



**AGENDA & Notice of Work Session, Urban Renewal Agency,
Local Contract Review Board & City Council**

The City Council of the City of Newport will hold a work session on Tuesday, January 21, 2014, at 12:00 P.M., followed by Urban Renewal Agency meeting at 5:30 P.M. and Urban Renewal Agency and Regular City Council at 6:00 P.M. The work session will be held in Conference Room A at City Hall, and Urban Renewal Agency, Local Contract Review Board and Regular City Council meeting will be held in the Council Chambers, City Hall, located at 169 S.W. Coast Highway, Newport, Oregon 97365. A copy of the agenda follows.

The meeting 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 City Council reserve 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.

CITY COUNCIL WORK SESSION
Tuesday, January 21, 2014 - 12:00 P.M.
Conference Room A

- I. Additional Work Session Items Not Listed on the Agenda (for this and future work sessions)
 - II. Discussion on the Withdrawal of Seal Rock Water District in South Beach
 - III. Report on Room Tax Fund
-

URBAN RENEWAL AGENCY MEETING AGENDA
Tuesday, January 21, 2014 - 5:30 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 Agency Meeting of December 16, 2013 (Hawker)

IV. 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 for Urban Renewal Funds by the Oregon Coast Aquatic Park

V. Adjournment.

CITY COUNCIL AGENDA
Tuesday, January 21, 2014 - 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. Pledge of Allegiance

II. Call to Order and Roll Call

III. Additions/Deletions and Approval of Agenda

IV. 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 other.

V. Consent Calendar

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

- A. Approval of City Council Minutes from the Joint Work Session and Regular Meeting of December 16, 2013 (Hawker)

VI. Officer's Reports

- A. Mayor's Report
 - 1. Committee Appointment for Parks and Recreation Committee
- B. City Manager's Report
 - 1. Monthly Departmental Reports
 - 2. Suggestion/Concern/Complaint Report
 - 3. Project Management Report

VII. Discussion Items and Presentations

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

- A. Update on Fulfillment Services Chamber of Commerce- Lorna Davis
- B. Presentation of Catastrophic Event Document - Jim Hawley

VIII. 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. Establishing a Schedule and location for Town Hall Meeting for 2014
 - B. Direct the Finance Department to Conduct a Review of Unappropriated Ending Fund Balance (UEFB) for all City Funds
 - C. Consideration of Implementing Interim Changes to the City of Newport Council Rules as Amended
 - D. Consideration of Budget Schedule and Goal Setting Schedule
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LOCAL CONTRACT REVIEW BOARD MEETING AGENDA
Tuesday, January 21, 2014
City Council Chamber

Anyone wishing to speak on an agenda item should complete a Public Comment Form and give it to the City Recorder. Public Comments Forms are located at the entrance to the City Council Chambers.

- I. Call to Order
 - II. Action Item
 - A. Consideration of Purchase of Fire Department Apparatus (Murphy)
 - III. Adjournment
-
- IX. Council Reports and Comments
 - X. Public Comment (Additional time for public comment - 5 minutes per speaker)
 - XI. Adjournment

Memorandum

To: Newport City Council

From: Derrick Tokos, Community Development Director 

Date: January 16, 2014

Re: Withdrawal of the Seal Rock Water District from South Beach

In early December, I received an email from Bonnie Serkin, Chief Operating Officer, Landwaves Inc. (attached), asking if I would look into why their development continues to be subject to Seal Rock Water District taxes even though the District does not provide services to the area and if the City could provide any assistance in addressing the issue.

As suggested in her email, this tracks back to a 2007 Urban Service Agreement between the City of Newport and Seal Rock Water District that called for the City to take over water service for much of South Beach (attached). This occurred at a time when the Oregon Coast Community College and Wilder Planned Development were proposed and both parties agreed that the City was better equipped to meet the water needs of the growing area. Pursuant to the Agreement, the District released its interest in real property and water infrastructure in the affected area and the City agreed to compensate the District for the loss in revenue it would incur from existing and future customers. This was calculated by the District to be \$1.8 million, to be paid in \$5,000 monthly installments. The purpose of these payments was to ensure that the District would continue to be able to meet its revenue bond and other legal obligations. The agreement specifically notes that the affected area will continue to be subject to District property taxes until it is withdrawn from the District's boundaries and that the District would not object to a withdrawal. The City began providing water service on January 1, 2008 and is making the required payments.

The Urban Service Agreement defines the City Service Area as being the lands shown on an "Exhibit A" map. Unfortunately, neither the City nor the District possesses a copy of the map and the legal description that we have been able to locate, titled "Appendix A," does not cover the entire area that the City is serving. City and District staff have discussed the discrepancy, are in agreement as to where the boundary should be located, and believe that the issue can be remedied through an amendment to the Agreement.

Attached is a map that identifies the general location of the service boundary line in blue. The City provides water service to areas north of this line that are inside of its Urban Growth Boundary, including the Wilder (i.e. Landwaves, Inc.) development. Those properties that are still within the Seal Rock District are depicted in red and yellow. Those shown in red are publicly owned and; therefore, not also within the City's corporate limits (i.e. the cross hatched lines), then City taxes are also payable.

There are two methods of withdrawing property from a water district. One approach is for a property owner(s) to file a petition with the County Board of Commissioners as provided in ORS 198.870 et. seq. This process is available irrespective of whether or not the land is inside or outside of a city. The other method of withdrawing a property from a water district involves the City initiating the withdrawal under ORS 222.510 et seq. This typically occurs in conjunction with an annexation, but it is not required that

it occur at the same time. The Seal Rock Water District cannot initiate the process to remove property from its boundaries.

Property taxes that the Seal Rock Water District collects are used, in part, to satisfy its general obligation bond debts. Attached is a copy of the District's General Obligation Bond debt schedule. At the time the City took over service for the affected area, the District had only one outstanding bond that was issued in 2004. However, in 2011, the District was successful in getting a \$15 million General Obligation Bond measure passed, and has begun to phase that in. Those are the 2011 and 2012 bonds shown on the debt schedule. Taxable properties, such as Landwaves, Inc., that are in the affected area are currently paying their proportional share of the bond debt payments through District taxes, even though they have not benefitted from the bonds issued in 2011 and 2012. I believe that this gets at what Bonnie refers to in her email as the line item being more conspicuous on property tax statements. When property is withdrawn from a District, the statutes require that a proportional share of the debt obligation be addressed. For land that is outside of the City, it is the property owner or District that bears that burden. However, for land that is inside the city limits, the City of Newport will be responsible for assuming the properties proportional share of the debt obligations.

The policy question that will eventually be before the City Council is whether or not to initiate the withdrawal process for the affected properties that are inside the city limits and/or to assist the impacted property owners in filing a consolidated petition with the County Board of Commissioners. While the City is not obligated to do either, there are clear equity issues in play. Affected properties that are inside the City are paying taxes to a District that is not providing them service in addition to city taxes and water rates. Affected properties that are unincorporated are in a similar situation in that they are subject to higher water rates (because they are not paying city taxes) and District property taxes, even though they are not receiving service from the District.

City and District staff have met and believe that a reasonable next step is to prepare an amendment to the Urban Service Agreement that specifies that the impacted properties, when withdrawn from the District, will only be subject to their proportional share of the general obligation bond debt in effect at the time the service transfer took place (e.g. the 2004 GO Bond). The responsibility for debt payments on the 2011 and 2012 bonds will be with the properties that the Seal Rock District continues to serve, since they are the properties that benefit from those water infrastructure investments. City and District staff are working with the County Assessor's Office to come up with a dollar figure for what the City and impacted property owners proportional share of that debt should be, and staff can provide recommendations for how the City's share of the debt could be paid should the Council elect to proceed with the withdrawal process. The amendment to the Urban Service Area Agreement would map out how outstanding general obligation bond debt is to be addressed as part of a withdrawal process. Actually moving forward with the withdrawal would be a subsequent step and, as noted, the City can only initiate a withdrawal for property that is inside its corporate limits.

A third item that is related to the 2007 Urban Service Agreement is the transfer of the District's real property assets to the city. These are easements, and the District has provided the City with copies of the records they possess; however, they still need to be conveyed from the District to the City. This shouldn't require an amendment to the Agreement and may not require further Council action, but is another loose end that staff is working with the District to resolve.

Attachments

12/2/13 email from Bonnie Serkin, Landwaves, Inc.
2007 Urban Service Area Agreement
Map of the impacted properties
Seal Rock Water District General Obligation Bond Debt Schedule (from 2012 audit report)
Copy of ORS 198.870 et. seq.
Copy of ORS 222.510 et. seq.

Derrick Tokos

From: Bonnie Serkin <Bonnie@eenw.com>
Sent: Monday, December 02, 2013 5:01 PM
To: Derrick Tokos
Subject: Seal Rock Water District question

Hello Derrick-

A couple of weeks ago I spoke with you about the odd situation that has emerged involving the Seal Rock Water District, the City of Newport, and the properties in South Beach that lie roughly north of the airport. Several years ago Seal Rock and the City entered into an intergovernmental agreement for provision of water service to the new Oregon Community College Campus and other properties in the surrounding area. My recollection is that Seal Rock's infrastructure did not provide sufficient fire flow for either the campus that was about to be built or for the anticipated development of our Wilder community, and that, since both those properties were being annexed into the City, it was preferable the new developments to be on City water.

Apparently although the boundary for water service was effectively changed, the properties north of the airport may not have been formally removed from the Seal Rock Water District for taxing purposes. This is the explanation I was given by a Seal Rock staff person who was with the District when the IGA was executed and had some memory of the details. She cited ORS 198.870, 198.880, and 198.882 for some background she had been given by a staff person at the State or County. The recent increase in bonded indebtedness for infrastructure improvements within the Seal Rock service area makes the line item on property tax statements more conspicuous than it might have been at first, and she had been receiving inquiries from property owners even before I called her.

Would you please look into this and provide us and other property owners with assistance in addressing the issue. I would appreciate copies of any documents you are able to unearth, including especially the IGA itself. Details you glean from Seal Rock's debt obligation documents, City and County annexation documents or from the Lincoln County Treasurer and Assessor would also be appreciated.

Thank you.

Bonnie Serkin
Chief Operating Officer

landwaves inc

2712 SE 20th Ave. | PORTLAND, OR 97202
P: 503.221.0167 | F: 503.221.0741 | CCB#174124

11/19/07

INTERGOVERNMENTAL URBAN SERVICE AGREEMENT BETWEEN THE SEAL ROCK WATER DISTRICT AND THE CITY OF NEWPORT

This agreement made is between the Seal Rock Water District, an Oregon water supply district (District) and the City of Newport, an Oregon municipal corporation (City).

RECITALS

- A. City provides water service within the City and outside City boundaries,
- B. District provides water service within the District and outside District boundaries.
- C. Some territory is within both the City and the District, and some territory within the City's urban growth boundary is within the District.
- D. The City and the District wish to coordinate service by having agreed territories where each will provide service so as to avoid duplication of lines and further with to cooperate on matters of common interest.
- E. The District wishes to transfer service responsibility for an area of property that it currently serves to the City and the City is willing to provide service in that area.
- F. The District will suffer a financial impact from the transfer of service, and requires compensation for the transfer. The payment provided by this agreement is the minimum amount acceptable to the district. The District has concluded that the payment of \$5,000 per month for the term of this agreement is necessary for the District to comply with its revenue bond and other legal obligations. The City's decision to pay the amount required by this agreement is based on its understanding that the District will not accept a lower amount.
- G. This agreement is authorized by and is intended to comply with ORS 195.060 *et seq.*, which require urban service agreements between potential urban service providers for the same area.

TERMS OF AGREEMENT

1. City Service Area. City shall provide water service within the area shown on Exhibit A as the City Service Area ("CSA"). District will not object to withdrawal of any property within the CSA from the District by the City.
2. District Service. District will provide service within all other portions of the District. City agrees to not provide water service without District approval to areas within the District that are neither part of the CSA nor owned by the City, even if that area is annexed to the City. The parties agree that District will continue to provide extraterritorial service to the City's airport until such time as the City provides service to the airport, but that the maximum amount charged by the District for service to the airport will be the commercial in-District rate.
3. Term. This Agreement is effective when signed by both parties, and shall be perpetual. The City and District have both duly approved the terms of this agreement, and have

authorized it to be signed. The District has obtained prior approval to enter into this agreement by the U.S. Department of Agriculture Rural Development Agency.

4. **Payment.** To compensate for the loss of future revenue by the District from existing and future service customers, the City shall pay the District the sum of \$1,800,000.00, in monthly payments of not less than \$5,000.00 each. Monthly payments shall be due on the first of each month starting with the first month after this agreement is fully executed. The City may prepay its obligation in whole or in part at any time, but prepayment shall not excuse the next monthly payment unless the entire obligation is paid in full. The CSA shall remain subject to bonded indebtedness until withdrawn from the District and the bonded indebtedness is satisfied as provided by law. Each party shall receive property tax due it as provided by state law.

5. **Property Transfer.** All interests in real property, water mains, service installations, structures, facilities, improvements and other similar property of the District within the CSA is transferred to the City, effective upon the signing of this agreement. No additional consideration, other than the obligations imposed by this agreement, is to be paid for this transfer. The property is transferred in "as is" condition, and the District has made no warranties or representations as to the condition of the property. The City shall bear the expense of any repair or replacement of the property, and shall repair or replace it as necessary to continue existing water service. The District may continue to use the property to provide water to service customers until the City has assumed control as provided below. The parties agree to cooperate with one another in implementing the transfers.

6. **Phase-in.** City service will be phased-in and shall replace the District service to existing customers within 60 days after this agreement is fully executed. The parties will in good faith cooperate to transfer service. City may construct additional facilities and start service to any additional property in the CSA at any time, within the City's discretion, but in a manner that satisfies the District's obligation to supply water to existing and future property owners within the District. District will continue supplying water within the CSA until City starts providing water. The City shall have discretion in determining how and in what manner to proceed with new service and the transfer of existing service within the CSA. City shall have the authority to annex the CSA and withdraw the annexed property from the District at any time, and District expressly recognizes and consents to that authority and will not object or challenge any withdrawal of territory authorized by this agreement.

7. **Payment from Service Customers.** Each party shall be entitled to payment from service customers for the service and water it provides. The District may terminate water service to customers for nonpayment.

8. **Responsibility.** Neither party assumes any liability for the acts or omissions of the other, and each party shall be responsible for any losses or claims attributable to the fault of such party.

9. **Attorney Fees.** In the event that any action is filed relating to this Agreement, the unsuccessful party shall pay the reasonable attorney fees incurred by the prevailing party, including costs incurred on appeal.

10. **Severability.** The invalidity of any portion of this Agreement shall not affect the

validity of any other provision, which shall remain in effect.

11. Notice. Notices under this Agreement shall be sent to the following addresses by first class mail, however no party may rely on lack of notice if it has actual notice:

CITY OF NEWPORT
Attn: City Manager
169 SW Coast Highway
Newport OR 97365

SEAL ROCK WATER DISTRICT
10349 Rand Street
PO Box 190
Seal Rock OR 97376

12. Personnel. No personnel will be transferred between the parties.

13. Future Water Supply. District currently purchases treated water at a high cost from the City of Toledo. City believes it may be able to provide treated water to District at a lower cost. If City develops facilities and has sufficient supply to allow it to provide water to District, City will offer water to District at a wholesale rate. If City has surplus treated effluent that may be used for irrigation, the City will offer the treated effluent to the District at a wholesale rate.

14. Intertie. The parties can mutually benefit by an interconnection (the "intertie") between the two systems. The parties agree to cooperate on planning and developing an intertie.

15. Entire Agreement. This Agreement is the entire agreement between the parties and no prior understanding or representation is binding unless incorporated in this Agreement.

16. Default. In the event of a party's failure to perform any provision of this agreement (other than the monthly payments required of the City), the other party may provide notice of the failure and shall provide an opportunity to cure the failure within 30 days, or any longer period stated in the notice. If the cure cannot reasonably be accomplished within the 30 days, and if the defaulting party has worked diligently within the 30 days to cure the non-compliance, no default remedy may be pursued while the other party continues thereafter to diligently work towards compliance. Each party may pursue a claim for damages resulting to that party from failure of the other party to perform this agreement, and may pursue any other available judicial remedies for default, including specific performance, injunctive relief, or declaratory judgment.

With respect to the monthly payments required of the City, any payment not made within 10 days of the due date shall bear interest until paid at the statutory rate of 9% per annum, or such other rate as is hereafter established by statute.

17. Termination or Modification by Mutual Agreement. The parties may terminate or modify this agreement by mutual written agreement at any time.

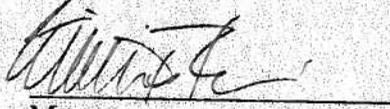
18. Dispute Resolution. The parties agree that disputes regarding application or interpretation of this agreement should be first referred to the City Manager of the City and the Chair of the District Board. If they are unable to resolve the dispute or if either wishes to

refer the matter to the governing bodies, a joint meeting of the City Council and District Board should be called to attempt to resolve the dispute. However, this paragraph does not require either party to attempt this dispute resolution process prior to commencing any judicial remedy.

19. Addendum. This agreement contains an addendum regarding compliance with federal civil rights laws, which is incorporated into this agreement by this reference.

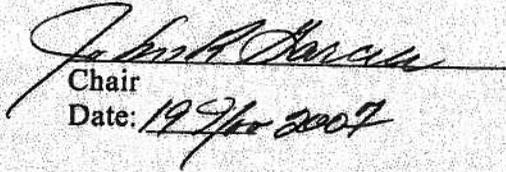
CITY OF NEWPORT

SEAL ROCK WATER DISTRICT



Mayor

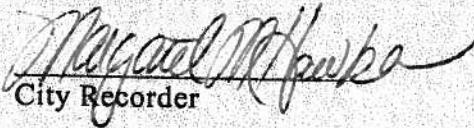
Date: 11/14/07



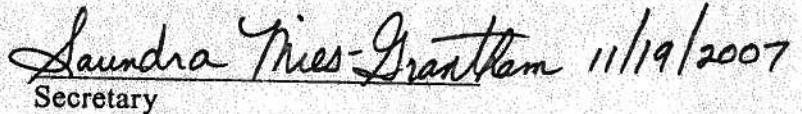
Chair

Date: 12/9/2007

ATTEST:



City Recorder

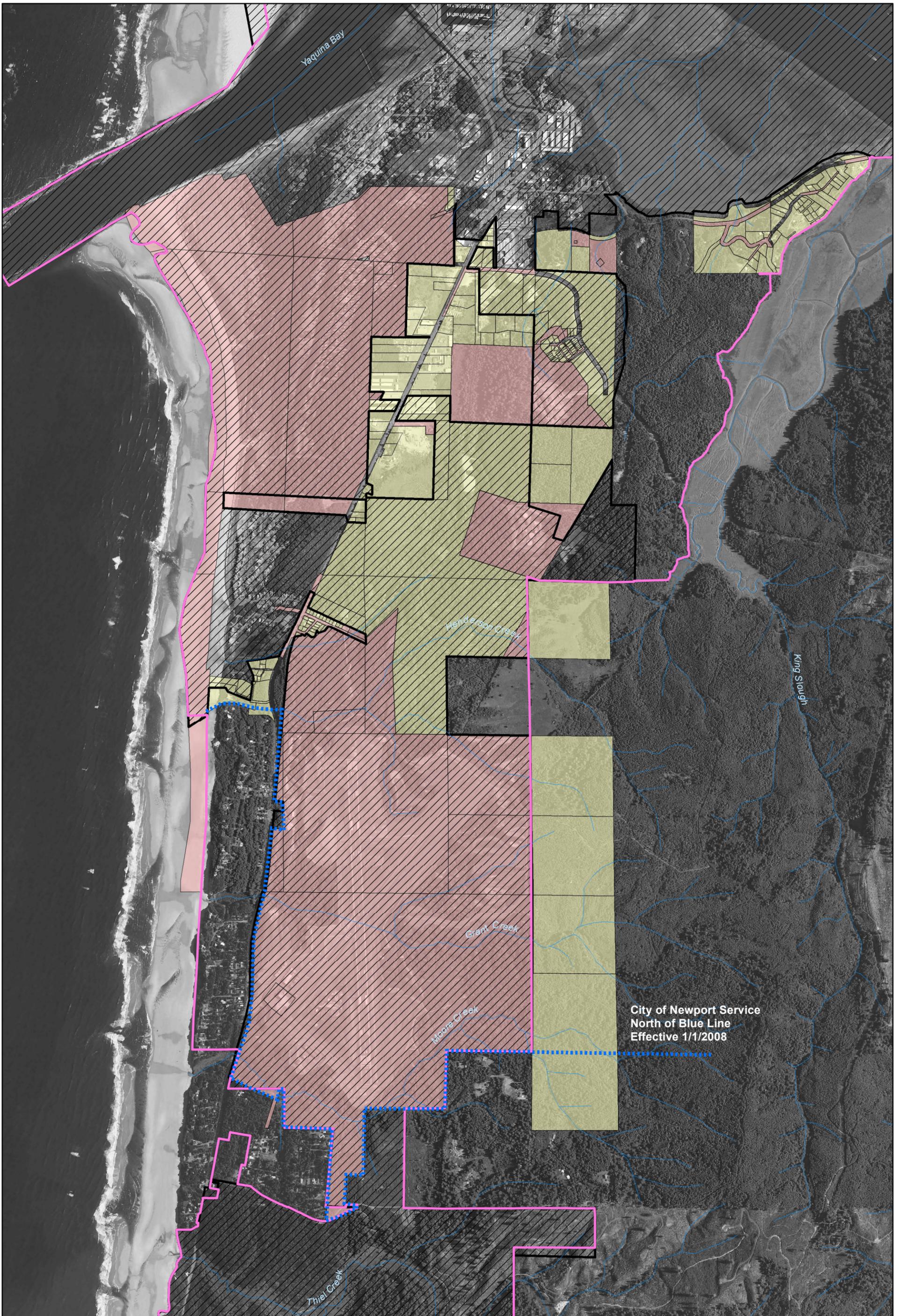


Secretary

**ADDENDUM TO INTERGOVERNMENTAL URBAN SERVICE AGREEMENT
BETWEEN THE SEAL ROCK WATER DISTRICT AND THE CITY OF NEWPORT**

Language Required by USDA - RUS

The property described in this agreement (the water public improvements transferred from the Seal Rock Water District to the City of Newport) was obtained or improved with Federal financial assistance and is subject to the nondiscrimination provisions of Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, section 504 of the Rehabilitation Act of 1973, and other similarly worded Federal statutes, and the regulations issued pursuant thereto that prohibit discrimination on the basis of race, color, national origin, handicap, religion, age, or sex in programs or activities receiving Federal financial assistance. Such provisions apply for as long as the property continues to be used for the same or similar purposes for which the Federal assistance was extended, or for so long as the purchaser owns it, whichever is later. The City accepts that specific performance is an available remedy for enforcement of this addendum.



City of Newport
Community Development Department
 169 SW Coast Highway
 Newport, OR 97365
 Phone: 1.541.574.0629
 Fax: 1.541.574.0644

Tax Lots to Withdraw From the Seal Rock District Pursuant to a 2007 IGA Between the City and District

-  Urban Growth Boundary
-  City Limits
-  Tax Lots Subject to Seal Rock Tax Codes (Privately Owned)
-  Tax Lots Subject to Seal Rock Tax Codes (Publicly Owned)



This map is for informational use only and has not been prepared for, nor is it suitable for legal, engineering, or surveying purposes. It includes data from multiple sources. The City of Newport assumes no responsibility for its compilation or use and users of this information are cautioned to verify all information with the City of Newport Community Development Department.

SEAL ROCK WATER DISTRICT, OREGON

**SCHEDULE OF DEBT OBLIGATIONS
for the Year Ended June 30, 2012**

GENERAL OBLIGATION BONDS

2004 GO Bond

Fiscal Year Ending	Principal	Interest	Total
2013	\$ 49,780	\$ 86,921	\$ 136,701
2014	51,834	84,867	136,701
2015	53,972	82,729	136,701
2016	56,198	80,503	136,701
2017	58,516	78,185	136,701
2018-22	330,481	353,024	683,505
2023-27	404,945	278,560	683,505
2028-32	495,645	187,861	683,506
2032-37	605,797	76,843	682,640
Totals	\$ 2,107,168	\$ 1,309,493	\$ 3,416,661

2011 GO Bond

Fiscal Year Ending	Principal	Interest	Total
2013	\$ 30,232	\$ 60,983	\$ 91,215
2014	31,365	59,849	91,214
2015	32,541	58,673	91,214
2016	33,762	57,452	91,214
2017	35,028	56,186	91,214
2018-22	195,855	260,215	456,070
2023-27	235,438	220,632	456,070
2028-32	283,019	173,051	456,070
2033-37	340,217	115,853	456,070
2038-42	408,543	47,093	455,636
Totals	\$ 1,626,000	\$ 1,109,987	\$ 2,735,987

2012 GO Bond

Fiscal Year Ending	Principal	Interest	Total
2013	\$ 230,000	\$ 148,027	\$ 378,027
2014	230,000	148,532	378,532
2015	240,000	143,932	383,932
2016	235,000	139,132	374,132
2017	250,000	133,256	383,256
2018-22	1,355,000	545,534	1,900,534
2023-27	1,500,000	290,160	1,790,160
2028-32	960,000	88,710	1,048,710
Totals	\$ 5,000,000	\$ 1,637,283	\$ 6,637,283

(Withdrawal)

198.870 Petition for withdrawal of property from district. (1)(a) When a plan for district improvements is adopted, or any time more than two years after the date of formation of a district or after the date of annexation of territory to a district if petitioner's property is located within the territory annexed, an owner of land included in a district may petition the county board for withdrawal of the property of the owner from the district.

(b) If the electors of an area within a district wish to withdraw from the district, they may file a petition with the county board.

(2) Petitioners shall cause notice of the petition filing to be given in writing to the district secretary. Within five days after the petition is filed, petitioners shall furnish the secretary with a copy of the petition as filed.

(3) Except as provided by ORS 198.875, ORS 198.800 to 198.820 apply to proceedings for withdrawal and to the rights, powers and duties of the petitioners and other persons having an interest in the proceeding.

(4) The county board may approve the petition as presented or it may adjust the boundaries and approve the petition. The petition shall be approved if it has not been, or is not or would not be, feasible for the territory described in the petition to receive service from the district. The petition shall be denied if it appears that it is, or would be, feasible for the territory described in the petition to receive service from the district. [1971 c.727 §39]

198.875 Election on withdrawal petition. (1) At the time and place set for the final hearing upon the withdrawal petition if the required number of written requests for an election on the proposed withdrawal have not been filed, the county board shall enter an order withdrawing the described area from the district.

(2) If the required number of requests for an election are filed on or before the final hearing, the county board shall call an election in the district upon the question of the withdrawal of the area.

(3) If an election is called and a majority of the votes cast at the election is in favor of the withdrawal of the designated area from the district, the county board shall enter an order withdrawing the area from the district. If the majority of the votes cast is against withdrawal, the county board shall enter an order declaring the results of the election. In either case, the county board shall cause a copy of the order to be filed with the secretary of the district. [1971 c.727 §40]

198.880 Effect on withdrawn area. The described area withdrawn shall, from the date of entry of the order, be free from assessments and taxes levied thereafter by the district. However, the withdrawn area shall remain subject to any bonded or other indebtedness existing at the time of the order, except as provided by ORS 198.882. The proportionate share shall be based on the assessed valuation, according to the assessment roll in the year of the levy, of all the property contained in the district immediately prior to the withdrawal. [1971 c.727 §41; 1977 c.663 §1]

198.882 Tax relief to withdrawn area; conditions for relief; ultimate liability. (1) The governing body of a district shall relieve an area withdrawn from the district from taxation for its proportionate share of outstanding bonded or other indebtedness if:

(a) No district services have been provided to the withdrawn area; and

(b) The area withdrawn does not exceed five percent of the equalized assessed valuation of the taxable property within the entire district prior to the withdrawal, as certified to the county assessor in the tax year of the withdrawal.

(2) Notwithstanding subsection (1) of this section, if the total unlimited taxing power of the district over the area not withdrawn from the district does not wholly satisfy the bonded or other

indebtedness incurred prior to the withdrawal, the withdrawn territory shall be taxed in an amount sufficient to satisfy its proportionate share of that indebtedness. [1977 c.663 §3]

Note: 198.882 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 198 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

ANNEXATION OF PUBLIC SERVICE DISTRICTS

222.510 Annexation of entire district; transfer of liabilities and functions to city; exceptions.

(1) Whenever the entire area of a rural fire protection district, a water district, including a domestic water supply corporation, a park and recreation district, a highway lighting district, a county service district, a special road district, a road assessment district or a sanitary district or authority, lawfully organized and existing, becomes incorporated in or annexed to a city in accordance with law, the district is extinguished and the city shall, upon the effective date of the incorporation or annexation, succeed to all the assets and become charged with all the liabilities, obligations and functions of the district. The district officers shall forthwith deliver to the city officers the district assets and records. Uncollected taxes theretofore levied by the district become the property of the city and must be delivered to it by the county treasurer upon collection.

(2) Notwithstanding subsection (1) of this section, a rural fire protection district, a water district, including a domestic water supply corporation, a park and recreation district, a highway lighting district, a county service district, a special road district, a road assessment district or a sanitary district or authority, lawfully organized and existing, the entire area of which becomes incorporated in a city, may continue to provide services if the continuation is proposed by petitioners in a petition for incorporation that is subsequently approved by voters in an incorporation election. At any time after incorporation, a city may cause a district to be extinguished and succeed to all the assets and become charged with all the liabilities, obligations and functions of the district if:

(a) The governing body of the city holds a public hearing on the question of the extinguishment, hears objections to the extinguishment at the hearing, determines that the extinguishment is in the best interest of the city and adopts an ordinance extinguishing the district;

(b) After the hearing, the governing body of the city refers the ordinance extinguishing the district to the electors of the city; and

(c) The majority of all votes cast favors that the district be extinguished.

(3) For the public hearing required in subsection (2)(a) of this section, the governing body shall fix a date, time and place for the hearing and cause notice of the date, time, place and purpose of the hearing to be published once each week for two successive weeks prior to the date of the hearing in a newspaper of general circulation in the city, and shall cause notices of the hearing to be posted in four public places in the city for a like period. [Amended by 1955 c.471 §1; 1963 c.347 §1; 1965 c.509 §1; 1967 c.365 §1; 1967 c.624 §16; 1969 c.78 §1; 1971 c.13 §5; 2007 c.420 §1; 2010 c.41 §1]

222.520 Annexation of less than entire district; assumption of liabilities by city optional. (1)

Whenever a part less than the entire area of a district named in ORS 222.510 becomes incorporated as or annexed to a city in accordance with law, the city may cause that part to be withdrawn from the district in the manner set forth in ORS 222.120 or at any time after such incorporation or annexation in the manner set forth in ORS 222.524. Until so withdrawn, the part of such a district incorporated or annexed into a city shall continue to be a part of the district.

(2) The part thus withdrawn shall not thereby be relieved from liabilities and indebtedness previously contracted by the district. For the purposes of paying such liabilities and indebtedness of the district, property in the part withdrawn shall continue to be subject to assessment and taxation uniformly with property in the area remaining in the district. The city of which it became a part shall, however, assume such obligations if the obligations assumed do not bring the total of the city's obligations above any applicable limitations prescribed by statute. When the city assumes such obligations it shall be liable to the district for one of the following, at the option of the city:

(a) The amount of taxes which otherwise would be extended each year therefor against the property in the part withdrawn; or

(b) Payment annually, as the bonds of the district that were outstanding on the effective date of the withdrawal mature, of the same proportion of such outstanding bonds, and the interest thereon, as the assessed valuation of the part withdrawn bears to the assessed valuation of the entire district on the effective date of the withdrawal. After the city agrees to make such payments under this subsection, neither the city nor the part withdrawn shall be charged by the district with any future liabilities, obligations or functions of the district. [Amended by 1955 c.471 §2; 1957 c.401 §1; 1963 c.347 §2; 1965 c.509 §2; 1967 c.624 §17; 1985 c.702 §13]

222.524 Procedure for withdrawal of part of district from district. (1) If as authorized by ORS 222.520 the governing body of the city elects to cause the withdrawal from a district named in ORS 222.510 of that part of such district theretofore incorporated in or annexed to the city, it shall hold a public hearing on the question of such withdrawal. At the hearing, the governing body of the city shall hear objections to the withdrawal and shall determine whether such withdrawal is for the best interest of the city.

(2) The governing body shall fix a date, time and place for the hearing and cause notice of the date, time, place and purpose of the hearing to be published once each week for two successive weeks prior to the date of the hearing in a newspaper of general circulation in the city, and shall cause notices of the hearing to be posted in four public places in the city for a like period.

(3) After the hearing, the governing body of the city may by ordinance declare that the part of the district which was theretofore incorporated as or annexed to the city is withdrawn from the district.

(4) The ordinance referred to in subsection (3) of this section is subject to referendum.

(5) The city may withdraw from all of such districts at the same time in one proceeding under this section or may withdraw from each district in separate proceedings at different times.

(6) The public hearing and ordinance referred to in this section may be the same as the public hearing and ordinance in ORS 222.120. [1957 c.401 §3; 1963 c.347 §3; 1965 c.509 §3; 1985 c.702 §14]

222.528 Territory withdrawn from district not liable for certain obligations. The liabilities and indebtedness for which a part of a district named in ORS 222.510 remains liable, upon withdrawal by annexation or incorporation as provided in ORS 222.120 or 222.520, shall not include:

(1) Current operating expenses of the district beyond the fiscal year in which the withdrawal is effective.

(2) Special tax levies, bond indebtedness or debt service obligations approved in the district subsequent to the withdrawal.

(3) Any amount which is due beyond the fiscal year in which the withdrawal is effective by reason of a contract for services between the district and another district or municipality where the amount due varies in each fiscal year according to the assessed valuation of the district. [1957 c.573 §2; 1963 c.347 §4; 1965 c.509 §4; 1985 c.702 §15]

222.530 Procedure for division of assets on withdrawal of part of district; arbitration and award. (1) Within 90 days from the date of such withdrawal of part of a rural fire protection district, a highway lighting district, a special road district or a park and recreation district, the governing bodies of the city and the district shall agree upon an equitable division and disposal of the assets of the district. The plan of division of assets shall be arrived at after giving consideration to the assessed valuation of the whole district and the part of it withdrawn, the types of assets, and their location and intended use. However, the plan for division of assets of a rural fire protection district may in no case divide the assets so that the remaining part of the district would have a less favorable fire insurance grade classification, according to filings made pursuant to ORS 737.205, than that which the district had at the time of the withdrawal.

(2) The remainder of such district shall continue in existence as a district, but may dissolve in the manner provided in the applicable district statutes. After withdrawal, the services for the remaining part may be performed by the remainder of the district acting independently as such; or, such services may be performed by contract with the city, or by agreement of the city directly with the property owners of the remainder if the district determines upon dissolution. If dissolution is determined upon, and the city agrees to furnish service to the remainder of the district, all assets of the district shall become the property of the city.

(3) If an agreement pursuant to subsection (1) of this section cannot be arrived at within 90 days from the date of withdrawal, upon the request of any party in interest, the county court or board of county commissioners of the county in which the property is situated shall submit the matter to arbitration under ORS 36.600 to 36.740.

(4) Notice under ORS 36.685 need be made only upon parties in interest who have participated in the arbitration proceedings. An appeal from the award may be taken only to the circuit court for the county in which the property withdrawn is located, subject to further appeal as provided in ORS chapter 19. The functions of the district for the entire preexisting area thereof shall be continued by the district until the final determination of such agreement or arbitration.

(5) The governing bodies of the city and a rural fire protection district, a special road district or a park and recreation district, as the case may be, may enter into a binding agreement for the joint operation of the fire protection or park and recreation facilities of each that will be beneficial to and equitable for the inhabitants and property owners of each after the withdrawal of part of such districts. [Amended by 1955 c.471 §3; 1957 c.401 §4; 1963 c.347 §5; 1965 c.509 §5; 1969 c.690 §27; 1971 c.13 §6; 2003 c.598 §38]

222.540 Procedure for division of installations on withdrawal of part of water district; appeal; joint operations. (1) When a part of a water district, including a domestic water supply corporation, is withdrawn, the district shall, by action of its governing body, turn over to the city, of which the withdrawn area becomes a part, its water mains, service installations, structures, facilities, improvements and other property in the area withdrawn from the district that are not necessary for the operation of the remainder of the water control or water supply system of the district. All water mains, service installations, reservoirs, structures, facilities, improvements and other property that are necessary for the district to continue maintenance and operation of its water control or water supply system remain the property of the district, regardless of whether they are located within or without the city. If the city is not satisfied with the property division made by the district governing body, or if, within 90 days from the effective date of the withdrawal, the district governing body has failed to make a division, the city's governing body may request the county court or board of county commissioners of the county in which the property is situated to decide upon the division.

(2) After giving 10 days' notice and an opportunity to be heard to the district governing body, the court or board shall, in accordance with the standards of guidance provided in this section for the district governing board, divide the property.

(3) The decision of the county court or board of commissioners is binding upon all parties in interest, except that an appeal may be taken therefrom for abuse of discretion in arriving at the decision to the circuit court of the county in which the property withdrawn is located within 30 days from the announcement of the decision. The functions of the district must be continued in the entire preexisting area by the district until the final determination of the division of property.

(4) This section does not prevent the governing bodies of the city and the district from arriving at a binding agreement for a joint operation of the water or other facilities of each that will be beneficial to and equitable for the inhabitants and property owners of each after the withdrawal of part of the water district. [Amended by 1965 c.509 §6; 2007 c.420 §2]

222.550 Withdrawal of major portion of water district; dissolution optional; transfer of property to city. When the greater portion of a water district including a domestic water supply corporation or a water control district is thus withdrawn, measured by the comparative assessed valuations of the portion withdrawn and the portion remaining in the district, the remainder of the district may dissolve in the manner provided for water districts. If dissolution is determined upon and the city agrees to furnish water or other facilities theretofore provided by the water district to the remainder of the district and if the city agrees to assume the liabilities of the district, then all assets of the district become the property of the city. A city to which the major portion of a water district has been annexed may make such agreement notwithstanding any charter or statute limitation. [Amended by 1965 c.509 §7]

222.560 Procedure for division of installations on withdrawal of part of sanitary district; appeal; joint operation. (1) When a part of a sanitary district is thus withdrawn, the district shall, by action of its governing body, turn over to the city of which the withdrawn area becomes a part, its sewer lines, pumping stations, disposal and any other properties within the area withdrawn from the district that are not necessary for the operation of the remainder of the sewer system of the district. All outfall, trunk and collection lines, pumping stations, disposal and other properties which are necessary for the district to continue maintenance and operation of its sewer and disposal system shall remain the property of the district, regardless of whether they are located within or without the city. If the city is not satisfied with the division of property made by the district governing body, or if, within 90 days from the effective date of the withdrawal, the district governing body has failed to make a division, the city's governing body may request the county court or board of county commissioners of the county in which the property is situated to decide upon such a division.

(2) After giving 10 days' notice and an opportunity to be heard to the district governing body, the court or board shall, in accordance with the standards of guidance provided in this section for the district governing board, divide the property.

(3) The decision of the court or board shall be binding upon all parties in interest except that an appeal may be taken therefrom for abuse of discretion in arriving at the decision to the circuit court of the county in which the property withdrawn is located within 30 days from the announcement of the decision. The functions of the district shall be continued in the entire preexisting area thereof by the district until the final determination of the division of property.

(4) This section shall not prevent the governing bodies of the city and the district from arriving at a binding agreement for a joint operation of the sewer, sewage disposal or other properties of each that will be beneficial to and equitable for the inhabitants and property owners of each after the withdrawal of part of the sanitary district.

222.570 Effect on metropolitan sanitary districts. ORS 222.560 shall not prevent the formation of metropolitan sanitary districts which may include cities under authority of other laws.

222.575 Agreements for joint operation by city and district may be made before or after withdrawal. The agreements referred to in ORS 222.530 (5), 222.540 (4) and 222.560 (4) may be entered into between the city and a district prior to and contingent upon the withdrawal of the annexed or incorporated area from the district under the provisions of ORS 222.524, or they may be made after such withdrawal. [1957 c.401 §5]

222.580 Procedure applicable to prior annexations in which no property division was made. The provisions of ORS 222.510 to 222.570 and 242.050 are applicable to areas annexed to or incorporated as cities prior to March 18, 1949. The procedure provided in those sections may be followed in all cases in which such incorporation or annexation was effective prior to March 18, 1949,

and in which no apportionment of property was made by March 18, 1949. As to any such district which has not already been taken over by, or come to an agreement with, the city involved, the effective date of the taking over shall be March 18, 1949, or the date of the agreement arrived at under the standards provided in ORS 222.530 to 222.560.

December 16, 2013
5:50 P.M.
Newport, Oregon

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

Staff present was City Manager Nebel, City Recorder Hawker, Library Director Smith, Community Development Director Tokos, Interim Finance Director Gazewood, Public Works Director Gross, and Police Chief Miranda.

CONSENT CALENDAR

The consent calendar consisted of the following item:

- A. Approval of minutes from the meeting of September 3, 2013.

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

PUBLIC HEARING

Public Hearing on Resolution No. 3660 - Adopting a Supplemental Budget for Fiscal Year 2013/2014 and Making Appropriations. Beemer opened the public hearing on Resolution No. 3660 at 6:00 P.M. He asked for the staff report. Gazewood reported that the issue before the Agency is to consider the adoption of a supplemental budget to increase appropriations in the Northside Urban Renewal District. He noted that this is a public hearing because one is required pursuant to Oregon Local Budget Law. It was noted that this sets up the mechanism to effectively close out the North Side District. He added that two changes to the resolution needed to be made to indicate the Urban Renewal Agency rather than the City Council, and to be signed by Richard Beemer, Chair, rather than the Mayor. He asked for public testimony. There was none. Beemer closed the public hearing at 6:05 P.M. for Agency deliberation. Motion was made by Saelens, seconded by Sawyer, to adopt Resolution No. 3660 with Attachment A, a resolution adopting a supplemental budget for fiscal year 2013/2014 and making appropriation increases and changes for fiscal year 2013/2014 with the changes as noted by Gazewood. The motion carried unanimously in a voice vote.

ADJOURNMENT

Having no further business, the meeting adjourned at 6:06 P.M.

Margaret M. Hawker, City Recorder

Richard Beemer, Chair

Memorandum

To: Newport Urban Renewal Agency
From: Derrick Tokos, Community Development Director 
Date: January 17, 2014
Re: Oregon Coast Aquatic Park Request for Urban Renewal Funds

Attached is a letter from the Oregon Coast Aquatic Park Board of Directors requesting \$7,500 of Urban Renewal Funds to help finance a market and feasibility study for locating the facility in South Beach. They point out that the request falls within the guidelines of urban renewal purposes. While this is an accurate statement, the limitations on Urban Renewal Agency expenditures are not based upon general urban renewal powers but rather the types of projects contained in its urban renewal plan.

The South Beach Urban Renewal Plan is currently transitioning between Phase 1 and Phase 2 work. Attached are the project lists for both plan phases. Agency would need to conclude that the request fits within the scope of one of the listed projects or it would need to direct staff to prepare an amendment to the plan to add the project to Phase 2. While it is plausible that the Agency could find that a market and feasibility study qualifies as an initial component of strategic site acquisition for economic development purposes, which is one of the listed projects, such an interpretation would suggest that the Agency would be open to even larger contributions down the road should the study determine that it is feasible to locate an Aquatic Park on a site in South Beach. Agency should consider this when evaluating whether or not this request for grant funding should be authorized.

There are currently no funds budgeted for this purpose. If the Agency wants to provide funding for this study, it would need to pull the money out of another funded project. The most likely candidate would be right-of-way acquisition, as the \$110,000 set aside for that purpose may not be fully obligated this fiscal year. This could be accomplished with a transfer resolution. An additional tax increment will be available next fiscal year, and while that increment is intended to support Phase 2 borrowing, the small dollar amount of this request is something that likely can be paid for directly (as opposed to using borrowed funds).

Attachments

Phase 1 and Phase 2 Project Lists, South Beach Urban Renewal Plan

B. PROJECTS AND COST ESTIMATES

1. Phase 1 – 2009/12

PUBLIC RIGHTS OF WAY	Cost Estimate	URA Portion
Streets		
Ash St. Design & Construct	425,000*	425,000*
Coho/Brant Area – Plan and Design	70,000*	70,000*
Coho/Brant Area – Construct	850,000	550,000
SE 35th & Ferry Slip Road (Shifted to Phase 2)	464,000	0
Marine Science Drive	2,304,000	1,138,000
Realign Rogue and 25th	448,000	448,000
Pacific Way Improvements	251,000	251,000
Sidewalks		
OSU Dr. to Marine Sc. Dr.	70,000	0
OSU Dr. (Abalone to Ferry Slip)	67,500	67,500
Acquisition		
<i>TSP Projects - right of way</i>	<i>300,000</i>	<i>150,000</i>
UTILITIES		
Water		
Hwy 101 – 40th to 50th	320,000*	320,000*
Sanitary Sewer line same ROW	600,000	477,000
PUBLIC AMENITIES		
Neighborhood Park/Open Space Site Acquisition (OPRD Grant \$150,000)	275,000	125,000
Purchase of 2.5 acre coastal gully & foredune site adjacent to South Beach State Park	225,000	225,000
ACQUISITION/DEVELOPMENT	0	0
COMMUNITY IMPROVEMENT PROGRAMS	0	0
SPECIAL PROJECT IDEAS		
Wetland Planning/Mitigation Bank	200,000	200,000
Trails – easement acquisitions	100,000	100,000
South Jetty Trail	317,000	317,000
Tsunami Evacuation Route Improvements for Safe Haven Hill	557,000	200,000
Total:	\$7,028,500	\$4,248,500
Revenue Estimate (7.1% growth)		\$4,774,000

* These projects were budgeted at the time of Substantial Amendment No. 5 and have never been included in the revenue estimates.

Note: Figures in **bold** are revisions proposed with this amendment. Projects shown in ~~strikeout~~ have been completed. Urban renewal funds for projects depicted in *italics* have been budgeted for expenditure. It is unlikely that any other listed Phase 1 projects will be funded.

2. Phase 2 – 2013/16

PUBLIC RIGHTS OF WAY	Cost Estimate	UR Portion
Streets		
35 th St. – 101 to Ferry Slip Road	2,167,000	1,390,000
Commercial Street Prototype, relocate 32 nd Street Signal, widen Ferry Slip (Coho/Brant Projects #10 and #11) (Includes Phase 1 and Phase 2 funds)		
Anchor Way 35 th to 40 th	0	0
Sidewalks		
Ferry Slip Rd - 29 th to Marine Science Dr. (Shared use path and Sidewalk, SB Peninsula Refinement Plan)	104,000	104,000
SW Abalone – Marine Science Dr. to Abalone extension (Coho/Brant Project #13A)	325,000	0
Acquisition/Development		
TSP Projects - right of way	450,000	375,000
Existing Street/ROW improvements including: paving, storm water, pedestrian/bicycle paths and landscaping:		
SW Abalone St – SW 29th to Anchor Way (Coho/Brant Project #8 (Moved from Phase 3))	1,773,000	850,000
SW 27 th – SW Brant to SW Abalone (Coho/Brant Project #2A)	145,000	145,000
SW 30 th – SW Brant to SW Abalone (Coho/Brant Project #5)	311,000	150,000
SW Brant – SW 27 th to SW 30 th (Coho Brant Project #7)	707,000	707,000
SE Ferry Slip Rd – 32 nd to Ash	144,000	144,000
Match for LIDs formed to implement Tier 2 and Tier 3 Coho/Brant improvements	150,000	150,000
SW Abalone & SW 35 th St. Stormwater Improvements (Coho/Brant Project #18)	84,000	42,000
SW 26 th St. and SW Brant St. Stormwater Improvements (Coho/Brant Project #17)	84,000	84,000
UTILITIES		
Sewer		
SW 26 th Street Sanitary Lift Station Upgrade (Coho/Brant Project #16)	110,000	110,000
Utility Lines		
Bury existing/new lines underground	300,000	300,000
PUBLIC AMENITIES		
Neighborhood Park Development	350,000	0
Neighborhood Park/Open Space/Trail Acquisition or Development	200,000	200,000
ACQUISITION/DEVELOPMENT		
Strategic Site Acquisition for Re-Use	250,000	100,000
Site Prep for Re-Use	100,000	100,000
Strategic Site Acquisition for Economic Development, Community Facilities and Affordable Housing	500,000	300,000
SPECIAL PROJECT IDEAS		
Wetland Mitigation Bank	100,000	100,000
Total:	\$8,354,000	\$5,351,000
Revenue Estimate (3.0% growth)		\$5,370,000



Board of Directors
Katherine M. Pedersen, President
Jeff Bertuleit, Vice President-Treasurer
Karen Butler, Board Member
George Mpitsos, Secretary
Carol Fisher, Ex-Officio
Peter Gintner, Ex-Officio

OREGON COAST AQUATIC PARK
550 S.E. 123rd Street, South Beach, OR 97366
Let's Go Swimming!

URBAN RENEWAL COMMISSION
City of Newport
CITY HALL
169 S. W. Coast Highway
Newport, Oregon 97365

January 13, 2014

Subject : Request for Urban Renewal Funds

Dear Commission Members:

This request is to grant Oregon Coast Aquatic Park \$7,500.00 of urban renewal funds for the purpose of matching funding for an updated Market and Feasibility Study to be performed by ECONorthwest. The scope of work is outlined in the attached pages.

Oregon Coast Aquatic Park is providing \$5,000.00 from its funds; the County Commissioners are providing \$2,500.00 from their funding sources. By participating in funding, Urban Renewal and the City of Newport will gain useful information for future South Beach development, which is not currently available.

The request falls within the guidelines of urban renewal purposes (i.e., economic development, recreational facilities, and blight). The City's most recent economic study indicates that tourist facilities are a key element for economic development.

Thank you for your consideration.

Sincerely,

**OREGON COAST AQUATIC PARK
BOARD OF DIRECTORS**

www.oregoncoastaquaticpark.org

ECONorthwest

ECONOMICS • FINANCE • PLANNING

DATE: August 1, 2013
TO: Katherine Pedersen
FROM: Bob Parker and Beth Goodman
SUBJECT: OREGON COAST AQUATIC PARK: MARKET AND FEASIBILITY SCOPE

The Oregon Coast Aquatic Park is a facility proposed to be built in the South Beach area of Newport. As presently conceived, the Aquatic Park will include: ~~a 25-meter lap pool, a wave pool, a leisure pool, a toddler's wading pool, flumes and other aquatics recreational equipment, a sauna, hot tubs, meeting rooms, changing rooms, a snack bar, café, gift shop, an arcade, a rock climbing wall, and other facilities.~~ The Board of the Oregon Coast Aquatic Park is currently considering locating the facility in Newport's South Beach area on Highway 101 at the intersection of 40th Street.

The Board of the Oregon Coast Aquatic Park is seeking a qualified consultant to prepare a market and feasibility analysis to use as the factual basis for an update of the facility Business Plan. The purpose of the market and feasibility study is to review and refine projections of potential use of the Aquatic Park presented in the current draft of the facility Business Plan. The use projections should include estimates of use by Newport visitors (including specific target groups such as schools that visit the Oregon Coast Aquarium) and potential use by residents of Newport and surrounding areas. The study will also include updates to the revenue projections and assessment of financial feasibility for operations and maintenance of the facility. The feasibility study will not consider capital construction costs, as the Board plans to raise sufficient funds to build the Aquatic Park. The study will also not include an evaluation of potential sites for the facility; ECO will use information in the Business Plan about site requirements.

This memorandum presents ECONorthwest's (ECO) proposal for a scope of work for a market and feasibility study of the Oregon Coast Aquatic Park. This memorandum is organized into the following sections: (1) work program and (2) schedule and budget.

WORK PROGRAM

The project includes two key components: a market analysis and a feasibility assessment. The following section briefly describes how we would approach the project.

Task 1—Project kick off meeting

ECO will meet with the Board of the Oregon Coast Aquatic Park by teleconference (or video conference, if possible) to discuss the work program and project approach. This meeting will include discussion of: (1) the goals and objectives of the project, (2) ECO's approach to the project, and (3) a draft outline of the final product.

Product: draft outline of the product
 Schedule: Week 1

Task 2. Market Analysis

The purpose of the market analysis is to develop facility use estimates for the Oregon Coast Aquatic Park, given the characteristics of residents and visitors. The market analysis will use information from: interviews with owners and managers of other tourism attractions in Newport, an update to the review of comparable facilities in western Oregon and southwestern Washington, the U.S. Census, summaries of tourism activity in the Central Oregon Coast and Lincoln County, and other applicable data sources. A key element of the market analysis will be to identify potential user groups with an emphasis on visitors and tourists (e.g. documenting market segments). The market analysis will include four subtasks:

- **Interviews with stakeholders and potential users.** These interviews will focus on discussions with owners and managers of other tourism attractions in Newport, as well as with potential users of the facilities. These interviews will result in a description of use patterns of other tourism facilities in Newport and supplement existing information about preferences of potential user groups. Stakeholder interviews will also include representatives of potential user groups such as school districts, swim clubs, senior citizen organization, RV clubs, and other groups as identified by the client or ECO. We will work with the Oregon Coast Aquatic Park Board to identify stakeholders to interview.
- **Inventory and description of comparable facilities in western Oregon and southwestern Washington.** ECO will start with the list of facilities and information described in the Business Plan. ECO will supplement this information with interviews of staff at comparable facilities about the operations and maintenance and the amenities at comparable facilities.

- **Key socioeconomic trends** from the U.S. Census, Oregon Employment Department, and the Bureau of Economic Analysis to describe and analyze population, income, and employment trends in the Central Oregon Coast and the Newport area. These trends are important indicators of potential future demand for an aquatic park.
- **Sports participation trends** for indoor swimming and other activities related to the activities proposed at the Aquatic Park. ECO will use information from State of Oregon reports that describe participation rates in a range of recreational activities, National Sporting Goods Association reports, and other relevant reports.
- **Tourism trends** for the Central Oregon Coast and the Newport area. The sources of information will include reports conducted for the Oregon Tourism Commission that describe tourism trends at the Oregon Coast, and other relevant reports.
- **Retail space demand in Newport.** The analysis will consider retail market conditions in Newport, including demand for retail space, achievable rents, vacancy rates, and other factors that affect demand for retail space.

The market analysis will result in a range of potential use for the Aquatic Park, from high to low potential use. The use estimates will identify potential user groups, such as: (1) local residents in Lincoln County, (2) short-term visitors (e.g., visitors who stay one week or less) to Newport and the Central Oregon Coast, (3) long-term visitors (e.g., visitors who stay more than one week but less than half the year) to Newport and the Central Oregon Coast, and (4) special visitors, such as school trips to the Oregon Coast Aquarium.

Product: Market analysis chapter(s) of a market and feasibility analysis report
 Schedule: Weeks 2 to 8

Task 3. Feasibility Assessment

The purpose of the feasibility assessment is to determine whether Oregon Coast Aquatic Park can meet operations and maintenance costs, given estimated use of the facility by local residents and visitors to Newport and proposed facility fees. The basis of the feasibility analysis is the use estimates, developed in Task 2. The feasibility assessment includes the following components:

- **Revenue estimates.** The Board has existing estimates for attendance fees at the Aquatic Park. ECO will provide information about fees at comparable facilities. Based on the use estimates and the fee estimates, ECO will estimate revenues.
- **Operating and maintenance costs.** ECO will evaluate the operation and maintenance costs described in the Business Plan, based on interviews with comparable facilities and other research about the costs of operating an Aquatic Park. ECO may supplement this information based on our experience with work on similar projects.

The feasibility assessment will conclude with a determination of whether Oregon Coast Aquatic Park can meet operational costs under a range of assumptions (potential demand for

use of the facility by local residents and visitors to Newport, fee structure, etc.). The assessment will include an estimate of the number of visitors and fees necessary for the facility to break even.

Product: Feasibility assessment chapter(s) of a market analysis and feasibility assessment report
 Schedule: Weeks 6 to 12

Task 4. Draft and final products

ECO will prepare a draft market and feasibility report for review by the Board of the Oregon Coast Aquatic Park. ECO will be available to present the results to the Board and to answer questions about the analysis.

The Board will submit one consolidated set of comments for changes to the draft report to ECO. ECO will revise the report based on these comments. The final product will be: (1) a revised market and feasibility report and (2) an executive summary suitable for public distribution.

Product: Draft and final market analysis and feasibility assessment report; Executive summary
 Schedule: Weeks 12 to 18

Schedule and budget

The product of the study will be a draft and final market analysis and feasibility assessment report. The report will describe the key assumptions and methodologies used in both analyses, as well as presenting the findings and conclusions of the analyses. ECO will develop a summary of the report findings, for public distribution. ECO will present a draft report for comment by the Board and a revised final report.

ECO will meet the following schedule

- Share preliminary findings with the Board by December 13th
- Submit a the full draft of report by the end of January
- Present the draft report to the Board in early February
- Revise the draft report and submit a final report and executive summary within two weeks of receiving one consolidated set of written comments from the Board

ECO proposes to complete the project on a time-and-expense basis with a fee-not-to-exceed \$20,000.



Board of Commissioners

Courthouse, Room 110
225 W. Olive Street
Newport, Oregon 97365
(541)265-4100
FAX (541)265-4176

February 4, 2013

Katherine Pederson
Friends of the Oregon Coast Aquatic Park
6228 SW Hood Ave.
Portland, OR 97239

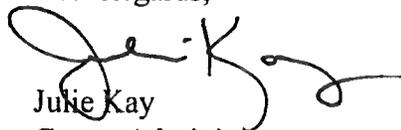
RE: 2012 Lincoln County Community Economic Development Fund Grant

Congratulations on your successful grant application to Lincoln County's Community and Economic Development Grant Program. Enclosed are the Board of Commissioners' Order #1-13-31 awarding the grant and a grant Award Letter which each grant recipient must review and agree to prior to distribution of funds. Please have an authorized representative of your organization approve and execute the Award Letter and return it to : Lincoln County Board of Commissioner's Office, Room 110, 225 W. Olive Street, Newport, Oregon, 97365. **Be sure to include your organization's Federal Tax ID number on the Award Letter and retain a copy for your records.**

The Board also requires a written report upon expenditure of grant funds. We have a vital interest in seeing these community and economic development projects come to fruition

The Board of Commissioners would be interested in hearing of any recommendations you may have about the Economic Development Fund Grant application process. Please send an e-mail with your suggestions to: Jkay@co.lincoln.or.us. Again congratulations.

Best Regards,


Julie Kay
Grants Administrator

Enclosure: Board of Commissioners Order # 1-13-31
Award Letter

January 6, 2014
Noon
Newport, Oregon

CITY COUNCIL WORK SESSION

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

Staff present: Nebel, Hawker, Gazewood, Tokos (part of the meeting), and Paige.

Media present: Dave Morgan from News Lincoln County and Dennis Anstine from the Newport News-Times.

Others in attendance: Nyla Jebousek.

Roumagoux called the meeting to order.

Roll was taken.

1. Roumagoux asked for items not listed on the agenda that Council wanted to discuss at this or a future work session. The following items were mentioned: The potential revision of the City Council Rules to reflect legal counsel's concern regarding approval to form of ordinances; and potential vacant and marketable properties (at the second meeting in February or the first meeting in March).
2. Roumagoux reminded Council that the City Council e-mail distribution list includes Nebel and Hawker.
3. Prior to interviewing applicants for the Planning Commission vacancy, Beemer recused himself due to a bias. He noted that one of the applicants manages some of his properties. Beemer left the room. The Mayor and all the Councilors reported that they either know some of the applicants; recognize some of the applicants; or are aware of the applicants. Roumagoux noted that Suzanne Dalton has requested a telephone interview, and that Dustin Capri is unable to participate in the interviews, but wishes to be considered for the vacancy.

Council interviewed the following applicants: Bob Berman, Lee Hardy, William Hutmacher, Michael Franklin, Michael Rickus, Suzanne Dalton (via telephone). Dalton removed herself from consideration.

Tokos reported that the members of the Planning Commission Citizen's Advisory Committee (PCCAC) participate fully in Planning Commission work sessions. It was noted that Berman, Hardy, and Dalton are current members of the PCCAC, and that Dustin Capri is a former member of this group. It was reported that the longest serving members of the PCCAC are Hardy and Berman. Swanson stated that she prefers a new person with fresh ideas such as Hutmacher, Franklin, or Rickus. Tokos suggested that it is advisable to have diversity in the location of Commissioners' residences. He added that there currently aren't any women on the Commission, and that the

Commissioners much have different backgrounds. Saelens noted that it would be nice to have Capri's experience as a planner. Sawyer stated that both Hardy and Berman have done a wonderful job, but that he prefers Berman for the vacancy.

This discussion concluded at this time, and Beemer returned to the room at 12:46 P.M.

4. A discussion ensued regarding the priorities for the City Manager during the first six months of his tenure. Nebel reported that he had held discussions with City Council, department heads, and others. He noted that his observations are that the city has a professional staff; and that he is impressed with the level of City Council commitment. He added that other observations include an inequality among departments, and a lack of central coordination among departments. He noted that potential improvements could be made with a better structure for City Council meetings allowing for predictability with the agenda and agenda items.

Nebel reported that some of his top four priorities for the first six months include: hiring of a new Finance Director; follow-up of the Infrastructure Task Force recommendations; improvement of the budget process, and addressing the airport management structure. He updated Council on the status of the Finance Director recruitment. He added that he needs a clear understanding of Council's expectations of his role at Council meetings. The City Council concurred with Nebel's top four priorities for the next six months. Allen asked Nebel whether he is comfortable that the Infrastructure Task Force follow-up and budget process improvement can be accomplished without a full-time Finance Director. Staff was asked to check the agreement with Bob Gazewood to see if adjustments should be made. Swanson noted that Gazewood's housing issue needs to be addressed.

5. A discussion ensued regarding Nebel's role at City Council meetings. Nebel noted that he sees his role as one with direct involvement with issues that Council will be considering at meetings. He suggested a format where the Mayor would ask the City Recorder to introduce an item; the City Manager would provide a summary with a recommendation; Council questions would occur after the City Manager's summary along with any department head comment; although department heads would be expected to attend a meeting where they are responsible for an agenda item. Nebel added that this process would provide order and structure to the meetings. He noted that this process would reduce or eliminate surprise agenda items. He suggested any action from a work session be taken at an evening meeting. Roumagoux noted that this process would refer all items to the City Manager, who would ask department heads to speak, if required. Roumagoux also noted that the Council meetings would be more orderly if Council let the Mayor know when someone wishes to speak. Beemer noted that Nebel's suggestions were good, and this is an opportunity to tighten up the process. Saelens thanked Nebel for the opportunity to reset the process and engage in more orderly meetings. Swanson complimented Roumagoux on what she has done. Allen noted that former Mayor McConnell did a nice job of moving the Council forward procedurally. Roumagoux stated that she would like to adhere to the three-minute rule as the meetings are too long. Busby asked whether there would be no formal action taken during a work session, and Nebel noted that is his recommendation. Beemer stated that he supports the recommendations in general. Allen read from the City Council Rules. Sawyer suggested moving items involving

department head input up in the agenda. Nebel noted that he would look at the agenda structure to see whether there is a better way to deal with it. A brief discussion ensued regarding a change to the videography of the meeting. Allen noted that the City Council Rules allow the City Manager to arrange the agenda. Nebel stated that he would bring a report to the next meeting in January institutionalizing the direction of Council, and added that the restructuring would occur at the first Council meeting in February. Nyla Jebousek talked about the three minute rule for public testimony. Roumagoux noted that the three minute rule was for Council as well. Jebousek talked about interruptions and debate during public comment, and suggested Council silence during public comment. Saelens suggested adjusting the microphones. Allen noted that the public comment period is for issues not on the agenda, and that the different public comment periods needed to be differentiated. Nebel suggested the public write the questions, and that after the three minutes for public comment, a request be made to the presiding officer for the floor to respond to questions. Busby asked about contacts with department heads, and Nebel noted that if Council wanted something from a department head, the request be directed through the City Manager.

Having no further business, the meeting adjourned at 1:38 P.M.

January 6, 2014
6:00 P.M.
Newport, Oregon

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

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

PLEDGE OF ALLEGIANCE

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

PROCLAMATIONS, RECOGNITIONS, AND SPECIAL PRESENTATIONS

Miranda introduced Brent Gainer, newly-appointed Sergeant in the Police Department, and Jonathan Humphreys, a newly-appointed Police Officer. Hawker administered the oath of office.

CONSENT CALENDAR

The consent calendar consisted of the following items:

- A. Approval of City Council minutes from the joint work session with the Bicycle/Pedestrian Advisory Committee, and the joint meeting of the Bicycle/Pedestrian Advisory Committee, and the joint meeting of the Public Arts Committee, and the City Council of December 16, 2013.

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

OFFICER'S REPORTS

Mayor's Report. Roumagoux reported that she had participated in her third Police Department ride-along.

Roumagoux reported that she had attended the recent Chamber Board of Directors dinner.

Roumagoux reported that she had attended the tree planting for the "Tree City" designation.

Roumagoux reported that she had attended the recent Lincoln County Mayor's meeting in Depoe Bay.

Roumagoux made the following committee appointments/reappointments:

<u>Committee</u>	<u>Term Expiration Date</u>
<u>Planning Commission</u>	
Jim Patrick	December 31, 2016
<u>Budget Committee</u>	
Fred Springsteen	December 31, 2016
Robert Smith	December 31, 2016
<u>Airport Committee</u>	
Mark Watkins	December 31, 2015
Douglas Nebert	December 31, 2015
<u>Library Board</u>	
Carol Ruggeri	December 31, 2017
<u>Parks and Recreation Committee</u>	
Jimmy Rodriguez	December 31, 2015
Sandra Surber	December 31, 2015
Nancy Steinberg	December 31, 2015
<u>Destination Newport Committee</u>	
Lil Patrick	December 31, 2014
John Clark	December 31, 2014
Ric Rabourn	December 31, 2014
Lorna Davis	December 31, 2014
Carrie Lewis	December 31, 2014
<u>Senior Advisory Committee</u>	
Richard Reynolds	December 31, 2015
<u>Bicycle/Pedestrian Advisory Committee</u>	
Alisha Kern	December 31, 2016
Chuck Forinash	

MOTION was made by Allen, seconded by Saelens, to ratify the Mayor's appointments. The motion carried unanimously in a voice vote.

Roumagoux appointed Bob Berman to the Planning Commission. MOTION was made by Beemer, seconded by Saelens, to ratify the Mayor's appointment. The motion carried unanimously in a voice vote.

City Manager's Report. Nebel reported that he had begun his employment with the city three weeks ago today, and has subsequently spent lots of time talking to City Councilors, department heads, and other employees to gain an understanding of the important internal issues. He added that he plans to spend time talking with people outside the organization to get a comprehensive view of what is important and how to allocate time in the position. He noted that, at the work session earlier today, he had outlined some operational and procedural issues. He added that he plans to have a report for the January 21 City Council meeting summarizing the outcome of the work session discussion.

Nebel reported that he plans to work on filling the Finance Director position. He noted that two candidates were recently interviewed by a panel of department heads, another panel consisting of Gazewood and a retired Finance Director from Lincoln City, and that he had conducted the third interviews. He added that it was the consensus of the groups to expand the applicant pool. He noted that consideration is being given to changing the salary range to 21 as the salary may be an issue in attracting qualified candidates.

Nebel reported that he and Gazewood had spent time working on the budget process. He noted that he will present information regarding the budget calendar and a date for the Council goal setting session at the January 21 meeting. He added that he plans to make changes in the way the budget is compiled. He noted that he plans a meeting in March to discuss these changes and obtain input relative to the development of the budget. He stated that he appreciates Gazewood's efforts in making the upcoming budget process meaningful.

Nebel reported that he had booked a vacation before he came to Newport, and would be would of the office beginning January 9, but back in Newport on January 19. He noted that during his absence Ted Smith will be acting City Manager.

Nebel reported that City Hall will be closed on January 20 for Martin Luther King Day, and the City Council meeting will be held on Tuesday, January 21.

Nebel noted that he is working on various operational issues in getting established. He added that he appreciates Cindy Breves' work.

Nebel reported that he attended the play, "Joseph and the Amazing Technicolor Dreamcoat," at the PAC. He noted that there is lots of local talent, including city employees, and he encouraged people to attend.

Nebel wished everyone a Happy 2014 and added that he is excited to be part of the City of Newport.

DISCUSSION ITEMS AND PRESENTATIONS

Infrastructure Task Force Report. Allen asked members of the Infrastructure Task Force, who were in the audience, to come forward. Patricia Patrick-Joling, Fred Springsteen, and Mark McConnell came to the podium. Allen reviewed the composition of the Task Force and recognized staff. He noted that there is a quorum of the Task Force in attendance. Allen added that the City Council and Task Force members have

received a copy of the draft minutes. MOTION was made by Saelens, seconded by McConnell, to approve the Infrastructure Task Force minutes of December 19, 2013. The motion carried unanimously in a voice vote.

Allen, as Chair of the Infrastructure Task Force, reviewed the information that was included in the packet. He discussed the general assumptions, including the responsibility of the city to fund the maintenance and improvements of its capital assets; the assumed need for annual investments to upgrade capital assets in the future; potential near-term (1 - 5 years) recommendations; and potential long-term (ongoing) recommendations. Allen noted that the suggestions are things for Council and city staff to consider. He added that the Task Force did a great job of moving recommendations forward.

Saelens noted that initially, the task seemed impossible. He added that what is not clear to those not involved is the number of ideas and concepts that were reviewed by the Task Force. He stated that through Allen's leadership, the Task Force needed to move toward consensus, and what is before Council is a good representation of that. He concluded that at the end of the day, the goals were accomplished. He added that the utility SOS fund is important to him, and that the city needs to begin developing a program that actually works.

Busby noted that Allen's summary was accurate, and that the process was a learning experience. He added that there is no magic bullet in this list of items, and no one item that can win the contest. He stated that he would have liked more specificity, but that there was not enough time or resources. He added that the final solution will be a mix. He noted that the fee in lieu of issue, generally and in a broader sense, addresses the idea of efficiencies. He stated that this is an amount that would not be in the General Fund, and something from the General Fund would have to be removed.

McConnell noted that he is pleased that Council started down this road three years ago. He added that the city knew what would happen to the utility rates, but thought it needed to get started. He stated that grant writing and a search for other sources of funds had been accomplished, and those things will help relieve pressure on water rates. He noted that he is not surprised that the city needs to look at a multi-phase approach. McConnell added that the philosophical part comes down to creating, developing, and maintaining a level of trust with the voters. He stated that it is important that the public has the opportunity to provide input on priorities and has the trust in the City Council to know that money is being used wisely. He noted that it is also important for the City Council to develop trust and a good relationship with the City Manager so that Council does not have to micromanage the budget.

Allen noted that services will be prioritized through the goal setting session. He added that the Infrastructure Task Force wanted to get feedback from the public, staff, and other stakeholders in prioritizing issues and needs.

Fred Springsteen stated that he felt privileged to have been a part of the process. He added that he was unable to get questions answered during the budget process, and he now has answers. He added that when the rates go up, there is a reason for it, and he hopes that is communicated to the voters and residents.

Patricia Patrick-Joling thanked Busby for the last handout. She noted that at the end of the day, the budget was out of sync. She thanked Bob Gazewood for coming on board. She asked Gazewood what he feels is the best course of action considering the state of the budget. Gazewood reported that he is not a fan of pay as you go financing

simply because it takes such a hefty rate increase to maintain, and then is limited in terms of spending based on what is generated from the rate structure. He added that this cannot be sustained over time. He stated that he wants the opportunity to look at projecting what the city could accomplish through issuing bonds. He noted that he thinks bonding is a great opportunity to expand the amount of dollars that can be spent in any year, with substantially smaller increases. Allen noted that what Gazewood reported is not something that he has not said over the course of the ten Infrastructure Task Force meetings. Patrick-Joling noted that the last page shows the current and projected rates, and that many people cannot pay those rates. Allen added that the word “consider” is at the beginning of each bullet point. He noted that many Task Force members were not in favor of continuing pay as you go, but felt it was necessary to include it. Allen stated that there is a reason why it is there and worded the way it is.

Nebel noted that the report will provide a great opportunity to understand some of the issues used in developing rates; the needs from a private standpoint; and an excellent list on which to base some of the budget this year. He added that he anticipates providing a response if Council accepts the report. He noted that the report has saved him time in figuring out what is feasible; what needs to be looked at; and will provide good information for the Budget Committee in utilizing these concepts.

Allen reported that a lot of the handouts for the Infrastructure Task Force were the work of Tokos and Gross. He added that Gross had prepared a five-year scenario which was needed to raise the awareness of infrastructure needs so that people could see what it would take in terms of rate increases. He noted that he has no opinion on how to finance infrastructure. He stated that Gross recommended establishing a Task Force during a discussion at the final Budget Committee meeting last year.

Tokos encouraged Council to view the report as a work in progress, noting that a lot of recommendations will take a number of years to accomplish. He added that the value of having good quality data permeates through a better understanding of means for long-term investments. He noted that it also supports the decisions Council makes in terms of rate adjustments.

Allen reported that Nyla Jebousek and others attended most of meetings. Nyla read a letter into the record, and distributed copies to Council. Allen noted that he would have Jebousek’s documents placed on the Infrastructure Task Force page on the city website.

Sawyer reported that former Mayor McConnell started the utility SOS fund. He requested a report on the fund; asked to see the city’s criteria; and suggested using the criteria that is used by the PUD.

It was noted that other communities have an SOS application that contains income limitations, senior discounts, etc. It was suggested that as a part of the budget process, examples of SOS programs should be provided to determine what works for Newport. It was further suggested that ongoing funding for the program be discussed.

Allen noted that some items require Council direction. He added that there are seven funding options listed at the end of the cover sheet, and asked what the preference is to move forward on. He added that the other issue that is important is to have more concrete numbers for the upgrade of city facilities infrastructure by March 1. A discussion ensued regarding the possibility of including additional information on the utility bills to assist in disseminating information to residents. Nebel noted that until he has a comprehensive understanding of the budget and the financial scenario of the city,

he does not have an answer tonight for what is appropriate. He added that a lot of groundwork has been provided by the Task Force which provides a roadmap for him to focus on. Nebel noted that for the goal setting session, he will bring back a discussion from the staff standpoint as Council prioritizes the issues. He added that once the framework is established, there should be a method to get public participation and have a meaningful discussion with the public. Allen asked whether the framework will be in writing in the next month or so, and Nebel noted that the approach will be outlined at the goal setting session. Allen asked how Council wants to move forward, and Saelens suggested going into the issues in more detail at a work session. Nebel noted that before the work session, he will need to feel comfortable with where the city is at, and would like to have until the goal setting session before providing additional input to Council. Saelens noted that bringing the issue up at a work session would be a way to identify issues. Nebel noted that this is a good base document for Council to consider approving, and that by approving it, Council is indicating that this is what it wants staff to look at and respond to. It was the consensus of Council to accept the report and move forward.

Allen thanked McConnell, Patrick-Joling, and Springsteen for participating on the Task Force.

ACTION ITEMS

Consideration of a Tourism Facilities Grant Agreement with the Newport Sea Lion Docks Foundation. Nebel explained that the issue before Council is consideration of approval of a tourism facilities grant agreement with the Newport Sea Lion Docks Foundation, and an extension of time for the Newport Sea Lion Docks Foundation to enter into a grant agreement with the city.

Roumagoux asked for Council comments. Allen asked what caused the delay. Bob Ward, representing the Sea Lion Dock Foundation, reported that the in-water work can only occur between November 1 and February 15, so it was not possible to perform the work a year ago. Ward added that the cost of the docks increased from \$35,000 to \$79,000 which caused the costs to be renegotiated, and that the change in the docks caused the federal permitting process to be extended. MOTION was made by Swanson, seconded by Beemer, that notwithstanding the general requirement in the city's adopted Tourism Facilities Grant Program that awardees enter into a grant agreement with the city within one month of the date of the award, which occurred on March 18, 2013, to extend the time for awardee Newport Sea Lion Docks Foundation to enter into a grant agreement with the city until January 10, 2014. The motion carried unanimously in a voice vote.

MOTION was made by Swanson, seconded by Saelens, to approve the tourism facilities grant agreement with the Newport Sea Lion Docks Foundation, for a total of \$50,000, as outlined in the grant agreement. The motion carried unanimously in a voice vote.

Sawyer stated that the Tourism Facilities Grant Task Force had agreed to leave \$100,000, of the initial \$1,000,000, in the account, and he asked for the status of those funds. Gazewood distributed and reviewed a handout that indicates that there never was \$100,000 included in budget based on the resources that were in the budget. Allen noted that there was an adopted formal policy on how to spend the event center monies.

Nebel agreed to bring a report to Council to illustrate what actually occurred with the event center monies.

Consideration of Resolution No. 3661 Adopting a Tax Exempt Bond Post Issuance Compliance Policy. Gazewood reported that the issue before Council is the consideration of Resolution No. 3661 which, if approved, would adopt a tax exempt bond post issuance compliance policy. He explained that after bonds are issued, an issuer is required, under federal law, to continually monitor the actual investment and expenditure of the proceeds of the bonds and the use of the facilities financed with such proceeds. Gazewood noted that the monitoring process and collection of information must be maintained as long as tax-exempt bonds, including refunding bonds, are outstanding, plus three years after the last bond is retired. He added that some of the ongoing monitoring requirements include: retaining a nationally-recognized bond counsel law firm to assist in issuing bonds and provide legal opinions on the bonds; adhering to tax requirements as defined in the tax certificate executed in connection with the bond issue; monitoring the use and timely expenditure of bond proceeds; ensuring that the project is owned and operated by the issuer for the life of the bond issue; monitoring and tracking investment earnings on bond proceeds to comply with applicable yield restrictions and/or rebate requirements; ensuring that all relevant documents and records are maintained by the issuer for the term of the bond issue (including refunding bonds) plus three years.

MOTION was made by Beemer, seconded by Saelens, to adopt Resolution No. 3661, a resolution adopting a tax-exempt bond post-issuance compliance policy. The motion carried unanimously in a voice vote.

Consideration of Resolution No. 3662 Approving a CPI Adjustment to Land Use Fees. Nebel reported that the issue before Council is the consideration of Resolution No. 3662 adjusting fees for land use actions to account for annual inflation using the Bureau of Labor Statistics Consumer Price Index for Urban Consumers. Tokos reported that the FCS fee study indicated that a recovery rate of 50% of the direct land use costs was appropriate, and the city was, at the time of the study, recovering only 15% of the direct costs. He added that at the time, Council elected to phase in the fee adjustments over a four-year period. He stated that now that the four year phase-in is complete, it is necessary to adjust the fees annually to account for changes in the CPI-U. Busby asked how the fees compare with other comparable cities, and Tokos noted that the fees are comparable.

MOTION was made by Beemer, seconded by Busby, to adopt Resolution No. 3662, a resolution that makes annual inflationary adjustments to fees the City of Newport charges applicants for the review of land use actions. The motion carried unanimously in a voice vote.

Selection of City Council President. It was noted that the City Charter requires that Council elect a Council President at its first meeting of the year. Beemer nominated Busby, and Saelens nominated Swanson. Swanson prevailed in a written ballot vote, with Allen, Swanson, Saelens, Sawyer, and Busby voting for Swanson, and Roumagoux and Beemer voting for Busby.

COUNCIL REPORTS AND COMMENTS

Allen reported that he attended a recent meeting of the COMES Advisory Board, at which Bob Cowen, director of the HMSC, gave a brief update on what is being planned relative to the marine studies campus initiative (by OSU) which could bring up to 500 students or more over the next five years. He noted that HMSC is still trying to put in place adequate funding. Allen noted that the HMSC and surrounding facilities will be used, but more importantly, there is no plan to build housing, so the students will be looking for rental or other accommodations in the community.

Allen discussed the provision in Rob Connell's agreement that provides for a check-in after three months. He suggested Connell meet with Council in February to review how things have worked from his end. He added that Resolution No. 3624 needs to be updated to incorporate Connell.

Beemer reported that the Port needs to dredge an extra four feet at the International Terminal before they can fully load a log ship. He added that due to permitting, the dredging will likely not occur until next November. He noted that Teevin and ALCAN are willing to partially load log ships.

Beemer reported that Ken Brown had been selected to replace Oly Olson on the Port Commission.

Busby reported that the water rates of Oregon coastal cities are posted on the Infrastructure Task Force page of the city's website. He noted that the highest rates are in Yachats, and the lowest is Depoe Bay.

Swanson reported that she attended the VAC re-envisioning meeting on Saturday, and it was well-attended. She added that the Library Board and the Senior Center Advisory Board had not met in December.

Saelens reported that the Wayfinding Committee did not meet due to lack of a quorum. He added that his ankle injury is not a break.

ADJOURNMENT

Having no further business, the meeting adjourned at 8:18 P.M.

Margaret M. Hawker, City Recorder

Sandra N. Roumagoux, Mayor

Cindy Breves

From: Peggy Hawker
Sent: Thursday, December 05, 2013 11:14 AM
To: Cindy Breves
Subject: FW: Committee Application

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

From: CommitteeApp@newportoregon.gov [mailto:CommitteeApp@newportoregon.gov]
Sent: Tuesday, December 03, 2013 8:19 PM
To: n.clark@newportoregon.gov; Peggy Hawker
Cc: I
Subject: Committee Application

Application for City Council - Email Application
Date: 12/3/2013
Commission/Committee of Interest: Parks and Recreation
Name: Kathy Quinn
Address:

Workphone:
Homephone:
Email:
Occupation: Retired
Employer:

Why do you want to serve on this committee/commission/board/task force, and how do you believe you can add value? After working over 30 years in the area of recreation and community services, I would like to share my knowledge and experience with the hope of playing a role as an advocate for the Newport Parks and Recreation Department.

What is a difficult decision you have made concerning issues of bias and/or issues of conflict of interest? I honestly cannot think of a situation in which I had to make a decision concerning issues of bias or conflicts of interest.

Describe the process of how you make decisions. I become informed on the topic, study the pros and cons and talk to those who might be affected by the decision before making a determination.

What do you think about consensus decision making? What does the consensus decision making process mean to you? The consensus decision making process, to me, is collaborative problem solving involving participants most affected to identify and evaluate possible solutions then make a decision that all may not favor but all will support. In consensus decisions a leader with group facilitation and mediation skills is critical.

Describe all other pertinent information/background for this position. I worked for the Chicago Park District as a Physical Instructor, taught school and worked as a Community Services Supervisor for the City of Tempe in Arizona. I worked mostly with minority populations in socio- economically disadvantaged areas developing programs for pre-school through Senior citizens. I also worked with architects and contractors to design and construct multi-generational centers that I managed. I briefly worked as a consultant for an architect before moving to Oregon. After moving to Oregon, I worked for the Eugene Police Department in Internal Affairs then was promoted to Executive Assistant to the Chief and Office Manager for the administrative staff.



Memo

To: Spencer Nebel, City Manager and City Council
From: Derrick Tokos, Community Development Director
Date: January 16, 2014
Re: Department Update

MONTHLY PERMIT FIGURES

The following is a summary of December 2013 building and land use activity.

	Building Permits	Electrical Permits	Plumbing Permits	Construction Value	Land Use Actions
Dec	8 (\$5,010.46)	15 (\$1,253.28)	3 (\$486.98)	\$516,450	2 (\$53.00)
YTD	111 (\$68,843.48)	258 (\$28,809.30)	61 (\$12,220.12)	\$8,131,772	44 (\$11,979.00)

Building permit activity included a couple of new single family dwellings, a residential remodel, a new industrial warehouse building, a commercial remodel, an institutional storage building, and temporary signs. Land use actions include a Council initiated legislative amendment and land use compatibility review.

STATUS OF MAJOR CONSTRUCTION PROJECTS

Lincoln County School District: Revised plans for re-roof at the high school were submitted and reviewed. Changes required and architect is working on the revisions. Work continues on a new storage building.

O'Reilly Auto Parts: Revised building plans have been approved. Owner has indicated that they will likely begin construction in March.

Nazarene Church Outreach/Community Center: Beams are being painted and storm drainage work is being performed. Likely to issue a temporary occupancy permit for a one night fundraising/volunteer coordination meeting. Work is progressing slowly.

Curry Marine Building Remodel: Building now owned by Lincoln County and being renovated for use by the OSU Extension Service. Building permit is ready to issue. County is soliciting bids from contractors and will pull the permit once that process is completed.

Coastcom Warehouse: Permit issued. Work has not yet started.

County Health and Human Services Building: Temporary occupancy issued for 1st floor. Interior finish work continues on the second floor. Elevator to be delivered in April.

Teevin Bros. Log Yard: City decision on Traffic Impact Analysis remand was not appealed and is now final. Teevin Bros. is still negotiating its lease and is working on project design issues. They hope to submit plans for building permit review by the end of February.

SIGNIFICANT PLANNING PROJECTS

Pacific Marine Energy Center – South Energy Test Site (PMEC – SETS): NNMREC-OSU held a meeting with area stakeholders and agencies on 11/12, 11/13 and 11/14. They are hoping to narrow options for cable landing sites down to 2 or 3 alignments within the next three weeks. All options are now south of the jetty. Marine and terrestrial surveys to be performed spring/summer 2014 to confirm viability of preferred alignment. Easement acquisition and directional bore for cable conduit planned for 2015 with installation of the cable system in 2016 once all permits are obtained. BOEM lease application for grid connected test site submitted 6/13 and revised 11/13. Initial FERC license documents to be submitted first quarter 2014.

Safe Haven Hill Tsunami Evacuation Improvements: FEMA funded Phase 1 scope of work, including supplemental geotechnical and benefit-cost analysis, is complete. The studies concluded that Safe Haven Hill is a viable tsunami assembly area in the event of a near shore Cascadia event and that planned improvements to the assembly area are critical in order to minimize loss of life. OEM is coordinating with FEMA on a Phase 2 grant for construction work. FEMA has been noncommittal on when the grant will be issued although the funding has been secured. Construction of the sidewalk, trail, staircase, and lighting improvements is estimated to be roughly \$650,000. FEMA will cover 75% of the cost with the local match coming from Urban Renewal.

Creation of Land Bank for Work Force Housing: Draft agreement between the City, Lincoln Community Land Trust, and Community Service Consortium to construct six workforce housing units over the next five years was vetted with policymakers at several meetings. Council tabled the agreement on 9/3/13, pending receipt of additional information about whether or not a broader, countywide effort might be a viable alternative. A Lincoln County Housing Forum was held on 10/24/13. The concept of a broader City/County coalition to fund the construction of workforce housing units was explored at that meeting and is being further developed.

Vacation Rental Code Update: At this time 140 applications for VRD or B&B endorsements have been submitted. The City has conducted 132 inspections, 108 of which have passed. Fire egress out of bedroom windows, safety glazing on windows close to doors, lack of GFCI outlets, inadequate hand railing or guard rails on staircases, and strapping on water heaters have been the primary issues identified through the inspection process.

Transportation System Plan (TSP) Update: The Oregon Transportation Committee (OTC) adopted the alternate mobility targets at its 12/18/13. NMC Chapter 14.43 is now effective, which is the trip budget and tracking program for South Beach. City is coordinating with Landwaves, OCCO, and GVR Investments to lift the onerous trip cap limits that were imposed on new development at SE 40th and US 101 in 2007, as it is no longer needed to comply with state transportation planning rules.

Agate Beach Street and Recreation Enhancements: On 8/2/12 FHWA announced that the project will be funded in the amount of \$557,696. City received a final grant agreement from ODOT on 7/30/13. City staff met with state officials on 10/15/13 to conduct a preliminary scoping meeting. ODOT has prepared a project schedule that would have design work completed no earlier than 4/15 with construction occurring no earlier than 8/15. RFP is being prepared for consultant services.

Reservoir UGB Amendment and Annexation: The expansion proposal was approved by the City Council on 5/6/13 and was forwarded to the County for its review and approval. The County Planning Commission held a hearing on the UGB expansion on 7/22/13 and recommended unanimously that it be approved by the Board of County Commissioners. A hearing date has not yet been set for Board action. The County Attorney wants to get an MOU in place prior to Board action that addresses the future transfer of Big Creek Road.

Port of Newport/City of Newport Task Force on Access to the International Terminal: Taskforce met on 5/22/13. Determined that it did not possess enough information nor is it timely to try and identify specific alternative freight routes. Requested that City, County, and ODOT staff assist the group in identifying general criteria for identifying an appropriate route, which are to be presented to the taskforce at a future meeting. Criteria have been developed and shared with Port of Newport staff. A taskforce meeting to consider criteria to be scheduled by the Port.

Planning for Replacement of the Yaquina Bay Bridge: City and County staff and elected officials met with ODOT on 5/16/13 to discuss a scope of services for the data and base line modeling that the consultants will develop. Counters were placed to collect traffic data in August. Staff met with ODOT consultants on 10/23/13 to discuss how the modeling will be performed now that data collection is winding down. This effort will take several months and is funded by ODOT Region 2 to the tune of about \$150,000.

Development of GIS Addressing Layer: City is responsible for assigning addresses within its corporate limits. The paper maps used for this purpose are frail, and the process for updating the maps is inefficient. A consultant is preparing a new GIS based addressing layers for all jurisdictions in the County. The project is funded by OEM and the information will be used to support 911 services. County is the lead coordinating agency and they have indicated that future funding from OEM may be more limited than originally anticipated. The project is on hold until this can be sorted out.

2007 Seal Rock Water District IGA: City entered into an Intergovernmental Agreement in 2007 that moved the shared service boundary such that it is now largely south of the Airport. City agreed to compensate the District for lost revenue and took over service to the affected area on 1/1/08. Properties north of the new service boundary line remain in the District and continue to be subject to District property taxes even though they no longer receive services from the District. Staff is working with the District on an amended IGA to map out the process for withdrawing the properties. City will be responsible for some of the District's outstanding GO Bond debt for lands it has annexed. This will be spelled out in the amended IGA. A corrected map exhibit and the transfer of the District's easements in the affected area also needs to occur.

COMMITTEE WORK

Planning Commission: The Commission did not conduct any meetings in December.

Infrastructure Taskforce: The taskforce held meetings on 12/5/13 and 12/19/13 to develop its recommendations. The recommendations were presented to the City Council on 1/6/14 and staff is developing an implementation strategy in anticipation of upcoming budget discussions. Materials prepared by staff for these meetings are listed on the Taskforce web page: <http://thecityofnewport.net/citygov/comm/itf.asp>.

CWACT Technical Advisory Committee (TAC): The advisory committee did not meet in December.

Parking Districts: No parking district meetings were held in the month of December.



Memo

To: Spencer Nebel, City Manager and City Council
From: Ted Smith, Library Director
Date: January 15, 2014
Re: Library Department Update

Professional Involvement:

On January 7, I met with directors of libraries in the Oceanbooks Consortium. Items of discussion included the dates for the next library software migration and consortium membership costs for FY 14-15.

On January 8, I met with directors of libraries in Lincoln County to begin discuss the loss of funds to all libraries in Lincoln County, due to the annexation of Roads End by Lincoln City. Also discussed was the reimbursement formula and annual funding from the State Library of Oregon for Ready to Read Grants.

Also on January 8, I met with the City Manager, the City Recorder and the City Attorney to go over a history of the taxi ordinance.

Other Library News

I need to thank the entire library staff for all the work they did while I was gone. Special pats-on-the-back to Kay, Sheryl and Rebecca for taking on all of my responsibilities while I was over at City Hall. More than once Councilor Allen asked why the library needed a director, since the place was running so well without me. David can be ornery at times. I can't say enough how happy I am to be back and I'm looking forward to a great year.

Lynn Dennis retired on January 2. Lynn was employed at the library over 19 years. Staff held a going away party for her at Panini's Wood Fired Pizza on January 3.

Alice MacGougan will be taking over Lynn's duties, with some changes. She will be joining the Library as a full-time staff member on January 3. It's been great having Alice as a temporary employee for the past 8 months. She's learned a lot and her move into Lynn's position will be almost seamless.

One of the first things that came up after I returned to the library is the news that our allotment of funds from the Lincoln County Library District will be about \$25,000 less than last year. This loss in funding comes as a result of Lincoln City's annexation of Road's End, just north of Lincoln City.

Road's End property taxes will now go to the City rather than the County and as a result the Library District's share will decrease.

Plans for the strategic planning/building audit are on track. The schedule is set and most of the people who will be participating have been identified and confirmed. The first scheduled meeting of the consultants, the Library Advisory Board, the Foundation Board and staff is January 21.

The annual fun of Summer Reading is in the planning stages with performers booked, crafts being planned and materials stacking up in the Youth Services office. Thanks to Umpqua Bank, Janis Neigebauer, Bill and Margie Barrs and the Oregon State Library's Ready to Read Grant, there are plenty of funds for all science related programming we'll be doing this summer as we "Fizz, Boom, Read!"

The Circulation Department continues to hum as we enter our busiest checkout time of the year, January. After a year of concerted effort to get people to return their long overdue items, our numbers are looking great. Only about .05% of the materials we check out to the public are not returned. This is a number far below the average national loss rate of 2.5%.



Noble
Professional
Dedicated

Newport Police Department Memorandum

One Team - One Future

Date: January 10, 2014
To: Spencer Nebel, City Manager
From: Mark J. Miranda, Chief of Police *MJM*
Subject: November Department Report

1. Eyan, our narcotics detection canine has been out of service for a while. After lots of testing, it was recently diagnosed as Eyan having a bulging disc in his back bone. It doesn't really cause any problems for him, until he jumps, which is what he has to do a lot when on the job. He will be receiving treatment today for this injury. We are being told that there is a 50/50 chance of him being able to return to active duty.
2. Our newest officer, Jonathan Humphreys, was hired and started the day after Christmas. He was sworn in at this week's Council meeting and his academy start date is scheduled for February 24, 2014. Once he completes this 16-week academy he will then go through our 17-week Field Training Program.
3. We conducted a sergeant's assessment center for the one sergeants opening we have. Three officers participated in the process. Prior to the actual assessment center, the officers were required to prepare an interest memo and submit a research paper. The assessors in this process included personnel from the Department, the Chief of Police from Toledo, the Oregon State Police Lieutenant from the Newport Patrol Office, a Deputy District Attorney from the Lincoln County DA's Office, and a local business owner. The assessment center dealt with mostly problem solving, inter-personal relationships, dealing with problem employees and prioritization of tasks. None of the three candidates were disqualified during this process. Brent Gainer was selected as the next sergeant and he was promoted. He was sworn in at this week's Council meeting.
4. A few of the various meetings I attended include:
 - a. Port of Newport Board Meeting
 - b. Central Lincoln PUD Board Meeting
 - c. City Center Merchants meeting

Integrity – Excellence – Community – Employees – Teamwork – Commitment

- d. Children's Advocacy Center Board meeting
 - e. Oregon Coast Community College Board meeting
 - f. Finance Director interviews
 - g. Meet with new City Manager
5. We had an attempted kidnapping on Friday December 6th of a 7 year-old-girl. She was able to escape unharmed. A suspect was identified and evidence gathered to tie him to the offence. Officers Tom Lekas, Barry Macy and Detective Mitch France have been doing an outstanding job working together on this case. By the time they were done, they had the suspect wrapped up very tight.
 6. Ofcr. Steve Hallmark was presented with his Basic Police Certification. This is a big step in his career as a new police officer
 7. Our Police Volunteers are keeping busy supporting the Department and City. The following are some of the events and/or projects they assisted with:
 - a. Continue to work on the project of updating emergency contact information for businesses
 - b. Patrol the Bay Front on foot
 - c. Preventative patrol for the rest of the City
 - d. Shop With a Cop, held at Walmart
 8. I presented Newport Police Volunteers Candy Garrison and Lee Fries with their Five Year Service recognition. Both have made significant contributions to the Volunteer Program which benefits the City and our community.
 9. With the holidays and new year, December was sort of a quiet month. We'll see what's in store for the new year.
 10. During this month we've had some challenges with covering patrol shifts. One officer has been on light duty while he recovers from surgery. With the holiday season, there have been quite a few officers taking vacations throughout the month. Fortunately everyone here has been stepping up to the plate and covering the shifts as needed.



*Phil Paige, Fire Chief
Newport Fire Department
245 NW 10TH ST
Newport, Oregon 97365*

January 13, 2014

To: Spencer Nebel, City Manager
Re: December Monthly Activities

Here is a brief summary of Fire Department activities in December:

The fire department responded to 1,857 calls for service in 2013, as compared to 1,715 in 2012.

During a busy 2013, we completed our review of collaboration opportunities, signed some new automatic aid agreements, completed our re-rating with ISO (maintained a 4/8B rating), went from 22 to 33 active volunteers (a 50% increase!), started our support company, got a new station substantially remodeled and in service, stayed actively involved in our community (Seafood and Wine, 4th of July, MDA drive, Fire Prevention Week, Christmas program, etc.), improved our physical fitness program, began to see fire science and EMT classes offered through the college, began having cooperative recruit academies in the County, began a new resident volunteer “pilot program”, increased our summer staffing with two seasonal firefighters, replaced overhead doors at station 3200, finished putting our new brush engine in service, sent crews on two state conflagration deployments, revived our fire cadet program, got a new City Manager, and got some great training, including burning down the Waldport High School.

On top of all these things, we responded to more calls, with more personnel, and everyone went home to their families safely – and I believe the department is really “clicking” as a team. It really makes my job enjoyable!

Remodeling work continues at the new Agate Beach Station (3400). We now have another bay door so we can run an engine and a rescue out of the station. There is still some sheet rock work to be done, a sign to be installed and then some clean-up work to get the new station cozy and usable.

We are continuing our practice of running cooperative recruit academies for volunteers throughout Lincoln County. The next recruit academy is scheduled for Tuesday and Thursday evenings beginning January 21 and running through April.



The Fire Department holiday potluck was held at the Senior Center in December, and the annual Awards Banquet is confirmed for the downstairs area at Georgie’s on March 8th.

We are beginning to collect information for the 2013 Annual report. I hope to have it completed by the end of February.

Chief Murphy is preparing an agenda item for the January 21 council meeting, regarding the purchase of a new Command Unit. This is expected to be within budget. We have tried to be as thrifty as possible this year, and we will be reviewing our budget halfway through the fiscal year. I hope to be able to move some of the appropriated capital funding from this year’s budget to reserves. I believe that with a budget similar to this year’s budget, we should be able to buy a badly needed fire engine in the new fiscal year.

As you've no doubt heard, the county is going through some major work on the radio system that serves police and fire agencies. I hope that the result will be much better reception and service when complete. However, in the meantime, we continue to experience problems with reception and have several "dead areas".

The issue of ambulance service areas and EMS transport in general has been a hot topic of discussion in the county recently. This will be a topic of discussion at this week's joint meeting of the City Council and the County Commissioners.

Respectfully submitted,
Phil Paige, Fire Chief

NEWPORT FIRE DEPARTMENT

City Report December 2013

	CITY	RURAL		CITY	RURAL
FIRE CALLS:	5	1	PERMITS ISSUED:		
AUTOMATIC ALARMS:	5	3	BURN PERMITS:	15	17
MEDICAL CALLS:	79	11	FIREWORKS PERMIT:	0	0
MOTOR VEHICLE COLLISION	11	2	FIREWORKS DISPLAY:	0	0
RESCUE	0	0	PERSON INSERVICES TOURS:	1	
MUTUAL AID RENDERED:	2	3	TOTAL INSPECTIONS:	5	
MUTUAL AID RECEIVED:	0	0	VIOLATIONS:	3	
AVIATION STANDBY:	0		ABATEMENTS:	0	
PUBLIC SERVICE	36	2	PLAN REVIEWS:	6	
HAZARDOUS CONDITION	0	0	CONSTRUCTION INSPECTIONS:	1	
OVERPRESSURE/RUPTURE:	0	0	VOLUNTEER HOURS	192	

OCCUPANCIES of Fires and Automatic Alarms

AIRCRAFT:	0	0	PROCESSING PLANTS:	0	0
BOATS:	1	0	PUBLIC BUILDINGS:	0	0
HOSPITAL/CARE CENTER:	2	0	REPAIR SHOPS:	0	0
HOTEL/MOTEL:	1	0	RESIDENTIAL:	3	0
LABORATORIES:	0	0	RESTAURANT:	0	0
LAUNDRAMATS:	0	0	SCHOOLS:	1	1
LAUNDRIES:	0	0	SERVICE STATION:	0	0
MANUFACTURING:	0	0	STORAGE:	0	0
MARINA:	0	2	STORES:	0	0
MISCELLANEOUS:	0	0	TAVERNS:	0	0
MOTOR VEHICLES:	0	0	TRAILERS:	0	0
NATURAL COVER:	0	0	UTILITIES:	0	0
OFFICES:	0	0	VACANT BUILDINGS:	0	0

NEWPORT FIRE DEPARTMENT

City Report December 2013

CAUSES of Fires and Automatic Alarms

	CITY	RURAL		CITY	RURAL
ALARM MALFUNCTION:	2	0	HEATING APPLICANCE:	0	0
CARELESS SMOKING:	0	0	INCENDIARY:	0	0
CHILDREN W/HEAT SOUR	0	0	PROHIBITED MATERIALS	0	0
CLEARANCE:	0	0	MISTAKEN ALARM:	1	0
ELECTRICAL:	0	0	OPEN FIRES:	0	0
ENGINE BACKFIRE:	0	0	REKINDLE:	0	0
EXPOSURE FIRE:	0	0	SCORCHED FOOD:	0	0
FALSE ALARM:	3	1	SPARKS:	0	0
FIREWORKS:	0	0	UNDETERMINED:	1	2
FLAMMABLE LIQUID:	0	0	WELDING/CUTTING:	0	0
FLUES:	2	0			
FRICTION:	0	0			
GAS LEAK:	0	0			

LOSS OF LIFE

CIVILIAN: 0 FIREFIGHTER: 0

INJURY

CIVILIAN: 0 FIREFIGHTER: 0



Memo

To: Spencer Nebel, City Manager and City Council

From: Jim Protiva, Parks and Recreation Director

Date: January 10, 2013

Re: Department Update – December 2013

Recreation Center

- Icy road conditions, cold weather, and the holidays, kept our actual visit numbers to the Rec. Center down, but our pass sales (annual and others) were strong
- School's Out Winter Break began on December 23rd, running for two weeks. An approximate average of 14 kids attended daily for fun, crafts, and physical activity.
- Teen Strength Training class certified 6 more kids who will now be able to use the Rec. Center facilities on their own.
- Stretch and Flex Class numbers held at an average of about 40 per class through the holidays, down from our regular 55 per class.
- Shannon Rackowski was awarded the Elton Pier award at the City Employee Appreciation Dinner.
- Big-Time Fitness, a new class for people wanting to lose 50 or more pounds, started mid-December, focusing on toning, balance, strengthening and more.

Municipal Pool

- The pool hosted several additional recreation swims for the Holiday out of school schedule. Attendance for these swims was average.
- Our Annual open house was a big success, with many patrons expressing how much they enjoyed and appreciated it. Staff provided snacks and treats and spent the day visiting with the pool guests.
- Winter swim lesson registration began in December for the lessons to be held in January and February.

- We held two High School swim meets in December, on the 10th and the 20th. The meet on the 10th was with 2 teams, and the meet on the 20th was 9 teams including Newport, with over 270 swimmers in attendance.

Sports Programs

- The new Sports Coordinator began working on December 16th. He has been making the rounds to introduce himself to the community
- The Sports Division is working closely with Yaquina View, Sam Case, Newport Intermediate School and Newport High School to schedule youth games and practices at their facilities
- Currently all coaches, referees and staff are being trained in concussion and head injury trauma by using resources from the Centers for Disease Control and the National Federation of State High School Associations.
- We've hosted several meetings with other county parks and recreation agencies to discuss the upcoming youth basketball season. Newport and Lincoln City will take the lead in scheduling all youth games for the County leagues.

60 Plus Center

- Police Department Christmas Party hosted 70, Fire Dept. had 50
- Christmas Open House at the 60+ Activity Center – 30
- Choir Practices saw 10-15 people at each practice for 5 practices total
- The Friends purchased a ten foot tree and it was trimmed
- A silent auction was held that included many items donated by various businesses in our area, the big one was an overnight at Salishan with golf
- Friends provided funds from the silent auction for an AED for the downstairs area and also grant funds were used to purchase three Mini I-Pads for classes in January.

Parks & Rec Data December 2013	Facility usage counts	# Programs offered	New annual passes	Total annual passes	New other passes	Total other passes	Drop in users
Senior Center	1,232	31	N/A	N/A	N/A	N/A	71
Sports	1596 est. vists mult. Locations	8	N/A	N/A	N/A	N/A	497
Recreation Center	10,849	23	107	726	173	1006	1106
Municipal Pool	7,176	9	12	140	31	69	133
Totals	20,853	71	119	866	204	1,075	1,807

*spectators are not required to have a pass

*Rec Center pass allows Pool use

*300 City employee/FD Volunteer active passes not inc

***Icy roads and bad weather did cause a decline in us

Suggestion/Concern/Compliant Update

11/5/2013	263-NPD-2013	Ralph Breitenstein	Intersection of SE Moore and Bay road. When going east, toward the port, there is a bush or tree that partially blocks the view it is difficult to see vehicles coming down the hill by 5th street. Could the bush be cut back or the limit line be moved foreword slightly for safety reasons?	OPENED 11-5-13 Reffered to Kittel. No action was taken. Kittel checked location no hazard was found. Picture from stop line was taken of location. Left message for Breitenstein. CLOSED 11-18-13
11/5/2013	264-NPD-2013	Ralph Breitenstein	Bush on the NE corner of Douglas and Olive makes it difficult to see west bound traffic on Olive when entering or crosssing Olive from southbound on Douglas, Bush is ugly, what are the chances of getting it removed?	OPENED 11-5-13 Reffered to Kittel. No action was taken. Kittel checked location no violation was found. Commerical Set backs are different than residential. Commercial may build up to property line. Left message for Breitenstein. CLOSED 11-18-13
11/13/2013	265-PW-2013	Rob	Lateral backing up. Said it was caused by High School.	OPENED 11-13-13 Referred to collections. Used streets jet machine and jetted line. It seemed to be plugged just outside of the manhole. They went up past Rob's lateral. Rob was contacted and he will call if he has anymore problems. CLOSED 11-13-13
12/14/2013	266-PW-2013	Mike Christy	Sewage backed up into home.	OPENED 12-14-13 referred to collections. Jetted main which opened it up John Ritchie was contacted. As a follow-up going to camera the line for more information. Christy was contacted. CLOSED 12-14-13



Memo

To: Ted Smith, Interim City Manager and City Council
From: Timothy Gross, PE, Director of Public Works/City Engineer
Date: January 21, 2014
Re: Capital Projects Status Update

- Project: NE 71st Waterline Improvements**
Project Number: 2011-018
Contractor: WW Construction
Status: Contractor is testing watermain.
Next Task: Connecting watermain to adjacent existing infrastructure.
Budget: \$482,125
Description: Installing a new water distribution pipeline along US-101 in the Agate Beach area and along NE 71st St for Phase 1 of the NE 71st St. Water System Improvements Project.
- Project: Lakewood Hills Pump Station**
Project Number: 2012-013
Status: Contractor is developing submittals of the pump station for review.
Contractor: Clackamas Construction
Next Task: Submittal review and approval. Fabrication of package pump station..
Budget: \$622,378
Description: The Lakewood Hills Pump Station replaces an aging pump station that currently cannot provide fire flow and runs on only one pump. The new pump station will provide adequate fire flow, pump redundancy, and will have a backup generator that will keep the neighborhood in water in event of a power failure.
- Project: Agate Beach Wastewater Improvements/ Big Creek Force Main**
Project Number: 2012-024
Contractor: not awarded yet
Status: SRF Funding Application is complete. Project is in 30 day public comment period.
Next Task: SRF Funding Application approval. When funding is approved and City executes contract with DEQ, the project can be advertised. Staff expects the funding approval to be completed within a month.
Budget: \$1.3 MM
Description: Installing a new force main from the Big Creek pump Station to the Northside pump station along NW Oceanview Drive, up NW 17th Street to NE Nye Street and then south on NW Nye Street. The existing force main is undersized and in poor condition.

Project: 2013 Street Overlay Project
Project Number: 2013-005
Contractor: Road and Driveway
Status: NE Benton between NE 8th and NE 10th has been widened by City crews and curb was installed on 1/16/14.
Next Task: Milling of project area will begin on Monday, January 20th. Paving will follow the rest of that week.
Budget: \$279,943
Description: The annual overlay project generally mills old asphalt then overlay streets with 2 inches of new asphalt on streets with bad pavement condition. This year City staff plans to build curb and a 5' wide sidewalk on the north side of NE 3rd Street between NE Fogarty and NE Harney Streets just south of the Fairgrounds and repave the north lane. In addition the intersection of NE Fogarty and NE 3rd will be paved. NE Benton Street between NE 8th and NE 10th will have curb and storm drain added then be paved. NW 3rd Street between Hwy 101 and NW Coast Street will be milled and overlaid. The approaches of SW Alder and SW Lee Streets at Hwy 101 will be overlaid in anticipation of the new crosswalk improvements at these locations.

Project: Big Creek Dam 1 and 2 Assessment
Project Number: 2011-025
Contractor: HDR Engineering, Inc.
Status: Reviewing results of soil sampling.
Next Task: Meet with HDR and Cornforth & associates to review soil sampling results.
Budget: \$350,000
Description: This analysis will continue the previous geotechnical analysis that was conducted on the dam structures to eliminate some of the assumptions that had to be made on the last study because of the inability to access certain parts of the dam for drilling. When the soils analysis is complete, the consultant will develop a feasibility study identifying remediation options and costs.

The City in conjunction with assistance from Chase Park Grants and HDR Engineering Inc. have submitted a grant application to the Oregon Department of Water Resources to assist in funding the feasibility study for Big Creek Dams 1 and 2. This application was submitted Nov. 1 and may yield up to \$250,000 in additional funding for this project. Awards for this grant should take place sometime after the 1st of the year.

Project: Highway 101 Pedestrian Improvements
Project Number: 2011-024
Contractor: not awarded yet
Status: Project is \$325,000 over budget. Waiting on ODOT review of 90% drawings.
Next Task: Meeting with ODOT on January 28th to discuss additional sources of project funding. Acquiring easements.
Budget: Original budget - \$502,000 / projected needs - \$827,000
Description: This project will create safer pedestrian crossing locations on Hwy 101 at 8 locations. Improvements include pavement markings, pedestrian ramps, pedestrian refuge islands or curb bump outs, and a pedestrian activated signal at Angle Street. Cross locations are at NW15th, NE 10th, NW 3rd, SW Angle, SW Lee, SW Alder, SW Abbey, and SE Bayley Streets.

Project: **Bay Boulevard/SE Moore Drive Storm Sewer Improvements**
Project Number: 2012-015
Contractor: not awarded yet
Status: Engineer is developing preliminary environmental report for CWSRF Loan application and working on preliminary design.
Next Task: Waiting on decision by DEQ if project will be exempt from crosscutting requirements.
Budget: \$2,925,532
Description: This project corrects failing storm sewer at Bay Boulevard and SE Moore drive, Bay Boulevard and SE Fogarty Street, and along SE 4th and SE Fogarty. The intersection at SE Moore Drive and Bay Boulevard will be realigned to provide better intersection safety.



Agenda Item # VIII.A

Meeting Date 1/21/14

CITY COUNCIL AGENDA ITEM SUMMARY
City Of Newport, Oregon

Issue/Agenda Title Consideration of 2014 Town Hall Meeting Schedule

Prepared By: Hawker Dept Head Approval: ph City Mgr Approval: _____

Issue Before the Council: The issue before Council is consideration of establishing the 2014 Town Hall meeting schedule.

Staff Recommendation: This is entirely a Council decision.

Proposed Motion: I move to establish the 2014 Town Hall meeting schedule as follows: March 31, June 30, September 29.

Key Facts and Information Summary: Several years ago, the City Council opted to hold Town Hall meetings during months that had a fifth Monday. The meetings have been held at locations outside City Hall and have been well-received by the community. In 2014, there are four months with five Mondays: March, June, September, and December. The December date was not included in the schedule for 2014 as many people are out of town during the holiday season. It is Council's prerogative to include December in the proposed motion.

If the 2014 Town Hall meeting schedule is approved as presented, staff recommends that it be charged with finding locations for each meeting. Past meeting locations include: Performing Arts Center, Visual Arts Center, Hatfield Marine Science Center, Boone Center at Newport High School, Mo's on the Bayfront, Marine Heritage Center, and Longview Hills Mobile Home Park Clubhouse.

Other Alternatives Considered: None.

City Council Goals: None.

Attachment List: None.

Fiscal Notes: None.



Agenda Item #
Meeting Date

VIII.B.
January 21, 2014

CITY OF NEWPORT AGENDA ITEM SUMMARY
City Of Newport, Oregon

Issue/Agenda Title: Direct the Finance Department to Conduct a Review of Unappropriated Ending Fund Balance for all City Funds.

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

Issue Before the Council: Resolution No. 3534, dated April 4, 2011, adopted a policy regarding the City's financial reserves, contingencies, and unappropriated ending fund balances. The Policy at 2.2.4., provides, "In the General Fund, the City Council directs the City Manager to ensure that the fund's UEFB increases by no less than 2.5% per year until such time that the UEFB is greater than 15%. No later than January 2014, the Council will direct that a complete review of all of the City's funds be performed, that this review will be presented at the first meeting of the FY 2015 Budget Committee, and that further goals will be established."

Staff Recommendation: Pursuant to the requirements of the City Council adopted Financial Policy, specifically, at Section 2.2.4, Staff recommends the required review.

Proposed Motion: I move to direct the Finance Department to conduct a complete review of unappropriated ending fund balance for all City funds pursuant to Policy 2.2.4, and such other review requirements as set forth in the Financial Policy, and that this review will be presented at the first meeting of the FY 2015 Budget Committee, and that further goals will be established.

Analysis of Financial Policy at December 31, 2013: The Financial Policy, Section 2.2.2. sets forth a requirement that the Unappropriated Ending Fund Balance (UEFB) shall be "no less than one month's operating expenditures (8.33%) of the funds' estimated annual operating revenues." The Policy stipulates that the General Fund, Streets Fund, Water Fund, Wastewater Fund, Parks & Recreation Fund, and Airport Fund would be subjected to this requirement. Further, at Section 3.1.2., all City funds were subjected to minimum amounts regarding funds' contingency account. Addendum A summarizes the impact of such requirements on specific funds as of December 31, 2013.

1. UEFB: Of the six (6) referenced funds, the General Fund and Airport Fund met the criteria set forth in the Financial Policy in the FY 2013-14 adopted budget. The Streets Fund shows zero UEFB at June 30, 2014 while the minimum for FY 2013-14 under the Policy is \$75,967; the Water Fund shows \$50,000 and should be \$256,897; the Wastewater Fund shows \$50,000 and should be \$297,798; and the Parks & Recreation Fund shows \$31,703 and should be \$45,265,

At December 31, 2013, five (5) of the six funds show positive UEFB amounts. However, the Parks and Recreation Fund reflects a negative or deficit amount of

\$32,648. This deficit is the result of the Financial Policy definition of operating revenues whereby transfers from other funds are removed from revenues to arrive at operating revenues. Transfers represent 53.4% of the revenues that fund the programs and activities of the Parks & Recreation Department.

2. Contingencies: Of four (4) major operating funds, General Fund, Streets Fund, Water Fund and Wastewater Fund, the criteria set forth in the Financial Policy for budgeting the contingency amount was not met and in some instances the difference was substantial, i.e., the Streets Fund budgeted at \$73,289 while the Policy required \$250,000; the Water Fund budgeted at \$166,700 while the Policy required \$616,800. The criteria may be too high for some of these funds.

As to other selected funds, Public Works Administration, Parks & Recreation Fund, Airport Fund and Room Tax Fund met the criteria but it appears the criteria is much too low for these funds.

Resolution No. 3534 and the adopted Financial Policy is attached herewith.

CITY OF NEWPORT
ANALYSES OF ACHIEVING FINANCIAL POLICY OBJECTIVES AS SET FORTH IN RESOLUTION NO. 3534
AS OF DECEMBER 31, 2013

ADDENDUM A

A. UNAPPROPRIATED ENDING FUND BALANCE (UEFB)

<u>Line</u>	<u>General Fund</u>	<u>Streets Fund</u>	<u>Water Fund</u>	<u>Wastewater</u>	<u>Parks & Recreation</u>	<u>Airport Fund</u>
1 Total Estimated Revenues - Adopted Budget	10,591,144	1,307,983	3,084,000	3,575,000	1,166,161	9,301,196
2 Less: Transfers	(1,292,000)	(396,018)	-	-	(622,761)	(597,320)
3 Aviation Grant						(7,740,000)
4 Connect Oregon Grant						(430,000)
5 Estimated Operating Revenues	9,299,144	911,965	3,084,000	3,575,000	543,400	533,876
6						
7 Minimum UEFB Pursuant to Policy 2.2.1	774,619	75,967	256,897	297,798	45,265	44,472
8						
9 Estimated UEFB in FY 2013-14 Adopted Budget	1,135,973	-	50,000	50,000	31,703	127,276
10						
11 Actual UEFB at December 31, 2013 with Transfers	4,639,527	403,093	651,796	282,652	226,630	589,404
12						
13 Actual UEFB at December 31, 2013 w/o Transfers	3,870,953	292,296	651,796	282,652	(32,648)	285,993
14						
15 Actual UEFB at June 30, 2013	2,202,657	148,676	548,243	281,123	219,002	572,698
16						
17 Policy 2.2.1 provides that the revenue and spending profile of the above funds will result in an UEFB of no less than one month's operating expenditures (8.33%) of the						
18 fund's estimated annual operating revenues.						

<u>Line</u>	<u>FY 2013-14</u>	<u>FY 2013-14</u>	<u>Policy</u>	<u>Policy</u>
	<u>Adopted Budget</u>	<u>Adopted Budget</u>	<u>3.1.1 to 3.1..2.5</u>	<u>Adhered to/Met</u>
		<u>Estimated AOR</u>	<u>Requirements</u>	
21 B. CONTINGENCIES				
22				
23				
24 General Fund - 2% of annual operating revenues (AOR)	74,443	9,299,144	185,983	NO
25 Streets Fund - 10% of AOR or \$250,000, (greater)	73,289	911,965	250,000	NO
26 Water Fund - 20% of AOR or \$550,000, (greater)	166,700	3,084,000	616,800	NO
27 Wastewater Fund - 10% of AOR or \$300,000, (greater)	134,860	3,575,000	357,500	NO
28 ALL OTHER FUNDS - 2% OF AOR or subject to CC				
29 Public Works Administration Fund	71,241	697,484	13,950	YES - *
30 Parks & Recreation	16,143	543,400	10,868	YES - *
31 Airport Fund	28,950	533,876	10,678	YES - *
32 Room Tax	87,100	2,314,500	46,290	YES - *

33
34 **AOR = Annual Operating Revenues**

35
36 **Policy Adhered to/Met: Where "YES - *" Policy is considered too low.**

RESOLUTION NO. 3534

A RESOLUTION OF THE NEWPORT CITY COUNCIL
ADOPTING A POLICY REGARDING THE CITY'S FINANCIAL RESERVES,
CONTINGENCIES, AND UNAPPROPRIATED ENDING FUND BALANCES

WHEREAS, the City of Newport is responsible to its citizens for the care and management of public funds; and

WHEREAS, the city must provide adequate funding for the services it is obligated to provide to its citizens; and

WHEREAS, the city's financial responsibilities and obligations must adhere to numerous laws and regulations; and

WHEREAS, the financial reserve policy attached as Exhibit A is designed to ensure the fiscal stability of the City of Newport, and to provide guidance in financial management and practices to city staff;

NOW, THEREFORE, THE CITY OF NEWPORT RESOLVES AS FOLLOWS: the attached Financial Policy (Exhibit A) is hereby adopted.

This resolution will become effective immediately upon passage.

Adopted by the Newport City Council on April 4, 2011.

Approved by the Mayor of the City of Newport, Oregon on April 7, 2011.

CITY OF NEWPORT



Mark McConnell, Mayor

ATTEST:



Margaret M. Hawker, City Recorder

Attachment A

CITY OF NEWPORT
FINANCIAL POLICIES

CHAPTER 1 – Appropriations, Contingencies, and Reserves

1. **PURPOSE AND OBJECTIVES**

1.1. Purpose

1.1.1.1. The City of Newport is responsible to its citizens for the care and management of public funds; concurrently, the City must provide adequate funding for the services it is obligated to provide its citizens.

1.1.1.2. Those responsibilities and obligations must adhere to numerous laws and regulations and, as a result, the City's financial operations are reviewed and audited by a variety of Federal and State governments, including the Securities and Exchange Commission the Governmental Accounting Standards Board, the Oregon Department of Revenue other State agencies and departments, and independent auditors.

1.1.1.3. The financial policies described here are designed to ensure the fiscal stability of the City of Newport; to provide guidance in financial management and practices to City staff; and to ensure that financial direction for budget preparation, periodic reporting and analysis, and financial forecasting conform to the standards of the City Council's policies.

1.2. Financial Policy Objectives

- 1.2.1. To protect the policy-making ability of the City Council by ensuring that policy decisions are not controlled by financial problems or emergencies.
- 1.2.2. To enhance the policy-making ability of the City Council by providing accurate information on fund, department, cost center, grant, and program costs.
- 1.2.3. To provide guidance to City staff which ensures that the decisions of the City Council are based upon sound, conservative, and responsible financial practices.
- 1.2.4. To establish operational principles which minimize the cost of government and financial risk, and that safeguard the City's assets.
- 1.2.5. To employ revenue policies which prevent reliance on uncertain or unstable revenues, which distribute the costs of municipal services fairly and objectively, and which provide adequate funds to operate desired programs.
- 1.2.6. To ensure competent, timely, and conservative management of the City by providing accurate and timely information about the City's financial condition.
- 1.2.7. To provide adequate resources to operate and maintain essential public facilities and the City's infrastructure.
- 1.2.8. To insure the legal use of City funds through a sound system of administrative policies and internal controls.
- 1.2.9. To protect and enhance the City's credit rating and prevent default on debt issues of the City.

1.3. **Achieving Financial Policy Objectives.**

- 1.3.1. To achieve and maintain the objectives, above, the Finance Director, under the direction of the City Manager, will conduct *quarterly* analyses of the City's projected financial condition (with "as of" dates of 30 September, 31 December, and 31 March). Also, the Finance Director will present an *end-of-the-year* forecast and analysis at the first meeting of the Budget Committee as it prepares to review the Proposed Budget for the following year.
- 1.3.2. Beginning in October of every year, the Finance Director will also present, through the City Manager's Council report, *monthly* financial analyses at the second monthly meeting of the Council.

2. **FUND BALANCE POLICIES**

2.1. **Introduction**

2.1.1. The budgetary fund balance describes the net assets of governmental funds; in everyday terms, it represents revenues in excess of expenditures. Fund balance is used to provide stable resources for times when services level might otherwise be impacted by taxes or fees that fall short of budget expectations, or to cover one-time, unexpected expenditures.

2.2. **Unappropriated Ending Fund Balances**

2.2.1. To maintain the City's credit rating, and to meet state law requirements for no deficit spending, the City shall have a positive Unappropriated Ending Fund Balance (UEFB) for each of the City's funds.

2.2.2. As of the effective date of this policy, the City Manager will ensure that the revenue and spending profile of the following funds will result in an UEFB of no less than one month's operating expenditures (8.33%) of the funds' estimated annual operating revenues:

- 2.2.2.1. General Fund
- 2.2.2.2. Streets Fund
- 2.2.2.3. Water Fund
- 2.2.2.4. Wastewater Fund
- 2.2.2.5. Parks and Recreation Fund
- 2.2.2.6. Airport Fund

2.2.3. In each year's Proposed Budget, the City Manager will recommend UEFBs for all of the City's remaining Government and Enterprise Funds.

2.2.4. In the General Fund, the City Council directs the City Manager to ensure that the fund's UEFB increases by no less than 2.5% per year until such time that the UEFB is greater than 15%. No later than January 2014, the Council will direct that a complete review of all of the City's funds be performed, that this review will be presented at the first meeting of the FY2015 Budget Committee, and that further goals will be established. The Council's objective is to see that by Fiscal Year 2016, the General Fund will have and carry forward an UEFB of 20% of the fund's estimated annual operating revenues.

- 2.2.5. If the annual budget is approved by the Budget Committee and adopted by the City Council with a projected fund balance below either the minimum or the recommended UEFB, the projected ending fund balance for the then current fiscal year will be recalculated as soon as the audit work for the prior fiscal year is complete. If at that point, the audited ending fund balance results in a projected UEFB fund balance which is lower than this policy requires, staff shall develop a plan for City Council that addresses the shortfall.
- 2.2.6. In the event the projected UEFB is greater than either the minimum or recommended level, the difference may be used to fund the following activities:
 - 2.2.6.1. One-time capital expenditures or reserves for future capital expenditures which do not significantly increase ongoing City costs
 - 2.2.6.2. Undesignated reserves for future basic operations
 - 2.2.6.3. Other one-time costs
 - 2.2.6.4. Ongoing or new City programs, provided such action is considered in the context of Council-approved multi-year projections of revenue and expenditures.

3. CONTINGENCIES

3.1. Contingency Amount

- 3.1.1. To meet emergency conditions, or for other required expenditures whose occurrence could not reasonably have been foreseen, the budget shall provide for an appropriated contingency.
- 3.1.2. The following governmental and enterprise funds shall maintain a contingency account; minimum amounts to be reviewed as part of the annual budgetary process, shall be:
 - 3.1.2.1. General Fund – Two percent of annual operating revenues
 - 3.1.2.2. Water Fund – Twenty percent of annual operating revenues, or \$550,000, whichever is greater

- 3.1.2.3. Wastewater Fund – Ten percent of annual operating revenues, or \$300,000, whichever is greater
- 3.1.2.4. Streets – Ten percent of annual operating revenues, or \$250,000, whichever is greater
- 3.1.2.5. All other funds – Two percent of annual operating revenues, or as recommended in the Proposed Budget and/or adopted by the Council

4. **RESERVES**

4.1. **Definition.** For these purposes, “Reserves” are defined as a line item entry which identifies funds to be “saved” for use in future fiscal years. Since the intent is not to spend the amount reserved in the year being budgeted, “Reserve” is not an appropriation, and therefore it is not included in the Resolution which makes appropriations. If the need arises during the fiscal year to spend this money, a supplemental budget must be adopted to appropriate the expenditure.

4.2. **Amounts for “Reserves for Future Expenditures”**

- 4.2.1. Unlike Fund Balances and Contingencies, amounts set aside for reserve must be calculated annually, on a fund-by-fund basis.
- 4.2.2. For example: the City believes it will be necessary to procure a new fire truck in five years, at a cost of \$500,000. A “Reserve for Fire Truck” account is set up (in a Fire Reserve fund or in the Fire fund) and \$100,000 is transferred to that account for five years.
- 4.2.3. The same process could be used for most of the City’s funds, and the establishment of a reserve, for a specific purpose, an estimated amount, and a forecast number of years, is one way to provide for the future expenditure of an item that could not be paid for out of that year’s operating revenues.



Agenda Item #
Meeting Date

VII.C
January 21, 2014

CITY COUNCIL AGENDA ITEM SUMMARY
City Of Newport, Oregon

Issue/Agenda Title: Consideration of Implementing Interim Changes to the City of Newport Council Rules as Amended.

Prepared By: City Manager, Spencer Nebel

Issue Before the Council: At the January 6, 2014 work session, the City Council heard a report from the City Manager outlining possible operational changes for City Council meetings. A summary of those changes has since been developed for formal consideration by the City Council.

Staff Recommendations: I recommend that the City Council approve the Interim Operational Procedures for the City of Newport City Council Meetings dated January 21, 2014.

Proposed Motion: I move that the Interim Operational Procedures for the City of Newport City Council Meetings dated January 21, 2014, be approved with a review of the effectiveness of the Interim Operational Procedures for the City of Newport City Council Meetings being reviewed on Monday, June 2, 2014, and that any conflicting provision of the City of Newport Council Rules as amended April 15, 2013, be suspended through this period of time in accordance with the provision for suspension of rules.

Key Facts and Information Summary: At the City Council work session held on Monday, January 6, 2014, the Council reviewed a report from the City Manager outlining various operational issues including the City Manager's role at City Council meetings. Based on these discussions, I have drafted Interim Operational Procedures for City Council Meetings for the Council's review and approval. Please note that where any of these rules are in conflict with City of Newport Council Rules as amended April 15, 2013, I recommend that Council suspend any rules that are in conflict with this document during the interim period. The existing rules may be suspended upon an affirmative vote of 75% of those voting when a quorum of the Council is present.

For the agenda format, I am suggesting several revisions based on conversations with the Council. This format would include any proclamations, presentations, or special recognitions in the beginning of the meeting following the roll call. This would be followed by public comment and other agenda items. I am recommending that the consent agenda be utilized more extensively in the development of Council agendas and this would include any minutes, any noncontroversial renewal of leases or agreements, confirmation of Mayoral appointments, and other items that should not require extensive discussion. Please remember that any Council Member can remove any item from the consent agenda if they have questions or feel that more discussion would be needed on any of those items. Otherwise, all of the items on the consent agenda can be approved by one motion. This allows more time for the more significant issues that the Council needs to deal with on the agenda. I am recommending that public hearings be scheduled following the approval of the consent agenda. This will allow us to post public hearings for the beginning of the meeting at 6 PM. This should allow for a better flow of the meetings. I

understand that in the past, agendas have had to be rearranged when the public hearings were scheduled for 7 PM (in the middle of the meeting). This will create more predictability for individuals who are attending public hearings or who may be attending the City Council meeting for any other specific agenda items that Council may be considering. The next segment of the agenda would be communications. In this section, any items that were requested to be placed on the agenda by the Mayor, Council Member, City Attorney, or any items of communication directly from boards or committees to the Council, other governmental entities and general public will be placed in this section of the agenda. This will typically facilitate an earlier presence for individuals who may be attending the Council meetings for a report or issue that they have placed on the agenda.

The next section of the agenda would be the City Manager's Report. On the City Manager's report, there will be a series of items requiring action that are forwarded from the departments and staff through the Manager to the City Council. The exception would be public comment and then any reports or comments from the Mayor or Council Members that would follow prior to adjournment.

While any agenda structure is not perfect, I believe that this will provide a better flow of meetings for the City Council and for the participants at the City Council meetings. If the Council is comfortable with this schedule or considering any modifications to the schedule, I will begin implementing this format for the February 3, 2014, City Council meeting.

In addition, I have outlined several potential changes to the existing operations for the Council's consideration. This would include some restrictions on adding items to an agenda at the meeting that would potentially require action. It is my opinion that this should only be done in an emergency situation, which in practice, should be a rare event. There are several reasons that I am strongly recommending the Council consider placing some restrictions on adding items to the agenda for action at a Council meeting. First of all, there typically may not be sufficient background to outline all the potential ramifications of taking action on an unannounced basis at the City Council meeting. This can create more problems than it may resolve. If a Council Member has an issue of concern that may require City Council action that is brought up at a City Council meeting, I would ask that those items be referred back to city administration for a report at a following meeting. This does several things. First of all, we can adequately research the issue and provide a report with a recommendation on how to proceed at the following meeting for the City Council. Secondly, this provides some notice to the public that an item could be acted upon by the City Council at a future meeting. This creates a little more transparency and will create a little more trust that surprises will not occur at any given City Council meeting. While it's not possible to eliminate all surprises at City Council meetings, a concerted effort should be made to deal with issues in an appropriate manner including giving an opportunity for people to be aware of the actions that may be acted upon by the Council in advance of the meeting. Most items are not going to be negatively impacted by delaying formal action on those items for a couple of weeks.

I have also outlined an option where citizens could place an item on the agenda for consideration by the Council. The item would have to be placed in accordance with agenda deadlines with any supporting materials they wish to provide with that item. I believe this is a good process and that it gives the Council opportunity to be aware of a potential issue that a citizen would like to address with the Council prior to the actual Council meeting. It also gives staff an opportunity to review the matter and provide any other information that might be appropriate. I would not normally make a recommendation on any item that a citizen or a City Council Member wishes to place on the agenda until they have had the opportunity to

address the issue with Council. Again, if the item potentially merited action by the Council I would request that the Council refer the matter back to the administration for a report at a future meeting.

It is my intent to prepare a summary report and specific recommendations for items that Council will need to consider at each City Council meeting. This will be in a written report format from me and will include a specific recommendation on all items requiring action with the exception of items brought forth by City Council Members or citizens. As I have indicated I would recommend that the Council, if so inclined, refer those matters back to city administration for a report and recommendation at a future City Council meeting. This again creates a good process and will allow for a thorough vetting of these issues prior to the Council taking action on these matters.

I had several discussions with the Mayor Roumagoux regarding the process for regular City Council meetings. What we are intending to do in working our way through the agenda at City Council meetings is as follows: The Mayor will announce each category of items on the City Council agenda once we get to categories that have individual agenda items underneath them; the City Recorder will read the title of that agenda item; the Mayor will then recognize the City Manager who will give a brief summary of that item. For more complex items I will request staff provide a more detailed introduction to that item. Once that is completed, any public comment requests will be recognized by the Mayor. At that point, discussion will ensue with the City Council on those items with any appropriate motions made and approved to complete that agenda item.

I am also recommending that the Council, staff, or City Manager do not participate in dialogue during public comment or public hearings with the public. While it is tempting to answer questions that the public may raise during their opportunity to address Council, this can create issues and foster a public debate when the intent is to give the public an opportunity to share their views on a particular issue. I am recommending that any questions that come up during public comment/hearing periods be answered by the appropriate parties following the close of the public comment/hearing section. In this way, each participate will get their three minutes of time to address the Council without any interruptions. It is incumbent upon us to provide a response to any questions raised following the close of the public comment/hearing section for the benefit of all those in attendance. Furthermore, if Council Members have questions of any of the people that spoke at the public comment/hearing section, these questions could be posed following the close of the public comment/hearing section after the Council Members are recognized by the Mayor to speak.

The operational procedures outline the process for submitting items to the agenda including deadlines. In order to put together a comprehensive and understandable packet for City Council, it's important to have deadlines were we can accomplish the work in a timely fashion. It is outlined in these rules that the agenda packet will be available electronically by 4 PM, Thursday, prior to the City Council meeting. Furthermore, the printed copies of the packets will be in mailboxes by 8 AM, Friday morning, prior to City Council meetings. Any members of City Council, City Attorney, boards and committees of the City or any citizen may request that any item be placed on the agenda. This will be done by contacting the City Manager's office by 5 PM on the Tuesday prior to the Council meeting. This will allow me to develop the necessary background material for that item for inclusion in the packet along with the summary report and recommendations for items that the Council will be acting upon, on Wednesday, with the actual packet being produced by Cindy on Thursday to meet the 4 PM deadline. Any departmental reports will be submitted to me by 5 PM Tuesday prior to the City Council meeting so that I can prepare a specific recommendation for the Council. Please note that that all materials submitted for the agenda

packet from the departments, including their initial recommendations, will be provided to the City Council in addition to the summary report.

Other Alternatives Considered: The Council can modify any of these provisions as they see fit.

City Council Goals: Applicable

Attachment List:

Proposed Interim Operational Procedures for the City of Newport Council Meetings dated January 21, 2014

City Of Newport Council Rules as amended April 15, 2013

Fiscal Notes: None

Interim Operational Procedures for the City of Newport Council Meetings

January 21, 2014

"These Interim Operational Procedures ("Procedures") are intended to supplement, revise, and refine existing City of Newport Council Rules ("Rules") which relate to Regular Council meeting procedures, on a trial basis. To the extent these Procedures conflict with the Rules relating to the conduct of Regular Council meetings, including provisions in the Rules which are applicable to all public meetings, these Procedures shall govern.

These Procedures remain subject to the provisions of applicable law, including without limitation, the Newport Charter. To the extent if any, these Procedures conflict with applicable law, applicable law governs. To the extent these Procedures are consistent with applicable law, the Procedures shall remain in full force and effect until such time as they are repealed, amended, or otherwise incorporated into the Rules.

These Procedures become effective upon Suspension of Rules as provided in the Rules at page 11, and at such time as a Resolution, as provided in Section 10 of the Newport Charter, is duly adopted."

Regular Council Meeting Procedures

A. Deadlines:

In order to provide the members of the City Council with sufficient time to become acquainted with the business that may come before the City Council it shall be the responsibility of the City Manager to provide a written agenda packet for all regular City Council meetings. All items to be placed on the City Council agenda shall be provided to the city manager's office by 5 PM Tuesday prior to the Council meeting. The City Manager's office will compile the agenda packet which will be available via electronic submission by 4 PM on the Thursday prior to the City Council meeting and will be available in print form by Friday, 8 AM at City Hall.

B. Agenda Items:

Members of the City Council, the City Attorney, Boards and Committees of the City or any citizen may request that items be placed on the agenda and it shall be the City Manager's duty to place the requested items on the agenda. Any person requesting that an item be placed on the agenda shall be given the privilege of introducing this item when it is considered by the City Council. Presentations by the public shall not exceed 10 minutes. ***(Note: It is not clear from the existing rules of order whether a citizen can place an item on the agenda for consideration by the City Council. If this is currently not permitted and the Council would prefer not to provide this option, then the issue can be appropriately modified.)***

The City Manager shall place any items originating from the City departments or City Administration under the City Manager's report for City Council consideration.

C. Consent Calendar:

In order to make more efficient use of the meeting time, the city manager will place items of a routine nature on the consent calendar. This should include such things as lease renewals, minutes, confirmation of appointments to committees and commissions, and the scheduling of future meetings and other issues that are not anticipated to be controversial. All of the items on the consent calendar can be approved by one vote of the City Council. Before the vote is taken on the items listed in the consent calendar portion of the agenda any Council Member can

request that such an item be removed from the consent calendar portion of the agenda and acted upon by separate motion and vote of the Council. Any matter removed from the consent calendar can be considered immediately after the balance of the consent calendar is approved.

D. Public Participation:

Opportunities for public comment are important for policy development. It should be noted, that City Council meetings are meetings of the public body held in public, not public forums. Except when a public hearing is expressly required by applicable law, members of the public do not have a right to speak on items on the Council agenda. Nevertheless, the Council will normally allow public comment on action items. Any member of the public can submit a completed testimony form to the City Recorder for each item they wish to address on the agenda. The general public is allowed three minutes. During any public comment or public hearing time, the public will be allowed to utilize their time to speak and share their comments with the City Council provided that the testimony is relative to the topic of the agenda item. During this time, public participants at the City Council meeting shall be allowed to make appropriate comments within the three-minute period of time that is allowed without interruption from the Council or staff. Please note that the public participants may ask questions, however the questions will be answered after the public comment period is closed in order to allow the individual to utilize their full three minutes of time. Following the close of public comments or public hearings, any questions raised or comments made will be addressed for all participants in the hearing. If City Council members and or staff have questions for any of the public participants as a result of the testimony, that discussion will follow the close of the public comment period when the questions can be asked. This will assure fair participation by the public at City Council meetings and will eliminate any active debate or discussion between the public and Council during public hearings and/or public comment sections.

E. Addition of Agenda Items:

No item of business not listed on the agenda shall be considered by the Council, except with by an affirmation vote of 75 percent of those voting when a quorum of the City Council is present.

F. Order of Business:

1. Roll Call
2. Proclamations, Recognitions and Special Presentations
3. Public Comment (3 minutes per person) on non-agenda items
4. Consent Calendar (confirmation of Mayor's appointments, minutes, renewal of leases, routine issues, etc.)
5. Public Hearings/Special Orders of Business
6. Communications (agenda items requested by Council Members, City Attorney, commissions, task forces and committees, community groups or individuals)
7. City Manager's Report (includes all items from the City Manager, Department Heads and staff requiring City Council Action and informational items.)
8. Public Comment (three minutes per speaker)
9. Mayor and Council Member reports and comments.
10. Adjournment

G. The City of Newport Council Rules:

The City of Newport Council Rules, as amended April 15, 2013, shall govern the operations of the City Council, except where the provisions of the "Interim Operational Procedure for the City of Newport City Council Meetings" adopted on January 21, 2014 conflict with the adopted rules.

H. Review of Interim Operational Procedures for City of Newport City Council Meetings:

The "Interim Operational Procedures for the City of Newport Council Meetings" shall be reviewed by the City Council at the June 2, 2014 City Council meeting. The "City of Newport Council Rules" will be formally amended to reflect the Council's desire to incorporate any, all or none of the operational provisions as outlined in this document following this review at the June 16 2014 Council meeting.



Agenda Item #
Meeting Date

VIII.D.
January 21, 2014

CITY COUNCIL AGENDA ITEM SUMMARY
City Of Newport, Oregon

Issue/Agenda Title: Presentation of the Draft Budget Schedule for the Preparation of the 2014 - 2015 Budget for the City of Newport Including Goal Setting Session and Budget Committee Meetings

Prepared By: City Manager, Spencer Nebel

Issue Before the Council: Consideration of schedule for FY 2014-15 budget process.

Staff Recommendations: Concur with proposed dates for the goal setting session as well as the Budget Committee meetings.

Proposed Motion: None Required

Key Facts and Information Summary: Interim Finance Director, Bob Gazewood, and I have developed a schedule for the preparation of the budget for the City of Newport and Newport Urban Renewal Agency for the fiscal year beginning July 1, 2014 and ending June 30, 2015. A copy of the schedule is attached for your review. Please note several key dates that will specifically involve the City Council. These are as follows:

Monday, February 24, 2014- Goal Setting Meeting with City Council and Department Heads- This would be a daylong session with the City Council to establish Council goals for the next fiscal year. Based on various discussions I've had with various City Council members, I will be proposing a few changes in the format for the goal setting session. I will present those concepts to the Council prior to the February 24, 2014 goal setting session for your concurrence as to how we proceed with this year's effort.

Wednesday, March 12, 2014-Preliminary meeting of the Budget Committee- At this meeting, it would be our intention to present an overview of this year's budget process for concurrence by the Budget Committee.

Friday, April 18, 2014-Distribute Proposed Budget to Budget Committee and Department Heads- The budget will be distributed to the Budget Committee and department heads.

Wednesday, April 23, 2014-First Formal Budget Committee Meeting- At this meeting the Committee will receive a detailed review of the 2014-2015 proposed budget. At this time, Budget Committee members will be able to identify any issues that they would like further information on and/or proposed changes to the proposed budget.

Wednesday, April 30, 2014-Second Budget Committee Meeting- At this meeting, staff would present the additional information and/or impacts of potential changes to the proposed budget as identified by the Budget Committee. The Budget Committee would come to a consensus on any modifications to the proposed budget.

Wednesday, May 7, 2014- Third Budget Committee Meeting-The Budget Committee will review the revised budget and recommend approval to the City Council. The Budget Committee will approve the ad valorem property tax amount, the rate for the City's General Fund and Debt Service Fund.

Monday, June 16, 2014-Budget Public Hearing Before City Council-At this meeting, final approval of the budget will happen immediately following the public hearing.

Please review the proposed dates for these meetings and if there is a consensus that these dates are appropriate, we will finalize and publish this schedule for the development of the 2014-2015 fiscal year budget.

Other Alternatives Considered: Please feel free to suggest alternative dates for any of the meetings. The budget schedule was developed in order to utilize actual expenditures and revenues through the first eight months of the fiscal year as a basis for projecting year-end revenues and expenditures. The timetables consider the administrative time necessary to generate the various reports for department heads to submit budget requests for the next fiscal year and the time it will take to compile the proposed budget document for the Budget Committee's consideration.

City Council Goals: None

Attachment List:

The City of Newport Budget Calendar- Summary for Fiscal Year 2014-15
The City of Newport Budget Calendar - Detailed for Fiscal Year 2014-15

Fiscal Notes: The budget schedule is designed to utilize the best information to project a clear understanding of our year-end finances which will be used as a basis to develop the budget for the 2014-15 fiscal year. The budget process itself has minimal fiscal impact.

**CITY OF NEWPORT
Budget Calendar - Summary
For Fiscal Year 2014-15**

- Preliminary Budget Worksheets (City and NURA)
Distributed to Department HeadsFriday, January 24, 2014**
- Goal Setting Meeting with City Council and Department HeadsMonday, February 24, 2014**
- Department Heads' Group Meeting on Capital Outlay (Projects & Equipment)
Review of Requests and Prioritizing ProjectsWednesday, February 26, 2014**
- Final Budget Worksheets for Proposed Budgets with
Eight-Month Actuals through February 2014Monday, March 3, 2014**
- Submit Department Proposed Budgets and Narratives to Finance.....Monday, March 10, 2014**
- Preliminary Meeting of the Budget Committee.....Wednesday, March 12, 2014**
- Finance Completes Department Budget Requests Process and
Makes Final Requests AvailableMarch 17 and/or March 18, 2014**
- Department Heads' Meetings with Budget Officer to Review, Revise
and Balance Budgets (City and NURA)Wednesday, March 19 through March 21, 2014**
- Publish First Notice of Budget Committee Meetings (City and NURA)Friday, April 4, 2014**
- Budget Officer Completes Budget MessageFriday, April 11, 2014**
- Completed Proposed to PrinterMonday, April 14, 2014**
- Publish Second Notice of Budget Committee Meetings (City & NURA)Wednesday, April 16, 2014**
- Distribute Proposed Budgets to Budget Committee & Department HeadsFriday, April 18, 2014**
- First Budget Committee MeetingWednesday, April 23, 2014**
- Second Budget Committee MeetingWednesday, April 30, 2014**
- Third Budget Committee MeetingWednesday, May 7, 2014**

**Department Revised Narratives Based on Budget Committee Deliberations
to Budget Officer & Finance DirectorThursday, May 15, 2014**

Publish Notice of Budget Hearing (only once required)Friday, June 6, 2014

Budget Public HearingMonday, June 16, 2014

Transmit Tax Certification and Budget Documents required.....July 15, 2014

**CITY OF NEWPORT
Budget Calendar - Detailed
For Fiscal Year 2014-15**

- Preliminary Budget Worksheets (City and NURA)**
Distributed to Department HeadsFriday, January 24, 2014
- *Preliminary Detail Worksheets – (Keep to develop budget)*
 - *Personnel FormsReturn to Finance by February 7, 2014*
 - *Capital Outlay*
 - Equipment (\$1,000 and up) Return to Finance by February 14, 2014*
 - ProjectsReturn to Finance by February 21, 2014*
- Goal Setting Meeting with City Council and Department HeadsMonday, February 24, 2014**
- Department Heads’ Group Meeting on Capital Outlay (Projects & Equipment)**
Review of Requests and Prioritizing Projects.....Wednesday, February 26, 2014
- Final Budget Worksheets for Proposed Budgets with**
Eight-Month Actuals through February 2014 Monday, March 3, 2014
- Submit Department Proposed Budgets and Narratives to Finance.....Monday, March 10, 2014**
- Preliminary Meeting of the Budget Committee.....Wednesday, March 12, 2014**
- Finance Completes Department Budget Requests Process and**
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and Balance Budgets (City and NURA)Wednesday, March 19 through March 21, 2014
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- Budget Officer Completes Budget MessageFriday, April 11, 2014**
- Completed Proposed to PrinterMonday, April 14, 2014**
- Publish Second Notice of Budget Committee Meetings (City & NURA)Wednesday, April 16, 2014**
- Distribute Proposed Budgets to Budget Committee & Department HeadsFriday, April 18, 2014**

First Budget Committee MeetingWednesday, April 23, 2014

- *Appoint/Elect Presiding Officer*
- *Receive City and NURA Budgets and Budget Message*
- *Public Hearing on Possible Uses of State Shared Revenues*
- *Review Budget Documents and Discuss Relevant changes*
- *Respond to Questions from the Budget Committee*
- *Provides for Members of the Public time for Input, Questions and Comments*

Second Budget Committee MeetingWednesday, April 30, 2014

- *Budget Committee Deliberations*
- *Respond to Questions from First Meeting*

Third Budget Committee MeetingWednesday, May 7, 2014

- *Respond to Questions from Second Meeting*
- *Budget Committee approval of the Budget Documents (City and NURA)*
- *Approval of Ad Valorem Property Tax Amount or Rate for City General Fund and City Debt Service Funds and the NURA*

**Department Revised Narratives Based on Budget Committee Deliberations
to Budget Officer & Finance DirectorThursday, May 15, 2014**

Publish Notice of Budget Hearing (only once required)Friday, June 6, 2014

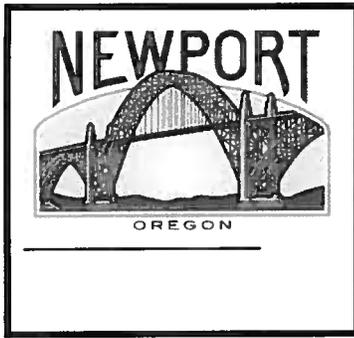
- *Publish Financial Summaries (separate City and NURA)*

Budget Public HearingMonday, June 16, 2014

- *Public Hearing on Proposed Uses of State shared Revenues*
- *Separate Public Hearings on City Budget and NURA Budget
Adopt Budgets and Make Appropriations (City and NURA)
Impose and Categorize Taxes for City and NURA*

Transmit Tax Certification DocumentsJuly 15, 2014

- *To County Assessor by July 15, 2014*
- *File Budget Document with County Recorder and Designated Agencies.*



Agenda Item # II.A

Meeting Date: January 21, 2014

LOCAL CONTRACT REVIEW BOARD ITEM SUMMARY
City Of Newport, Oregon

Issue/Agenda Title Fire Department Command Vehicle

Prepared By: Murphy Dept Head Approval: PLP City Mgr Approval: _____

Issue Before the Council:

The purchase, and outfitting of a command vehicle for the fire department.

Staff Recommendation:

It is the recommendation of the fire department that Council approves the purchase of a 2013 Chevy Tahoe, and the outfitting of lights, a siren and emergency equipment.

Proposed Motion:

I make a motion to authorize staff to spend up to \$50,000 dollars out of the Fire Department Capital Vehicle Acquisition Fund (# 101-1090-7004) to purchase and outfit a 2013 Chevy Tahoe Fire Command Vehicle.

Key Facts and Information Summary:

This new command vehicle will replace a 1993 Chevy Suburban that has 165,000 miles. Due to its age and high miles it is being sold as surplus. It is poorly outfitted for Incident Command purposes.

This new vehicle will become the primary command vehicle and will be used by the Chief Officer who has duty. The expected life of this new command vehicle is 10 years.

The cost of vehicle is \$32,400. This is the state bid price and the cheapest of the three options we had to choose from. The vehicle is also reliable and has a good maintenance record. I contacted several public safety agencies as well as local car repair shops and they all recommend the Chevy Tahoe. The first, and most expensive alternative was a Chevy Suburban (\$40,600) and the second was a Ford Expedition EL at \$34,500. Utilizing State Bid allows us to purchase without a separate bid process.

The outfitting of the vehicle will be done by Wire Works LLC from Salem. This is the same company that outfits the vehicles for the Police Department and they come highly recommended. The total cost of the outfitting is \$10,193.84. This is about \$2,000 less

than the Police Department spends on outfitting their vehicles. We kept costs down by using a used light bar.

Since GM stopped production of their 2013 models early this year we have to purchase a vehicle that has already been made. There are no vehicles left at state bid price that are red. In fact there are only a couple of vehicles left to purchase and they are all black. So we will have the vehicle painted after purchase for better safety and visibility. We plan to use Gold Motors because it is a local company and they do a quality job painting vehicles. They painted our HMVEE Beach rig and we have been pleased with their work. The cost of the paint job will be \$5,300 for a basic paint package. To save money we will just be painting the outside and not the inside of the door jams and fender wells.

The total cost of the project will be \$47,893.84. We have in our budget \$50,000 under Capital Vehicle Acquisition.

Other Alternatives Considered:

One alternative is to keep our current vehicle. We do not recommend this due to its age, high mileage and lack of equipment necessary to function as a command vehicle.

We also considered a less expensive SUV such as a Toyota FJ Cruiser. However, though the vehicle would be less expensive, the outfitting is more expensive since more parts need to be custom made.

City Council Goals:

Attachment List:

**Wire Works Estimate
Gold Motors Paint Quote**

Fiscal Notes:



Wire Works LLC
 4775 Portland Rd NE
 Suite 200
 Salem, Or 97305

Estimate

Date	Estimate #
12/2/2013	1957

Newport Fire Department
 245 NW10th St
 Newport OR 97365

Job	P.O. No.	Rep
		GC

Item	Description	Qty	Rate	Total
Vehicle Transfers	2014 Chevrolet Tahoe Build 2014 Chevrolet Tahoe	1	32,400.00	32,400.00
	Front of vehicle:			
WWPD-001	Wire Works Power Distribution System. Includes relay, timer and fuse block.	1	449.95	449.95T
WWPD-012	Wire Works Mounting Plate for the Universal panel. Fits the Chevy Tahoe/Suburban.	1	49.95	49.95T
C3100X	Code 3 100 watt siren speaker. Bracket not Included.	2	126.10	252.20T
S23562	Code 3 speaker mounting bracket for the C3100 speaker. Fits 2007-2011 Tahoe.	1	29.90	29.90T
S71687	Code 3 universal mounting bracket for the C3100 speaker.	1	29.90	29.90T
SSFPOSI6	Whelen solid state headlight flasher for the 2006-2012 Chevy Impala, 2011-2012 Chevy Caprice and 2007-2012 Chevy Tahoe Police Package Vehicles, Includes Mating Plug, For Positive Switching Headlights.	1	71.39	71.39T
NOCO GEN1	NOCO battery charger. 12 volts with 10 amps of output for a single battery. Marine grade and waterproof.	1	149.95	149.95T
8605688	Chrome 110V outlet. Used for shore power.	1	57.39	57.39T
MTP-48/H6	Interstate Mega-Tron Plus MTP-48H6 Automotive Battery 770 CCA	2	139.15	278.30T
WWLP-019	WireWorks 6 LED light head. 3 red and 3 white modules.	4	67.20	268.80T
WWLB-006	Wire Works custom 90 degree bracket for the XT6 lighthouse.	4	11.00	44.00T
VTX609C	Whelen Vertex Super LED lighthouse. White.	2	71.00	142.00T
	Top of vehicle:			
LARNMOKHFU...	Larsen high frequency coax. RG58/U Dual Shield cable. 25 foot length. No connector.	4	20.00	80.00T
L32L-F	Whelen L32 Super-LED 360° Beacon (L32L) with Super-LED optical design	1	226.74	226.74T

Thank you for the opportunity!	Subtotal
	Sales Tax (0.0%)
	Total



Wire Works LLC
 4775 Portland Rd NE
 Suite 200
 Salem, Or 97305

Estimate

Date	Estimate #
12/2/2013	1957

Newport Fire Department
 245 NW10th St
 Newport OR 97365

Job	P.O. No.	Rep
		GC

Item	Description	Qty	Rate	Total
WWLP-019	Side of vehicle: WireWorks 6 LED light head. 3 red and 3 white modules.	4	67.20	268.80T
WWLB-006	Wire Works custom 90 degree bracket for the XT6 lighthousead.	2	11.00	22.00T
VTX609R	Rear of vehicle: Whelen Vertex Super LED lighthousead. Red.	2	71.00	142.00T
VTX609C	Whelen Vertex Super LED lighthousead. White.	2	71.00	142.00T
WWLP-019	WireWorks 6 LED light head. 3 red and 3 white modules.	2	67.20	134.40T
WWLB-006	Wire Works custom 90 degree bracket for the XT6 lighthousead.	2	11.00	22.00T
3SRCCDCR	Whelen 3" LED compartment light. Red/White	2	50.615	101.23T
WWCB-019	WireWorks command box built to Newport Fire specs.	1	2,950.00	2,950.00T
425-5071	Jotto Desk 3 outlet cig power box.	1	15.60	15.60T
Misc	120VAC outlet strip/wiring	1	20.00	20.00
425-6249	Officers area: Jotto Desk EMS Console - Utility Package #2 (12" Console 12"Box w/2 dividers/ 6" Box w/Lid & Lock)	1	383.76	383.76T
425-6034	Jotto Desk adjustable armrest.	1	51.17	51.17T
425-6033	Jotto Desk dual cup holder.	1	36.19	36.19T
425-2827	Jotto Desk 06+ Charger console mounting base. Attaches to side of consoles and mounts any Jotto Desk arm.	1	85.80	85.80T
425-1188	Jotto Desk 2 piece articulating arm.	1	62.40	62.40T
425-5071	Jotto Desk 3 outlet cig power box.	1	15.60	15.60T
CPI1575	Cobra 1500/3000 Watt 3AC outlet Inverter.	1	119.88	119.88T
WPKM1	Whelen park kill module.	1	45.10	45.10T

Thank you for the opportunity!

Subtotal

Sales Tax (0.0%)

Total



Wire Works LLC
 4775 Portland Rd NE
 Suite 200
 Salem, Or 97305

Estimate

Date	Estimate #
12/2/2013	1957

Newport Fire Department
 245 NW10th St
 Newport OR 97365

Job	P.O. No.	Rep
		GC

Item	Description	Qty	Rate	Total
295SLSA6	Whelen full feature siren and lighting controller. Includes 1- 3 position slide switch and 6 programmable push buttons, park kill input, back lighting input, horn ring feature and selectable siren tones.	1	345.16	345.16T
PSC0ADCR	Under vehicle: Whelen 6 Super-LED Strip-Lite Compartment Light	2	62.64	125.28T
Vehicle Painting	Painting a vehicle to match customers requirements	1	5,300.00	5,300.00T
Labor	Labor required to complete the build of a vehicle	40	65.00	2,600.00T
Shop Supplies	Shop supplies to complete job. Includes zip ties, connectors, loom, etc.	1	200.00	200.00T
Freight out	Freight to customer.	1	175.00	175.00

Thank you for the opportunity!		Subtotal	\$47,893.84
		Sales Tax (0.0%)	\$0.00
		Total	\$47,893.84

**GOLD CHEVROLET BUICK GMC
CADILLAC**

Workfile ID: b31f215c
Federal ID: 93-1033958

1422 N COAST HWY, NEWPORT, OR 97365
Phone: (541) 265-7731
FAX: (541) 265-7733

Preliminary Estimate

Customer: NEWPORT FIRE DEP.

Job Number:

Written By: Bruce Parks

Insured: NEWPORT FIRE DEP.
Type of Loss:
Point of Impact:

Policy #:
Date of Loss:

Claim #:
Days to Repair: 0

Owner:
NEWPORT FIRE DEP.
245 NW 10 ST
NEWPORT, OR 97365
(541) 265-9461 Day

Inspection Location:
GOLD CHEVROLET BUICK GMC CADILLAC
1422 N COAST HWY
NEWPORT, OR 97365
Repair Facility
(541) 265-7731 Business

Insurance Company:

VEHICLE

Year: 2013
Make: CHEV
Model: TAHOE 4X4 LS
Color: Int:

Body Style: 4D UTV
Engine: 8-5.3L-FI
Production Date:
Condition:

VIN:
License:
State:
Job #:

Mileage In:
Mileage Out:
Vehicle Out:

TRANSMISSION

Automatic Transmission
Overdrive
4 Wheel Drive

POWER

Power Steering
Power Brakes
Power Windows
Power Locks
Power Mirrors
Heated Mirrors
Power Driver Seat
Power Passenger Seat

DECOR

Dual Mirrors
Body Side Moldings

Privacy Glass

Console/Storage

CONVENIENCE

Air Conditioning
Tilt Wheel
Cruise Control
Rear Defogger
Keyless Entry
Message Center
Steering Wheel Touch Controls
Rear Window Wiper
Climate Control
Dual Air Condition

RADIO

AM Radio
FM Radio

Stereo

Search/Seek

CD Player

Auxiliary Audio Connection

Satellite Radio

SAFETY

Drivers Side Air Bag
Passenger Air Bag
Anti-Lock Brakes (4)
4 Wheel Disc Brakes
Traction Control
Stability Control
Front Side Impact Air Bags
Head/Curtain Air Bags
Communications System
Hands Free Device

ROOF

Luggage/Roof Rack

SEATS

Cloth Seats
Bucket Seats
3rd Row Seat

WHEELS

Aluminum/Alloy Wheels

PAINT

Clear Coat Paint

TRUCK

Trailer Hitch
Trailer Package
Running Boards/Side Steps

Preliminary Estimate

Customer: NEWPORT FIRE DEP.

Job Number:

Vehicle: 2013 CHEV TAHOE 4X4 LS 4D UTV 8-5.3L-FI

Line	Oper	Description	Part Number	Qty	Extended Price \$	Labor	Paint
1		FRONT BUMPER					
2	Refn	Bumper cover		0	0.00	0.0	3.0
3		Add for Clear Coat		0	0.00	0.0	1.2
4	R&I	R&I bumper cover		0	0.00	1.3	0.0
5		HOOD					
6	Refn	Hood		0	0.00	0.0	3.0
7		Add for Clear Coat		0	0.00	0.0	1.2
8	R&I	R&I hood assy		0	0.00	0.5	0.0
9		FENDER					
10	Refn	RT Fender Tahoe		0	0.00	0.0	2.0
11		Overlap Major Adj. Panel		0	0.00	0.0	-0.4
12		Add for Clear Coat		0	0.00	0.0	0.3
13	Refn	LT Fender Tahoe		0	0.00	0.0	2.0
14		Overlap Major Adj. Panel		0	0.00	0.0	-0.4
15		Add for Clear Coat		0	0.00	0.0	0.3
16		ROOF					
17	Refn	Roof panel w/o sunroof		0	0.00	0.0	4.2
18		Overlap Major Adj. Panel		0	0.00	0.0	-0.4
19	*	Add for Clear Coat		0	0.00	0.0	0.8
20		PILLARS, ROCKER & FLOOR					
21	Refn	LT Uniside assy		0	0.00 s	0.0	5.4
22		Overlap Major Adj. Panel		0	0.00	0.0	-0.4
23	*	Add for Clear Coat		0	0.00	0.0	1.0
24	Refn	RT Uniside assy		0	0.00 s	0.0	5.4
25		Overlap Major Adj. Panel		0	0.00	0.0	-0.4
26	*	Add for Clear Coat		0	0.00	0.0	1.0
27		FRONT DOOR					
28	Refn	RT Door shell Tahoe & Yukon		0	0.00	0.0	2.4
29		Overlap Major Adj. Panel		0	0.00	0.0	-0.4
30	*	Add for Clear Coat		0	0.00	0.0	0.4
31	Refn	LT Door shell Tahoe & Yukon		0	0.00	0.0	2.4
32		Overlap Major Adj. Panel		0	0.00	0.0	-0.4
33	*	Add for Clear Coat		0	0.00	0.0	0.4
34		REAR DOOR					
35	Refn	RT Door shell Tahoe & Yukon		0	0.00	0.0	2.3
36		Overlap Major Adj. Panel		0	0.00	0.0	-0.4
37	*	Add for Clear Coat		0	0.00	0.0	0.4
38	Refn	LT Door shell Tahoe & Yukon		0	0.00	0.0	2.3
39		Overlap Major Adj. Panel		0	0.00	0.0	-0.4
40	*	Add for Clear Coat		0	0.00	0.0	0.4
41		QUARTER PANEL					
42	Refn	RT Quarter panel		0	0.00	0.0	2.4

Preliminary Estimate

Customer: NEWPORT FIRE DEP.

Job Number:

Vehicle: 2013 CHEV TAHOE 4X4 LS 4D UTV 8-5.3L-FI

43		Overlap Major Adj. Panel	0	0.00	0.0	-0.4
44	*	Add for Clear Coat	0	0.00	0.0	0.4
45		Refn LT Quarter panel	0	0.00	0.0	2.4
46		Overlap Major Adj. Panel	0	0.00	0.0	-0.4
47	*	Add for Clear Coat	0	0.00	0.0	0.4
48		LIFT GATE				
49		Refn Lift gate	0	0.00	0.0	2.3
50		Overlap Major Adj. Panel	0	0.00	0.0	-0.4
51	*	Add for Clear Coat	0	0.00	0.0	0.4
52		REAR BUMPER				
53		Refn Bumper cover w/o reverse sensing system	0	0.00	0.0	3.4
54		Add for Clear Coat	0	0.00	0.0	1.4
55		R&I R&I bumper cover	0	0.00	1.0	0.0
56	#	HAZARDOUS WASTE	1	5.00	0.0	0.0
57	#	RESTORE CORROSION PROTECTION	1	0.00	0.0	0.3
58	#	MASK FOR COMPLETE REFINISH	1	0.00	2.0	0.0
59	#	PREP FOR PAINT	1	0.00	6.0	0.0
60	#	R&I ALL NESS PARTS FOR PAINT	0	0.00	8.0	0.0
SUBTOTALS				5.00	18.8	50.4

ESTIMATE TOTALS

Category	Basis	Rate	Cost \$
Parts			5.00
Body Labor	18.8 hrs @	\$ 52.00 /hr	977.60
Paint Labor	50.4 hrs @	\$ 52.00 /hr	2,620.80
Paint Supplies	50.4 hrs @	\$ 34.00 /hr	1,713.60
Subtotal			5,317.00
Grand Total			5,317.00
Deductible			0.00
CUSTOMER PAY			0.00
INSURANCE PAY			5,317.00

Preliminary Estimate

Customer: NEWPORT FIRE DEP.

Job Number:

Vehicle: 2013 CHEV TAHOE 4X4 LS 4D UTV 8-5.3L-FI

LABOR RATES ARE BASED ON INDUSTRY RECOGNIZED, COLLISION REPAIR DATABASE SYSTEM SUPPLIER. THE BASIS FOR THE NUMBER OF REPAIR HOURS IS THE DIFFICULTY OF THE OPERATION, THE TYPE OF EQUIPMENT USED, THE AVERAGE SKILL LEVEL OF THE TECHNICIAN, AND THE NUMBER OF TECHNICIANS REQUIRED. ALL LABOR RATES REFLECT FLAT RATE HOURS. LABOR RATES ARE NOT BASED ON A 60 MINUTE HOUR.

NOTICE: OREGON LAW STATES THAT : "AN INSURER SHALL NOT REQUIRE THAT A PARTICULAR PERSON MAKE THE REPAIRS TO THE INSURED'S MOTOR VEHICLE AS A CONDITION FOR RECOVERY BY THE INSURED UNDER A MOTOR VEHICLE LIABILITY INSURANCE POLICY." ORS 746.280

NOTICE:

REPAIRS TO THIS VEHICLE MAY REQUIRE SPECIFIC WELDING EQUIPMENT AS RECOMMENDED BY THE MANUFACTURER.

WARRANTY

GOLD MOTORS WILL WARRANTY THEIR WORKMANSHIP AND PAINT FOR AS LONG AS YOU OWN YOUR VEHICLE. ALL PARTS ARE WARRANTED BY THE MANUFACTURER.

I AUTHORIZE GOLD MOTORS INC. TO ORDER PARTS AND REPAIR MY VEHICLE.

SIGNATURE _____

DATE _____

Preliminary Estimate

Customer: NEWPORT FIRE DEP.

Job Number:

Vehicle: 2013 CHEV TAHOE 4X4 LS 4D UTV 8-5.3L-FI

Estimate based on MOTOR CRASH ESTIMATING GUIDE. Unless otherwise noted all items are derived from the Guide DR1GC07, CCC Data Date 1/2/2014, and the parts selected are OEM-parts manufactured by the vehicles Original Equipment Manufacturer. OEM parts are available at OE/Vehicle dealerships. OPT OEM (Optional OEM) or ALT OEM (Alternative OEM) parts are OEM parts that may be provided by or through alternate sources other than the OEM vehicle dealerships. OPT OEM or ALT OEM parts may reflect some specific, special, or unique pricing or discount. OPT OEM or ALT OEM parts may include "Blemished" parts provided by OEM's through OEM vehicle dealerships. Asterisk (*) or Double Asterisk (**) indicates that the parts and/or labor information provided by MOTOR may have been modified or may have come from an alternate data source. Tilde sign (~) items indicate MOTOR Not-Included Labor operations. The symbol (<>) indicates the refinish operation WILL NOT be performed as a separate procedure from the other panels in the estimate. Non-Original Equipment Manufacturer aftermarket parts are described as Non OEM or A/M. Used parts are described as LKQ, RCY, or USED. Reconditioned parts are described as Recond. Recored parts are described as Recore. NAGS Part Numbers and Benchmark Prices are provided by National Auto Glass Specifications. Labor operation times listed on the line with the NAGS information are MOTOR suggested labor operation times. NAGS labor operation times are not included. Pound sign (#) items indicate manual entries.

Some 2014 vehicles contain minor changes from the previous year. For those vehicles, prior to receiving updated data from the vehicle manufacturer, labor and parts data from the previous year may be used. The CCC ONE estimator has a complete list of applicable vehicles. Parts numbers and prices should be confirmed with the local dealership.

The following is a list of additional abbreviations or symbols that may be used to describe work to be done or parts to be repaired or replaced:

SYMBOLS FOLLOWING PART PRICE:

m=MOTOR Mechanical component. s=MOTOR Structural component. T=Miscellaneous Taxed charge category. X=Miscellaneous Non-Taxed charge category.

SYMBOLS FOLLOWING LABOR:

D=Diagnostic labor category. E=Electrical labor category. F=Frame labor category. G=Glass labor category. M=Mechanical labor category. S=Structural labor category. (numbers) 1 through 4=User Defined Labor Categories.

OTHER SYMBOLS AND ABBREVIATIONS:

Adj.=Adjacent. Algn.=Align. ALU=Aluminum. A/M=Aftermarket part. Blend=Blend. BOR=Boron steel. CAPA=Certified Automotive Parts Association. D&R=Disconnect and Reconnect. HSS=High Strength Steel. HYD=Hydroformed Steel. Incl.=Included. LKQ=Like Kind and Quality. LT=Left. MAG=Magnesium. Non-Adj.=Non Adjacent. NSF=NSF International Certified Part. O/H=Overhaul. Qty=Quantity. Refn=Refinish. Repl=Replace. R&I=Remove and Install. R&R=Remove and Replace. Rpr=Repair. RT=Right. SAS=Sandwiched Steel. Sect=Section. Subl=Sublet. UHS=Ultra High Strength Steel. N=Note(s) associated with the estimate line.

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The following is a list of abbreviations that may be used in CCC ONE Estimating that are not part of the MOTOR CRASH ESTIMATING GUIDE:

BAR=Bureau of Automotive Repair. EPA=Environmental Protection Agency. NHTSA= National Highway Transportation and Safety Administration. PDR=Paintless Dent Repair. VIN=Vehicle Identification Number.