked "ORIGINAL". **Proposals must be delivered to the Finance Department Counter by 4:00 p.m. on the closing date, February 20, 2015. The outside of the sealed envelope should state "Audit Services RFP" and be addressed to the submittal location found below:**

**Submittal Address & Process Questions:**

City of Newport  
Finance Department  
Mike Murzynsky, Finance Director  
169 SW Coast Highway  
Newport, OR 97365

**Technical Questions/Scope of Work:**

Mike Murzynsky, Finance Director  
Email: m.murzynsky@newportoregon.gov

Telephone, facsimile, or electronically transmitted proposals will not be accepted. Proposals received after the specified date and time will not be given further consideration. Proposers submitting proposals are solely responsible for the means and manner of their delivery, and are encouraged to confirm delivery prior to the deadline.

### 1.3 ANTICIPATED RFP SCHEDULE

The City anticipates the following general timeline for receiving and evaluating the proposals and selecting a Contractor. The schedule listed below may be changed if it is in the City's best interest to do so.

RFP Advertised	January 23, 2015
Final Date to Submit Changes/Solicitation Protests	February 17, 2015, 2:00 p.m.
Last Date for Addenda	February 17, 2015
Proposal Due Date	February 20, 2015, 4:00 p.m.
Evaluate Proposals	February 24 – February 26, 2014
Interviews (if necessary)	March 3-4, 2015
Notice of Intent to Award	March 16, 2015
Protest Period Ends (seven calendar days)	March 26, 2014, 12:00 p.m.
Contract Award	March 27, 2015

### 1.4 CHANGES TO THE SOLICITATION BY CITY ADDENDA

The City of Newport reserves the right to make changes to the RFP by written addendum, which shall be issued to all prospective Proposers known to the City of Newport to have received the Proposal Document.

A prospective Proposer may request a change in the RFP by submitting a written request to the address set forth above. The request must specify the provision of the RFP in question, and contain an explanation for the requested change. All requests for changes or additional information must be submitted to the City of Newport no later than the date set in the RFP Schedule.

The City of Newport will evaluate any request submitted, but reserves the right to determine whether to accept the requested change. If in the Finance Director's opinion, additional information or interpretation is necessary; such information will be supplied in the form of an addendum as stated above. Any addenda shall have the same binding effect as though contained in the main body of the RFP. Oral instructions or information concerning the scope of work of the project given out by City of Newport managers, employees, or agents to the prospective Proposers shall not bind the City of Newport.

- a) Addenda will be posted on the City of Newport's website.
- b) No addenda will be issued later than the date set in the RFP Schedule, except an addendum, if necessary, postponing the date for receipt of Proposals, withdrawing the invitation, modifying elements of the proposal resulting from a delayed process, or requesting additional information, clarification, or revisions of proposals leading to obtaining best offers or best and final offers.
- c) Each Proposer shall ascertain, prior to submitting a proposal, that the Proposer has received all addenda issued, and receipt of each addendum shall be acknowledged in the appropriate location on each Addendum and included with the proposal submittal.

## 1.5 TRADE SECRETS AND PUBLIC RECORDS LAW

All information submitted by Proposers shall be a public record and subject to disclosure pursuant to the Oregon Public Records Act, except such portions of the proposals for which Proposer requests exception from disclosure consistent with Oregon Law. All requests shall be in writing noting specifically which portion of the proposal the Proposer requests exception from disclosure. Proposer shall not copyright, or cause to be copyrighted, any portion of any said document submitted to the City of Newport as a result of this RFP.

If a proposal contains any information that is considered a trade secret under ORS 192.501(2), Proposers must mark each sheet of such information with the following legend: **"This data constitutes a trade secret under ORS 192.501(2), and shall not be disclosed except in accordance with the Oregon Public Records Law, ORS Chapter 192."**

Oregon Public Records Law exempts from disclosure only bona fide trade secrets, and the exemption from disclosure applies only "unless the public interest requires disclosure in the particular instance". Therefore, non-disclosure of City documents or any portion of a City document submitted as part of a proposal may depend upon official or judicial determination made pursuant to the Public Records Law.

In order to facilitate public inspection of the non-confidential portion of the proposal, material designated as confidential shall accompany the proposal, but shall be readily separable from it. Prices, makes, model or catalog numbers of items offered, scheduled delivery dates, and terms of payment shall be publicly available regardless of any designation to the contrary. Any proposal marked as a trade secret in its entirety will be considered non-responsive.

## 1.6 CANCELLATION

The City of Newport reserves the right to cancel award of this contract at any time before execution of the contract by both parties if cancellation is deemed to be in the City of Newport's best interest. In no event shall the City of Newport have any liability for the cancellation of award.

## 1.7 LATE PROPOSALS

All proposals that are not received by the deadline stated in the RFP Schedule will be considered late. Delays due to mail and/or delivery handling, including, but not limited to delays within City of Newport's internal distribution systems, do not excuse the Proposer's responsibility for submitting the proposal to the correct location by the stated deadline.

## 1.8 DISPUTES

In case of any doubt or differences of opinions as to the items or service to be furnished hereunder, or the interpretation of the provisions of the RFP, the decision of the City of Newport shall be final and binding upon all parties.

## 1.9 PROPOSER'S REPRESENTATION

Proposers, by the act of submitting their proposals, represent that:

- a) They have read and understand the Proposal Documents and their proposal is made in accordance therewith;
- b) They have familiarized themselves with the local conditions under which the work will meet their satisfaction;
- c) Their proposal is based upon the requirements described in the Proposal Documents without exception (unless exceptions are clearly stated in the response).

## **1.10 CONDITIONS OF SUBMITTAL**

By the act of submitting a response to this invitation, the Proposer certifies that:

- a) The Proposer and each person signing on behalf of any Proposer certifies, and in the case of a sole proprietorship, partnership or corporation, each party thereto certifies as to its own organization, under penalty of perjury, that to the best of their knowledge and belief, no elected official, officer, employee, or person, whose salary is payable in whole or in part by the City of Newport, has a direct or indirect financial interest in the Proposal, or in the services to which it relates, or in any of the profits thereof other than as fully described in the Proposer's response to this solicitation.
- b) The Proposer has examined all parts of the Request for Proposal, including all requirements and contract terms and conditions thereof, and, if its proposal is accepted, the Proposer shall accept the contract documents thereto unless substantive changes are made in same without the approval of the Proposer.
- c) The Proposer, if an individual, is of lawful age; is the only one interested in this proposal; and that no person, firm, or corporation, other than that named, has any interest in the proposal, or in the proposed contract.
- d) The Proposer has quality experience providing the required services.

## **1.11 PROPOSER REQUESTS INTERPRETATION OF RFP DOCUMENTS**

- a) Proposers shall promptly notify the City of Newport of any ambiguity, inconsistency or error, which they may discover upon examination of the Proposal Documents.
- b) Proposers requiring clarification or interpretation of the Proposal Documents shall make a written request for same to the Finance Director at the submittal address located in Section 1.2.
- c) The City of Newport shall make interpretations, corrections, or changes of the Proposal Documents in writing by published Addenda. Interpretations, corrections, or changes of the Proposal Documents made in any other manner will not be binding, and Proposers shall not rely upon such interpretations, corrections, and changes.
- d) Should any doubt or difference of opinion arise between the City of Newport and a Proposer as to the items to be furnished hereunder or the interpretation of the provisions of this solicitation, the decision of the City of Newport shall be final and binding upon all parties.

## **1.12 PROPOSER REQUESTS FOR ADDITIONAL INFORMATION**

Requests for information regarding City of Newport services, programs, or personnel, or any other information shall be submitted in writing directly to the Finance Director at the address in the invitation. All requests for additional information shall be submitted in writing. Answers shall be provided to all Proposers of record on the date that answers are available.

## **1.13 COMPETITION**

Proposers are encouraged to comment, either with their proposals or at any other time, in writing, on any specification or requirement within this RFP, which the Contractor believes, will inordinately limit competition.

#### **1.14 SOLICITATION PROTESTS**

Any complaints or perceived inequities related to this RFP shall be in writing and directed to the Finance Director at the address listed in the RFP and shall be received no later than the date listed in the RFP Schedule. Such submittals will be reviewed upon receipt and will be answered in writing. No such protests or requests will be considered if received after the deadline. No oral, telegraphic, telephone protests or requests will be accepted.

#### **1.15 AWARD PROTESTS**

Any Proposer who claims to have been adversely affected or aggrieved by the selection of a competing Proposer shall have seven (7) calendar days after notification of the selected Proposer to submit a written protest. This written notification must be submitted to the Issuing Office address no later than the date and time listed in the RFP Schedule. No protest against an award will be considered if received after the deadline established for submitting such protest.

#### **1.16 COST OF RFP AND ASSOCIATED RESPONSES**

This RFP does not commit the City of Newport to paying any costs incurred by any Proposer in the submission or presentation of a proposal, or in making the necessary studies for the preparation thereof. Responses to this solicitation are purely voluntary. Proposers shall not include any such expenses as part of their proposals.

#### **1.17 CITY TO REQUEST CLARIFICATION, ADDITIONAL RESEARCH, & REVISIONS**

- a) The City of Newport reserves the right to obtain clarification of any point in a proposal or to obtain additional information necessary to properly evaluate a particular proposal. Failure of a Proposer to respond to such a request for additional information or clarification could result in a finding that the Proposer is non-responsive and consequent rejection of the proposal.
- b) The City of Newport may obtain information from any legal source for clarification of any proposal or for information on any Proposer. The City of Newport need not inform the Proposer of any intent to perform additional research in this respect or of any information thereby received.
- c) The City of Newport may perform, at its sole option, investigations of the responsible Proposer. Information may include, but shall not necessarily be limited to credit history, recent financial statements, current litigation, bonding capacity and related history, and contacting references. All such documents, if requested by the City of Newport, become part of the public records and may be disclosed accordingly.
- d) The City of Newport reserves the right to request revisions of proposals after the submission of proposals and before award.

#### **1.18 REJECTION OF PROPOSALS**

The City of Newport reserves the right to reject any or all proposals received as a result of this request. Proposals may be rejected for one or more of the following reasons, including but not limited to:

- a) Failure of the Proposer to adhere to one or more of the provisions established in this RFP.
- b) Failure of the Proposer to submit a proposal in the format specified herein.
- c) Failure of the Proposer to submit a proposal within the time requirements established herein.

- d) Failure of the Proposer to adhere to ethical and professional standards before, during, or following the proposal process.

The City of Newport may reject any proposal not in compliance with all prescribed public procurement procedures and requirements, and may reject for good cause any or all proposals upon a finding of the City of Newport that it is in the public interest to do so.

### **1.19 MODIFICATION OR WITHDRAWAL OF PROPOSAL BY PROPOSER**

- a) A proposal may not be modified, withdrawn, or canceled by the Proposer for 60 (sixty) calendar days following the time and date designated for the receipt of proposals.
- b) Proposals submitted early may be modified or withdrawn only by notice to the City of Newport Finance Director, at the proposal submittal location, prior to the time designated for receipt of proposals. Such notice shall be in writing over the signature of the Proposer. All such communications shall be so worded as not to reveal the amount of the original proposal or any other material contents of the original proposal.
- c) Withdrawn proposals may be resubmitted up to the time designated for the receipt of proposals provided that they are then fully in conformance with these Instructions to Proposers.
- d) The City of Newport reserves the right to request revisions of proposals after the submission of proposals and before award for the purpose of obtaining best offers or best and final offers.

### **1.20 PROPOSAL OWNERSHIP**

- a) All proposals submitted become and remain the property of the City of Newport and, as such, are considered public information and subject to public disclosure within the context of the federal Freedom of Information Act and Oregon Revised Statutes (ORS) 192.501 and ORS 192.502, public records exempt from disclosure.
- b) Unless certain pages or specific information are specifically marked "proprietary" and qualify as such within the context of the regulations stated in the preceding paragraph, the City of Newport shall make available to any person requesting information through the City of Newport's processes for disclosure of public records, any and all information submitted as a result of this solicitation without obtaining permission from any Proposer to do so after the Notice of Intent to award has been released.

### **1.21 DURATION OF PROPOSAL**

Proposal prices, terms, and conditions shall be firm for a period of at least ninety (90) days from the deadline for receipt of submittal.

### **1.22 AFFIRMATIVE ACTION / NONDISCRIMINATION**

By submitting a proposal, the Proposer agrees to comply with the Fair Labor Standard Act, Title VII of the Civil Rights Act of 1964, Executive Order 11246 (as amended), Fair Employment Practices, Equal Employment Opportunity Act, Americans with Disabilities Act, and Oregon Revised Statutes. By submitting a proposal, the Proposer specifically certifies, under penalty of perjury, that the Proposer has not discriminated against minority, women or emerging small business enterprises in obtaining any required subcontracts.

### **1.23 RECIPROCAL PREFERENCE LAW**

Oregon's reciprocal preference law, ORS 279A.120 and ORS 279A.125, requires public contracting agencies, in determining the lowest responsible Proposer, to add a percent increase to each out-of-state Proposer's bid price which is equal to the percent of preference given to local Proposers in the Proposer's home state. That is, if the low Proposer is from a state that grants a 10 percent preference to its own in-state Proposers, the Oregon Agency must add 10 percent to that Proposer's price when evaluating the bid.

For details, check Oregon's Reciprocal Preference Law website at:  
<http://www.oregon.gov/DAS/EGS/ps/Pages/RecipPref/reciprocal.aspx>

Proposers in need of any assistance in the application of this law should contact the State Procurement Office:  
State of Oregon, Department of Administrative Services, State Procurement Office, 1225 Ferry Street SE,  
U-140, Salem, OR 97301-4285. Telephone: 503-378-4642

### **1.24 COMPLAINTS AND INEQUITIES**

Any complaints or perceived inequities related to this RFP or award of work referenced herein shall be in writing and directed to the Finance Director at the address listed in the RFP and shall be received no later than the date listed in the RFP Schedule. Such submittals will be reviewed upon receipt and will be answered in writing.

### **1.25 INTERGOVERNMENTAL COOPERATIVE PURCHASING**

Pursuant to Oregon Revised Statute 279A.215, other governmental agencies, bodies or districts ("Participating Agencies") may participate in the award resulting from this solicitation as if said agencies had generated this solicitation and made this award on their own behalf. Such participation shall be inaugurated on the basis of a letter notification from the Participating Agency to the City of Newport. The Contractor shall have the option of declining participation in any such agreement; that is, Contractor participation in work or sales resulting from use of this solicitation shall be voluntary. If the Contractor chooses to participate in such agreements, all agency relationships including those for contract administration, ordering, deliveries, approvals, billing, and collections shall be between the Participating Agency and the Contractor. The originating agency, City of Newport, except for this enabling agreement, shall not participate in any aspects of commercial activity between the Contractor and the Participating Agency. If the Contractor agrees to participate, all such participation shall be on the basis of this solicitation and the resulting award except that reasonable changes in pricing and terms may be negotiated directly between the Participating Agency and the Contractor to accommodate differences in delivery distances and local conditions. All such changes shall be solely between the Contractor and the Participating Agency.

## SECTION 2 - SCOPE OF WORK SPECIAL PROVISIONS

### 2.1 SCOPE OF SERVICES

The City of Newport is requesting proposals from qualified certified public accounting firms, duly authorized to practice as such by the State of Oregon, to audit the City's Annual Financial Report commencing with the fiscal year ending June 30, 2015 and extending through the three subsequent fiscal years. The contract will include a provision for two one-year extensions beyond the three years at the option of the City. The audits are to be performed in accordance with the provisions contained in this request for proposal.

The City of Newport desires the auditor to express an opinion on the fair presentation of the City's basic financial statements as a whole, in conformity with Generally Accepted Accounting Principles (GAAP). The auditor shall also be responsible for performing certain limited procedures involving supplementary information required by the Governmental Accounting Standards Board (GASB), as mandated by Generally Accepted Auditing Standards (GAAS).

The selected auditor shall submit a draft of opinions, letters, and reports for management's review. Final documents are subject to review by the City's Audit Committee. The selected auditor shall incorporate, as part of the basic proposal, meeting time with finance staff and the Audit Committee for the purpose of discussing the audit, audit opinion, management letter, and conclusions.

### 2.2 BASIC REPORTS

Following completion of the audit of the Annual Financial Report, the auditor shall issue the following:

- Independent Auditor's Report. Report on the fair presentation of the financial statements in conformity with Generally Accepted Accounting Principles based upon the audit of the basic financial statements of the City. The other supplementary information listed in the Table of Contents of the City's AFR, including combining schedules and additional budgetary comparison schedules, are not a required part of the basic financial statements. However, the auditor is to provide an "in-relation-to" report on the combining and individual fund financial statements and supporting schedules. The information presented shall be based on the auditing procedures applied during the audit of the basic financial statements.
- AU-C 260. Report a summary of certain matters required by professional standards to be communicated to the City's Audit Committee to assist in the Committee's oversight responsibility for the City's reporting process.
- Management Letter. Report findings, statements, observations, opinions, comments and recommendations related to: the City's system of internal control based upon the auditor's understanding of the control structure and assessment of control risk; the City's compliance with applicable laws and regulations; and, the City's accounting systems, functions, procedures, and processes, especially with regard to cost effectiveness.
- Audit Comments and Disclosures. Report state required Minimum Standards for Audits of Oregon Municipal Corporations (Oregon Administrative Rules 162-10-050 through 162-10-320).

### 2.3 ADDITIONAL REPORTS

The City of Newport meets the audit threshold (over \$500,000 in expended grant funds) for performance of a Single Audit under the OMB Circular A-133. Additional reports to be issued include the following:

- Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial statements Performed in accordance with *Government Auditing Standards*. Report any deficiencies in internal control over financial

reporting that are considered to be significant deficiencies including control deficiencies, significant deficiencies and material weaknesses as defined on Auditing Standards No. 115.

- Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133. Report on compliance with requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* applicable to each of the City's major federal programs.
- Schedule of Findings and Questioned Costs. Report on findings and questioned costs related to the City's financial statements as well as costs and compliance for federal award programs.

Reports on other audits or agreed-upon procedures may be agreed to in writing as stated in a supplemental audit agreement. Prior to beginning work, the scope of the study and associated costs shall be approved by the City.

## **2.4 STANDARDS TO BE FOLLOWED**

To meet the requirements of this request for proposal, the audits are to be performed in accordance with all applicable standards including, but not limited to, applicable standards set forth for financial audits by the Governmental Accounting Standards Board (GASB), Generally Accepted Auditing Standards (GAAS) as promulgated by the American Institute of Certified Public Accountants (AICPA), Government Auditing Standards (GAS) as promulgated by the Government Accountability Office (GAO) if applicable, and requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement*.

In addition, all aspects of the engagement shall be performed in accordance with the highest professional standards and comply with all applicable federal, state and local laws.

## **2.5 WORKING PAPER ACCESS AND RETENTION**

All working papers and reports must be retained, at the auditor's expense, for a minimum of seven (7) years following completion of the audit unless the firm is notified in writing by the City of Newport of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees: the City of Newport; parties designated by the federal or state governments or by the City of Newport as part of an audit quality review process; Oregon Secretary of State, Audits Division.

In addition, the auditor shall respond to the inquiries of successor auditors and allow successor auditors to review working papers related to matters of accounting significance and internal control.

## **2.6 ASSISTANCE TO BE PROVIDED BY THE CITY**

- City will prepare the final closing of the books. The City will provide the auditors with a Trial Balance by fund and all of the accounting detail necessary to perform the audit.
- City will prepare all work papers requested by the Auditor prior to the start of interim and/or final fieldwork.
- City will generate the necessary confirmation letters based on templates provided by the auditors.
- City will prepare the draft AFR, up to and including the combining statements, and all related schedules and statements deliverable to the auditor during the first week of audit fieldwork. City will also incorporate any agreed upon edits to the draft AFR to arrive at the final AFR.
- City will compile the MD&A after auditor provides government-wide adjustments and related statements.
- City staff will be available during the audit to assist in providing information, documentation and explanations as needed as well as access to the computer system to view records and print reports. All requests will first be directed to the Finance Director.

- The City will provide the auditor with reasonable workspace including access to the internet, a telephone line, photocopier and fax machine.
- The Finance Director and City Manager will provide the auditor with a signed Representation Letter at the conclusion of the audit.

## **2.7 MINIMUM CONTENT OF PROPOSALS (MANDATORY REQUIREMENT)**

- A title page showing the firm's name, the date of proposal, point of contacts, business address, telephone numbers, and email addresses.
- A signed letter of transmittal briefly stating that the firm submitting the proposal is properly licensed to perform such audits in the State of Oregon (including all of the assigned professional staff to the engagement), agrees to perform all of the work outlined in the City's RFP within the time periods established by the City, is independent of the City of Newport and understands that the firm's proposal is a firm and irrevocable offer through the June 30, 2015 audit period. The letter must also contain a certification that the person signing the proposal is entitled to represent the audit firm, empowered to submit the bid, and authorized to sign a contract with the City on behalf of the audit firm.
- The report on the audit firm's most recent external quality review, any findings discovered as part of that review and actions taken to correct those findings. The audit firm must also disclose information on the circumstances and status of any disciplinary action taken or pending against the audit firm during the past three (3) years with state regulatory bodies or professional organizations, as well as any pending or settled litigation within the past three (3) years.
- List five (5) of the firm's current municipal auditing engagement clients in Oregon and three (3) non-current engagements served within the last three (3) years and respective contact information for reference purposes. Contact information should include the name of the public agency, name and title of contact person, telephone number, and email address.
- Describe the audit firm's experience and knowledge in performing audits in accordance with the provisions of the Single Audit Act, as amended by OMB Circular A-133. Attach two recent examples of your work in this area to your proposal.
- Attach to the proposal one sample of your last municipal audit report issued in the State of Oregon that was similar and comparable in services to that of the City of Newport.
- Attach to the proposal two (2) samples of management letters that you have recently issued covering an audit of an Oregon municipality.
- Identify all key personnel who will be assigned to work on this project including names, CPA license numbers, and Oregon Municipal Audit Roster numbers. Include a brief summary of their background and experience in auditing similar cities as well as their roles and assigned responsibilities under the proposal.
- Describe the audit firm's audit approach and methodology to be used to perform the audit services. Discussion items may include approach to determining laws and regulations subject to audit test work, approach to evaluating the City's internal control structure, approach to selecting audit procedures including sample size selection, use of specialized software and use of analytical procedures, and identification of any anticipated problems.
- Explain how the audit firm proposes to use City personnel, if at all, to assist during the audit and indicate the approximate time required of City personnel in this capacity.

- Provide a schedule (calendar) indicating proposed timing of interim fieldwork, final fieldwork and firm deliverables (dates follow):
  - Complete Government-wide adjustments and related statements and reconciliations by November 15<sup>th</sup>.
  - Complete audit and deliver final draft to City Finance by December 1<sup>st</sup> (or first business day of December)
  - Final Audit report to the City to ensure submission of the final AFR (for 2014-15 FY) to the State of Oregon and GFOA Certificate of Excellence program (beginning with the 2015-16 FY) by December 15<sup>th</sup> of each fiscal year.
  - Any assumptions regarding turnaround time for City Staff, the Audit Committee and the City Council should be clearly noted.

Note: For the City's fiscal year ended June 30, 2014 audit, interim audit fieldwork (mainly internal control procedures) lasted approximately five (5) business days and final audit fieldwork lasted five (5) business days

- Provide expected hours required for the year ended June 30, 2015 audit on the Not to Exceed Price for Proposed Services Schedule. The City expects that a single audit will be required for the year ended June 30, 2015. For proposal purposes, assume that one is required and that there is a single major program.
- Attach an additional schedule identifying expected hours required by your firm for the subsequent fiscal years ending June 30, 2016 through 2019.
- Provide fee information on the Not to Exceed Price for Proposed Services Schedule for the completion of the projects described in Scope of Auditor Services for the fiscal years ending June 30, 2015 through June 30, 2019. The City expects that a single audit will be required for the year ended June 30, 2015. For proposal purposes, assume that one is required and that there is a single major program.
- Describe the firm's policy on other charges including special requests and special reports or broadening the scope of the engagement.
- Describe firm's understanding of and interaction with an Audit or Finance Committee.
- List the audit firm's billing rates for all other applicable professional services for City reference as the City may request additional services which are outside of personal services audit contract.

## SECTION 3 – SCOPE OF WORK GENERAL PROVISIONS

### 3.1 INDEPENDENT CONTRACTOR

The Contractor shall provide all labor, equipment, material, and supervision necessary to perform audit services. The parties intend that Contractor, in performing the services specified in this contract, shall act as an independent contractor and shall have the control of the work and the manner in which it is performed. Contractor is not considered an agent or employee of the City of Newport, and is not entitled to participate in any pension plan, insurance, bonus, or similar benefits the City of Newport provide its employees.

**3.2 DEFINITIONS** (as used in these contract documents, except where the context otherwise clearly requires)

CITY means the City of Newport, Oregon.

CITY'S REPRESENTATIVE/CONTRACT ADMINISTRATOR means the person or persons designated by the City's Finance Director to administer this Contract and monitor Compliance hereunder.

CONTRACT DOCUMENTS means all written documents existing at the time of execution of this Contract and setting forth the obligations of the parties, including the Request for Proposals, Professional Services Contract, Scope of Work Special Provisions, Fee Schedule, Non-Collusion and Conflict of Interest Certification, and other attachments or addendums applicable to the final Contract Documents. In addition, written amendments to the Contract Documents executed by the parties from time to time, and any documents expressly incorporated by reference elsewhere in the Contract Documents enumerated above.

CONTRACTOR, CONSULTANT, AUDITOR, or PROPOSER means the person or firm which has undertaken to perform the work subject of this Contract and by whom or on whose behalf the Contract was signed.

WORK means all tasks specified or necessarily implied in these Contract Documents to perform and complete their intended result. The term encompasses all labor, materials, supplies, tools, equipment, fuel, administrative and support services, overhead, and other direct and indirect expenses necessary to achieve the result intended by the Contract Documents.

### 3.3 CITY REPRESENTATIVE/CONTRACT ADMINISTRATOR

The City's Representative or designee shall have full authority to act on behalf of the City with respect to administration of the provisions of this Contract, including the authority to stop the work whenever such stoppage may be necessary to ensure the proper execution of the Contract. The Representative or designee shall also have authority to reject all work which does not conform to the Contract Documents. The Representative for the purpose of administering this Contract will be:

Mike Murzynsky, Finance Director  
Phone: (541) 574-0610  
Fax: (541) 574-3355

The City's Representative shall observe, monitor, and inspect the work to the extent required to determine the provisions of the Contract Documents are being properly fulfilled. The inspection of the work completed shall not relieve the Contractor of his/her obligation to perform acceptable work in conformance with these Contract Documents.

### 3.4 NOTICES, INVOICES, AND PAYMENTS

All notices, invoices, and payments shall be made in writing and may be given by personal delivery or by mail. Notices, bills, and payments sent by mail should be addressed as follows:

CITY OF Newport:	169 SW Coast Highway Newport, Oregon 97365
CONTRACTOR:	(Address), (City, State, Zip)

And when so addressed, shall be deemed given upon deposit in the United States Mail, postage prepaid. In all other instances, notices, bills, and payments shall be deemed given at the time of actual delivery. Changes may be made in the names and addresses of the person to whom notices, bills, and payments are to be given by giving notice pursuant to this section.

## **SECTION 4 – PROPOSAL AND PROPOSER REQUIREMENTS**

### **4.1 SUBMITTAL OF PROPOSALS**

In order to be considered for this Project, each Proposer must provide five (5) total copies of their proposal; one copy should be marked “ORIGINAL”, and delivered to the Finance Department Counter. All proposals must arrive at the Issuing Office on or before the listed due date and time. A corporate officer who has been authorized to make such a commitment must sign the proposals. Proposals shall be submitted in a sealed envelope, with the words “AUDIT SERVICES RFP” clearly written on it. The document shall be addressed and delivered to the Issuing Office identified in Section 1.2.

### **4.2 PROPOSAL FORMAT**

Proposals shall be printed and prepared in a simple, economical manner, without stiff binders or covers, fastened in the top left-hand corner, with the sections tabbed to match those in the RFP, and with all pages numbered within each section.

The proposal shall be prepared succinctly, providing a straight forward, concise description of the Proposer’s ability to meet the requirements of the RFP. There should be no unnecessary attachments or exhibits. City reserves the right to reject Proposals that are deemed illegible or too difficult to read.

### **4.3 PROPOSER REPRESENTATIONS**

The Proposer further agrees to the following:

- A. To examine the scope of services and conditions thoroughly.
- B. To provide for appropriate insurance, deposits, and bonds, if required.
- C. To comply fully with the scope of services for the agreed contract.
- D. That any and all registration and certification requirements are met as set forth and required in the Oregon Revised Statutes and this RFP.

### **4.4 KEY PERSONNEL**

The Proposer shall acknowledge and agree that if selected, the Contractor is entering into this Contract because of the special qualifications of the Contractor’s Key Personnel. In particular, through this Contract, the City, is engaging the expertise, experience, judgment, and personal attention of Key Personnel. The Contractor shall not reassign or transfer the Key Personnel to other duties or positions without notifying the City. In the event that a replacement of Key Personnel is necessary, the replacement must be acceptable to the City Representative and Contract Administrator. Proposer will provide City with Key Personnel who has experience with the Proposer’s company and services

### **4.5 PROPOSAL REQUIREMENTS**

Failure to complete any question or request for information, in whole or in part, or any deliberate attempt by the Proposer to mislead the City, may disqualify the Proposer. Each Proposer shall provide the following in addition to describing their qualifications and commitment to providing the required scope of services.

In addition, the Proposer should provide:

- a) A clear understanding of the work to be performed, demonstrated by the comprehensiveness and appropriateness of the Proposal;
- b) Specific qualifications of the Proposer and specific prior work experience within a governmental environment.

#### **4.6 MANDATORY PROPOSAL SUBMITTAL REQUIREMENTS**

Complete and submit all requirements listed in Section 2.7

#### **4.7 ADDITIONAL ATTACHMENTS REQUIRED**

- a) **FEE SCHEDULE (ATTACHMENT A)**  
Proposers are required to complete and submit the Fee Schedule.
- b) **NON COLLUSION/CONFLICT OF INTEREST CERTIFICATION (ATTACHMENT B)**  
Proposers are required to sign and submit this form.
- c) **SAMPLE AGREEMENT (ATTACHMENT C)**  
Review the Sample Agreement. Submit any proposed exceptions with the Proposal response.
- d) **ADDENDA**  
All addenda of this RFP should be submitted as part of the Proposal response. Receipt of each addendum shall be acknowledged by the Proposer by signing in the appropriate designated location. Each Proposer should ascertain, prior to submitting a Proposal, that the Proposer has received all addenda issued by the City of Newport. Addenda are posted on the **City of Newport's website** at: <http://www.newportoregon.gov/rfp>

### **SECTION 5 – PROPOSAL SELECTION AND EVALUATION**

#### **5.1 GENERAL INFORMATION**

Each proposal will be judged on its completeness and quality of its content. The City reserves the right to reject any or all proposals and is not liable for any costs the Proposer incurs while preparing the proposal. All proposals will become part of the public file, without obligation to the City. Upon the completion of the evaluations, the City intends to negotiate a contract with the Proposer whose proposal is deemed to be most advantageous to the City. Special features or qualifications included in the proposal will be given due consideration.

#### **5.2 SELECTION REVIEW COMMITTEE**

The Selection Review Committee will be comprised of a member of the City Audit Committee and three (3) members of the Finance Department. The role of the Selection Review Committee is to score and evaluate the proposals submitted and make an individual recommendation of award. The City may also seek expert advice to help review proposals. Such advisors to the Selection Review Committee may attend evaluation meetings and Proposer interviews, and lend any such expertise to the process as requested by the City. However, any such person that is contacted by the City for their expert advice shall not, from first being contacted until the RFP process is completed, or otherwise brought to an end, have communications with any Proposers regarding their proposals or the process.

Scoring will be completed covering all areas listed below in the Evaluation Criteria. All scores for each Proposer shall be added together to arrive at a final score for each Proposer. Proposals will then be ranked in descending order by the total Proposal score.

The City is seeking value from the service requested. While cost is important to the overall evaluation process, the experience and qualifications may be assigned a higher value. If additional information is deemed necessary as part of the evaluations, such information will be solicited in order to allow the committee to complete the evaluation process.

If final scores are within five points, the City reserves the right to negotiate with any of these Proposers or may elect to negotiate a contract using best and final offers.

### **5.3 SCORING AND EVALUATION CRITERIA**

The criteria listed below will be used to evaluate the Proposers to determine the finalists and apparent successful Proposer. **Total possible points will be 100. Interviews or presentations will have an additional 50 points.**

#### **5.3.1 Letter of Transmittal**

Summarize the key points of the proposal. Identify who will be the Lead Contractor and Contractor's availability to provide the scope of work described in this RFP. The letter should be signed by the individual(s) with authority to contract and include title(s), address, telephone number, and e-mail.

#### **5.3.2 Experience and Qualifications (50 points) 50%**

Describe your experience in the industry, available services to the public and government agencies, and the certifications, credentials, and experience of the Contractor. The proposal shall include the length of time the business has been in existence and special equipment, if applicable. Availability of resources to provide specific services will be considered.

#### **5.3.3 References (25 points) 25%**

References will be contacted to assist with the evaluation of experience, expertise, and the customer's satisfaction. Include at least three (3) references from customers for whom the Proposer is currently or has previously provided audit services as required in this RFP, within the last three (3) years, including government agency references.

#### **5.3.4 Cost of Services (25 points) 25%**

Submit costs per service on the Fee Schedule, Attachment A.

### **5.4 BEST AND FINAL OFFERS**

If in the best interest of the City it has chosen to employ a method of Proposer selection leading to best and final offers, the City may conduct private discussions with qualified Proposers as allowed by ORS 279B.060(6).

### **5.5 RANKING OF PROPOSALS**

- a) Proposals may be ranked by the Selection Review Committee based on evaluation of responses and interviews (if any), with the first-ranked Proposer being that Proposer which is deemed to be the most appropriate and fully able to perform the services, and the second-ranked Proposer being the next most appropriate, all in the sole judgment of the Selection Review Committee.
- b) Contractor's scores will be totaled and ranked. Any Proposer's response to this RFP shall be considered de facto permission to the City of Newport to disclose the results, when completed, to selected viewers at the sole discretion of the City of Newport.

## **SECTION 6 – CONTRACT REQUIREMENTS**

### **6.1 CONTRACT AWARD**

The award of a contract is accomplished by executing a contract with a written agreement that incorporates the entire RFP and Attachments, Proposer's response, clarifications, addenda, and additions. All such materials constitute the contract documents. The Issuing Office is the sole point of contact for the issuance of the contract. The contract shall be substantially in the form of the Sample Agreement attached.

**The Proposer agrees to accept the contract terms of the attached Sample Agreement. Otherwise, exceptions to the contract must be submitted by the Proposer with their proposal response.**

### **6.2 TERM OF CONTRACT**

The term of this agreement shall be three years, subject to termination by either party according to the procedure set out in the contract. This contract may be extended for two additional one-year terms at the option of the City.

### **6.3 REQUIREMENTS**

The Proposer must be covered by Workers' Compensation Insurance, which will extend to and include work in Oregon. In addition, the Proposer must also submit documents addressing general liability insurance, automobile and collision insurance, and an indication that there is no conflict of interest on the part of the Contractor's submission of a proposal for the services being solicited under this RFP.

The Proposer shall demonstrate willingness and ability to provide a Certificate of Insurance within ten (10) days of the Notice of Contract Award.

### **6.4 CONTRACT ADMINISTRATOR**

Mike Murzynsky, Finance Director in the Finance Department will be the Contract Administrator for the Audit Services contract.

**ATTACHMENT A  
FEE SCHEDULE**

**Not to Exceed Price for Proposed Service Schedule**

In accordance with the Request for Proposal for Professional Auditing Services issued by the City of Newport, Oregon, the firm referenced below hereby submits the following hourly fee quotation and hours proposed for all positions to be assigned to the audit:

Key Personnel	Fiscal Year Ended June 30, 2015				
	F/S Audit Hours	Single Audit Hours	Total Hours	Hourly Rate	Total
Engagement Partners					
Engagement Manager					
Engagement Senior					
Engagement Staff					
Clerical/Support Staff					
Other					

In accordance with the Request for Proposal for Professional Auditing Services issued by the City of Newport, Oregon, the firm referenced below hereby submits the following cost proposal:

	Fiscal Years Ending June 30th,				
	2015	2016	2017	2018	2019
Financial Statement Audit:					
Single Audit:					
Cost of Supplies & Materials:					
Additional Fees (if applicable)*:					
<b>Total</b>					

\*The City of Newport expects to receive technical assistance, as needed, from the audit firm throughout the fiscal year that may include inquiries regarding accounting, reporting and internal control issues. If fees related to this technical assistance are not included in the firm's financial statement audit fee, please include them here.

I hereby certify that the undersigned is authorized to represent the firm stated below, and empowered to submit this bid, and if selected, authorized to sign a contract with the City of Newport for the services identified in the Request for Proposal.

Firm Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**ATTACHMENT B**

**NON-COLLUSION AND CONFLICT OF INTEREST CERTIFICATION**

The undersigned hereby proposes and, if selected, agrees to furnish all services in accordance with this Request for Proposals, Attachments, and any supporting Addenda.

**Certifications**

**Non-Collusion**

The undersigned Proposer hereby certifies that it, its officers, partners, owners, providers, representatives, employees and parties in interest, including the affiant, has not in any way colluded, conspired, connived or agreed, directly or indirectly, with any other Proposer, potential Proposer, firm or person, in connection with this solicitation, to submit a collusive or sham bid, to refrain from bidding, to manipulate or ascertain the price(s) of other Proposers or potential Proposers, or to secure through any unlawful act an advantage over other Proposers or the City. The fees and prices submitted herein have been arrived at in an entirely independent and lawful manner by the Proposer without consultation with other Proposers or potential Proposers or foreknowledge of the prices to be submitted in response to this solicitation by other Proposers or potential Proposers on the part of the Proposer, its officers, partners, owners, providers, representatives, employees or parties in interest, including the affiant.

**Conflict of Interest**

The undersigned Proposer and each person signing on behalf of the Proposer certifies, and in the case of a sole proprietorship, partnership, or corporation, each party thereto certifies as to its own organization, under penalty of perjury, that to the best of their knowledge and belief, no member of the City Council, officer, employee, or person, whose salary is payable in whole or in part by the City, has a direct or indirect financial interest in the award of this Proposal, or in the services to which this Proposal relates, or in any of the profits, real or potential, thereof, except as noted otherwise herein. The undersigned hereby submits this Proposal to furnish all work, services systems, materials, and labor as indicated herein and agrees to be bound by the following documents: Request for Proposal, Professional Services Contract, and associated inclusions and references, specifications, Proposal Form, Proposer’s response, mutually agreed clarifications, appropriately priced change orders, exceptions which are acceptable to the City, and all other Proposer’s submittals.

**Reciprocal Preference Law - Residency**      Resident Proposer (  )      Non-Resident Proposer (  )

**Signature Block**

The Proposer hereby certifies that the information contained in these certifications and representations is accurate, complete, and current.

\_\_\_\_\_  
Proposer’s Name

\_\_\_\_\_  
Telephone Number

\_\_\_\_\_  
Mailing Address, City, State, Zip

\_\_\_\_\_  
Tax Id Number

\_\_\_\_\_  
Facsimile Number

\_\_\_\_\_  
E-mail Address

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## ATTACHMENT C – SAMPLE CONTRACT

### STANDARD TERMS AND CONDITIONS FOR AGREEMENT TO FURNISH AUDIT SERVICES TO THE CITY OF NEWPORT, OREGON

#### **ARTICLE I: SCOPE**

For consideration set forth in Article V, \_\_\_\_\_, a professional firm, hereinafter referred to as CONTRACTOR, agrees to provide services to the City of Newport, Oregon, a municipal corporation, hereinafter referred to as the CITY. This Agreement incorporates all the promises, representations, and obligations set forth in this Agreement and the Request for Proposal, Proposal Response, Fee Schedule, and other supporting documents and attachments.

The contract term shall be for a period of approximately three years, commencing March 2015, with an option to extend the contract an additional two, one-year terms, at the option of the City. If the City elects to renew the contract, a written notice shall be provided a minimum of thirty (30) days prior to the expiration of the current contract of its intent to do so.

#### **ARTICLE II: RESPONSIBILITY OF CONTRACTOR**

- A. Notice to Proceed. CONTRACTOR will not begin work on any of the duties and services listed in Article I until execution of the contract. Authorization to proceed on additional services not defined in Article I shall be in the form of an amendment as defined in Article II.
- B. Level of Competence. CONTRACTOR is employed to render professional services and shall be responsible, to the level of competence presently maintained by other practicing professional CPA firms in good standing and engaged in the same type of professional personal services, for the professional and technical adequacy and accuracy of designs, drawings, specifications, documents, and other work products furnished under this Agreement.
- C. Lead Contractor. \_\_\_\_\_ shall serve as the Lead Contractor for Audit Services described under the terms of this Agreement. Any change in the designation of this role must be approved by the City.
- D. Documents Produced. CONTRACTOR agrees that all work products produced by CONTRACTOR in the fulfillment of its obligations under this Agreement, and all information, documents and material, gathered or compiled in meeting those obligations, shall be considered property of the CITY, and shall be provided to the CITY upon completion of this Agreement or termination of the Agreement pursuant to Article XII.
- E. State or Federal Requirements. CONTRACTOR covenants and agrees to comply with all of the obligations and conditions applicable to public contracts of this type pursuant to ORS Chapter 279 A, and B, as though each obligation or condition were fully set forth herein. In addition, CONTRACTOR covenants and agrees that in the performance of its duties hereunder, it will comply with all other state and federal requirements applicable to contracts of this type. If any provision of this Agreement shall be deemed to be not in compliance with any statute or role of law, such provision shall be deemed modified to ensure compliance with said statute or role of law.
- F. Oregon Workers' Compensation Law. CONTRACTOR, its subcontractors, if any, and all employers working under this Agreement are subject employers under the Oregon Workers' Compensation Law and shall comply with ORS 656.017, which requires them to provide workers' compensation coverage for all their subject workers.

- G. Record Retention and Review. The CONTRACTOR shall maintain books, records, documents and other evidence of accounting procedures and practices which sufficiently and properly reflect all direct costs of any nature expended in the performance of this Agreement. These records shall be subject during regular business hours of the CONTRACTOR to inspection, review, or audit by personnel duly authorized by the City upon reasonable advance written notice from the City to the CONTRACTOR. The CONTRACTOR will retain all records related to this Agreement for seven (7) years following the date of final payment or completion of any required audit, whichever is earlier, and make them available for inspection by persons authorized under this provision. The CONTRACTOR shall be responsible for any audit exceptions or disallowed costs incurred by the CONTRACTOR or any of its SUBCONTRACTORS.
- H. Oregon Identity Theft Protection Act. CONTRACTOR, and its SUBCONTRACTORS to comply with the Oregon Identity Theft Protection Act (OITPA), ORS Sections 646A.600 through 646A.628.
- I. Taxpayer Identification Number. CONTRACTOR agrees to complete a Request for Taxpayer Identification Number and Certification (W-9 Form) as a condition of the CITY'S obligation to make payment. If the CONTRACTOR fails to complete and return the W-9 Form to the CITY, payment to CONTRACTOR may be delayed, or the CITY may, in its discretion, terminate the Contract.

### **ARTICLE III: RESPONSIBILITY OF CITY**

- A. Authorization to Proceed. CITY shall authorize CONTRACTOR upon execution of the contract to start work on any of the services listed in Article I.
- B. Access to Records, Facilities and Property. CITY shall comply with reasonable requests from CONTRACTOR for inspection or access to CITY's records, facilities, and properties by providing any and all information within its possession or control that may be reasonably helpful in the performance of the services provided herein.
- C. Timely Review. CITY shall examine all studies, reports, specifications, proposals, and other documents presented by CONTRACTOR, obtain advice of an attorney, insurance counselor, accountant, auditor, and other contractors as CITY deems appropriate for such examination and render in writing decisions pertaining thereto in a timely manner so as not to unreasonably delay the services of CONTRACTOR.

### **ARTICLE IV: MODIFICATIONS**

CITY or CONTRACTOR shall not make modifications in the attached Agreement or these Standard Terms and Conditions except in writing as an amendment to the agreement. Said modifications shall be agreed to by both parties, with scope of work, schedule, and compensation to be negotiated at the time the modification is proposed by either party. Modifications that do not meet these requirements shall not be binding, and no further compensation will be allowed for any work performed.

### **ARTICLE V: COMPENSATION**

City agrees to pay for the goods and services procured in Article I in accordance with the compensation provisions described in this Agreement and the Fee Schedule.

The City shall remit payment within thirty (30) days of receipt of a monthly billing from the CONTRACTOR. Such billing shall be only for services provided to that point. If payment is not made within 30 days, interest on the unpaid balance will accrue beginning on the 31st day at the rate of one percent (1%) per month or the maximum interest rate permitted by law, whichever is less.

Such interest is due and payable when the overdue payment is made, unless delay in payment is due to a contested billing. CITY has the right to appeal or ask for clarification on any CONTRACTOR billing within 30 days of receipt of billing. Until said appeal is resolved or clarification is accepted, no interest will accrue on that portion of the billing. In the event of a contested billing, only that portion so contested shall be withheld, and the undisputed portion shall be paid in accordance with this Article V.

Notwithstanding anything in this Agreement to the contrary, the CITY'S obligation to pay money beyond the current fiscal year shall be subject to and dependent upon appropriations being made from time to time by the City Council for such purpose; provided, however, that the City Manager or other officer charged with the responsibility for preparing the City's annual budget shall include in the budget for each fiscal year the amount of the city financial obligation payable in such year and the City Manager or such other officer shall use his/her best efforts to obtain the annual appropriations required to authorize said payments.

#### **ARTICLE VI: INDEMNIFICATION**

The CONTRACTOR agrees to indemnify, defend, and hold harmless the CITY, its agents, officers and employees, from and against any and all liability, claims, suits, loss, damages, costs, and expenses arising out of or resulting from the negligent or intentional acts, errors, or omissions of the CONTRACTOR, its officers, employees, or agents.

#### **ARTICLE VII: INSURANCE**

Before the Agreement is executed and work begins, the CONTRACTOR shall furnish the CITY a Certificate of Insurance for the coverage and limits set out below which is to be in force and applicable to the project for the duration of the contract. The issuing insurance companies must have a minimum current A.M. Best rating of A- VII or approved by the City. The Certificate must state that any insurance coverage shown cannot be suspended, voided, canceled by either party, or reduced in coverage or limits without 30 days prior written notice has been given to the CITY.

##### **A. Minimum Scope of Insurance**

Coverage shall be at least as broad as:

1. Commercial General Liability: Insurance Services Office (ISO) form CG 0001 with an edition date of 10-2001 or later, providing Commercial General Liability – Occurrence Form. With CG 25 03 (Amendment Aggregate Limits of Insurance per Project) or equivalent attached.
2. Automobile Liability: Insurance Services Office (ISO) form CA 0001, providing Business Automobile Coverage on owned, non-owned and hired vehicles.
3. Workers' Compensation insurance as required by Oregon Revised Statutes and including Employers Liability Insurance.
4. Professional Liability insurance on an occurrence or claims made basis with 24 month tail coverage.
5. Pollution Liability Insurance on an occurrence or claims made basis with 24 month extended reporting period, if applicable to this project.

**B. Minimum Limits of Insurance**

CONTRACTOR shall maintain limits no less than:

- 1. Commercial General Liability:                   \$2,000,000 Each Occurrence  
  \$2,000,000 Personal Injury  
  \$3,000,000 General Aggregate  
  \$3,000,000 Products/Completed Operations Aggregate

The General Aggregate and Products/Completed Operations Aggregate shall apply separately to this project.

- 2. Automobile Liability:                               \$2,000,000 Per Occurrence
  
- 3. Employers Liability:                               \$ 500,000 Each Accident  
  \$ 500,000 Disease Aggregate  
  \$ 500,000 Disease Each Employee
  
- 4. Professional Liability Insurance                \$2,000,000 Per incident / Claim  
  \$2,000,000 Annual Aggregate

**C. Deductibles and Self-Insured Retentions**

Any deductible or self-insured retention must be declared to and approved by the CITY. At the option of the CITY, either: the insurer shall reduce or eliminate such deductible or self-insured retention as respects the CITY, its officers, employees and agents; or the CONTRACTOR shall procure a bond guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

**D. Other Insurance Provisions**

The policies are to contain, or be endorsed to contain, the following provisions:

- 1. Additional Insured Clause - The Commercial General Liability insurance coverage required for performance of this contract shall be endorsed to name CITY OF NEWPORT and its officers, agents and employees as Additional Insured on any insurance policies required herein with respect to CONTRACTOR’S or any sub-contractor’s activities being performed under the Agreement. The Certificate of Insurance must include a copy of the Additional Insured endorsement. Coverage shall be primary and non-contributory with any other insurance and self-insurance.
  
- 2. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the CITY, its officers, employees, or agents.
  
- 3. Workers’ Compensation and Employers Liability Coverage - The insurer shall agree to waive by endorsement, all rights of subrogation against the City of Newport, its officers, employees, and agents for losses arising from work performed by the CONTRACTOR for the CITY.

### **ARTICLE VIII: ASSIGNMENT**

This Agreement is to be binding upon the heirs, successors, and assigns of the parties hereto and is not to be assigned by either party without first obtaining the written consent of the other. No assignment of this Agreement shall be effective until the assignee assumes in writing the obligations of the assigning party and delivers such written assumption to the other original party to this Agreement.

Use of SUBCONTRACTORS by the CONTRACTOR or subsidiary or affiliate Firms of the CONTRACTOR for technical or professional services shall not be considered an assignment of a portion of this Agreement, and the CONTRACTOR shall remain fully responsible for the work performed, whether such performance is by the CONTRACTOR or SUBCONTRACTORS. No SUBCONTRACTORS shall be used without the written approval of the CITY.

Nothing herein shall be construed to give any rights or benefits hereunder to anyone other than CITY and CONTRACTOR.

### **ARTICLE IX: INTEGRATION**

These terms and conditions and the attachments represent the entire understanding of CITY and CONTRACTOR as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered herein. The agreement may not be modified or altered except in writing as specified in Article IV.

### **ARTICLE X: SUSPENSION OF WORK**

The CITY may suspend, in writing, and without cause, all or a portion of the work under this Agreement. The CONTRACTOR may request that the work be suspended by notifying the CITY, in writing, of circumstances that are interfering with the progress of work. The CONTRACTOR may suspend work on the project in the event the CITY does not pay invoices when due. The time for completion of the work shall be extended by the number of days work is suspended. In the event that the period of suspension exceeds 90 days, the terms of the Agreement are subject to renegotiation and both parties are granted the option to terminate work on the suspended portion of the project, in accordance with Article XI.

### **ARTICLE XI: TERMINATION OF WORK**

CITY may terminate all or a portion of the work covered by this Agreement for its convenience. Either party may terminate work if the other party fails to substantially perform in accordance with the provisions of the Agreement. Termination of the Agreement is accomplished by written notice from the party initiating termination no less than fifteen (15) days in advance of the effective date of termination. Such notice of termination shall be delivered by certified mail with a receipt for delivery returned to the sender.

In the event of termination, CONTRACTOR shall perform such additional work as is necessary for the orderly filing of documents and closing of the project. The time spent on such additional work shall not exceed 10 percent (10%) of the time expended on the terminated portion of the project prior to the effective date of termination. CONTRACTOR shall be compensated for work actually performed prior to the date of termination plus work required for filing and closing as described in this Article. Upon termination, CONTRACTOR shall provide to the CITY all work products, material, documents, etc., gathered or compiled, related to the project, whether in CONTRACTOR'S possession at the time of termination or received later.

If no notice of termination is given, relationships and obligations created by this Agreement shall be terminated upon completion of all applicable requirements of this Agreement.

#### **ARTICLE XII: FORCE MAJEURE**

Neither the CITY nor the CONTRACTOR shall hold the other responsible for damages or delay in performance caused by acts of God, strikes, lockouts, accidents, or other events beyond the control of the other or the other's employees and agents.

#### **ARTICLE XIII: DISPUTE COSTS**

In the event either party brings action to enforce the terms of this Agreement or to seek damages for its breach, or arising out of any dispute concerning the terms and conditions hereby created, the prevailing party shall be entitled to an award of its reasonable attorney fees, costs, and expenses, incurred therein, including such costs and fees as may be required on appeal.

#### **ARTICLE XIV: CONFLICT AND SEVERABILITY**

In the event of any inconsistency between the terms of this Agreement and the terms listed in any additional attachments to this Agreement, the terms of this Agreement shall control. Any provision of this document found to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remainder of the document.

#### **ARTICLE XV: NON-DISCRIMINATION/EQUAL EMPLOYMENT OPPORTUNITY**

During the term of this Agreement, the CONTRACTOR agrees as follows:

The CONTRACTOR will not discriminate against any employee or applicant for employment because of creed, religion, race, color, sex, marital status, sexual orientation, political ideology, ancestry, national origin, or the presence of any sensory, mental or physical handicap, unless based upon a bona fide occupational qualification. The CONTRACTOR will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their creed, religion, race, color, sex, national origin, or the presence of any sensory, mental or physical handicap. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer, recruitment or recruitment advertising layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

**ARTICLE XVI: COURT OF JURISDICTION**

The laws of the state of Oregon shall govern the validity of this Agreement, its interpretation and performance, and other claims related to it. Venue for litigation shall be in Lincoln County, Oregon.

**CONTRACTOR:**

Date: \_\_\_\_\_

By: \_\_\_\_\_  
CONTRACTOR

By: \_\_\_\_\_

Title: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

\_\_\_\_\_

Telephone: \_\_\_\_\_

Fax: \_\_\_\_\_

\_\_\_\_\_

Corp. Tax No./Social Security No.

**CITY OF NEWPORT, OREGON:**

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Finance Director

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
City Attorney

**ATTACHMENT D**

**DECLARATION OF INDEPENDENT CONTRACTOR STATUS  
SOLE PROPRIETORSHIP**

The undersigned, \_\_\_\_\_, doing business as  
\_\_\_\_\_, do hereby declare and agree as follows:

1. I am a sole proprietor doing business as \_\_\_\_\_  
and am the only person interested as a partner or principal in that business. I employ no person for the  
performance of any work, including clerical and administrative tasks.

2. All work to be done under contract with the City of Newport, Oregon will be performed by me  
or by subcontractors who will be required to obtain Workers' Compensation coverage as insured or self-  
insured employers unless such subcontractors file with the City of Newport joint declaration, signed by me  
as well, affirming their independent contractor status and the fact that they employ no employees subject to  
the provisions of ORS Chapter 656.

3. I am an independent contractor of the City of Newport, and recognize that I am not entitled to  
and waive all claims under any Workers' Compensation coverage afforded by the City to its employees as  
an insured or self-insured employer.

\_\_\_\_\_  
*(Signature, Sole Proprietor)*

**DECLARATION OF INDEPENDENT CONTRACTOR STATUS-CORPORATION**

The undersigned, doing business as \_\_\_\_\_,

employs no person other than corporate officers for the performance of any work, including clerical and administrative tasks. All work to be done for the City of Newport, Oregon will be performed by the corporate officers of the corporation, or by subcontractors who will be required to obtain Workers' Compensation coverage as insured or self-insured employers unless such subcontractors file with the City of Newport a joint declaration, signed by an officer of the corporation as well, affirming their independent contractor status and the fact that they employ no employees subject to the provisions of ORS Chapter 656.

\_\_\_\_\_ is an independent contractor of the City of Newport, and the corporate officers thereof recognize that we are not entitled to and waive all claims under any Workers' Compensation coverage afforded by the City to its employees as an insured or self-insured employer.

\_\_\_\_\_  
NAME OF CORPORATION

BY: \_\_\_\_\_  
*(Please Print or Type)*

\_\_\_\_\_  
SIGNATURE

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

**DECLARATION OF INDEPENDENT CONTRACTOR STATUS-PARTNERSHIP**

The undersigned, \_\_\_\_\_

do hereby declare and agree as follows:

1. We are partners doing business as \_\_\_\_\_  
and are the only persons interested as partners or principals in that business. We employ no persons for the performance of any work, including clerical and administrative tasks.

2. All work to be done under contract with the City of Newport, Oregon will be performed by us or by subcontractors who will be required to obtain Workers' Compensation coverage as insured or self-insured employers unless such subcontractors file with the City of Newport a joint declaration, signed by us as well, affirming their independent contractor status and the fact that they employ no employees subject to the provisions of ORS Chapter 656.

3. We are independent contractors of the City of Newport, and recognize that we are not entitled to and waive all claims under any Workers' Compensation coverage afforded by the City to its employees as an insured or self-insured employer.

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Printed Name*

\_\_\_\_\_  
*Date*

# CITY MANAGER'S REPORT AND RECOMMENDATION



Agenda #: 7.A.  
Meeting Date: 4-4-16

## Agenda Item:

### Status Report on Mombetsu Sister City 50th Anniversary Flag Design

#### Background:

The committee is proceeding with the development of a 50<sup>th</sup> anniversary flag recognizing the upcoming anniversary in May.

#### Recommendation:

None

#### Fiscal Effects:

Funding has been appropriated for the celebration.

#### Alternatives:

None suggested.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "S. Nebel".

Spencer R. Nebel, City Manager



# CITY MANAGER'S REPORT AND RECOMMENDATION



Agenda #:9.A.  
Meeting Date: 4-4-16

## Agenda Item:

### **Authorization to Purchase a 2016 Ford F550 Dump Truck with a Hydraulic Crane**

#### Background:

In the current fiscal year, funding was appropriated for the replacement of a 1998 Chevy one-ton dump truck operated by the Parks & Maintenance Division. The vehicle is being replaced through the State bid for a 2016 Ford F550 dump truck with a hydraulic crane in the amount of \$68,237.

#### Recommendation:

I recommend the City Council, acting as the Local Contract Review Board, consider the following motion:

**I move to authorize the Parks Maintenance Division to purchase a 2016 Ford F550 Dump Truck with a Hydraulic Crane in the amount of \$68,237.**

#### Fiscal Effects:

\$62,933 is budgeted in Park Maintenance for this purchase. The existing Chevy one-ton truck was sold through govdeals.com with the winning bid being \$5,462.50. There are sufficient funds between the amount originally appropriated and the sale price of the previous equipment to cover the purchase price of this replacement equipment.

#### Alternatives:

None recommended.

Respectfully Submitted,

Spencer R. Nebel, City Manager





**STAFF REPORT  
CITY COUNCIL AGENDA**

**Prepared by:** Timothy Gross, PE, Director of Public Works/City Engineer

**Title:** Authorization to purchase 2016 Ford F550 Dump Truck with Hydraulic Crane

**Recommended Motion:**

I move to authorize the Park Maintenance Division to purchase a 2016 Ford F550 Dump Truck with Hydraulic Crane in the amount of \$68,237.

**Background Information:**

This vehicle is being purchased to replace the 1998 Chevy 1-ton dump truck operated by the Park Maintenance Division. The current truck is used every day and very worn out. The hoist on the truck no longer works and has been removed, the bed sides no longer open, the passenger doors doesn't close correctly and the truck no longer runs well.

One of the functions of this vehicle is to unload the large green trash cans that are located at the busy tourist destinations around town like Nye Beach. These cans are 7 feet deep and require a crane to unload. Because the hoist on the Chevy 1-ton no longer works, the Park crew has been borrowing Wastewater's crane truck and unloading into the 1-ton. Since this is a heavily used vehicle by the wastewater crew, this has created regular conflicts.

The new vehicle is a crew cab to allow the crew to travel together without multiple vehicles, includes a hydraulic crane for unloading trash cans, and includes a steel dump body with fold-down sides for park maintenance activities.

**Fiscal Notes:**

In fiscal year 2015-16, \$62,933 was budgeted in Park Maintenance (101-1330-73100) for this equipment. The existing Chevy 1-ton was auctioned on GovDeals.com and the winning bid was \$5,462.50. The combined trade-in value and appropriated amount of \$68,395.50 is sufficient to cover the cost of the new equipment.

**Alternatives:**

Significant discussion was had to identify the most cost efficient vehicle that would still meet all of the operational needs. An aluminum dump bed was first specified but was considerably more expensive so a steel bed was specified instead. Unlike the previous 1-ton, this vehicle is proposed to be stored inside which should extend the longevity of the vehicle considerably.

This vehicle is being purchased utilizing the State bid contract process which identifies the lowest price available for particular equipment types.

**Attachments:**

Quotes for chassis, hydraulic crane hoist, and steel dump body attached.

**INFO STICKER** *Power Ford*

2016 Ford Super Duty F-550 DRW 2WD SuperCab 186" WB 84" CA XL *Newport* *Jim Guenther*  
 6.8 L/415 CID Regular Unleaded V-10  
 5-Speed Automatic w/OD *Parks + Rec*

CODE	MODEL	MSRP
X5G	2016 Ford Super Duty F-550 DRW 2WD SuperCab 186" WB 84" CA XL	\$40,145.00
<b>OPTIONS</b>		
99Y	ENGINE: 6.8L 3-VALVE SOHC EFI NA V10	\$0.00
44T	TRANSMISSION: TORQSHIFT 5-SPEED AUTOMATIC	\$0.00
660A	ORDER CODE 660A	\$0.00
X8L	LIMITED SLIP W/4.88 AXLE RATIO	\$360.00
TFB	TIRES: 225/70RX19.5G BSW AS	\$0.00
Z1	OXFORD WHITE	\$0.00
	STANDARD PAINT	\$0.00
AS	STEEL, HD VINYL 40/20/40 SPLIT BENCH SEAT	\$0.00
90L	POWER EQUIPMENT GROUP	\$895.00
531	TRAILER TOW PACKAGE	\$155.00
68D	GVWR: 17,500 LB PAYLOAD DOWNGRADE PACKAGE	\$0.00
18B	6" ANGULAR BLACK MOLDED-IN-COLOR RUNNING BOARDS	\$370.00

<b>SUBTOTAL</b>	<b>\$41,925.00</b>
Advert/Adjustments	\$0.00
Destination Charge	\$1,195.00
<b>TOTAL PRICE</b>	<b>\$43,120.00</b>

Est City: mpg  
 Est Highway: mpg  
 Est Highway Cruising Range: mi

*2x4 34,454.00 chassis*  
*4x4 37,399.00 chassis*

Report content is based on current data version referenced. Any performance-related calculations are offered solely as guidelines. Actual unit performance will depend on your operating conditions.

GM AutoBook, Data Version: 394.0, Data updated 7/7/2015  
 © Copyright 1986-2012 Chrome Data Solutions, L.P. All rights reserved.  
 Customer File:

July 13, 2015 1:36:24 PM

Page 1

ATTENTION CHRIS LUNDGREEN



COMMERCIAL VEHICLE UPFITTING

PACIFIC SERVICE CENTER CVU | 6212 NE 78TH ST | SUITE B | PORTLAND, OR 97218  
CVU / OFFICE 971-806-6083 - CORPORATE/OFFICE 503-282-4607

DATE 07/10/2015 EST E60365

<b>CUSTOMER NAME AND ADDRESS:</b>  CITY OF NEWPORT 169 SW COAST HIGHWAY NEWPORT, OREGON 97365	<b>PREPARED BY</b> Chris Lundgreen Sales / Operations   Commercial Vehicle Upfitting Cell 503-320-7500 <a href="mailto:chris@pacificservicecenter.com">chris@pacificservicecenter.com</a> <a href="http://www.pacificservicecenter.com">www.pacificservicecenter.com</a>
---	--

The following quotation is for your consideration  
Supply Crane

PO NUMBER	TERMS	UNIT #	VIN #	YEAR/MAKE/MODEL	CONTACT	CUSTOMER PHONE
		N/A	N/A	2016 F550 EXTENDED CAB 84"CA	DAVE WHITE	541-574-5872

Quotation:

DESCRIPTION	QTY	EACH	AMOUNT
Supply And Install Knuckle Boom Crane Behind Cab Front Of 10' Flat Bed Ferrari Model # 531R-A3 531R-A3 Horizontal Reach Of 24.1' And A Max. Capacity At 19.8' Of 820 Lb. This Unit Includes Radio Remote Control Includes PTO And Pump And All Hydraulics To Operate Crane And Dump Body	1	\$23,989.00	\$23,989.00

Quote Total \$23,898.00

REVISIONS AFTER APPROVAL DATE ARE SUBJECT TO ADDITIONAL CHARGES

**Terms & Conditions**

- Price quoted exclusive of any chassis modifications not stated above.
- Any required modifications to a customer supplied chassis to complete installation may result in additional charges.
- This quote is good for 30 days. 7/10/2015
- Applicable state or federal taxes not included unless shown.
- Terms: PO # or signature required with order.

This work authorized by: SIGNATURE

Date

9-1-15

Payment in full on completion of job if credit arrangements have not been made in advance



PACIFIC SERVICE CENTER CVU | 6212 NE 78TH ST | SUITE B | PORTLAND, OR 97218  
 CVU / OFFICE 971-806-6083 - CORPORATE/OFFICE 503-282-4607

DATE 08/12/2015

<b>CUSTOMER NAME AND ADDRESS:</b>  CITY OF NEWPORT 169 SW COAST HIGHWAY NEWPORT, OREGON 97365	<b>PREPARED BY</b> Chris Lundgreen Sales / Operations   Commercial Vehicle Upfitting Cell 503-320-7500 <a href="mailto:chris@pacificservicecenter.com">chris@pacificservicecenter.com</a> <a href="http://www.pacificservicecenter.com">www.pacificservicecenter.com</a>
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The following quotation is for your consideration  
 Supply Reading Metal Flat Bed Dump With Fold Down Sides

PO NUMBER	TERMS	UNIT #	VIN #	YEAR/MAKE/MODEL	CONTACT	CUSTOMER PHONE
		N/A	N/A	2016 F550 EXTENDED CAB 84"CA	JIM GUENTHER	541-961-8516

Quotation:

DESCRIPTION	QTY	EACH	AMOUNT
Supply And Install Steel Flatbed Dump Standard Reading Model H-10-D Dual Wheel Heavy Duty Platform Body (Black) Furnish 14" High Fold Down Solid Sides, 14" High 4-Way Tailgate And 42" High Bulkhead (Black) Bulkhead Punch Metal Window Opening In Front Bulkhead Rugby Low Mount Hoist Lr 416b Direct Mount Pto Includes Hitch And Plug	1	\$9,289.00	\$9,289.00
LED Beacons (2): Amber LED Beacons, Whelen Engineering Model L21HAP,, The Beacons S Mounted Top Of The Front Bulkhead – One Street Side And One Curb Side. Wire To Up Fitters Switch In Cab	2	\$298.00	\$596.00

<b>Quote Total</b>	<b>\$9,885.00</b>
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REVISIONS AFTER APPROVAL DATE ARE SUBJECT TO ADDITIONAL CHARGES

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*Payment in full on completion of job if credit arrangements have not been made in advance*