



**AGENDA & Notice of Work Session,
&Urban Renewal and City Council Meeting**

The City Council of the City of Newport will hold a work session on Monday April 1, 2013, at 12:00 P.M., followed by an Urban Renewal Agency meeting and regular City Council meeting at 6:00 P.M. The work session will be held in Conference Room A at City Hall, and the Urban Renewal Agency and Council meetings will be held in the Council Chambers, City Hall, located at 169 S.W. Coast Highway, Newport, Oregon 97365. A copy of the agenda follows.

The meeting locations are 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 541.574.0613.

The Urban Renewal Agency and City Council reserves the right to add or delete items as needed, change the order of the agenda, and discuss any other business deemed necessary at the time of the work session and/or meeting. Action items that do not require a public hearing may be moved up earlier in the meeting.

**CITY COUNCIL WORK SESSION
Monday, April 1, 2013 - 12:00 P.M.
Conference Room A**

- I. Additional Work Session Items Not Listed on the Agenda (for this and future work sessions)
- II. Mission Statement
- III. Development of a procedure to establish thresholds on how or when Council will approve payables prior to being paid

**URBAN RENEWAL AGENCY MEETING AGENDA
Monday, April 1, 2013 -- 6:00 P.M.
Council Chamber**

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

I. Call to Order and Roll Call

II. Public Comment

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

III. Consent Calendar

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

- A. Approval of minutes from the Urban Renewal Meeting of March 4, 2013(Hawker)

IV. Discussion Items and Presentations

Items that do not require immediate Council action, such as presentations, discussion of potential future action items.

- A. Presentation on FY2011/2012 Audit Results (Marshall)

V. Adjournment.

COUNCIL MEETING AGENDA
Monday, April 1, 2013 - Follows Urban Renewal Meeting
Council Chambers

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

IV. Pledge of Allegiance

V. Call to Order and Roll Call

VI. Additions/Deletions and Approval of Agenda

VII. 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.

VIII. Proclamations, Recognitions & Special Presentations

- A. National Library Week
- B. Summer 2013 as THE SUMMER TO HAVE A HEART
- C. April 2013 as Child Abuse Awareness and Prevention Month

IX. Consent Calendar

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

- A. Approval of minutes from the Work Session, Regular Meeting, and Executive Session of March 18, 2013, and the Joint Meeting with the Port of Newport of March 19, 2013 (Hawker)

X. Officer's Reports

- A. Mayor's Report
 - 1. Appointment of Public Arts Committee Member
- B. City Manager's Report
 - 1. Project Management Report

XI. Discussion Items and Presentations

Items that do not require immediate Council action, such as presentations, discussion of potential future action items.

- A. Tree City USA (Protiva)
- B. Presentation on FY2011/2012 Audit Results (Marshall)

XII. Public Hearings - 7:00 P.M.

- A. Thompson's Sanitary - Rate Review Presentation and Resolution No. 3623 Adopting a Rate Structure for Thompson's Sanitary Service

XIII. Action Items

Citizens will be provided an opportunity to offer comments on action items after staff has given their report and if there is an applicant, after they have had the opportunity to speak. (Action items are expected to result in motions, resolutions, orders, or ordinances.)

- A. Request by Parks And Recreation Advisory Committee for Architectural Services for City Pool (Protiva)
- B. Consideration of the Adoption of Ordinance No. 2052 - Amending the Newport Municipal Code to Decrease the Membership of the Parks and Recreation Committee from Fifteen Members to Eleven Members (Protiva)

XIV. Council Reports and Comments

XV. Public Comment (Additional time for public comment - 5 minutes per speaker)

XVI. Adjournment

Mission Statement

The City of Newport pledges to develop, provide, promote and manage the essential services for the community while directing services to continue with the well being and public safety of residents and visitors. The city will maintain fiscal responsibility while encouraging and assisting community partners and agencies with economic diversification, sustainable development, and livability, for the City of Newport.

March 4, 2013
6:00 P.M.
Newport, Oregon

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

Staff present was City Manager Voetberg, City Recorder Hawker, Community Development Director Tokos, Public Works Director Gross, Finance Director Marshall, Parks and Recreation Director Protiva, Fire Chief Paige, and Police Chief Miranda.

CONSENT CALENDAR

The consent calendar consisted of the following item:

A. Approval of minutes from the January 22, 2013 Urban Renewal Agency meeting.

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

ACTION ITEMS

Consideration and Possible Action on a Memorandum of Understanding with OMSI. Tokos reported that the issue before the Urban Renewal Agency and City Council is consideration of whether it is in the public interest for the City of Newport and the Newport Urban Renewal Agency to enter into a non-binding memorandum of understanding (MOU) with OMSI. He added that the MOU addresses the vacation and dedication of rights-of-way, preservation of the coastal gully area, cost responsibilities for the construction of SW 30th Street and SW Abalone Street adjacent to the OMSI property, project timing, and OMSI's support for planned tsunami evacuation route enhancements at Safe Haven Hill. He noted that a revised draft was distributed to Council at their seats. See revised agreement.

Tokos responded to questions. Allen noted that over the weekend, Busby had sent questions to which Tokos had responded. He asked Tokos to highlight his responses to Busby's questions. Will respond after OMSI speaks as will bring it up on his computer. What subsidies is con giving. Tokos - this MOU does not contain any subsidies for OMSI. This is a piece of an overall plan that will facilitate growth in SB. In terms of getting row set, the URA would have an obligation, if purchasing ROW, a plat is just another way of doing that. The plat addresses everything at once and allows us to get some value for tow con is vacating. Benefit for OMSI is they don't incur costs of street vacation and rish of cc in finding not in public interest to vacate rows. Allen - sounded like OMSI still working on business or programming plan. Have we received anything that lays it out complete or are they still working on it. Allen - when will they have it ready. Makign decisions and would like to have resent and future course of

action for facility. Tokos - thinks that this issue has more bearing on the tourist facility side of things and these are more infrastructure sorts of things. Tokos addressed SDC's. In terms of con or URA overseeing construction - this is not out of the norm considering the amount of URA funds in this project. Int ertsm of financing OMSI has asked permission to petition con for LID. Any developer can ask con for a LID. If they do that, and cc wishes to proceed, ordinance provides potential for financing of improvements over time. What if naything is being offered - nothing. If this What is estimated total cost to con and see e-mail. URA contributions are not in support of OMSI plan but in respect to roads and contributions already set in the plan. What are estimated local contribiosn by OMSI must defer to OMSI. What are negative impacts. Don't see any per se. Street will improve for existing users and properties. Environmental - preserving coastal gulley has benefit. What if doesn't come to fruition. Only real risk is cost of designing engineering improvements. See derricks' wemail. Won't proceed with construction without commitment efrom OMSI.

OMSI - Jamie Hurd, VP of Programs, Paul Carlson, senior vp at OMSI. Delighted to be here. Did participate in the URA planning last spring and were happy with those plans as they evolved. With this MOU, exec committee of board of trustees approved. Wanted to discuss forther the coastal gulley issue. Security issue they would like to get comfortable on. Jamie Hurd - extension of OMSI programming. School group programs - 15 - 17 weeks. Distributed two handouts - summer programs for individuals. Look on page for programs. Swanson - have extensive program and utilizing the area. Do you have plans for down time when cmap not used. Rentals by other groups. Early conversations with HMSC. Interested in engaging with HMSC. Paul Carlson - planning and how proceeding. Actively in planning stage. Speaking with architects and trying to get estimate on coset and as soon as available will share with cc. David - since URA and CC signing off will need to conven cc and do it at same tiem.

MOTION was made by Allen , seconded by Saelens, that the Urban Renewal Agency enter into a non-binding memorandum of understanding with OMSI, as presented. The motion carried unanimously in a voice vote.

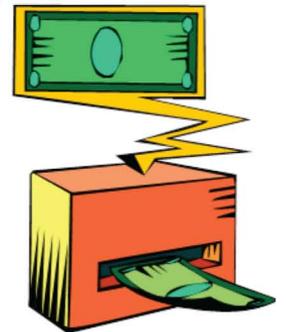
ADJOURNMENT

Having no further business, the meeting adjourned at 6:27 P.M.

Margaret M. Hawker, City Recorder

Richard Beemer, Chair

AUDIT RESULTS FOR THE URBAN RENEWAL AGENCY FISCAL YEAR 2012



Audit Results for the Urban Renewal Agency

- Last year, the audit was reported to the Agency on November 5, 2012, or by the required deadline of December 31st. That had not happened in at least ten years.
- Audits are required to the Audits Division of the Secretary of State, lenders, the County, and other state and local agencies, by December 31st.
- This year we are late.

Results

- Our audit is an *unqualified one*; that is, it has *no material weaknesses*.
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- **Definitions:**
 - A *deficiency in internal control* exists when the design or operation of a control does not ... prevent ,detect, and correct misstatements on a timely basis
 - A *material weakness* is a deficiency or combination of deficiencies, in internal control such that there is a reasonable possibility that a *material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis*.
 - A *significant deficiency* ... is less severe than a material weakness, yet important enough to merit attention by (the City Council).

Results of the Audit

- We received an **“Unqualified” Opinion**, that is a “clean” opinion with no reservations. However, we have:
- **Continuing Significant Deficiencies**
 - Segregation of Duties: Cashier
 - Court fines – outstanding for many months (years); send to collections on a consistent basis
 - Street parking fees: years in arrears
- **And, several new ones:**
- Bank reconciliations not timely or reviewed
- Ass’t Finance Director has unrestricted access to the payroll and a/p functions: can create vendors (even fictitious ones, process and approve accounts payable, and print checks)
- **AGAIN, WE HAVE NO MATERIAL WEAKNESSES:** (A SIGNIFICANT DEFICIENCY ... WHICH MAY RESULT IN A MATERIAL MISSTATEMENT OF THE FINANCIAL STATEMENTS)

Summary from the MD&A

- The Agency has one fund, with three cost centers:
 - The North Side Urban Renewal District (URD), which is not quite closed.
 - South Beach URD – Construction
 - South Beach URD – Debt Service
- The Agency's Assets total about \$16.7 million.
- Of those assets, Cash on Hand was \$1.6 million, about \$340k more than in FY11
- Total liabilities decreased by about \$3.4 million

Summary from the MD&A (2)

- The Agency's \$14.3 in Capital Assets consisted of:
 - \$6.4 million in Land
 - \$8.2 million in Building and other Structures
 - \$0.5 million in Equipment
 - \$5.9 million in Infrastructure
 - Less about \$7.0 million in depreciation

Summary from the MD&A (3)

- Finally, the Agency has about \$3.9 million in outstanding debt, the majority of which is with the Bank of America (Series 2007 and 2008) of \$2.15 million and the FY10 Full Faith and Credit Refunding, Series 2010B, of \$1.7 million.

CONCLUSION

- As with the City, the auditors believe that “... those charged with governance ...” of the Agency’s financial activities “ ... articulate their monitoring practices and record in the minutes when those activities occur.”
- Though we have begun that process with the City, no parallel process exists for the Agency and, unless otherwise directed, I will draft a policy for the URA which will begin regular monitoring of the Agency’s financial reviews.



National Library Week 2013
Proclamation

WHEREAS, libraries are the heart of their communities, campuses and schools; and

WHEREAS; librarians work to meet the changing needs of their communities, including providing resources for everyone and bringing services outside of library walls; and

WHEREAS, libraries and librarians bring together community members to enrich and shape the community and address local issues; and

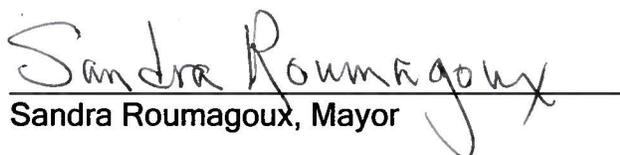
WHEREAS, librarians are trained, tech-savvy professionals, providing technology training and access to downloadable content like e-books; and

WHEREAS, libraries offer programs to meet community needs, providing residents with resume writing classes, 24/7 homework help and financial planning services to teens applying for student loans to older adults planning their retirement; and

WHEREAS, libraries continuously grow and evolve in how they provide for the needs of every member of their communities; and

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

NOW, THEREFORE, I, Sandra Roumagoux, Mayor of the City of Newport, Oregon, proclaim April 14 - 20, 2013 to be National Library Week in the City of Newport. I encourage all residents to visit the library this week to take advantage of the wonderful library resources available at your library. Communities matter at your library.


Sandra Roumagoux, Mayor





**PROCLAIMING SUMMER 2013 AS
THE SUMMER TO HAVE A HEART**

Whereas, The Newport Food Pantry and the Newport Walking Club are working together to improve the lives and health of Newport citizens; and

Whereas, the Newport Have-a-Heart program was developed to encourage citizens to get out and walk, while also raising funds to help feed hungry people; and

Whereas, walking has been proven to be one of the best exercises for all age groups and for both men and women; and

Whereas, walking has been proven to have many health benefits, including reducing the risk of heart-related problems, strokes, obesity, high blood pressure, osteoporosis and depression; and

Whereas, walking is an exercise that can be done anywhere, by anyone, and builds a sense of community; and

Whereas, by walking instead of driving a 4-mile roundtrip each day, a citizen can save approximately 50 gallons of gasoline per year; and

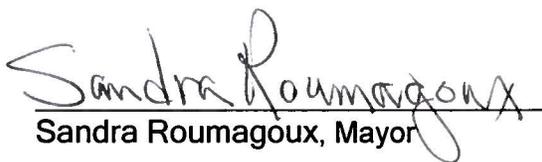
Whereas, businesses and organizations that encourage their employees to walk regularly see improved productivity and wellness; and

Whereas, The Newport Food Pantry and Operation Backpacks works to solve a community hunger problem by distributing food to hungry people; and

Whereas, the Have-a-Heart program will involve three main events: a Kick-off Walk to introduce the program; a walk-a-thon to encourage participants to continue walking and raise money for the Newport Food Pantry and Operation Backpacks; and a Closing Walk to celebrate the success of the program and its participants;

Whereas, The City of Newport will partner with the Have-A-Heart Walking Program beginning on May 18, 2013 and commencing with a closing walk on September 14, 2013.

NOW, THEREFORE, I, Sandra Roumagoux, Mayor of the City of Newport, do hereby proclaim May 18, 2013 through September 14, 2013, as the Summer to Have a Heart in the City of Newport, and urge all citizens to walk for themselves and for others.


Sandra Roumagoux, Mayor





PROCLAMATION

APRIL 2013
CHILD ABUSE AWARENESS AND PREVENTION MONTH
IN THE CITY OF NEWPORT

WHEREAS, it is critical to Newport's future that our children be safe, protected, and nurtured, and

WHEREAS, the incidence of physical, emotional, and sexual abuse of children, as well as neglect of children, continues at an alarming level; and

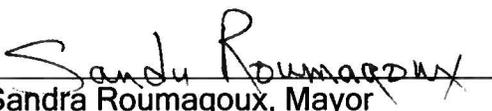
WHEREAS, the effects of child abuse are felt by the entire community and need to be addressed by the entire community; and

WHEREAS, child abuse and neglect are a nationwide problem, and finding solutions depends upon the involvement of people throughout the nation and in every community; and

WHEREAS, it is essential that every citizen in Newport become involved in supporting the efforts of parents and guardians to raise their children in a safe, nurturing environment; and

WHEREAS, everyone must make a personal commitment to create and support the value that raising our children and supporting families is the responsibility of all citizens;

NOW, THEREFORE, I, Sandra Roumagoux, Mayor of the City of Newport, Oregon, do hereby proclaim April 2013 as Child Abuse Awareness and Prevention Month in the City of Newport, and encourage all citizens to join in the observance.


Sandra Roumagoux, Mayor



March 18, 2013
11:00 A.M.
Newport, Oregon

CITY COUNCIL WORK SESSION

Councilors present: Beemer, Sawyer, Busby, Saelens, Swanson, Allen, and Roumagoux.

Staff present: Voetberg, Hawker, Christy Monson, City Attorney, Paige, Miranda, Protiva, and Marshall.

Others present: Bill Bain, Keira Morgan, Larry Coonrod, and Dave Morgan.

Roumagoux called the meeting to order and the roll was taken.

1. A brief discussion occurred regarding whether to create an audio file of executive sessions, and it was the consensus of Council to tape the executive sessions.
2. MOTION was made by Saelens, seconded by Allen that Council enter executive session pursuant to 192.660(2)(f) to discuss discipline of a public officer. The motion carried unanimously in a voice vote, and Council entered executive session at 11:18 A.M.
3. MOTION was made by Beemer, seconded by Allen to take a break from the executive session. The motion carried unanimously, and Council took a break at 12:28 P.M.
4. MOTION was made by Allen, seconded by Saelens to return to the work session. The motion carried unanimously, and Council returned to its work session at 12:42 P.M.
5. MOTION was made by Sawyer, seconded by Saelens, to enter executive session pursuant to 192.660(2)(b) to discuss an exempt public record. The motion carried unanimously and Council entered executive session at 12:44 P.M.
6. MOTION was made by Beemer, seconded by Allen to return to the work session. The motion carried unanimously, and Council returned to its work session at 1:46 P.M.
7. Council took a break at 1:46 P.M., returning to its work session at 1:58 P.M.
8. Roumagoux asked whether there was a motion to accept the third option contained in Monson's memo. MOTION was made by Allen, seconded by Swanson, to create a work group, of three Councilors, to evaluate the City Manager evaluation process and set goals for improvement, and to include the City Manager as a part of the process, and bring the process back to Council for additional vetting. Saelens suggested identifying key aspects of the City Manager's performance that are perceived as middling, and work on a method to address these so that there is a credible method of developing a score. Monson noted that the group would be subject to public records and meetings laws. The motion carried unanimously in a voice vote.

9. A discussion ensued regarding the City Manager's authority to settle lawsuits. Allen noted that he had asked that the City Attorney attend for this discussion item. He noted that some issues have come up as to whether the City Council has oversight when money is used from the city budget to settle lawsuits. He noted that a fund could be established entitled "settlements and judgments," which could give the City Council some oversight. Marshall addressed the establishment of such a fund. Voetberg reported that another alternative would be to bring the settlement to Council when CIS is requesting city participation. Voetberg reported that the Salem City Manager, pursuant to a resolution, has the authority to settle lawsuits to a certain amount, and if it is over that amount, it must go to Council. Monson discussed the memo that she had included in the packet. A discussion ensued regarding what the limit would be in developing a resolution similar to Salem's, and it was agreed that it should be \$25,000. MOTION was made by Sawyer, seconded by Beemer, to direct staff to develop wording for a potential resolution giving the City Manager the authority to settle lawsuits up to \$25,000, and if over that amount, bringing the matter to the City Council. The motion carried unanimously in a voice vote.
10. A discussion ensued regarding the model for communication with the City Attorney. Allen suggested inserting City Council President as a person with authority, so that Councilors can go to either the Mayor or Council President if they need to speak with the City Attorney. It was the consensus of Council to rewrite the resolution and present it to Council for consideration at an upcoming meeting.
11. It was agreed to delay the review of the mission statement until the next work session.
12. Sawyer noted that he would like more discussion on quorums, and Allen asked that a discussion be held regarding serial meetings.
13. MOTION was made by Beemer, seconded by Saelens, to enter executive session pursuant to ORS 192.660(2)(e) to discuss real property transactions. The motion carried in a voice vote, and Council entered executive session at 3:03 P.M. Tokos participated in this executive session.
14. MOTION was made by Allen, seconded by Beemer to return to the work session. The motion carried unanimously in a voice vote and Council returned to its work session at 3:26 P.M.

Having no further business, the meeting adjourned at 3:26 P.M.

March 18, 2013
6:00 P.M.
Newport, Oregon

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

Staff present was City Manager Voetberg, City Recorder Hawker, Community Development Director Tokos, Public Works Director Gross, Finance Director Marshall, and Police Chief Miranda.

PLEDGE OF ALLEGIANCE

Council and the audience recited the Pledge of Allegiance.

ADDITIONS/DELETIONS AND APPROVAL OF AGENDA

Roumagoux asked that Action Item G. be moved to Action Item A., and that Action Item D. be moved to Action Item B.

PUBLIC COMMENT

Bob Ward addressed Council regarding the tsunami dock on the Bayfront. He noted that he had distributed copies of a summary regarding what the group planned to do with the dock. He explained the educational component of having a piece of the tsunami dock on the Bayfront. He added that it will cost approximately \$6,000 to \$7,000 to relocate the dock and make it safe, and another \$6,000 to \$7,000 for interpretative signage. He requested assistance in funding the project, and Roumagoux noted that the city is beginning the budget process, and asked whether there is a creative way to leverage other monies.

Oly Olson addressed Council regarding the occupancy load of the OCCC facility to be used for tomorrow's joint forum of the City Council and Port. Roumagoux asked Olson to e-mail the Port with his concern.

Rex Capri addressed Council regarding the increase in utility bills. He asked what precipitated the increases. Roumagoux reported that Gross will discuss this issue later during this meeting.

CONSENT CALENDAR

The consent calendar consisted of the following items:

- A. Approval of City Council minutes from the work session and regular meeting of March 4, 2013;
- B. Report of accounts paid for February 2013.

Busby stated that staff should develop a method of listing the purpose of the accounts paid on the report, and that until that happens, he suggested not approving the accounts payable. He added that he is reticent to approve something when he does not know what it is. Marshall explained the weekly accounts payable process, and noted that some of this information would have to be inserted manually. A discussion ensued regarding whether to list payables over a certain amount, i.e., \$10,000 or \$25,000. Swanson noted that she is comfortable with a threshold of \$25,000. Busby noted that staff should strive for using purchase orders. Busby asked whether this is something Council should be approving at all since these expenditures are already made. Voetberg reported that some of the larger checks are contractual obligations. Allen suggested having a list for transparency and for Council review and acknowledgement. Marshall agreed to provide a recommendation at the next Council meeting on the threshold and potentially how to allow Council review of accounts payable prior to payment. MOTION was made by Beemer, seconded by Swanson, to approve the consent calendar with the changes made to the minutes as noted by Allen, and with an acknowledgement of the bills paid. The motion carried unanimously in a voice vote.

OFFICER'S REPORTS

Mayor's Report. Roumagoux reported that she had spoken at the tsunami dock installation ceremony.

Roumagoux reported that she attended the Coast Guard breakfast on March 13, and participated in a tour of Coast Guard facilities. She noted that the Victory is in dry-dock.

Roumagoux reported that she participated in the Blessing of the Fleet aboard the Eder's newly renovated fishing vessel.

Roumagoux reported that she will have office hours on March 19, 2013, from 3 - 5 P.M.

City Manager's Report. Voetberg reported that he was in Norfolk, Virginia last week visiting his daughter and touring her ship, The Bainbridge.

Voetberg reported that a joint letter from the city and county had been written to Senator Roblan and Representative Gomberg regarding replacement of the bridge.

Voetberg reported that the packet contains a copy of a letter written to Gregory Carpenter regarding the status of nuisance complaints submitted by Carpenter.

Voetberg reported that the packet contains the monthly departmental updates. Sawyer asked whether the ravine near the planned O'Reilly's Auto Parts Store is a portion of the development, and Tokos noted that it is tied into O'Reilly's project. Sawyer asked about the complaint regarding a water bill. He asked whether there is a way for the city to track leaks. Gross responded that currently, there is not a flag in the software to alert to greater water consumption, so the city is unaware of greater usage until the meter is read. He added that proposed software will allow better tracking.

Swanson asked about the bump in the handicapped ramp to City Hall. Gross reported that the concrete had settled and that staff is investigating possible repairs. She noted that there are other places with handicapped ramp issues and that she will talk with Gross about them later.

Allen thanked the department heads for the monthly reports.

Voetberg reported that the packet contains the project update prepared by Ted Jones.

DISCUSSION ITEMS AND PRESENTATIONS

Presentation on the Big Creek Dams Preliminary Geotechnical and Seismic Evaluation. Verena Winter and Keith Ferguson, from HDR, and Keith Mills, dam safety engineer from the Oregon Water Resources Department, were in attendance. Winter made a PowerPoint presentation regarding the geotechnical and seismic evaluation of the two dams; the soil problems with the dams; and the potential for ground failure. She noted that the next step is additional site characterization to improve the understanding of the soil behavior due to seismic loading; defining the dam failure consequences/feasibility study; and developing a dam repair alternative analysis and cost estimate.

Winter noted that with more sampling modifications, the repair may not be that expensive. Busby asked what kind of repair Winter envisioned. Ferguson noted that an analysis such as this may begin with a simple analysis approach with limited data. He noted that it is not uncommon to have two or three phases of an investigation to increase the understanding. He added that the likely recommendation may be a combination of repairs that might involve some remediation of soils and the possible construction of a berm. He stated that a feasibility study will look at alternatives at both sites in a way that the work could be done as reasonably and expeditiously as possible. Busby asked whether there is a way to measure effectiveness in dollars. Ferguson noted that it is very typical, as a part of the feasibility conceptual design phase, to develop alternatives with cost estimates. Gross reported that the initial assessment was a change order to the water treatment facility project. Gross explained that an RFQ will be prepared and a consultant-of-record will be selected that will allow the city to proceed with an analysis of the dam structures. He added that this phase would expand the initial analysis and allow staff to estimate the costs of the options. Gross added that the decision not to do anything is still a decision, but that more information is needed to make any decision. Busby asked about the anticipated costs and timing for phase two, and Gross reported that something could be available next spring if the drilling is done this summer. Gross noted that both dams are classified as high hazard dams, and that the larger consideration is the city's ability to provide drinking water.

Utility Fee Increase Update. Gross made a PowerPoint presentation containing an overview of the discussion from last year. He discussed the five-year rate increase scenario, and recommended that Council continue with the five-year plan. Saelens asked what the average residential water use is, and Gross noted that he would provide that information at the next meeting. Allen asked about having a chart on the water bills to delineate all the fees, and Gross noted that some version will be on the bills soon. Gross stated that he plans to have recommendations at the next meeting, along with an overview of what has occurred this year.

ACTION ITEMS

Consideration of Recommendation of Tourism Facility Grants as Recommended by the Tourism Facilities Grant Review Task Force. Allen noted that Council received a memo provided by the City Attorney, and although it is marked “confidential,” it provides policy guidance. He suggested waiving the confidentiality of the document, referring to it as a public record, and sharing it with interested persons this evening. MOTION was made by Allen, seconded by Beemer, that even though the document from the City Attorney is marked confidential, that it be considered a part of the public record and distributed this evening. The motion carried in a voice vote with Swanson abstaining.

Paul Carlson and Erin Graham, from OMSI, addressed Council. Carlson noted that Allen had provided questions related to the ORS along with an informal Attorney General’s opinion regarding the grant and allocation of grant funds. He noted that he had reviewed the opinion as had OMSI’s attorneys. Carlson noted that because of the definition in the ORS, he believes that the OMSI facility would be found to be eligible. Carlson added that the key element in the ORS is the concept of substantial purpose, and that there are many points of view, but, in general, these would be facilities that attract people from more than 50 miles away and that promote tourism. He stated that OMSI does that. In conclusion, Carlson reiterated that based on a review, he believes that OMSI is eligible for this type of grant.

Carlson indicated that OMSI’s review indicates that there is no tie between payment of the lodging tax and the eligibility for the grant. He spoke to the differences between the Municipal Code and the ORS on transient room tax, noting that OMSI would be exempt from payment of transient room taxes under state law, but that it is unclear whether there would be an exemption in the Municipal Code. He noted that this issue warrants further discussion. Allen stated that Council had been advised by staff that OMSI was not subject to TRT, and that he is trying to get a sense of why the city would not impose a TRT. Allen noted that the City Attorney needs to look at this issue for a future discussion. Carlson noted that OMSI is in competition with other outdoor school businesses, so its pricing must be competitive. He added that there would be ramifications to the OMSI scholarship program if OMSI’s margin is impacted.

Stan Pickens, Bob Ward, Jim Rice, and Chris Burns, were in attendance to support the application of the Sea Lion Dock Foundation. Allen asked whether the project cost has changed since the Task Force made its recommendations to Council. Pickens explained that it had increased by \$20,000 due to more accurate engineering and construction numbers. Swanson asked whether the Foundation had obtained other funding, and Ward reviewed funds that have been obtained and pending grant applications. She asked whether Bayfront businesses are contributing, and it was noted that some businesses contribute, but the contributions have been small. It was suggested that the Foundation actively solicit donations from Bayfront businesses.

Voetberg asked who will own and maintain the docks, and it was reported that the Port will own the docks, and that maintenance should be funded through donations.

Sawyer asked about the process for giving monies to these organizations. Voetberg reported that agreements would be drafted, but that the organizations would have to prove that they have matching funds in hand, any necessary permits, and that they are ready to build before city funds are released.

Tokos suggested that the grant agreement with OMSI identify activities that do not require onsite lodging to strengthen the tie between what occurs on the property and tourism promotion.

MOTION was made by Saelens, seconded by Allen, to award the following tourism facility grant and direct the city manager, in consultation with the city attorney, to develop a grant agreement for the disbursement of funds, to the Sea Lion Dock Foundation, in the amount of \$50,000. The motion carried unanimously in a voice vote.

MOTION was made by Allen, seconded by Saelens, to award the following tourism facility grant and direct the city manager, in consultation with the city attorney, to develop a grant agreement for the disbursement of funds, to OMSI, in the amount of \$150,000, and to have staff, in working with OMSI look into the issue of offsite facilities that might be utilized by participants that use the facility over the course of the year. The motion carried unanimously in a voice vote.

Allen reiterated that since the City Attorney will be looking at the grant agreements, that the further the issues of the TRT and potential exemptions for OMSI be explored.

Approval of Recommendation from the Destination Newport Committee regarding a KEZI Television Campaign. Lorna Davis, Executive Director of the Greater Newport Chamber of Commerce, and chair of the DNC, reported that the issue before Council is consideration of a television commercial campaign on KEZI, and that the proposal was reviewed and recommended by the Destination Newport Committee. MOTION was made by Sawyer, seconded by Beemer, to approve the KEZI television commercial campaign in the amount of \$15,000. The motion carried unanimously in a voice vote.

Further Consideration of Teevin Brothers Appeal of System Development Charges. Tokos reported that the packet includes an e-mail from Teevin Brothers formally withdrawing its request for an appeal of the SDC's.

Consideration of Ordinance No. 2048 Creating a Wayfinding Committee. It was reported that the issue before Council is consideration, and possible adoption, of Ordinance No. 2048 enacting a new Chapter 2.05.070 which would create a standing Wayfinding Committee. Saelens reported that he attended the ad hoc wayfinding committee meeting, and believes it is time it become a regular committee. MOTION was made by Allen, seconded by Beemer, to read Ordinance No. 2048, enacting Chapter 2.05.070 of the Newport Municipal Code and creating a Wayfinding Committee, by title only and place for final passage. The motion carried unanimously in a voice vote. Voetberg read the title of Ordinance No.2048. Voting aye on the adoption of Ordinance No. 2048 were Allen, Beemer, Busby, Saelens, Sawyer, Swanson, and Roumagoux.

Adoption of Town Hall Meeting Schedule. Swanson asked that the selection of location of Town Hall meetings, with the exception of the April meeting, be determined at a work session. It was the consensus of Council that the April meeting be held at Newport High School if it is available.

Consideration of a Special Event Permit for Loyalty Days. Jim Hawley and Teena Power, representing the Newport Loyalty Days requested a waiver of all fees for services provided by the city during Loyalty Days. It was noted that the fiscal impact to

the city is \$5,955, with \$3,600 in police services, and \$2,355 in Public Works services. Voetberg noted that if Council applies the same formula to this event as it has applied to other events such as the Celtic Festival and the Seafood and Wine Festival, that the city's contribution would be \$2,084, and that the Loyalty Days Association would be invoiced the balance of \$3,870.75. Roumagoux reported that the Coast Guard is interested in bringing in the Victory boats during this event. Roumagoux asked whether there is a website for interested people to contact the Loyalty Days Association throughout the year. A discussion ensued regarding consistency in waiving fees, and the distinction between Loyalty Days and other local events requesting fee waivers. It was noted that for future guidance, policies should be developed that distinguish between for-profit and not-for-profit groups requesting fee waivers.

MOTION was made by Sawyer, seconded by Saelens, to approve the fee waiver requested by the Newport Loyalty Day and Sea Fair Festival Association, Inc., in the amount of \$5,955, which is equal to 100% of the city's total fiscal impact of this event, and that the general fund be reimbursed 50% of this amount. Allen stated that he will vote in support of this motion, but a policy is needed that differentiates between not-for-profit and for-profit requestors. Saelens asked that staff provide a list of events in both the for-profit and not-for-profit categories. The motion carried unanimously in a voice vote.

Adoption of City Council Goals. It was noted that the only change to the goals since the last work session is that a sustainability section has been added. Saelens reviewed the sustainability goals and noted that he is willing to begin leading sessions to discuss concepts and mechanisms that can be used to think of sustainability in the broad scope. A brief discussion ensued. Allen and Sawyer offered Saelens assistance if needed. MOTION was made by Sawyer, seconded by Beemer, to adopt the City Council goals, for the 2013/2014 year, as presented. The motion carried unanimously in a voice vote.

Appointment to Audit Committee. It was reported that the issue before Council is an appointment of a Councilor to the Audit Committee to fill the position previously held by former Mayor Mark McConnell. MOTION was made by Allen, seconded by Beemer, to appoint Swanson to the Audit Committee to fill the position held by former Mayor Mark McConnell, and that this appointment will expire on December 31, 2013. The motion carried unanimously in a voice vote.

COUNCIL REPORTS AND COMMENTS

Sawyer reported that he had attended "Seven Brides for Seven Brothers" at the PAC, and that it was a good performance.

Sawyer reported that in the Mayor's absence, he had held office hours and several people came in.

Sawyer reported that during the Mayor's absence, he had participated in the KCUP radio show with Protiva, and the discussion was focused on the swimming pool.

Sawyer reported that he had attended the tsunami dock memorial ceremony.

Sawyer reported that the DOGAMI tsunami maps are ready for printing.

Sawyer reported that he had attended an informative session on the Joplin, Missouri tornado and response. He added that collaboration and NIMS knowledge are needs.

Sawyer reported that he is unable to attend the CWACT meeting on March 28. Either Roumagoux or Busby will attend in his stead.

Saelens reported that he plans to attend the Parks and Recreation Committee meeting on Wednesday.

Saelens distributed information regarding an upcoming ivy pull at Forest Park.

Saelens reported that he recently attended training where several Agriculture Departments reports were distributed. He added that he will inform Council if there are electronic copies of these reports.

Saelens reported that the paint products stewardship program, Paint Care, has not demonstrated that there is monetary value to the program at the local level.

Swanson reported that she was not able to attend the Senior Advisory Committee meeting due to a Council work session.

Swanson reported on a meeting of the Library Board. She noted that more people are returning books, and that the Library is looking at safety issues including the installation of more cameras.

Swanson requested an excused absence for the April 1, 2013 meetings. MOTION was made by Allen, seconded by Beemer, to excuse Swanson from the April 1, 2013 City Council meeting and work session.

Busby reported that he had attended the briefing on Joplin, Missouri.

Busby reported that he attended a recent meeting of the Airport Committee, and that the lease template is under revision and will come back to the Committee for additional review.

Beemer reported that he had seen the Public Works Director, and his entire family, in "Seven Brides for Seven Brothers."

Beemer reported that he had attended the session on the Joplin tornado response.

Beemer reported that he had attended the breakfast at the Coast Guard station.

Beemer reported that OMSI had made a presentation at the last Chamber of Commerce luncheon. The presentation included a thorough breakdown of plans.

Saelens noted that there are excess copies of the ivy pull event flyer.

PUBLIC COMMENT

Marletta Noe reported that Kay Keady and David Marshall had been very helpful in explaining her water bill.

Marletta Noe reported that Loyalty Days is an event for children and families.

ADJOURNMENT

Having no further business, the meeting adjourned at 8:53 P.M.

Margaret M. Hawker, City Recorder

Sandra Roumagoux, Mayor

March 19, 2013
6:00 P.M.
Newport, Oregon

**JOINT WORK PUBLIC FORUM
NEWPORT CITY COUNCIL AND THE
PORT OF NEWPORT COMMISSION**

Councilor Members present: Roumagoux, Swanson, Sawyer, Busby, Saelens, Beemer, and Allen.

Port Commissioners present: Barton, Jincks, Chuck, Mathews, and Fleck.

Staff present: Voetberg, Hawker, Tokos, Gross, Miranda, Mann, Benjamin, and Keeler.

Barton called the public forum to order at 6:00 P.M. She introduced John Baker, the facilitator for the forum. Baker reviewed the meeting procedure

Panelists made presentations in the following order:

Rian vanden Hooff from DEQ;
Eric Oien from Teevin Brothers;
Jeff Vermilya from Hancock Forest Management;
Jim James from the Oregon Small Woodlands Association;
Doug Wills from the City/Port Task Force; and
Joe Squire from ODOT.

Baker asked that questions of panelists be given to him for distribution to the panelist best suited to respond. A break was taken while questions were collected.

Panelists responded to questions in the following order:

Doug Wills from the City/Port Task Force was asked:

Why all the folks wanting to serve on the Task Force were not contacted; and
Whether he could guarantee there is not likely to be an increase in accidents with log trucks.

Joe Squire from ODOT was asked:

What the truck route would be and whether Highway 20 would be used right away;
What the impact on Highway 20 would be caused by logging trucks using that route to get to the valley;

Why the speed limits are wrong on the traffic study; and
Why is Teevin Brothers allowed on Highway 20 when they could go to a closer port.

Jeff Vermilya from Hancock Forest Management was asked:

Since the increase in Asian exports was due to the U.S. economic downturn, whether he foresees a decrease in Asian exports when the economy recovers;
Whether Hancock Forest Management would pay an additional amount of money to be placed in a special fund for development of an alternate road;
Why Hancock and other owners east of Moore Road don't build an alternate route if the business is so lucrative;
Whether metric retooling of the mills would be a good idea;
How the construction of a bypass road could harm such a lucrative business;
Whether increased harvest levels are projected, and if so, would timber have to be diverted to another port.

The City of Newport City Council and staff was asked:

Gross described the proposed intersection realignment at Moore, Bay Boulevard, and the Bay Road;
Gross was asked who will pay for major wear and tear on Moore Road;
Gross was asked when the intersection work will occur;
Gross was asked why the speed limits are wrong in the traffic study;
Gross was asked whether vibrations from heavy log trucks trigger landslides and earthquakes;
Gross was asked which other streets are considered to be minor arterial streets;
Tokos was asked about SDC's;
Tokos was asked why an environmental impact statement was not required;
Tokos was asked why there was not a vote on this proposal;
Tokos was asked about the difference between Home Depot and the Teevin Brothers;
Tokos was asked about the geologic hazards ordinance for new development;
Tokos was asked why there has been no review of the Teevin Brothers lease;
Allen reported that Council was not participating at this session as they may have to hear an appeal if one is filed;
Miranda was asked who is liable in an accident on Moore Road and Bay Boulevard.

Don Mann from the Port of Newport was asked:

Whether additional businesses are in discussion with the Port that would create additional truck traffic;
Why the Port won't release the terms of the Teevin Brothers agreement with the Port;
Whether funds to rebuild the Port came from public monies;
What the Port pays in property taxes for infrastructure;
What amount of ship docking operating will go to pay bond debt;
When will the Port get additional dredge permits for the Bay;
Who will pay for dredging at the Terminal;
When will the dock be available to the commercial fishing fleet;

Whether there is a better export than logs;
How the Port can legally build on wetlands;
What about gear storage;
Does dredging destroy the fish and crab habitat;
Would the Port be willing to place money in a fund for a bypass road.

Jim James from the Small Woodland Association was asked:

How sustainable is shipping only logs.

Rian vanden Hooff from DEQ was asked:

How will DEQ monitor and control invasive species;
If hazards get into the Bay, which hazards, and what are the consequences;
Will the sea lions be affected;
What authorities have been contacted regarding how to improve regulations;
How will you monitor ships so issues such as what happened with the tsunami dock do not occur;
What would the procedure be for an oil/fuel spill and clean-up;
Is there a penalty for toxic run-off and who pays;
How will carbon monoxide levels be monitored;
How often will noise levels from trucks and the debarking operations be monitored;
How are toxins to be monitored and costs assessed.

Eric Oien from Teevin Brothers was asked:

Will the operation be 24/7;
What are the debarking hours;
How many trucks are required to remove the bark;
How are the logs utilized in China and will they return to the U.S.;
What is Teevin's 24-month safety record, and have there been any brake failures on Teevin's log trucks;
Why does Teevin Brothers have no operating authority from the USDOT;
Will the trucks ditch if there are brake problems;
Is there a runaway truck route;
What is the stopping distance on Moore Road;
How long does a driver have to brake before the air brake engages.

Paul Langner from Teevin Brothers was asked:

Is it possible to reroute trucks off Moore Drive;
Is Teevin Brothers a good neighbor;
What is Newport and Lincoln County going to get from this operation.

Baker asked that additional questions be given to him for response after a short break.

Additional questions included:

Darlene Norgaard asked about the impact of home and business values as a result of this project.

Pat Rudiman spoke in support of the proposal.

Mike Peterson addressed a Teevin truck accident.

Christy Peterson reviewed the 24 month Teevin safety summary.

Yale Fogarty stated that an LID is a viable option for a bypass road.

Oly Olson expressed his opinion that a bypass road is needed.

George Mpitsos talked about non-linear dynamics.

Dave Shelshaur stated that this proposal is wrong for Newport, the bay, and for Oregon.

Dee Shannon talked about near misses at the intersection of Moore Drive, Bay Boulevard, and the Bay Road.

Rio Davidson spoke in opposition to the proposal due to noise, dust, toxins, accidents, and other hazards.

Chuck Gertula, from the Port of Toledo, stated that the Port of Toledo supports this proposal.

Stan Shell stated that he is opposed to the project on many levels.

Rob Halverson spoke in support of the proposal.

Giovanni Catalano voiced opposition to the proposal due to public safety and particularly hearing conservation and safety.

Rex Capri expressed support for the proposal.

Russ Glasscock spoke in support of the proposal.

John Williams stated that he supported the project, but that Moore Drive is the wrong route.

Sally Clark addressed traffic, clean air, and clean water.

ADJOURNMENT

Having no further business, the meeting adjourned at 9:44 P.M.

Peggy Hawker

From: CommitteeApp@newportoregon.gov
Sent: Monday, March 11, 2013 11:56 AM
To: n.clark@newportoregon.gov; Peggy Hawker
Cc: jmayhew525@gmail.com
Subject: Committee Application

Application for City Council - Email Application

Date: 3/11/2013

Commission/Committee of Interest: Public Arts Committee

Name: Judy Mayhew

Address: [REDACTED]
Newport, OR 97365

Physical Address is [REDACTED]

Workphone: [REDACTED]

Homephone: [REDACTED]

Email: [REDACTED]

Occupation: Recreation Superintendent

Employer: City of Newport

Why do you want to serve on this committee/commission/board/task force, and how do you believe you can add value? I have served on many boards and committees over the years, some of which were art-based. I am very interested in learning about local art/artists; having only lived here for 4 1/2 years, I have much to learn. Because of my experience on other boards, I am familiar with the board/committee process and should be able to fit in quickly and become an asset.

What is a difficult decision you have made concerning issues of bias and/or issues of conflict of interest? As the at-large representative for the City of Unalaska serving as the President of the Museum of the Aleutians Board, my decisions needed to reflect what was best for both entities. I was careful to maintain a perspective of the City's standpoint while working to enhance the museum's role in our community and beyond.

Describe the process of how you make decisions. I often have an opinion of things fairly quickly, but I am always careful to listen to others and how they came to their opinions. It is not unusual for me to change my opinion or realize that someone else's views make just as much sense as mine.

What do you think about consensus decision making? What does the consensus decision making process mean to you? In a committee setting, it is very important to make decisions through consensus. We are all volunteers trying to work together to make good decisions for the cause, whatever it may be. A single-minded bias does not work in a committee or "team" setting.

Describe all other pertinent information/background for this position. I have served on the Unalaska Historic Commission, Aleutian Arts Council and the Museum of the Aleutians Board, among others. I have been interested in the arts for many years and believe that my experience and enthusiasm would serve the Public Arts Committee well.



Jim Voetberg
City Manager
CITY OF NEWPORT
169 S.W. Coast Hwy.
Newport, OR 97365
j.voetberg@thecityofnewport.net

Manager's Report Meeting of April 1, 2013

Following is the Manager's Report for the City Council meeting of April 1, 2013:

City Manager Settlement Authority: A resolution outlining the City Manager's settlement authority is anticipated to be completed for Council consideration for the meeting of April 15th. A few issues need to be worked out to insure it meets the expectation of Council.

Ocean Observation Conference: Yaquina Bay Ocean Observation Initiative (YBOOI) will be having its first annual Ocean Observation Conference on April 30th and May 1st. The conference will have speakers who will be discussing current and potential major ocean observation related research projects on the Oregon Coast. The keynote address will be by Dr. Rick Spinrad, Vice President of Research for Oregon State University. Mayor Roumagoux will be welcoming the participants to Newport.

ODOT Quarterly Meeting: Representatives from ODOT met with the City to discuss various ongoing ODOT issues. Of increasing concern is ODOT's lack of progress on selecting an engineer to design the Highway 101 cross-walk improvements. This lack of progress may result in missing another construction season. While the ODOT representative said they will look into it, the City may need to bump this up the ODOT ladder in order to get results.

Capital Project Update: Attached is a status update on the City's capital projects which has been prepared by Senior Projects Manager Ted Jones.



Memo

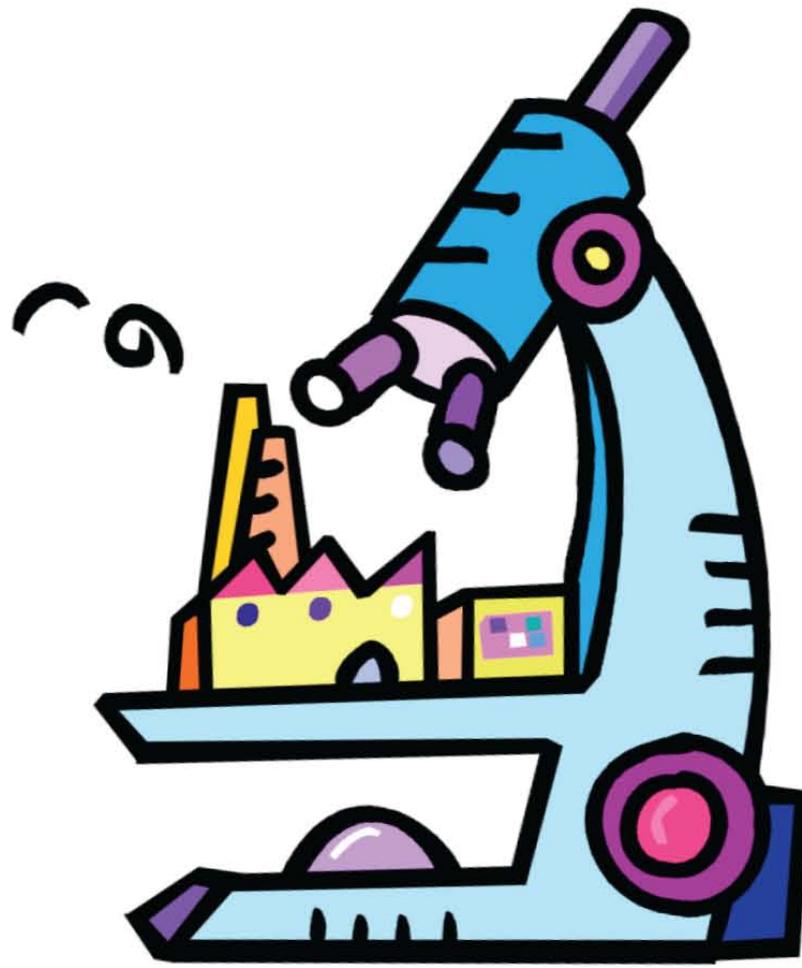
To: Jim Voetberg, City Manager and City Council
From: Ted Jones, PE, Sr Proj Mgr
Date: April 1st, 2013
Re: Capital Projects Status Update

Project: Big Creek Force Main
Project Number: 2011-005
Status: Selected least cost alternative for pipe route to tie into Park St. at NW 17th St.
Next Task: 60% Design Submittal
Budget: \$730,000
Description: Upgrade of wastewater collection system force main running from Big Creek Pump Station along NW Oceanview Dr. to tie in on NW Park St.

Project: Ash Street Design and Construction
Project Number: 2010-003
Status: Opened nine (9) bids on 27 March 2013. All bids below engineering estimate of \$450,000 for construction. Lowest three (3) bids were all less than \$350,000. The highest bid was \$409,800.50
Next Task: Complete bid review and award bid.
Budget: \$557,000
Description: Design and construct Ash Street between SE 40th St. and SE Ferry Slip Road.

Project: Lower Big Creek Reservoir Drawdown Pipe Repair
Project Number: 2012-012
Status: Advertise for bid 03 April 2013.
Next Task: Open bids 01 May 2013.
Budget: \$160,000
Description: Repair a structurally deficient and functionally obsolete 36-inch corrugated metal out fall pipe with a 28-inch HDPE Liner and structural grout.

Project: Agate Beach Tank & NE 71st Pump/Waterlines
Project Number: 2011-018
Status: Plans are under review with State of Oregon Health Authority (Drinking Water).
Next Task: Advertise for bid mid-April 2013.
Budget: \$2,384,000
Description: Will provide 1 million gallons of storage capacity for Agate Beach area and the pipeline/pump station will improve pressure, and fire flow.



RESULTS OF THE AUDIT
FOR THE CITY OF NEWPORT
FOR THE YEAR ENDED 30 JUNE 2012

City of Newport Audit Results

- Last year, the audit was reported to the Council on November 5, 2012, or by the required deadline of December 31st. That had not happened in at least ten years.
- Audits are required to the Audits Division of the Secretary of State, lenders, the County, and other state and local agencies, by December 31st.
- This year we are late.

Results

- Our audit is an *unqualified one*; that is, it has *no material weaknesses*.
-

- **Definitions:**
 - A *deficiency in internal control* exists when the design or operation of a control does not ... prevent ,detect, and correct misstatements on a timely basis
 - A *material weakness* is a deficiency or combination of deficiencies, in internal control such that there is a reasonable possibility that a *material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis*.
 - A *significant deficiency* ... is less severe than a material weakness, yet important enough to merit attention by (the City Council).

SUMMARY OF AUDITOR’S COMMENTS (THESE WERE ORIGINALLY REPORTED TO THE COUNCIL ON NOVEMBER 8TH, 2012)

- | | | |
|-----------|---|--------------------|
| 1. | Type of Auditors’ report issued: | UNQUALIFIED |
| 2. | Material Weaknesses? | None |
| 3. | Significant Deficiencies? | Yes |
| | 1. Lack of segregation of Duties – Court | Not corrected |
| | 2. Untimely bank reconciliations (inadequate resources) | Not corrected |
| | 3. Lack of system access restrictions | Not corrected |
| | 4. Delinquent A/R | Being Corrected |
| 4. | Federal Awards - None | |
| | 1. Material weaknesses identified? | No |
| | 2. Significant deficiencies identified? | Yes |
| | 3. Type of Auditors’ Report for Major Programs | UNQUALIFIED |
| | 4. Auditee qualified as low-risk auditee? | Yes |
| 5. | RELEVANT COMMENT CONCERNING FEDERAL AWARDS – FOR FY14 AND, POSSIBLY, FY13, THE CITY WILL BE SUBJECT TO THE SINGLE AUDIT ACT: | |

It is a rigorous, organization-wide examination of the City whenever it expends \$500,000 or more of [Federal assistance](#) received for its operations. The Single Audit’s objective is to provide [assurance](#) to the [US federal government](#) as to the management and use of such funds by [recipients](#) such as states, cities, universities, and non-profit organizations. The audit ... encompasses both financial and [compliance](#) components

Summary from the MD&A

- The City has 16 governmental funds, with the major ones being the General Fund, the Room Tax Fund, the Capital Projects Fund, the Streets Fund, and the Airport Fund
- Its other two “major” funds are not Governmental funds but Entrepreneurial funds; that is, they are funded primarily by user charges. In other words, they are run as a business.
- The City’s assets > liabilities by \$80.1 million, an increase of about \$2.5 million.
- Total liabilities decreased by about \$2.5 million
- Total Cash on Hand was \$13.86 million, a decrease of about \$4.8 million (last of borrowed and grant money was spent).

More Financial Information

- For the first time, the City's **Net** Capital Assets exceeded \$100,000,000 (nearly \$105 million), the majority of which was the value of the infrastructure (prior to depreciation) of \$83 million.
- The City's long-term debt continues to decrease, from FY10's amount of \$44.0 million, to FY11's \$41.4 million, to FY12's \$38.5 million.
- In accordance with Council direction, another measure of the City's financial health is the increasing amounts of Ending Fund Balances (EFB) in its General and Special Revenue funds:
- In FY10, the total EFB was \$9.7 million; in FY11, it was \$10.3 million, and in FY12, it was \$11.4 million.

SUMMARY

- The City's financial health continues to improve.
- Certain internal processes that have been "deficient" for years are on the verge of being correctable.
- Still ... there is a lot of work to do.
- The preliminary field audit for FY13's audit will happen during the week of April 15th.
- We have tentatively scheduled the audit committee to meet with the auditors on April 18th.
- In the future, I recommend that the Audit Committee present this report to the Council.



Agenda Item: XII.A.
Meeting Date: April 1, 2013

CITY COUNCIL AGENDA ITEM SUMMARY
City Of Newport, Oregon

Issue/Agenda Title: Receipt of Solid Waste 2013 Rate Review Report and Consideration of Resolution No. 3623, Approving a Rate Structure for Solid Waste Disposal Franchisee Thompson Sanitary, Inc.

Prepared By: Jim Voetberg Dept Head Approval: City Mgr Approval:

Issue Before the Council: The issue before Council is receipt of the solid waste 2013 rate review report prepared by the City's solid waste franchisee Thompson Sanitation Service and consideration of Resolution No. 3623 approving Thompson Sanitary Service's solid waste rate schedule.

Staff Recommendation: Staff recommends Council adopt Resolution No. 3623 authorizing the city's solid waste franchisee, Thompson Sanitary, Inc.'s rate schedule as attached to this report. Please note there are no rate increases from the current solid waste rate schedule.

Proposed Motion: I move to adopt Resolution No. 3623, a resolution approving a solid waste rate schedule for Thompson's Sanitary Service, Inc.

Key Facts and Information Summary: Attached for Council review is the 2013 solid waste rate review report prepared by Thompson Sanitary Services. The report and Council approval of their rate schedule is a requirement of the May 2007 solid waste franchise agreement. Rob Thompson, President of Thompson Sanitary Services, will be attending the meeting of April 1, 2013 to present the report and address questions Council may have.

The franchise agreement between the City and Thompson Sanitary Service provides rate increases under two sections:

Section 12(1)(g)(1) of the May 2007 agreement states that commencing on June 1, 2008 and on June 1 of each even numbered year thereafter (the adjustment date) throughout the term of the franchise, the rates shall be adjusted in an amount equal to 85 percent of the two-year percentage change in the Consumer Price Index for all Urban Consumers for West B/C, all Items (1982-84+100) published by the Bureau of Labor Statistics (the index) that occurred between the months of May and April of the previous and the current years.

For the time period between the months of May and April of the previous and the current year, 85% of the index (CPI) equals approximately 2.2%.

Section 12(1)(h)(1) of the May 2007 agreement states that the city shall review the report [a rate review report] and, if the city's review of the report indicates that the operating ratio is likely to be less than 85 percent or greater than 91 percent, the franchisee shall implement new rates for the next year. The rates shall provide the franchisee an operating ratio of 88 percent.

As shown in Thompson's Sanitary Service, Inc.'s 2013 Rate Review Report, the operating ratio for 2012 was 88.97% and the projected ratio for 2013 is 88.65%.

Notwithstanding the rate adjustments afforded in the May 2007 solid waste franchise agreement, no rate increases are being requested by franchisee Thompson Sanitation.

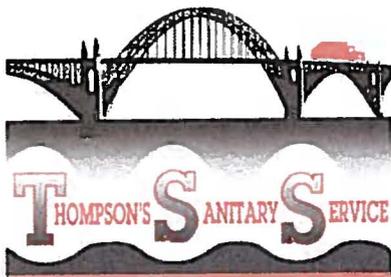
A public hearing and possible action has been publically noticed for the Council to approve the attached resolution. The resolution is self explanatory and needs no further elaboration.

Other Alternatives Considered: None

City Council Goals: N/A

Attachment List: Resolution No. 3623

Fiscal Notes: None



TEL: (541) 265-7249
FAX: (541) 265-3034
7450 NE Avery • PO Box 643 • Newport, OR 97365

Jim Voetberg
City of Newport
169 SW Coast Hwy
Newport, Oregon 97365

March 19th, 2013

Re: 2013 Rate Review Report

Dear Jim:

Enclosed are several schedules and a 2012 Reviewed Financial Statement prepared by our independent Certified Public Accountants. These items make up the "Rate Review Report" as outlined in the Solid Waste Collection Franchise. This information also makes up the Annual Report.

As required under The Franchise pursuant to Newport Municipal code 7.05, the enclosed rate review report contains: 1) all the actual allowable expenses incurred by Franchisee in the preceding calendar year (Exhibit A) on file ; 2) all additional allowable expenses that we reasonably anticipate will be incurred or imposed in the current year (Exhibit C Pg 1); 3) the allocation formulas used to determine expenses (Exhibit B); 4) the actual Operating Ratio for the preceding calendar year (Exhibit C Pg 2); and 5) the expected Operating Ratio for the current calendar year (Exhibit C Pg 2).

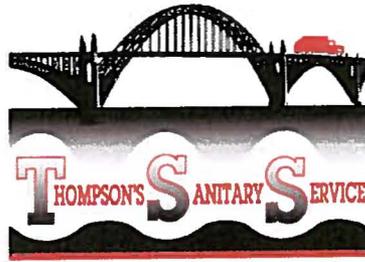
In addition, as required under The Franchise, the enclosed data also includes Reviewed Financial Statements. These are to be treated as confidential material.

Based on this data, the Operating Ratio for the current calendar year is outside the limits of the Operating Ratio Range of 85% to 91%. While our current ratio is 88.97% and therefore indicates rates are inside the range. We are pleased that no rate change is planned, but we will continue to keep a close eye factors that impact revenue and expenses. On the next page I will outline some of the activities of 2012.

Respectfully,

A handwritten signature in black ink that reads 'R.M. Thompson'.

Robert M. Thompson,
President



We are pleased to present our Annual Report for 2012. Instead of a power point presentation we will highlight the significant items related to solid waste collection systems in Newport. We'll also be present at the normal meeting to answer any questions.

Fuel for 2012 cost \$146,651, therefore we keep a close eye on it, as we do with labor expense. We saw a very modest decrease in both of 0.2% and 0.3% of overall operations respectively, totaling one half of a percent. The school district bond and port bond projects, along with business remodels, have provided the unexpected income to keep rates stable. While recycling revenue of \$139,276 is plowed directly back into our revenue also helping keep rates stable, it is a 34.8% decrease from last year alone. We have projected a small improvement to values in the recycling markets, for next year. You may recall 4 or 5 years ago a large income from recycling that is not the case today. The annual report keeps rates in check and prevents the need for large increases even when commodity markets are volatile.

The waste shed exceeded the recovery goal set by the state of Oregon, and woody debris continues to be one of the largest components to that accomplishment. 2012 recovery numbers are not out yet, we expect those in June. The 2011 recovery was 35.5%, and is a cooperation with the other haulers of Lincoln County and the Solid Waste District. We would like to continue the discussion about adding woody debris service to the curb, when the council has the time for that discussion.

Food waste recycling continues to be a growing desire from large companies right here in Newport, we are ready and have the infrastructure in place to meet that demand.

Our web page was updated this year, and we continue to accept payments electronically and paperless in an efficient method for our customers. We offer a long list of recycling with most being free of charge including e-waste, latex paint, metal, and partnering with the PUD to recovery old inefficient appliances to name a few. Customers then get a credit on their PUD bill while lowering the demand on the electric grid. To date, 2,369 units have been recycled, and not only are we one of the haulers to provide that service, but we are the centralized call center for all PUD customers wanting to retire old units.

We purchased \$50,495 of carts and tubs, and another \$79,594 on drop boxes both for garbage and specifically for recycling. Some for replacement of broken and some for new projects. We have invested in major overhauls on a few key pieces of equipment and will be ordering a new truck in 2013. We were able to crush 1000 Yards of concrete and use it to build additional parking and area at the transfer station for recycling opportunities.

Newport customers are very interested in recycling, 95% of all our customers' participate at the curb with 'Big Blue'. Some of our children have helped in radio ads to promote and educate about recycling opportunities. We try to keep it fun for the listeners while promoting recycling.

We continue many local programs, like NOAA net recycling(25.53 tons), CAN Cancer (\$12,000 raised), invest time with Rotary, the Newport High School and Sam Case/Newport Intermediate Booster Clubs, and coordinate SOLVE adopt-a-river programs. Those are just to name a few.

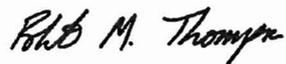
Recently in Salem, Mark Saelens as SW Dist. Manager testified in front of the Paint Stewardship committee to improve and promote the future of the Paint Care Bill. He did an outstanding job and his praises were echoed by our State association Oregon Refuse and Recycling. We continue to track and support bill 3266, which provides an exception for solid waste collection trucks to stop in a lane of traffic to service garbage and recycling customers.

In conjunction with the other haulers in Lincoln County a Household Hazardous Waste event is schedule this summer in Toledo. We will announce the exact date once it is selected.

In 2012 we participated in or partnered in several events that bring valued benefit to our customers and the local community:

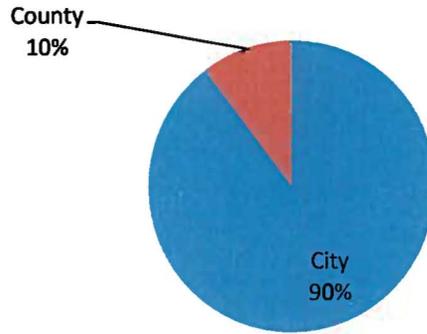
- E-Waste Collection (~55 Tons annual)
- Paint Recycling and Redistribution of usable paint (~900 Gal. Annual)
- HHW Collection Event (Lincoln City)
- Recycling Glass Depots (3 Locations serving Newport ~175 Tons annual)
- Plastic Bag Recycling Depot
- Recycling kiosk at Lincoln County Fair
- Earth Day at Oregon Coast Aquarium
- Battery Recycling (8 Locations serving Newport)
- Adopt-A-River Program (Yaquina River from mouth to Toledo)
- Great Oregon Beach Clean Up

Sincerely,

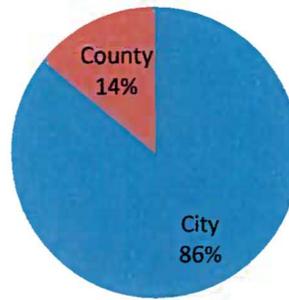


Robert M. Thompson
Thompson's Sanitary Service Inc.

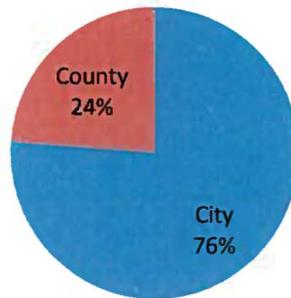
Allocation of Revenue 2012



Allocatino of Labor Hours 2012



Allocation of Customer Count 2012



	A	B	C	D	E	F	G	H	
1	City of Newport								
2	Thompson's Sanitary Service Inc.								
3	Rate Review Report								
4	December 30, 2012								
5									
6	Use this one								
7									
8									
9	INCOME AND EXPENSE DATA:								
10	REVENUE								
11			89.70%	Reviewed					
12		Collection Services	Actual	3,190,407	\$	2,861,795		2,861,795.08	
13		Recycling Revenue	Actual	164,407	\$	147,473	25,000	\$ 172,473	
14	0.00%	Other Income (Expenses)	Actual	4,614	\$	4,139		\$ 4,139	
15		Rate Adjustment Required							
16		Total Revenue		3,359,428		3,013,407	25,000	3,038,407	
17	LABOR EXPENSES								
18		Supervisor/Manager	Labor Hours	242,460		208,467		208,467	
19		Customer Relations Representative	Labor Hours	156,972		134,965	-	134,965	
20		Operational Personnel	Labor Hours	529,490		455,256	-	455,256	
21		Other Benefits	Labor Hours			-	-	-	
22		Total Labor		928,922		798,687	-	798,687	
23	OPERATIONAL EXPENSES								
24				85.98%					
25		Bad Debt Expense	Labor Hours	2,040	\$	1,754	-	1,754	
26		Business Taxes and PUC	Labor Hours	1,156	\$	994	-	994	
27	12000	Closure	Labor Hours	12,455	\$	10,709	-	10,709	
28		Depreciation and Amortization	Labor Hours	15,067	\$	12,955	-	12,955	
29		Disposal Charges	Labor Hours	729,732	\$	627,424	-	627,424	
30		Franchise Fees	Labor Hours	103,433	\$	88,932	-	88,932	
31		Fuel (Projecting %10 increase)	Labor Hours	146,651	\$	126,091	12,609	138,700	
32		Insurance Expense	Labor Hours	56,629	\$	48,690	-	48,690	
33		Operational Lease and Rent (Note 3)	Labor Hours	348,000	\$	299,210	-	299,210	
34		Property Taxes	Labor Hours	40,632	\$	34,935	-	34,935	
35		PUC	Labor Hours	11,374	\$	9,779	-	9,779	
36		Recycling processing & transport	Labor Hours	141,114	\$	121,330	-	121,330	
37		Refund of Deposit on Service	Labor Hours	245	\$	211	-	211	
38		Rent	Labor Hours	64,260	\$	55,251	-	55,251	
39		Repairs and Maintenance	Labor Hours	296,885	\$	255,262	-	255,262	
40	12000	Solid Waste District Surcharge	Labor Hours	49,818	\$	42,834	-	42,834	
41		Total Operational		2,019,491		1,736,358	12,609	1,748,967	
42		GROSS PROFIT			411,015	478,361		490,752	
43	ADMINISTRATIVE EXPENSES								
44				76.99%					
45		Advertising	Customer Counts	14242	\$	10,965	-	10,965	
46		Company Meetings	Customer Counts	11548	\$	8,891	-	8,891	
47		Community Education & Support	Customer Counts	11513	\$	8,864	-	8,864	
48		Dues and Subscriptions	Customer Counts	20577	\$	15,842	-	15,842	
49		Employee benefits (Drug Program)	Customer Counts	7844	\$	6,039	-	6,039	
50		Licenses and fees	Customer Counts		\$	-	-	-	
51		Meals and entertainment	Customer Counts	5708	\$	4,395	-	4,395	
52		Office Supplies	Customer Counts	42681	\$	32,860	-	32,860	
53		Postage	Customer Counts	19323	\$	14,877	-	14,877	
54		Printing	Customer Counts		\$	-	-	-	
55		Professional fees	Customer Counts	15211	\$	11,711	-	11,711	
56		Public Relations(See Comm. Ed.& Supp.)	Customer Counts		\$	-	-	-	
57		Utilities	Customer Counts	39578	\$	30,471	-	30,471	
58		Total Administrative		188,225		144,914	-	144,914	
59									
60		NET INCOME BEFORE TAX			\$	222,790	\$	333,447	
61									
62									
63	Operating Ratio Calculation								
64									
65		Net Income		\$	222,790	\$	333,447	\$	345,838
66									
67		Add Back Non Allowable Expenses:							
68		Community Education and Support			11,513	8,864		8,864	
69		Interest on Purchase of Routes				-		-	
70									
71									
72		Net Regulated Income			\$	234,303	\$	342,311	
73									

	A	B	C	D
1	City of Newport			
2	Calculation of Operating Ratio			
3	12/30/2012			
4				
5			Actual	Projected
6			2012	2013
7	Total Expenses:			
8	Total Labor		\$798,687	\$798,687
9	Total Operational		1,736,358	1,748,967
10	Total Administrative		144,914	144,914
11	Total		2,679,960	2,692,569
12				
13	Less Non Allowable Expenses:			
14			-	-
15				
16	Less "Pass Through Expenses"			
17	Franchise Fees		8,864	8,864
18				
19	Allowable Expenses		\$2,688,823.78	\$2,701,433
20				
21				
22	Revenue			
23	Revenue		\$3,013,407	\$3,038,407
24				
25	Less "Pass Through Expenses"			
26	Franchise Fees		8,864	8,864
27				
28	Revenue (net of Pass Through)		\$3,022,271	\$3,047,271
29				
30				
31	Operating Ratio:			
32	Allowable Expenses		\$ 2,688,824	\$ 2,701,433
33	divided by			
34	Revenue (net of Pass Through)		\$ 3,022,271	\$ 3,047,271
35				
36	Calculated Operating Ratio		88.97%	88.65%

Truck List, Year, Make Unit #

12/31/2012

PUC Plate	VIN #	Unit	Make of Vehicle	Type						
YCPP 684	1HTSDAANORH595334	111	94 Int.	Rear Load						
T506024	JNAMA20H85GE50611	106	95 UD	Side Load						
YCPJ 423	1HSRBLWNXFHB13724	105	85 Int.	Roll Off						
YCPY 313	1HTSHAAR9WH515595	103	98 Int.	Rear Load						
WFV 271	1FDWE30L8WHB23879	107	98 Ford	Van E350						
T520761	JNALC2OH6WGD65116	108	98 UD	Roll Off						
YLPJ 424	1HTSDPCN1PH466029	109	93 Int.	Rear Load						
YCPR 634	4V52CFFD4TR475888	113	96 Volvo	Roll Off						
YCRG 696	1WUDBHMD5HN114896	231	87 White	Recycling						
SJU 946	2FDLF47G4NCA18857	100	92 Ford 1Ton	10 Yard						
YCBY 037	1FVFCFAK21RJ28083	221	01 FRHT	Right Hand						
YCSD078	3BPZH58X39F719191	331	09 Peterbilt	Right Hand						
YCSD098	3BPZK58XOAF106225	321	2010 Peterbilt	Side Load						
SN2064978	MPTSC/15/Compactor		Marathon	Embarcadero						
SN2158392	MPTSC/15/Compactor		Marathon	MO's						
SN2170992	MPTSC/15/Compactor		Marathon	Best Western						
SN2170993	MPTSC/15/Compactor		Marathon	Hallmark						
13SCP2327	OTCP2-13		Galbreath	JC Market						
YCSI413	3BPZK58X7CF141783	311	2012 Peterbilt	Right Hand						

Lessor Yaquina Sanitary, Inc.

Robert M. Thompson
President

Lessee Thompson's Sanitary Service, Inc.

Robert M. Thompson
President

Ken Riley
Secretary



Rate Information

City of Newport/Lincoln County

Residential	City Rate	County Rate
35 gallon roll cart*	\$20.35 weekly \$16.65 monthly	\$23.60 weekly \$20.05 monthly
65 gallon roll cart*	\$40.25 weekly \$32.25 monthly	\$46.45 weekly \$37.30 monthly
Commercial	City Rate	County Rate
35 gallon roll cart/weekly*	\$21.35	\$24.05
65 gallon roll cart/weekly*	\$41.70	\$46.90
96 gallon roll cart/weekly*	\$59.05	\$66.45
1 yard container/weekly*	\$115.25	\$128.85
200 gallon tub/weekly*	\$115.25	\$128.85
Extra pick-up	\$29.00	\$32.65
1.5 yard container/weekly (300 gallon)* Extra pick-up	\$162.55 \$40.60	\$182.70 \$45.65
450 gallon tub/weekly*	\$240.10	\$268.65
Special pick-up, bulky items	\$1.67 minute + \$.05 per pound	
Temporary Containers		
1 yard	\$43.45	\$48.75
1.5 yard	\$65.30	\$76.10
RENT	\$4.35/day	\$4.90/day
*Includes Recycling Service		
Additional Services	City Rate	County Rate
Lid Up	\$2.45	\$2.65
Extra Trash, Relocate	\$4.95	\$5.35
Valet	\$9.90	\$10.85
Enhanced Service	\$2.05 minute	\$2.25 minute
Trash in Recycling	\$14.75	\$16.25
Return for Service	\$6.05	\$6.75
Storage Units/per month	\$219.30 + Haul Charges	\$223.70 + Haul Charges

Base Rates - Multiple services are multiple of base
 All Rates effective August 1st, 2012
 Questions? Call (541) 265-7249



Rate Information

Drop Boxes & Compactors

Sizes Available:

30 yard - 22 1/2' long, 8' wide, 7' high

20 yard - 16' long, 8' wide, 6' high

10 yard - 10' long, 8' wide, 44" high. Weight limit 4,000 lbs.



Customer is responsible for weight limit and may be required to unload excess weight before haul away.

Charges:

Weight charges

\$0.05 per pound (\$100.00 per ton)

Haul charges:

\$108.80 (city) or \$122.50 (county) per haul for drop boxes

\$145.10 per haul for compactors

Rent

First two weeks are free

After 14 days: \$28.95 (city) or \$32.65 (county)*

* A new 14 day period starts each time box is emptied.

"Relocation" of box
on site and/or "Blocked pick-ups"

\$108.80 (city) or \$122.50 (county)

See drop box regulations for more information

Deposits must be paid before delivery of drop box

30 yard=\$500

20 yard=\$400

10 yard=\$300

Payment:

- VISA, MasterCard, American Express, Check, Cash, or Money Orders are accepted.
- All charges will be deducted from deposit.
- Additional charges over the deposit will be billed. If credit card was used; additional charges will be charged to credit card.
- Refund checks are issued within 30 days.

*All rates effective July 1, 2012
Questions? Call (541-265-7249*



Agenda Item: XII.A.
Meeting Date: April 1, 2013

CITY COUNCIL AGENDA ITEM SUMMARY
City Of Newport, Oregon

Issue/Agenda Title: Receipt of Solid Waste 2013 Rate Review Report and Consideration of Resolution No. 3623, Approving a Rate Structure for Solid Waste Disposal Franchisee Thompson Sanitary, Inc.

Prepared By: Jim Voetberg Dept Head Approval: City Mgr Approval:

Issue Before the Council: The issue before Council is receipt of the solid waste 2013 rate review report prepared by the City's solid waste franchisee Thompson Sanitation Service and consideration of Resolution No. 3623 approving Thompson Sanitary Service's solid waste rate schedule.

Staff Recommendation: Staff recommends Council adopt Resolution No. 3623 authorizing the city's solid waste franchisee, Thompson Sanitary, Inc.'s rate schedule as attached to this report. Please note there are no rate increases from the current solid waste rate schedule.

Proposed Motion: I move to adopt Resolution No. 3623, a resolution approving a solid waste rate schedule for Thompson's Sanitary Service, Inc.

Key Facts and Information Summary: Attached for Council review is the 2013 solid waste rate review report prepared by Thompson Sanitary Services. The report and Council approval of their rate schedule is a requirement of the May 2007 solid waste franchise agreement. Rob Thompson, President of Thompson Sanitary Services, will be attending the meeting of April 1, 2013 to present the report and address questions Council may have.

The franchise agreement between the City and Thompson Sanitary Service provides rate increases under two sections:

Section 12(1)(g)(1) of the May 2007 agreement states that commencing on June 1, 2008 and on June 1 of each even numbered year thereafter (the adjustment date) throughout the term of the franchise, the rates shall be adjusted in an amount equal to 85 percent of the two-year percentage change in the Consumer Price Index for all Urban Consumers for West B/C, all Items (1982-84+100) published by the Bureau of Labor Statistics (the index) that occurred between the months of May and April of the previous and the current years.

For the time period between the months of May and April of the previous and the current year, 85% of the index (CPI) equals approximately 2.2%.

Section 12(1)(h)(1) of the May 2007 agreement states that the city shall review the report [a rate review report] and, if the city's review of the report indicates that the operating ratio is likely to be less than 85 percent or greater than 91 percent, the franchisee shall implement new rates for the next year. The rates shall provide the franchisee an operating ratio of 88 percent.

As shown in Thompson's Sanitary Service, Inc.'s 2013 Rate Review Report, the operating ratio for 2012 was 88.97% and the estimated ratio for 2013 is 88.65%.

Notwithstanding the rate adjustments afforded in the May 2007 solid waste franchise agreement, no rate increases are being requested by franchisee Thompson Sanitation.

A public hearing and possible action has been publically noticed for the Council to approve the attached resolution. The resolution is self explanatory and needs no further elaboration.

Other Alternatives Considered: None

City Council Goals: N/A

Attachment List: Resolution No. 3623

Fiscal Notes: None

CITY OF NEWPORT

RESOLUTION NO. 3623

**APPROVING A RATE STRUCTURE FOR
THOMPSON'S SANITARY SERVICE, INC.
FOR SOLID WASTE DISPOSAL**

Whereas, the City of Newport and Thompson's Sanitary Service, Inc. entered into a solid waste franchise agreement in May of 2007; and

Whereas, Section 12(1)(a) of the May 2007 agreement states that the Franchisee shall charge and collect those rates adopted by the City Council resolution each year; and

Whereas, Section 12(1)(g)(1) of the May 2007 agreement states that commencing on June 1, 2008 and on June 1 of each even numbered year thereafter (the adjustment date) throughout the term of the franchise, the rates shall be adjusted in an amount equal to 85 percent of the two-year percentage change in the Consumer Price Index for all Urban Consumers for West B/C, all Items (1982-84+100) published by the Bureau of Labor Statistics (the index) that occurred between the months of May and April of the previous and the current years; and

Whereas, for the time period between the months of May and April of the previous and the current year, 85% of the index (CPI) equals approximately 2.2%; and

Whereas, Section 12(1)(h)(1) of the May 2007 agreement states that the city shall review the report [a rate review report] and, if the city's review of the report indicates that the operating ratio is likely to be less than 85 percent or greater than 91 percent, the franchisee shall implement new rates for the next year. The rates shall provide the franchisee an operating ratio of 88 percent; and

Whereas, The City Council has reviewed Thompson's Sanitary Service, Inc. 2013 Rate Review Report and the operating ratio for 2012 was 88.97% and the projected ratio for 2013 is 88.65; and

Whereas, notwithstanding provisions for rate adjustments afforded in the May 2007 franchise agreement, Thompson's Sanitary Service, Inc. is requesting and recommending no increase and the rates shall be as shown in Attachment A to this resolution.

The City of Newport resolves as follows:

Section 1. Notwithstanding the rate adjustments afforded in the May 2007 solid waste franchise agreement, no rate increases are being requested by franchisee Thompson Sanitation. The City Council authorizes the solid waste rates as provided for in attachment A to this resolution.

Section 2. The effective date of the rate increase shall be July 1, 2013.

Adopted by the Newport City Council on April 1, 2013.

Sandra Roumagoux, Mayor

ATTEST:

Margaret M. Hawker, City Recorder



Rate Information

City of Newport/Lincoln County

<u>Residential</u>	<u>City Rate</u>	<u>County Rate</u>
35 gallon roll cart*	\$20.35 weekly \$16.65 monthly	\$23.60 weekly \$20.05 monthly
65 gallon roll cart*	\$40.25 weekly \$32.25 monthly	\$46.45 weekly \$37.30 monthly
<u>Commercial</u>	<u>City Rate</u>	<u>County Rate</u>
35 gallon roll cart/weekly*	\$21.35	\$24.05
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96 gallon roll cart/weekly*	\$59.05	\$66.45
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Extra pick-up	\$29.00	\$32.65
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450 gallon tub/weekly*	\$240.10	\$268.65
Special pick-up, bulky items	\$1.67 minute + \$.05 per pound	
<u>Temporary Containers</u>		
1 yard	\$43.45	\$48.75
1.5 yard	\$65.30	\$76.10
RENT	\$4.35/day	\$4.90/day
*Includes Recycling Service		
<u>Additional Services</u>	<u>City Rate</u>	<u>County Rate</u>
Lid Up	\$2.45	\$2.65
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Valet	\$9.90	\$10.85
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10 yard - 10' long, 8' wide, 44" high. Weight limit 4,000 lbs.



Customer is responsible for weight limit and may be required to unload excess weight before haul away.

Charges:

Weight charges	\$0.05 per pound (\$100.00 per ton)
Haul charges:	\$108.80 (city) or \$122.50 (county) per haul for drop boxes \$145.10 per haul for compactors
Rent	First two weeks are free After 14 days: \$28.95 (city) or \$32.65 (county)* <small>* A new 14 day period starts each time box is emptied.</small>
"Relocation" of box on site and/or "Blocked pick-ups"	\$108.80 (city) or \$122.50 (county) <i>See drop box regulations for more information</i>

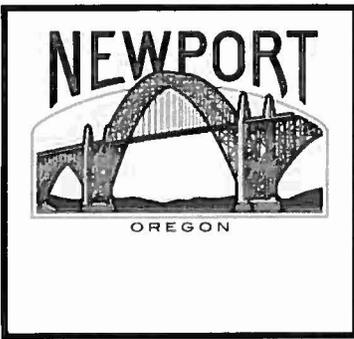
Deposits must be paid before delivery of drop box

30 yard=\$500 20 yard=\$400 10 yard=\$300

Payment:

- VISA, MasterCard, American Express, Check, Cash, or Money Orders are accepted.
- All charges will be deducted from deposit.
- Additional charges over the deposit will be billed. If credit card was used; additional charges will be charged to credit card.
- Refund checks are issued within 30 days.

*All rates effective July 1, 2012
Questions? Call (541-265-7249*



Agenda Item # XIII. A.
Meeting Date April 1, 2013

CITY COUNCIL AGENDA ITEM SUMMARY
City Of Newport, Oregon

Issue/Agenda Title: Request by Parks and Recreation Committee to Contract for Architectural Services for New City Pool

Prepared By: Protiva Dept Head Approval: jp City Manager Approval: [Signature]

Issue before the Council: The current municipal pool has provided 50 years of service to the community and is currently experiencing many symptoms of an aging facility. The city is considering the option of a general obligation bond in the November election. In order to provide the most accurate and technically correct information on the costs of a new pool, the Parks and Recreation Advisory Committee would like to contract for architectural services from a professional firm that specializes in these types of facilities.

Staff Recommendation: Staff recommends hiring architectural services to provide the best possible information available in order to make the most informed decisions on pool matters.

Proposed Motion: I move to approve the expenditure of funds to contract for architectural services for a municipal pool in an amount not to exceed \$10,000.

Key Facts and Information Summary: The Parks and Recreation Advisory Committee unanimously voted that additional information will be required before the issue of replacement of the municipal pool is placed on the November ballot. The current municipal pool is having operational issues that will continue due to age and use. The city has obtained considerable information about pool needs in the past and will require further refinement to insure all considerations have been explored. The conceptual drawings and estimated costs will need to be re-calculated to reflect current costs and realities. Specific areas will include access, spectator capacity, parking needs and alternatives, construction estimates, and operation estimates.

Other Alternatives Considered: None. There is no in-house staff with the specific expertise necessary to complete this task.

City Council Goals: Address the issue of replacing the aquatic facility (municipal pool).

Attachment List: None.

Fiscal Notes: The Parks and Recreation budget will likely underspend in enough different cost centers to be able to absorb the expense in this fiscal year and will budget for that portion which occurs in the next fiscal year. The total amount on architectural services is anticipated not to exceed \$10,000.



Agenda Item # XIII. B.
Meeting Date 4/1/13

CITY COUNCIL AGENDA ITEM SUMMARY
City Of Newport, Oregon

Issue/Agenda Title: Consideration of the Adoption of Ordinance No. 2052 Amending Chapter 2.05.040(A) of the Newport Municipal Code Changing the Membership of the Newport Parks and Recreation Committee from Fifteen Members to Eleven Members

Prepared By: Hawker Dept Head Approval: ph City Manager Approval: 

Issue Before the Council: The issue before Council is consideration of the adoption of Ordinance No. 2052 which would amend Chapter 2.05.040(A) of the Newport Municipal Code, and change the membership of the Parks and Recreation Committee from 15 members to 11 members.

Staff Recommendation: This is entirely a Council decision, but staff supports the ordinance.

Proposed Motion: I move to read Ordinance No. 2052, amending Chapter 2.05.040(A) of the Newport Municipal Code, and reducing the membership of the Parks and Recreation Committee from fifteen members to eleven members, by title only, and place for final passage.

Key Facts and Information Summary: On April 16, 2012, the City Council adopted Ordinance No. 2034 which enacted Chapter 2.05.040 regarding the city's Parks and Recreation Committee. Ordinance No. 2034 provided that the Committee be comprised of 15 members, ten of which would be city residents. The city tried repeatedly to fill the Committee vacancies, but have only been able to attract 10 Committee members. Due to the size of the Committee, obtaining a quorum has been difficult. Staff believes that if the Committee size was reduced to eleven members with seven city residents, it would be more functional. This is the only change being requested.

Other Alternatives Considered: Council could leave the membership at 15.

City Council Goals: Appoint and maintain the operation of the Parks and Recreation Advisory Committee.

Attachment List: Ordinance No. 2052

Fiscal Notes: None

ORDINANCE NO. 2052

An Ordinance Amending
Chapter 2.05.040(A) of the Newport Municipal Code
Reducing the Number of Committee Members of the
City of Newport Parks and Recreation Committee
From Fifteen Members to Nine Members

WHEREAS, On April 16, 2012, the City Council adopted Ordinance No. 2034, Chapter 2.05.040 of the Newport Municipal Code, related to the City of Newport Parks and Recreation Committee; and

WHEREAS, 2.05.040(A) requires that the Committee consist of 15 members; and

WHEREAS, For nearly a year, the city has been seeking members to fill the ranks of the Committee, and have been unsuccessful; and

WHEREAS, It has become increasingly more difficult to get a quorum to conduct a meeting; and

WHEREAS, It was recommended that the membership of the Committee be reduced from 15 members to nine members.

THE CITY OF NEWPORT ORDAINS AS FOLLOWS:

Section 1. Chapter 2.05.040(A) is amended to read as follows:

2.05.040 Parks and Recreation Committee

A. The Parks and Recreation Committee shall consist of eleven members and shall serve two year terms. Seven members must be residents of the City of Newport. The Parks and Recreation Director shall serve ex officio and shall act as secretary for the Committee.

Section 2. This ordinance shall become effective 30 days after passage.

Adopted by the Newport City Council on the _____ day of _____.

Sandra Roumagoux, Mayor

ATTEST:

Margaret M. Hawker, City Recorder