

August 17, 2015  
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, Allen, Engler, Busby, Saelens, Swanson, and Roumagoux were present. Sawyer was excused.

Staff present was City Manager Nebel, City Recorder Hawker, City Attorney Rich, Community Development Director Tokos, Public Works Director Gross, Police Chief Miranda, and Parks and Recreation Director Protiva.

### PLEDGE OF ALLEGIANCE

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

### PROCLAMATIONS, PRESENTATIONS, AND SPECIAL RECOGNITIONS

Presentation of Lifesaving Medals to Police Officers, Steve Hallmark, Rick Auburn, and Sam Clark. Hawker introduced the agenda item. Miranda presented lifesaving medals to Police Officers Steve Hallmark, Rick Auburn, and Sam Clark.

Oath of Office for Fire Captain Tom Jackson. It was reported that Jackson is out of town assisting in wild land firefighting efforts, and that the oath of office will be delayed until a future date.

### CONSENT CALENDAR

The consent calendar consisted of the following:

- A. Approval of City Council minutes from the regular meeting of August 3, 2015, and the work session of August 4, 2015;
- B. Approval of a favorable recommendation to the OLCC to grant a full, on-premise sales liquor license for a new outlet, to the Sail Inn Café, LLC located at 134 SW Bay Boulevard.

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

### PUBLIC HEARING

Public Hearing and Possible Adoption of Ordinance No. 2083 Regarding the Early Sale of Recreational Marijuana by Medical Marijuana Dispensaries. Hawker introduced the agenda item. Nebel reported that at the August 3, 2015 City Council meeting, the

Council scheduled a public hearing on an ordinance that would prohibit the early sales of recreational marijuana by medical marijuana dispensaries in accordance with SB460.

Nebel reported that in November 2014, Oregon voters approved Measure 91. He stated that this law provides for personal growing, possession of limited amounts of non-medical marijuana, and directs the Oregon Liquor Control Commission (OLCC) to administer a licensing system for the production, processing, wholesale, and retail sale of recreational marijuana. He noted that since that time, the state legislature approved four separate bills that provide guidance to local governments as to what actions can be taken in regard to the regulation of recreational marijuana. He added that the combination of state laws, along with the voter approved initiative, have the following impacts: On July 1, 2015, personal possession of limited amounts of commercial marijuana became allowed for those 21 and older; On October 1, 2015, sales of commercial marijuana from medical marijuana dispensaries can begin unless the city enacts an ordinance prohibiting early sales prior to that time; By January 4, 2016, the OLCC must approve or deny commercial license applications as soon as practical after this date; November 8, 2016, is the next statewide general election where measures on the prohibition of marijuana activities in local jurisdictions will be voted upon by the local voters; and December 31, 2016, early sales of commercial marijuana from medical marijuana dispensaries end.

Nebel reported on regulatory options. He stated that SB460, which was recently signed into law allows medical marijuana dispensaries to sell recreational marijuana to a person who is 21 years of age or older. He noted that SB460 also allows cities to adopt an ordinance prohibiting the early sale of recreational marijuana from a medical marijuana dispensary within its jurisdiction without voter approval. He added that the ordinance has to be adopted and effective by October 1, 2015. He stated that this would mean the City Council would need to approve an ordinance prohibiting the early sale of recreational marijuana from medical marijuana dispensaries by the end of this month without an emergency clause. He noted that if the ordinance contains an emergency clause, it could be voted on in September.

Nebel reported that the next major decision that the City Council will need to make regarding recreational marijuana is whether to prohibit any of the six types of marijuana activities regulated under HB3400A, which include: medical marijuana processing; medical marijuana dispensaries; commercial marijuana processors; commercial marijuana growers; commercial marijuana wholesalers; or commercial marijuana retailers. He stated that if the City Council wishes to pursue banning any of these six activities, the Council will have to adopt an ordinance indicating which of the six marijuana activities it wishes to prohibit in the city. He added that since Newport is located in Lincoln County, which approved the use of recreational marijuana at the November 13, 2014 election, the city's ban on any of the components of recreational marijuana would remain in effect until a city voter referendum is held in November of 2016, with the voters determining whether the ban will be permanent. He noted that in order to effectively prohibit any of the six activities from occurring in the city, the City Council would need to approve an ordinance with an effective date prior to the end of 2015. He stated that this would prevent the Oregon Health Authority (if prohibiting medical marijuana activities),

and/or the Oregon Liquor Control Commission (if prohibiting medical marijuana activities) from registering and licensing the prohibited activities until the local voters could vote in November 2016, and either affirm the ban or allow for the activities prohibited by the city ordinance.

Nebel reported that the city can regulate certain aspects regarding the location of the four types of commercial licenses; can create a buffer of no more than 1,000 feet between retail licenses; regulate the manner of operation of the four types of commercial licenses; and other issues as allowed by law. He stated that it would appear to be important that the City Council have any regulations in effect prior to the end of this calendar year to properly regulate various aspects of recreational marijuana within the community, unless the City Council enacts an outright ban as outlined earlier.

Nebel reported on taxation. He stated that if the city does not prohibit marijuana activities through a local ban, it can adopt an ordinance imposing a 3% tax on the sales made by those with commercial retail licenses. He stated that this provision apparently trumps the local ordinances that were approved by many Oregon cities leading up to the November 14 election, including the City of Newport's ordinance. He noted that in order to collect the 3% tax on the sales, the issue requires voter approval at the next statewide general election (November 2016). He added that the City Council would need to meet the appropriate election time schedule in order to have this issue on the November 2016 ballot for consideration by the city's voters.

Nebel reported that if the City Council prohibits any of the six types of marijuana activities, it appears that the city could not implement the sales tax and would not be entitled to receive a portion of the taxes collected at the state level in accordance with the recently passed state law.

Nebel reported on city options. He stated that in reviewing this issue with Rich and Tokos, the City Council has several strategies that can be pursued in regard to the implementation of HB3400, HB2041, SB460 and SB844, as it relates to commercial marijuana activities in the state. He noted that with this legislation being enacted into law in the past few weeks, local governments and the state have a number of potential paths to follow in implementing these laws locally. He added that perhaps the biggest challenge relating to local regulation relates to the fact that the rules on the sale of recreational marijuana, at medical marijuana facilities, have not yet been issued by the Oregon Health Authority, and the rules for the growing, production, distribution, and sale of recreational marijuana have not been issued by the Oregon Liquor Control Commission, and are not anticipated until the end of the calendar year at the earliest.

Nebel reported that the options that Council could pursue range from an outright ban on any or all of the following activities related to marijuana, including medical marijuana processors, medical marijuana dispensaries, commercial marijuana processors, commercial marijuana producers, commercial marijuana wholesalers, or commercial marijuana retailers. He stated that on the other hand, Council would have the option of not enacting any prohibition on any of these items, and not implementing any time or place regulations as allowed by state law. He noted that in this particular case, Council would not have to take any actions and allow state regulations to govern marijuana production, sales, etc. in the city.

Nebel reported that another option is allowing some or all of the marijuana

activities, outlined in HB3400A, and implement appropriate and reasonable regulations on such things as hours of operations or any of the aspects of marijuana production or sales, zoning locations for the four (4) types of commercial licenses, as well as medical marijuana growth sites, and implementing buffers up to a 1,000 feet between retail licenses.

Nebel recommended that, unless it is Council's intent to allow all forms of processing, growing, wholesaling, and retailing of medical marijuana in the city, without any additional local regulations as state law would allow, Council consider approving the ban on the sale of recreational marijuana by medical dispensaries to give staff an opportunity to review the rules which have yet to be adopted for the sale of recreational marijuana at medical marijuana facilities, and to initiate review of any regulatory efforts that the Planning Commission may suggest Council consider as it relates to all forms of activities related to the legalization of sales, production, wholesaling, and growing of medical marijuana in the city. He noted that Council would be able to revisit this prohibition once the rules to be adopted by the Oregon Health Authority are implemented, and on hearing from the Planning Commission on any specific recommendations that Council may want to consider for dealing with any local regulations allowable by state law.

Nebel reported that following the public hearing, Council should discuss and provide direction as to whether it wants to allow all marijuana activities to proceed or wants to consider a ban on any of the six marijuana activities outlined in HB 3400A. He stated that if Council wishes to pursue a ban on these activities, there will not be the same urgency to develop time, place, and manner restrictions that are allowed under these new laws. He added that if it is Council's desire to allow any of the six types of marijuana activities outline in this bill, then Council should direct the Planning Commission to initiate a review of regulations that the Council may want to implement regarding the regulations on processing, producing, wholesaling, and retailing of marijuana in the city.

Nebel reported that a copy of an ordinance prohibiting medical marijuana dispensaries from selling recreational marijuana, and a summary of the 2015 marijuana legislation from the League of Oregon Cities, is included in the packet.

Nebel recommended that Council hold a public hearing on an ordinance that would limit medical marijuana dispensaries to selling only to registered medical card holders under the Oregon Medical Marijuana Act, as provided by SB460 of 2015.

Allen asked if Nebel had information regarding when the Oregon Health Authority might issue rulings related to medical marijuana dispensaries selling recreational marijuana. Nebel reported that the urgency of acting on the dispensary ordinance is only if Council does not enact an emergency clause in an ordinance. Allen noted that there are two more Council meetings prior to October 1. Allen added that Measure 91 was lengthy, and stated that he did not recall any part of the measure that pertains to medical marijuana dispensaries selling recreational marijuana.

Roumagoux opened the public hearing at 6:21 P.M. She reported that the city had received several e-mail messages regarding this issue. She read the e-mails into the record from: Carla Perry, Tracy Ohearn, George Bowmore, Michele Gobinski, and James McEachern. She called for public comment from the audience.

Ryan Bledsoe stated that he supports the sale of recreational marijuana from

medical marijuana dispensaries. He added that the voters have spoken. He reported that the medical marijuana dispensaries are gearing up for recreational sales. Allen asked whether Bledsoe was involved with a medical marijuana dispensary, and Bledsoe reported that he had been involved with a medical marijuana dispensary for more than two years. He stated that he built his dispensary using the strictest standards. He added that Oregon is looking at other state models and developing a good system that is fair for everyone.

Hearing no further comment, Roumagoux closed the public hearing for Council deliberation at 6:30 P.M.

Nebel reported that the revenue issue is convoluted. He stated that the state will impose a 25% tax which it will share with local jurisdictions, and this tax will drop to 17% at the next election. He noted that the three percent local tax cannot begin until after the November 2016 general election.

Busby stated that he thinks that the city is best staying out of this area. He added that there is no reason not to go ahead and do what the state allows cities to do. He noted that any time there is a delay in marketing or excessive taxation, it makes it difficult to obtain, and encourages black market sales. He stated that the city has many more important problems to deal with, including other things that are more harmful. He recommended treating this as any other product.

Roumagoux agreed with Busby.

Allen stated that there are two issues. He noted that one is the prohibition of medical marijuana dispensaries from selling recreational marijuana; and the other is the recreational aspect of selling marijuana and sending this to the Planning Commission for review. He reported that there is no mention, in Measure 91, about medical marijuana dispensaries selling recreational marijuana. He stated that he does not believe that Council has to make a decision at this meeting. He added that he would prefer to see what the Oregon Health Authority rules are before a vote is taken. He noted that a vote on this issue can be delayed until September 21.

Saelens reported that Measure 91 did not mention medical marijuana at all. He stated that he thought it was a bad measure as there were no rules on how the sales would begin. He agreed that the people have spoken, but not on the rules. He noted that he is inclined to go along with the staff recommendation, but would appreciate looking at the rules. He suggested delaying the final decision until the OHA rules are available.

Engler agreed with Busby and Roumagoux.

Swanson stated that she would like more information.

Allen stated that he would prefer to hear Councilor Sawyer's opinion on this issue, as he is the seventh Councilor, and there is currently a three/three split decision. He added that this might allow time for OHA to produce draft rules.

Nebel noted that there would be a better chance that the OHA rules would have been developed by September 21. He added that he would like to let the medical marijuana dispensaries know as soon as possible so they do not make plans that would be contrary to an ultimate Council decision.

Saelens requested that Council receive an update as soon as the new OHA rules are produced. He suggested discussing the matter at a work session prior to September 21.

MOTION was made by Allen, seconded by Swanson, to table consideration of

this ordinance until September 21. The motion failed in a three/three tie, with Roumagoux, Busby, and Engler voting no, and Swanson, Saelens, and Allen voting yes.

MOTION was made by Busby not to institute regulations on the sale of marijuana, and hold any action in abeyance for one year. Nebel asked whether Busby meant medical marijuana dispensaries, and Busby noted that he was referring to the whole issue. Busby added that he would like to see the city not institute any regulation beyond what is needed to enforce laws at the state and federal level. Rich clarified that staff is recommending that Council consider these things at this point in time. He added that he wants to make sure that Council does not experience dates passing without the opportunity to exercise options. He stated that he is at ease with what staff has prepared. He noted that a second issue related to waiting beyond this date is that people (medical marijuana dispensaries) are making investments and preparing to open for recreational marijuana sales on October 1. He added that the sooner the Council can let those people know to not make investments now, the better. The motion failed for lack of a second.

Nebel reported that the key issue is whether medical marijuana dispensaries should be allowed to sell recreational marijuana under OHA regulations. He noted that this issue will be before Council on September 21.

Nebel reported that a second issue is looking forward to January 1 when other marijuana-related activities can take place. He recommended looking at these activities, including time and place, before agreeing to abide by whatever the state provides. He stated that these issues need to be referred to the Planning Commission before January 1.

Saelens noted that three Councilors have asked for additional information and time before making a decision.

Allen stated that, procedurally, a motion to defer the matter until September 21, failed in a three/three vote. He noted that no action will achieve the same objective in a different manner. He added that he would rather make a more informed decision before voting.

Tokos reported that there is a business license endorsement for medical marijuana vendors, but that this endorsement and associated regulations were never envisioned for recreational sales.

Allen noted that if the OHA rules are available by September 8, a discussion could occur at that meeting.

Nebel stated that as soon as the information is available from the OHA, he will provide that information to Council. He suggested a possible work session to discuss the rules.

MOTION was made by Saelens, seconded by Allen, to direct the Planning Commission to review regulatory options as outlined in House Bill 3400A (2015), which expressly provides that the city may impose reasonable regulations on various aspects relating to hours of operation, location, and manner of operations for various aspects of marijuana production and sales within the City of Newport. Allen asked whether there would be time for the Planning Commission to review this issue and for Council to approve rules by January 1. Tokos stated that the Planning Commission would work on the issue in a timely manner. The motion carried in a voice vote with Busby voting no.

## COMMUNICATIONS

**From the Destination Newport Committee - Tourism Marketing Grant Recommendation for the Buccaneer Rampage.** Hawker introduced the agenda item. Nebel reported that annually the Council has been appropriating transient room tax funds for the promotion of events through Tourism Marketing Grants. He stated that \$20,000 was appropriated in the current fiscal year, and that the grants are provided for up to a three years, but are approved on an annual basis. He noted that the Destination Newport Committee has recommended that \$1,000 be appropriated for the 2015 Buccaneer Rampage event, which is sponsored by the city, and scheduled for August 22, 2015. He added that this is the first year that the Buccaneer Rampage has been awarded this grant. Busby asked whether there a legal issue since this is city-sponsored event, and the recommendation is to give the money to ourselves. It was noted that these funds have been awarded to city-sponsored events in the past.

MOTION was made by Swanson, seconded by Allen, to award a grant in the amount of \$1,000 to City of Newport Parks and Recreation Department for assistance with marketing and advertising expansion for the 2015 Buccaneer Rampage. The motion carried unanimously in a voice vote.

**From the Destination Newport Committee - Tourism Marketing Grant Recommendation for the Oyster Cloyster.** Hawker introduced the agenda item. Nebel reported that annually the Council has been appropriating transient room tax funds for the promotion of events through Tourism Marketing Grants. He stated that \$20,000 was appropriated in this fiscal year. He noted that grants are provided for up to a three years, but approved on an annual basis. He added that the Destination Newport Committee has recommended that \$5,000 be appropriated for the 2015 Oyster Cloyster event, which is sponsored by the OCCC Foundation and the Oregon Coast Aquarium. He stated that this event will take place on November 7, 2015, and it is the second year that Oyster Cloyster has been awarded these grant funds.

MOTION was made by Swanson, seconded by Saelens, to award a grant in the amount of \$5,000 to the OCCC Foundation and the Oregon Coast Aquarium for assistance with marketing and advertising expansion for the 2015 Oyster Cloyster. The motion carried unanimously in a voice vote.

## CITY MANAGER REPORT

**Approval of Federal Aviation Administration Grant for the Newport Municipal Airport Master Plan.** Hawker introduced the agenda item. Nebel reported that the FAA is funding 90% of the cost for the city to proceed with an update of the Airport Master Plan. He stated that the current Master Plan dates back to 2004. He added that the Airport Master Planning process will review all current operations, including compliance with existing grant assurances; review the needs of continuing with the airport's current Part 139 Certification; identify a list of future capital improvement projects that the FAA will fund and undertake in the future at the airport; and provide a long-term framework for the development of property relating to the airport. He

noted that Council previously approved a contract with WH Pacific, contingent upon receiving this grant funding. He stated that as part of this process, the city is required to create a Planning Advisory Committee to provide input to the consultant regarding the long-term planning for the airport. He reported that the committee will be made up of various stakeholders served by the airport, such as local pilots, commercial air services, and various community stakeholders. He noted that the timing of the Airport Master Plan is very appropriate, since the Airport Committee is proceeding with a request for proposals that could change the operation of the airport from operating as a city department to operating with a private contractor.

Nebel reported that throughout the 18-month planning period, there will be six meetings scheduled with the Planning Advisory Committee (PAC) with periodic reports being provided to the Airport Committee and City Council prior to completing the master plan. He noted that the planning process will follow the appropriate FAA guidelines since the FAA is paying 90% of the costs. He added that it will be important to make sure that the Master Plan reflects the community needs and desires.

MOTION was made by Swanson, seconded by Engler, to accept the FAA Improvement Project Grant Agreement in the amount of \$457,200 to conduct an update of the Airport Master Plan originally completed in 2004. The motion carried unanimously in a voice vote.

**Update and Report on the Bicycle Pump Track Location near the Wilder Subdivision.** Hawker introduced the agenda item. Nebel reported that on June 1, City Council authorized staff to make application to Lincoln County for the possible development of a bicycle pump track to be located near the Wilder Subdivision. He stated that at that time, the City Council scheduled a public hearing to receive feedback on the project from affected property owners. He noted that at the public hearing, a number of concerns were expressed regarding this proposal, including not being aware of what a bicycle pump track is, parking, noise, dust, and other issues.

Nebel reported that on July 16, a meeting was held with the residents of the Wilder Subdivision, members of the Yaquina Wheels Bike Club, principals and land owners of Wilder Subdivision, the president of the Oregon Coast Community College, the Police Chief, and the Community Development Director. He stated that the primary concerns expressed at this meeting related to parking, lack of restroom facilities, and management of trash. He added that at the end of the meeting, the participants better understood what a bicycle pump track is, and the majority were supportive of proceeding with this project as long as parking, trash receptacles, and a portable restroom were made available for park users. He noted that the developers of the Wilder Subdivision are willing to proceed with a license agreement for this project.

Nebel reported that the property where this development will occur is currently located outside the city limits, and the city will be required to submit a plan to the county for review. He stated that the permit application to the county will address an area for a gravel parking lot, portable restroom, and garbage receptacles as was discussed with the neighboring property owners. He added that the city will need to obtain the appropriate license from the Wilder Subdivision for the use of the

property for the bicycle pump track. He noted that based on the previous authorization of the City Council to proceed with the permitting process, it is staff's intent to move forward with this process as a result of the positive meeting that was held at Wilder Subdivision.

Nebel reported that if this project goes forward, the city will have three park facilities at Wilder, including the dog park, the disc golf course, and, if this project proceeds, the bicycle pump track. He stated that these are facilities that can be relocated based on Wilder's development needs.

Nebel reported that based on the motion by the City Council at the June 1 meeting, no further action is necessary to proceed with the permitting process for this facility.

Saelens addressed the issue of parking for the Coast Hills Classic bicycle event, and the possibility of holding the event at a different location. Protiva reported that the Wilder neighbors are concerned about any event that would increase traffic. He stated that there was a specific discussion regarding the Coast Hills Classic, and the neighbors expressed disappointment in the parking. He added that if parking had been approved, for this event, at the OCCC parking lot, it might have been less of an issue. He reported that he would seek parking alternatives if there is an undue burden on the neighborhood. Saelens reported that the neighbors are sensitive about parking. Protiva stated that a church may develop in that neighborhood, and the pastor was supportive of sharing parking. Nebel suggested that if permission was granted to use the OCCC parking lot, and appropriate signage was in place, some of the burden to the neighborhood should be relieved. Protiva stated that OCCC is concerned about its capacity to park students and faculty for their own purposes, although they were not opposed to sharing the lot, although it would have to be by agreement on specific dates for specific events. Protiva reported that the Yaquina Wheels Bike Club would perform construction and maintenance of the facility, and that the city would bear the cost of the portable restroom.

**Consideration of a Process for Awarding the Remainder of the Tourism Facilities Grant Funds.** Hawker introduced the agenda item. Nebel reported that in 2011, the City Council approved a resolution creating a Tourism Facilities Grant Review Task Force to appropriate \$1 million in funding, which had been earmarked for an events center that was not constructed, for tourism facility grants. He stated that over the years, \$974,000 has been awarded to projects for the Performing Arts Center, the Oregon Coast Aquarium, Lincoln County Historical Society, OMSI, the Sea Lion Docks Foundation, and Pacific Communities Health District Foundation.

Nebel reported that \$25,000 had been reserved for Salmon for Oregon, however that organization could not meet the requirements outlined in the grant guidelines regarding the financial sustainability of the program. He stated that Salmon for Oregon has formally withdrawn its grant application. He noted that in July, the City Council discussed the possibility of adding a limited grant funding round allowing those organizations which were previously funded to submit a request for the remaining \$26,000. He added that because of the small amount of funds that are remaining, it was suggested that this could be done administratively.

Nebel reported that a second alternative would be to utilize the remaining \$26,000 for city-owned tourism facilities project such as the Agate Beach Wayside

or the aquatic center.

Nebel reported that a third option would be to reconvene the Task Force for either a limited grant round, allowing only organizations which have received funds in the past to reapply for funds, or hold an open application process.

MOTION was made by Engler, seconded by Swanson, to authorize the City Manager to solicit applications from previous grantees of Tourism Facilities Grant Funds for an award of the remaining \$26,000 of Tourism Facility Grant Funds with administrative review and recommendations for funding being forwarded to the City Council for approval. The motion carried unanimously in a voice vote.

**Status Report on Upcoming Town Hall Meeting at the Pacific Communities Health District Foundation Health Education Center.** Hawker introduced the agenda item. Nebel reported that on Monday, August 31, at 6:00 P.M., the City Council will hold a town hall meeting focusing on City Center and the proposed Northside and McLean Point Urban Renewal plans. He stated that the town hall meeting will include a presentation and opportunity for public comment on the creation of a Northside Urban Renewal District as well as a district to deal with infrastructure needs on McLean Point. He added that the meeting will also include an update on the hospital's efforts to construct a new hospital campus, and activities and concerns of the City Center Newport Association.

Nebel reported that once the presentations are complete, an open house will be held at which participants will be able to provide comments on various aspects of the proposed urban renewal plans for the Northside and McLean Point. He stated that the format of the open house will include maps of individual areas on which attendees can provide written comments on the proposed urban renewal plans, i.e., City Center, Agate Beach, U.S. 20, and McLean Point. He added that creating individual stations where the public can leave comments proved to be a very effective tool during the planning of the Agate Beach Wayside improvements that ODOT coordinated earlier this year. He noted that this effort allows everyone to participate at their own speed, and by providing handwritten comments, it is easier for the Urban Renewal Agency to thoughtfully review and discuss the various ideas and comments from participants. He stated that based on the earlier open house on these proposed plans, it was very evident that most participants had specific and different concerns depending on what part of the proposed urban renewal plan could affect their homes or businesses. He noted that by establishing individual stations, people will be able to clearly ask questions and provide comments focusing on the primary ideas which can be quite local in nature. He recommended that Council members divide up and rotate among the individual stations. He stated that staff will compile the written comments for review by the Urban Renewal Advisory Committee meeting of September 1, 2015, and the Urban Renewal Agency meeting of September 8, 2015. He added that the meeting will be noticed as a joint town hall meeting with the City Council and the Urban Renewal Advisory Committee since that committee will also participate in the evening's events.

Nebel reported that this event will also provide a good opportunity for the Council and community to tour the new education center at the hospital.

## LOCAL CONTRACT REVIEW BOARD

The City Council, acting as the Local Contract Review Board, met at 7:23 P.M.

**Approval of Task Order No. 9 with Civil West Engineering Services for Water System Improvements on Highway 101 and Golf Course Drive.** Hawker introduced the agenda item. Nebel reported that the public works crews have been dealing with a series of water breaks over the last several years in the area of Golf Course Drive and Megginson Street. He stated that there have been three separate breaks this year which required the water to be shut off for a number of homes on these streets and on Highway 101. He added that while there were plans to address this water main in the longer term future, it is becoming evident that this work needs to be moved ahead in order to facilitate an earlier replacement of this system. He added that Gross has requested a Task Order from Civil West Engineering Services to begin the design for this water system. He reported that it is likely that only the design work would be completed this year with the construction phase and support occurring in the 2016/2017 Fiscal Year. He noted that as a result, it is necessary to appropriate \$120,000 in the current fiscal year in order to complete the design. He added that Gross is recommending that \$120,000 be shifted from the NE 3<sup>rd</sup>/Yaquina Heights Drive Water Line Installation, which is appropriated at \$250,000 for the current fiscal year. He stated that like the Golf Course Drive improvements, it is unlikely that this project will utilize the full appropriated amount in the current fiscal year. He added that based on the pressing needs that are being created by the ongoing disintegration of the water line on Golf Course Drive, he believes that this project needs to be moved up as a priority so it can be reconstructed next year.

Gross reported that the Yaquina Heights project would not be constructed this year, and moving the funds would allow for design of both projects this year and construction next year. Engler asked at what point an LID could be used in Yaquina Heights, and Gross reported that this would require a public engagement process to request a district. He added that the design would provide hard numbers so that an LID could move forward. Allen noted that this is the first he has heard of an LID Task Force. Nebel reported that the city had received a TGM grant to create a technical advisory committee. Tokos noted that the task force was discussed in context of the grant and would include the County Treasurer, the city's finance department, and technical members who would advise the consultant.

MOTION was made by Swanson, seconded by Saelens, to approve Task Order No. 9 with Civil West Engineering Services in the amount of \$236,584, for the design of the Highway 101 and Golf Course Drive Infrastructure Improvements and authorize the City Manager to execute the task order on behalf of the City of Newport. The motion carried unanimously in a voice vote.

MOTION was made by Swanson, seconded by Saelens, to appropriate \$120,000 from the NE 3<sup>rd</sup>/Yaquina Heights Drive Water Line Installation Project (2015-029) to the Highway 101 and Golf Course Drive Infrastructure Improvements Project to address expenses that will occur in the 2015/2016 Fiscal Year. The motion carried unanimously in a voice vote.

**Approval of Amendment No. 1 to Task Order No. 14 with Brown and Caldwell**

### **Engineering for Construction Phase Services on the Big Creek Lift Station Project.**

Hawker introduced the agenda item. Nebel reported that on July 20, 2015, the City Council awarded the bid for the Big Creek Pump Station project to JW Fowler in the amount of \$2,618,037. He stated that this amendment will provide the necessary hours for the consultant to review submittals, provide bid services, review proposals, provide construction inspection services, and address engineering related issues that come up during the construction phase of the project. He noted that the construction period will take up to one year. He added that at the July 20 meeting, he had indicated that an additional appropriation would be necessary for this project and that there are available bond funds that are unappropriated for the various wastewater projects that will be funded in the future through the State Revolving Fund. He stated that to address the appropriations for both the construction engineering and the original bid, staff is recommending that the appropriation for the Schooner Creek Pump Station be reduced by \$553,872 with those funds being added to the Big Creek Pump Station budget to bring that total up to \$2.9 million instead of appropriating new funding in this fiscal year from the State Revolving Funds commitment. He noted that this will provide sufficient funds for the bids, construction engineering, and contingency for this project. He added that this will not increase the overall appropriations in Fund 403 which is the Proprietary Capital Outlay Projects Fund. A brief discussion ensued regarding funding for this project. Nebel noted that it will be funded through State Revolving Fund monies, but that it may balance out depending on whether or not future projects come in under budget.

MOTION was made by Swanson, seconded by Saelens, to approve Amendment No. 1 to Task Order No. 14 with Brown and Caldwell, Inc. in the amount of \$110,545, for construction phase engineering services related to the construction of the Big Creek Pump Station Project and hereby authorize the City Manager to execute the task order on behalf of the City of Newport. The motion carried unanimously in a voice vote.

MOTION was made by Swanson, seconded by Saelens, to re-appropriate \$553,872 from the Schooner Creek Pump Station Project (2014-009) and add \$553,872 to the Big Creek Pump Station Project (2012-025) to bring that total budget up to \$2,900,000. The motion carried unanimously in a voice vote.

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

The City Council returned to its regular meeting at 7:40 P.M.

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

Roumagoux reported that she attended the reception, on August 4, for the release of the U.S. Postal Service Forever stamp recognizing the 225<sup>th</sup> anniversary of the U.S. Coast Guard. She noted that the stamps sold out in a day.

Roumagoux reported that, on August 6, she presented the Mayor's Ribbon at the annual Quilt Show.

Roumagoux reported that, on August 6, she attended the Oregon Community Foundation function, at the Oregon Coast Aquarium. She noted that OSU received a

large grant for its Marine Studies Initiative.

Roumagoux reported that, on August 7, she attended the Chamber After Hours event at which she made a birthday speech recognizing NOAA's fourth year in Newport.

Roumagoux reported that, on August 12, she attended an event presented by Dee Teem, Director of the Community Services Consortium, regarding how to encourage volunteerism in the community.

Roumagoux reported that, on August 13, she and Linda Kilbride attended the Angell Job Corps open house and accepted the award for the "Job Seekers" program. She noted that Swanson also attended on behalf of the city.

Saelens reported that he attended events recognizing the 50<sup>th</sup> anniversary of the Hatfield Marine Science Center.

Saelens reported that he had attended a recent, successful, meeting of the city's Bicycle/Pedestrian Advisory Committee.

Saelens reported that he attended the recent Lincoln County Fair, and that there were a number of attendees from outside the Newport area.

Swanson reported that she also attended the reception for the release of the Coast Guard Forever stamp. She noted that the Postmaster had mentioned that his children had been rescued by the Coast Guard helicopter.

Swanson reported that she attended the Angell Job Corps open house on August 13. She noted that she was assigned a student who gave her a tour of the campus. She added that she received a lot of information, and it was a wonderful event.

Swanson reported that she attended the Oregon Coast Chapter of Sweet Adelines 25<sup>th</sup> anniversary, at which she heard a spectacular group from Salem.

Swanson reported that the Senior Advisory Committee had met with John Baker earlier today, and that it was making great strides toward its goals.

Busby reported that he attended the 50<sup>th</sup> anniversary celebration for the Hatfield Marine Science Center.

Busby reported that he also attended the new Lincoln County Fair.

Busby reported that the Port meeting is scheduled tomorrow, and that Tokos and Elaine Howard, the city's consultant, will present an update on the proposed urban renewal plan.

Engler reported that, on August 4, she attended a meeting of the Solid Waste Advisory Committee. She noted that the group is continuing work on its debris management plan and should have a preliminary document soon.

Engler reported that she attended the City Council work session, and reception on the release of the Coast Guard Forever stamp on August 4.

Engler reported that she attended the 50<sup>th</sup> anniversary celebration for the Hatfield Marine Science Center.

Engler reported that she met with Swanson, Allen, and Nebel at the Farmer's Market to survey the parking issues and work on a solution.

Engler reported that the Nye Beach Overlay update was approved by the Planning Commission and forwarded to the City Council for a public hearing on September 8.

Engler reported that she attended a recent meeting of the Nye Beach Merchants Association. She added that the group has some great events coming up, including

children's classes, chalk mural event, the Color Run fundraising event for the VAC, and the George Winston performance at the PAC on September 12.

Engler reported that the Jazz Festival is coming up; the brochures are out; and the event has been expanded to include Thursday.

Allen reported that he attended the reception recognizing the release of the U.S. Coast Guard Forever stamp on August 4.

Allen reported that the City Council met with representatives of the Farmer's Market at its August 4 work session. He noted that staff agreed to contact the County to discuss opening up part of the parking lot to vendors.

Allen noted that he had planned to discuss the non-profit funding issue at the August 4 work session, but suggested that this issue be added to the agenda of the next goal setting session to determine whether to continue the program.

Allen asked whether the city would be posting the September 8 public hearing notices on the website. He also asked that when staff generates a report on the aquatic center, that it be publicly available, via a link, for public comment.

Busby noted that reading all messages to Council, in their entirety, could become very time-consuming on more controversial issues. He recommended a summary format rather than reading the messages verbatim. Nebel noted that an e-mail address had been created for public to use for comment when public hearings are held.

Allen stated that the decision to not put fluoridation equipment in the new water treatment plant, and the cost to add it at this time, was not included in the recent press release regarding fluoridation. It was noted that the press release would be reissued later this month. Nebel reported that public comment received by the Wednesday prior to City Council meetings will be included in the packet.

Nebel stated that the September 8 meeting will be fairly robust meeting, and that he is planning a noon work session on that day for a follow-up on the dam report. He added that there will also be an Urban Renewal Agency meeting, at 5:15 P.M., on September 8 to review the proposed urban renewal agency plans.

## ADJOURNMENT

Having no further business, the meeting adjourned at 7:59 P.M.

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Margaret M. Hawker, City Recorder

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Sandra N. Roumagoux, Mayor