

August 2, 2010
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, Bain, Bertuleit, Kilbride, McConnell, Patrick, Brusselback, and Obteshka were present.

Staff present was City Manager Voetberg, City Recorder Hawker, Executive Assistant Atkinson, City Attorney McCarthy, Community Development Director Tokos, Public Works Director Ritzman, Finance Director Marshall, and Police Lieutenant Teem.

Bain read a letter from the Mayor of Mombetsu.

Sister City Committee presentation. McConnell introduced Mrs. Kato, the chair of the Mombetsu delegation. Each delegate introduced themselves. Volunteer firefighters, Tonia Warren and Meredith Savage presented Mrs. Kato with two volunteer fire department shirts commemorating the 125th anniversary of the Newport Volunteer Fire Department. Councilor McConnell was wearing a shirt presented by the Mombetsu Volunteer Fire Department. Council dedicated the rag weaving that was presented to the city by the City of Mombetsu at the 40th celebration of the Sister City affiliation, in memory of Connie Gates, Bob Updenkelder, and Gene Bateman. Mrs. Kato addressed the City Council regarding the history and value of the Sister City relationship. Motoko translated Mrs. Kato's speech. The youth delegation, from Mombetsu, presented a dance.

PUBLIC COMMENT

Brad Nudd, Committee of Eight, addressed Council regarding the condition of a bench, across from the Bay Haven, on the Bayfront.

CONSENT CALENDAR

The consent calendar consisted of the following item:

- A. Approval of City Council minutes from the noon work session and regular meeting of July 19, 2010.

MOTION was made by Brusselback, seconded by Obteshka, to approve the consent calendar as amended. The motion carried unanimously in a voice vote.

COUNCILOR'S REPORTS AND COMMENTS

Obteshka offered special thanks to Kay Keady, from the Finance Department, for attending the last meeting to explain how utility bills were issued.

Obtreshka reported that he had received a letter from Jenny Stokes expressing interest in an appointment to the Technical Advisory Task Force.

Obtreshka reviewed the Library statistics for June. He reported that \$677 worth of books was found in a transient camp next to the Library, and that a security system might help this type of loss, but the system would cost approximately \$40,000. He noted that the Mombetsu delegation would present its dance at the Library on Wednesday at 12:30 P.M. He reported that the upcoming Literary Flick is "The Curious Case of Benjamin Button."

Obtreshka thanked the Chamber of Commerce for promoting the cookbook produced by the Senior Activity Center. He noted that several local businesses are selling the book.

Obtreshka reported that the Greater Newport Lodging and Restaurant Association discussed revisions to the transient room tax ordinance and will submit suggestions. The group opted not to take a position on temporary licenses and sign permits.

Obtreshka reported that the MidCoast Water Council will hold a presentation on wind energy on August 5.

Brusselback reported that he attended a meeting of the public arts group that discussed public art policies and procedures.

Brusselback reported that he attended the stakeholders meeting for the Marine Science Drive improvement project. He noted that it was an interesting meeting and that Tokos did a good job. Tokos noted that public outreach and input will occur throughout the project design. He added that the project is fully funded and within budget at this time.

McConnell thanked Council for allowing time for the Sister City presentation. McConnell reported that he had also attended the stakeholder meeting for the Marine Science Drive improvement project.

McConnell requested a status report on the Agate Beach parking group. Tokos reported that he is trying to coordinate a meeting with property owners to determine the range of issues to discuss. Once issues have been determined, broader engagement is planned.

McConnell asked about progress with recruitment and retention of volunteer firefighters. Voetberg noted that the recent pancake breakfast and other efforts have netted approximately five new volunteers. He added that recruitment efforts will continue.

McConnell asked whether the financial issue discussion had occurred at the work session. Voetberg reported that the matter has been rescheduled for the next work session, but that staff was investigating several ideas, including: the sharing of resources with other fire and rescue districts; the consolidation of the three PSAP centers; reduction/cost containment of employee health costs; reduction/cost containment of retirement costs; examining how recreation programs and services are managed; and the future of the FBO.

Kilbride noted that the Pension Board of Trustees will be meeting on August 10, and some of the issues regarding pension funding and shortfalls will likely be discussed.

Kilbride reported that transient room tax receipts through May are down \$10,500 from last year's collection, and down \$129,000 compared to the budget.

Kilbride reported that SeaPort has not met its ridership expectations at this time, although ridership has increased by 20.4 passengers weekly since this time last year.

He added that revenue from fare has increased from \$89,000 last year to \$141,000 this year. Brusselback asked whether the first time flyer program is being used in Astoria, and Bain noted that it was in use, and that this fare is \$49. McConnell reported that SeaPort will be making a presentation on marketing at the Airline Sustainability Task Force meeting on August 4.

Bertuleit reported that he attended a recent meeting of the Airport Committee at which Cossey discussed issues contained in the FAA report. Also discussed was the next AIP grant which will be used to replace signs, and the use of volunteers at the airport to help with customer service/public relations issues. He added that Cossey will be talking with someone who is interested in purchasing an airplane that would be leased for training, charters, etc.

Bertuleit reported that more than 80 plein air painters were painting in the area for the last few weeks. He noted that there was a big show at the Yaquina Bay lighthouse, and that participants came from Wisconsin, Japan, and throughout Washington and Oregon.

Bertuleit requested an excuse from the August 16, 2010 City Council meeting. MOTION was made by Brusselback, seconded by Patrick, to grant the excused absence from the August 16, 2010 City Council meeting. The motion carried unanimously in a voice vote.

Patrick reported on a recent Port of Newport presentation on the international terminal project. She noted that it is an excellent plan that should be completed without a hitch.

Patrick reported that she attended the Sister City bench dedication in honor of Gene Bateman. She thanked the McConnell's for their efforts with the Sister City visit.

Bain reported that an open house is underway at the former Yaquina View Elementary School regarding homelessness in Lincoln County. He recommended attending if time permits.

Bain reported that the recent Relay for Life event was successful.

Bain reported that he assisted the Railroad Society by providing equipment demonstrations at the Toledo Antique Fair.

OFFICER'S REPORTS

Mayor's Report. Bain appointed Lefteris Lavrakas to the Senior Advisory Committee. MOTION was made by Obteshka, seconded by Brusselback, to ratify the Mayor's appointment. The motion carried unanimously in a voice vote.

City Manager's Report. Voetberg reported that six people had applied for appointments to the Georgia-Pacific Technical Advisory Task Force, and that additional applications are expected. He will submit them to Council at an upcoming meeting.

Voetberg reported that the Lincom executive board is interested in consolidating the three PSAP's into one, and toward that end, has written to Toledo and Lincoln City to determine interest in participation.

Bain reported that the Lincoln County mayor's will be meeting on August 13, 2010 to discuss consolidation of PSAP's.

Voetberg reported that he is looking at the upcoming budget process and looking for cost-savings. He reviewed various options being examined, including: sharing of

resources with other fire and rescue districts; PSAP consolidation; and employee health cost containment. He reported that he had sent a letter to the three unions and non-represented asking each group to explore health care cost containment. He noted that he plans to attend the Retirement Trustee meeting on the August 10 to elicit help in working through retirement issues. He noted that he is exploring recreation programs and services and how they are managed. He added that the Parks and Recreation Department did a great job on obtaining grants this year, but that next year; the focus will be on construction and programs designed to utilize the facilities in the most effective manner. He reported that he will be looking at recreational facilities in other communities to see if it makes sense for the city or a nonprofit organization to manage these services. Bain suggested visiting the Silverton recreation center. He noted that other areas to be investigated include a reserve fund policy, capital improvements strategy, and the disposition, if any, of the FBO.

Voetberg reported that Cossey did a great job on the AIP project. This AIP project will include a new beacon, runway lighting, and electronic work.

Voetberg reported that SeaPort will discuss marketing at the August 4 meeting of the Airline Service Sustainability Task Force meeting, and that Rob McKinney will discuss airline sustainability at the City Council work session on August 16.

Voetberg noted that the updated suggestion/concern/complaint list is included in the packet.

Voetberg reported that a joint meeting with the Planning Commission will be held August 9 at 6:00 P.M.

Voetberg distributed copies of the first edition of the newly-initiated employee newsletter. He noted that it was distributed electronically, and that hard copies would be available in break rooms.

Voetberg noted that a recommendation had been made to modify the process for applying for tourism promotion grants, which would change the deadline for application to a minimum of two months prior to an event. MOTION was made by McConnell, seconded by Brusselback, to amend the tourism grant application process by modifying the application deadline to a minimum of two months prior to an event. A brief discussion ensued, and it was agreed that a press release would be issued tomorrow. The motion carried unanimously in a voice vote.

Patrick asked when the next meeting on room taxes and business licensing would occur, and it was noted that it is scheduled for August 13, 2010, at 1:30 P.M.

Bertuleit asked for a status report on the engineering of the Naterlin Drive sidewalk. Ritzman reported that he has reviewed 50% of the plans, and that comments are due by the end of this week. He noted that design updates would take another three or four weeks. He added that a big challenge is wetlands, and that DSL has indicated that review of wetlands could take another six months.

DISCUSSION ITEMS AND PRESENTATIONS

Update on the water treatment plant. Ritzman and Steve Stewart, water plant supervisor, presented a status report on the new water treatment plant. They made a PowerPoint presentation. Ritzman reported that there are challenges due to the site, and that the site straddles the city/county line. Ritzman noted that he will have a clearer idea on the budget within the next few weeks when guaranteed price #2 is prepared. He

added that the project should be close to budget, and that there is a list of items that could be deleted if necessary.

ACTION ITEMS

Consideration of Resolution No. 3521, modifying swimming pool fees associated with swim meets. Stephanie Simpson, president of the swim team board of directors, stated that the board wanted Council to know that even though the fees for the swim meets might be reduced, the cost to the swim team is higher than last year. She reviewed the history of the swim meet, its operation, and its impact on the local economy. It was noted that Simpson, Voetberg, and Protiva had met and agreed upon the amount of reduction included in Resolution No. 3521. A discussion ensued regarding how much revenue had been budgeted for this event and whether an adjustment was necessary. Voetberg recommended against using transient room taxes to make up a shortfall as there are no contingencies, and the funding would need to be reduced elsewhere. It was noted that both the income and expenses would off-set one another. It was explained that the issue before Council is the modification of the swimming pool fee schedule to address swim meet fees that exceed the cost of providing service. It was noted that the actual cost of providing services during a swim meet is \$3.50 per participant per day, and the fee is currently \$5.00. If Resolution No. 3521 is adopted, the fees would align with the cost of services. It was noted that staff supports adoption of Resolution No. 3521. MOTION was made by Obteshka, seconded by Brusselback, to adopt Resolution No. 3521, as presented. Obteshka stated that he is not willing to override what was negotiated in good faith. MOTION was made by Kilbride to transfer \$1.50 per participant from the transient room tax fund to the pool. The motion died for lack of a second. The motion carried in a voice vote with Kilbride voting no.

Recommendation by the Destination Newport Committee to expend discretionary marketing funds for a 30-minute fall/winter PDXposed episode. Lorna Davis, chair of the Destination Newport Committee, explained the roles and responsibilities of the Destination Newport Committee. She reported that there is \$375,000 budgeted for advertising, and another \$105,000 in discretionary funding. She noted that a new edition of PDXposed would cost \$15,000, but that PDXposed was willing to run additional advertisements for the city, along with the rerunning of earlier PDXposed episodes. Brusselback asked how the success of the program would be measured, and Davis noted that a promotion may be included in the upcoming edition, and responses to the promotion could be tallied. It was reiterated that the issue before Council is the purchase of a 30 minute fall/spring episode of PDXposed at a cost of \$15,000. It was noted that the Destination Newport Committee recommends the proposal. MOTION was made by McConnell, seconded by Bertuleit, that the city enter into an agreement with PDXposed, in the amount of \$15,000, for the production of a 30-minute fall/winter television episode to be aired on or around September 11 and 12, 2010, and October 30, 2010, and to authorize the city manager to execute all necessary contractual documents on behalf of the city, and further that the funding come from the Room Tax Fund, Advertising and Marketing line item. The motion carried unanimously in a voice vote.

Amendment to the Lincoln County School District/City of Newport Construction Excise Tax Intergovernmental Agreement. Tokos explained that the issue before Council is the first amendment to an intergovernmental agreement between the Lincoln County School District and the city regarding the collection of a construction excise tax. He reviewed the history of the tax, noting that if approved, the administrative fee would increase from one percent to four percent, and that the process would be streamlined. MOTION was made by McConnell, seconded by Brusselback, to approve, in principle, this first amendment to the intergovernmental agreement with the Lincoln County School District regarding the collection of a construction excise tax and authorize the Mayor to sign the agreement. The motion carried unanimously in a voice vote.

COUNCIL COMMENTS

Bertuleit noted that if the swimming pool bond passes, both resident and non-resident fees will be similar.

ADJOURNMENT

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

Margaret M. Hawker, City Recorder

William D. Bain, Mayor