

April 4, 2011
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, McConnell, Brusselback, Allen, Beemer, Roumagoux, Bertuleit, and Sawyer were present.

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

PLEDGE OF ALLEGIANCE

Council and audience participated in the Pledge of Allegiance.

CONSENT CALENDAR

The consent calendar consisted of the following items:

A. Approval of City Council minutes from the work session and regular meeting of March 21, 2011, and the executive session and work session of March 25, 2011.

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

OFFICER'S REPORTS

Mayor's Report. McConnell nominated, and the nomination was seconded by Beemer, to appoint Oly Olson to the Budget Committee. The motion carried unanimously in a voice vote.

McConnell reported that he had received correspondence from Margaret Dailey regarding the stormwater hearing that will continue this evening.

McConnell reported that he had received a letter from OCCA requesting tourism facility funds if that program is continued.

McConnell reported that he had received a letter from the Chamber of Commerce regarding the "Know your Newport" program to be held on May 18.

McConnell reported that he would place the Attorney General's annual report in the City Council reading box.

McConnell encouraged everyone to see the production of Hamlet at the PAC.

McConnell reported that he had attended a roundtable and town hall meeting with Kurt Shrader.

McConnell reported that he had participated on a scholarship committee for Newport High School graduates.

McConnell reported that he attended a Chamber board meeting regarding the potential for an event facility at the fairgrounds.

McConnell brought up the issue of tsunami preparedness. Bertuleit reported that he had looked at several websites offering sirens, but had not contacted them. He suggested that the city contact siren vendors for information regarding costs. A discussion ensued regarding street rights-of-way and signage in South Beach. Beemer volunteered to work on this matter. Sawyer noted that there are other potential funding sources. It was suggested that a working group be established that would include NOAA, HMSC, City Council, staff, and other stakeholders, to look at tsunami preparedness and funding options.

McConnell thanked Council for its time commitment, noting that great strides have been made.

City Manager's Report. Voetberg reported that the departmental monthly reports are included in the packet.

McConnell asked whether a final meeting would be held on the Agate Beach street enhancements. Tokos reported that the design had been circulated and comments collected, and that he is working on packaging the project for the budget. He noted that participation will be invited through the budget process. McConnell asked whether there is any opportunity to include a pathway down to Oceanview. Tokos will follow-up on this issue.

Voetberg reported that the South Beach Transportation Improvement Project has experienced several change orders that have resulted in additional monies being spent due to missing or unaddressed issues in the construction documents. Gross reported that there were a number of items that were not identified or improperly handled in the construction documents, with the largest item being an error in the quantities for trenching. It was asked what the city's options are, and Gross reported that he is documenting every change and will seek legal advice on how to proceed when the project nears completion. It was reported that the water treatment plant project had left the lift station pumps out of the bid package, and that this will add \$16,000 to the project cost. A discussion ensued regarding the Big Creek Road slide. It was asked whether the city has an engineer of record handling this matter, and Gross reported that until approximately one month ago, David Evans and Associates had been the engineer of record. It was reported that David Evans will complete the services it is working on, and cease the engineer of record relationship once those items are complete. A discussion ensued regarding the cost overrun on the steel trusses, and who made that error. Gross explained the steel truss matter and noted that this is where a project contingency is used. Beemer asked whether the South Beach Transportation Improvement Project is part of the reason that David Evans and Associates will not continue as engineer of record. Ritzman explained that the city has several engineers of record for different disciplines.

Sawyer thanked the police chief for providing a critical stress debriefing for officers involved in the recent pursuit. He thanked the Fire Department for responding to a fatal accident during its awards banquet, and offered his sympathy to the officers and firefighters involved.

Voetberg reported that the city had received a memo regarding OCZMA membership, noting that staff intends to continue the relationship.

Marshall discussed the creation of an audit committee and recommended that Council move forward in creating this committee.

It was reported that a subcommittee of the Parks and Recreation Committee had reviewed the city's herbicide use policy. Protiva drafted a policy that reflects the city's current herbicide use policy. Brusselback noted that the document is a good baseline, and suggested that the subcommittee be reinstated to review the document. Protiva reported that some of the subcommittee members are no longer available. Protiva reported that the city does not use any pesticides. McConnell recommended that public input be solicited prior to adoption of a formal policy. Protiva reported that the issue arose when a group recommended the city use no chemicals. He added that the subcommittee had not drawn any conclusions. It was suggested that the matter be sent to the Parks and Recreation Committee for input and a recommendation to Council, and that a public process be included.

Voetberg reported that Bill Hall will make a short presentation on the Lincoln County Land Trust at the April 18 City Council meeting.

It was reported that the packet contains correspondence from CWACT regarding its monthly meetings.

McConnell noted that a discussion regarding nonprofit social service contributions occurred at the joint meeting with the Lincoln County Commissioners, and that he would like Council to consider allocating money that could be used for the Lincoln County Land Trust or other social service agency. He asked for a proposal at the next meeting on how much, if any, monies could be available for this use. It was suggested that staff look at other coastal communities to see what they are doing in this regard.

Voetberg reported that he had distributed a memo from Protiva regarding an easement for trail access in South Beach. He noted that the owner would like money for the easement, and staff is pursuing the issue.

DISCUSSION ITEMS AND PRESENTATIONS

Rate Study - Thompson's Sanitary Service. Rob Thompson and Ken Riley, representing Thompson's Sanitary Service, presented the rate study and noted that rates will not be increased this year. They noted that Thompson's is investigating instating a yard debris program. Estle Harlan addressed Council regarding the yard debris program. Thompson stated that he is ready to move forward in the manner desired by the City Council.

Public Safety Task Force presentation. Miranda reported that a previous City Council goal was to establish a Public Safety Task Force to review the needs and resources of the department and the feasibility of a county law enforcement district. Doug Hunt, a Task Force member, reviewed the work and written report. It was noted that the belief is that county citizens would not support a county-wide law enforcement district. One of the recommendations was that the city consider adding a school resource officer. A discussion ensued regarding whether a volunteer could function as the school resource officer. Miranda noted that there would be training, liability, and credibility issues in utilizing a volunteer in this position. Roumagoux asked whether there is a routine maintenance/replacement schedule for police vehicles, and it was noted that some maintenance is deferred costing the city more in the long term.

Establishment of an Audit Task Force - discussion. Marshall reported that the motivation is to establish a group, independent of the Finance Department, to review the audit before it goes to the City Council. He noted that the negative fund balances should have surfaced three years ago, and an audit committee would have picked that up. A discussion ensued regarding the composition of the audit committee, and staff was directed to return with a proposed resolution and process for committee members. Allen volunteered to serve on the committee.

PUBLIC HEARINGS

Continued public hearing regarding a proposed storm drainage utility fee. The continued public hearing on the proposed storm drainage utility fee reconvened at 7:47 P.M. McConnell reported that he had received a letter from Margaret Dailey to be included in the record. Voetberg reported that comments had been received from citizens and Council, and there were two key pieces of information that precipitated the staff report - one is cost over the next three years; and the other is the spreading of the cost to all property owners rather than based on impervious surfaces. Ritzman noted that staff looked at several processes, and he distributed and reviewed a list showing how the matter is handled in other communities. It was asked what the water and sewer rates will be as of July 1, and Voetberg reported that those numbers are unavailable at this time. Allen asked whether any of the water and sewer rate increases are tied to the water treatment plant, and Ritzman responded that they were not at this time. McConnell noted that the issue is the storage tank that was dropped. Allen asked whether staff envisions any increases will be necessary to fund the water storage tank, and Voetberg reported that staff would have to conduct an analysis that will include how to fund water tank construction. Ritzman noted that the water tank could be funded from SDCs. Ritzman rebutted comments made at a previous meeting that Newport's water rates were greater than Portland's water rates. McConnell noted that he believes the city needs to focus on the Nye Creek and Sam Moore Creek basins and get the sandbags off the street by next winter. He also mentioned 59th and 60th Streets in Agate Beach. Gross reported that there is a small amount of money for storm water improvements that could go to Nye Beach and Oceana. He added that it will not solve the overall flooding problem in Nye Beach. He added that in a big rain event, the city needs to deal with the stormwater upstream. Roumagoux asked whether any work had been done on the master plan, and Ritzman reported that the 1990's master plan was rudimentary and basically only shows the drainage basins. McConnell asked for public comment.

Dennis Bartoldus, appeared on behalf of the Embarcadero unit owners, and expressed concern about the definition of parcel. He asked whether each condo unit is a separate parcel despite one utility bill, and how undeveloped lots would be taxed. Gross reported that the city would look at any tax numbered parcel in the city, and condos or undeveloped lots may need an individual review. He noted that most properties contain single family homes. A discussion ensued regarding billing, and it was noted that utility customers would have the fee added to the regular bills. If no account exists, an accounts receivable account would need to be established. McConnell asked Bartoldus whether he had done calculations based on water accounts. Bartoldus noted that this amount would be

approximately \$800 monthly, and that the Embarcadero still has a discharge pipe. He suggested an offset or recalculation due to the discharge pipe.

Carla Perry asked for the definition of impervious area.

McConnell noted that the hearing will remain open until the next regular City Council meeting. Bertuleit noted that some parcels have many tax lots. Brusselback asked for the difference between tax lots and parcels. McConnell asked whether staff anticipates exemptions, and Gross reported that as discussed, everyone having a water bill would be charged the fee. McConnell asked that staff define parcel so that the public can react to it. Allen noted that he would like to see how the South Beach project and the water treatment plant project comes in, and asked whether the fee was needed to complete these projects. He noted that the Bayfront project had financial issues, and that there is a pattern of large projects having issues. He added that it is about credibility to the public and critical before considering additional fees. He noted that he is not inclined to move forward on the stormwater fee at this time.

The hearing was continued so that staff could research neighboring coastal communities to determine how they are handling the issue of storm water improvement and maintenance funding. A spreadsheet with this information was included in the packet. Also included in the packet was a revenue/expenditure summary and graph that illustrates the proposed funding for storm water over the next four years based on current expenditure levels for operations and staffing.

Public hearing regarding the CDBG grant for the Senior Center Remodel Project.

McConnell opened the public hearing at 8:47 P.M. Protiva reported that the issue before Council is the CDBG grant requirement to inform the public of major completion of a remodel project. He showed a brief PowerPoint presentation of the renovations. There was no public comment, and the public hearing was closed at 8:55 P.M.

Consideration of Resolution No. 3533 appointing a Budget Officer. MOTION was made by Bertuleit, seconded by Beemer, to adopt Resolution No. 3533 appointing a Budget Officer for the City of Newport 2011-12 budget. The motion carried unanimously in a voice vote.

Resolution No. 3534 adopting a policy for the city's financial reserves. It was reported that the issue before Council is the consideration of Resolution No. 3534 that would approve a policy regarding the city's financial reserves, contingencies, and unappropriated ending fund balances. Allen noted several language changes, including section 1.2.8, inserting the word "ensure" rather than "insure;" and section 2.1.1, lines three and four should read, "excess of expenditures. Fund balance is used to provide service levels for times when service levels might otherwise be. . ." MOTION was made by Roumagoux, seconded by Allen, to adopt Resolution No. 3534 approving a policy regarding the city's financial reserves, contingencies, and unappropriated ending fund balances with Allen's language changes. The motion carried unanimously in a voice vote.

Resolution No. 3535 establishing a model for communication with the interim city attorney. It was explained that the issue before Council is the consideration of adoption of Resolution No. 3535 establishing a model for communication with the interim city attorney. Allen proposed some language changes. A discussion ensued regarding copying the city

attorney on e-mails and whether the time spent reading e-mail would be billable. It was agreed to change line four of the resolution paragraph to read "Attorney on issues such as personal conflicts of interest and other individual issues." MOTION was made by Allen, seconded by Beemer, to adopt Resolution No. 3535 establishing a model for communication with the interim city attorney, as amended by the language change discussed. The motion carried unanimously in a voice vote.

Resolution No. 3536 transferring appropriations within the 2010-11 Fiscal Year Budget. Marshall reported that this resolution is a result of a previous discussion, and involves additions to comply with Oregon Budget Law. He noted that the intent is to reduce and preferably eliminate the negative fund balances identified by the audit. Allen noted that this would apply to a transfer that occurs after the budget is approved and during the fiscal year for which the appropriations are being made. He added that this is after the fact, and asked whether it had been vetted through other channels. MOTION was made by Brusselback, seconded by Beemer, to adopt Resolution No. 3536 transferring appropriations for fiscal year 2011. The motion carried unanimously in a voice vote.

City participation in the State's Territorial Sea Plan process. Tokos reported that the issue before Council is whether to send a letter to the Oregon Ocean Policy Advisory Council advising that the city wishes to be involved in the process that OPAC is undertaking to update the Territorial Sea Plan. He noted that a draft letter was included in the packet. Allen stated that as a Councilor he supports the city's involvement in this process, and as vice-chair of OPAC, he is committed to engaging local governments, and that he is fully supportive wearing both hats. MOTION was made by Sawyer, seconded by Beemer, that Council authorize staff to finalize the draft letter presented tonight for signature by the Mayor. The motion carried unanimously in a voice vote.

Initiation of a process to create the Bayfront Parking District. Tokos distributed exhibit b. and a copy of the statute that outlines the process for forming an economic improvement district. Tokos reported that the issue before Council is whether the Council should initiate a public hearings process to form an economic improvement district in the Bayfront area for parking system improvements to be funded with a business license surcharge. A brief discussion ensued. Janet Webster spoke about the Bayfront Association and its efforts on this matter to date. MOTION was made by Bertuleit, seconded by Beemer, to read Ordinance No. 2013, initiating the public hearing process to form an economic improvement district in the Bayfront area for parking system improvements, pursuant to ORS 223.144, by title only and place for final passage. It was reported that the first hearing will be held on May 16. The motion carried unanimously in a voice vote. Voetberg read the title of Ordinance No. 2013. Those voting aye on Ordinance No. 2013 were Allen, Bertuleit, Sawyer, Roumagoux, Brusselback, Beemer, and McConnell.

Adoption of new Senior Center rates. Voetberg reported that the proposed fees would address the charge for after-hours use; add fees for rental of new spaces; and include an annual increase of three percent beginning in 2013. It was noted that if Council concurs, staff would draft a resolution adopting these fees for consideration on the consent calendar of the next meeting. MOTION was made by Allen, seconded by Beemer, directing staff to

prepare a resolution and place it on the consent calendar of the next meeting. The motion carried unanimously in a voice vote.

Approval of a recommendation from the Destination Newport Committee regarding a new outdoor billboard program. Lorna Davis, executive director of the Chamber of Commerce, displayed a picture of the proposed Newport billboards. She reported that the campaign will be in the Eugene/Springfield and Albany/Corvallis markets. It was noted that there would be a total of 68 billboards in this campaign. Brusselback asked how success can be measured, and Davis noted that she has information from other billboard campaigns. Allen asked whether this money is available because it is being used directly rather than through the advertising agency. Davis noted that it is more productive and cost effective. Voetberg reported that the interim city attorney has some issues with the contract, and he will be working with her toward a resolution prior to signing the contract. MOTION was made by Sawyer, seconded by Beemer, to approve contracts with CBS Outdoor for the rental of billboard space to promote and advertise visiting Newport, contingent upon the concurrence of agreement terms between CBS Outdoor and city management. The contracts include three months rental on 28 billboards beginning in April of 2011, and a year-long rental on one billboard beginning in July of 2011, together for a total cost of \$81,525, contingent upon the concurrence of an agreement of terms between CBS Outdoor and the city manager. The motion carried unanimously in a voice vote.

COUNCIL REPORTS AND COMMENTS

Roumagoux reported that the NOAA facility tour was great and thanked the Port for the invitation.

Sawyer reported on a recent meeting of the COG, at which the upcoming COG budget was discussed. He noted that the City of Albany has a transparency city designation on its website. He reported that Highway 20 will be closed from May 20 - 23, 2011.

Sawyer reported that Lincoln City Police Officer Dodds will be returning to the community on Saturday, and that there will be a gathering at 2 P.M., at Taft High School. He also noted that Dodds will be the grand marshal of the Loyalty Days parade.

Allen reported that he, Sawyer, and Roumagoux had attended a very informative session on government ethics that was presented by Chad Jacobs of the League of Oregon Cities.

Allen reported that as the HMSC liaison, he has been invited to several meetings, including a presentation by the OSU dean of the College of Agriculture.

Allen reported that he attended Kurt Schrader's roundtable at which fisheries and ocean management issues were discussed.

Allen reported that he had attended a meeting regarding the coastal marine experiment station at which there was discussion regarding putting municipalities in an ex officio capacity and economic impact.

Beemer reported that George Boehlert spoke at the last Chamber of Commerce luncheon.

Beemer reported that he attended a stakeholders meeting on the South Beach project. He added that the project is over budget, but on time, and that it is going well.

Bertuleit reported on a recent meeting of the Airport Committee at which the next AIP project, availability of courtesy cars, and the training of the airport manager to pump gas, were discussed.

McConnell reminded Council that work and goal settings sessions are scheduled on Friday beginning at 8:30 A.M.

McConnell reminded Council that the volunteer appreciation dinner will be held on Tuesday, and that everyone should RSVP.

Brusselback reported that the Technical Monitoring Task Force would be meeting on April 13 to hear the results of the DEQ required monitoring report from Georgia Pacific staff. He added that Task Force member, Roger Hart, had passed away, and that the Task Force now needed two members.

ADJOURNMENT

Having no further business, the meeting adjourned at 9:40 P.M.

Margaret M. Hawker, City Recorder

Mark McConnell, Mayor