

December 2, 2013  
6:00 P.M.  
Newport, Oregon

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

Also attending were Ted Smith, Interim City Manager, Peggy Hawker, City Recorder, Tim Gross, Public Works Director, and Jim Protiva, Parks and Recreation Director.

Also in attendance was Dave Morgan from News Lincoln County, Larry Coonrod from the Lincoln County Dispatch, and Wyatt Haupt from the Newport News-Times.

### PLEDGE OF ALLEGIANCE

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

### ACTION ITEMS

**CANVASS OF BALLOTS - NOVEMBER 5, 2013 MUNICIPAL ELECTION ON MEASURE NO. 21-152 - GENERAL OBLIGATION BONDS FOR NEW INDOOR MUNICIPAL SWIMMING POOL.** Hawker reported that the issue before Council is post-election housekeeping, and includes the approval of the canvass of the ballots of the November 5, 2013 municipal election on Measure No. 21-152, general obligation bonds for a new indoor municipal swimming pool. She noted that the abstract of votes, which was included in the Council packet, is prepared and issued by the Council Clerk, and Council's "canvass" is a review/scrutiny of the abstract and approval of the abstract. MOTION was made by Swanson, seconded by Sawyer and Allen, to approve the canvass of the ballots of the November 5, 2013 election at which Measure No. 21-152 was approved by the voters of the City of Newport. The motion carried unanimously in a voice vote.

**CONSIDERATION OF RESOLUTION NO. 3655 AUTHORIZING THE ISSUANCE, SALE, EXECUTION, AND DELIVERY OF NOT TO EXCEED \$7,900,000 GENERAL OBLIGATION BONDS, SERIES 2013; AUTHORIZING A SPECIAL AD VALOREM TAX LEVY; DESIGNATING AN AUTHORIZED REPRESENTATIVE; DELEGATING THE APPROVAL AND AUTHORIZATION OF DISTRIBUTION OF THE PRELIMINARY AND FINAL OFFICIAL STATEMENTS; EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT; CLASSIFYING TAXES; AND RELATED MATTERS.** Smith reported that the issue before Council is the consideration of Resolution No. 3655 which authorizes the sale of the \$7,900,000 of General Obligation Bonds approved by the voters on November 5, 2013, and provides for related matters. He explained the three options related to the estimated tax rate of the bonds. Allen noted that the upper limit of \$ .49 per \$1,000 of assessed value was a placeholder. He added that after the last work session, he reviewed other resolutions associated with the city's past bond measures, and found that there was an estimate for the water treatment plant bonds, but not an estimate on the wastewater treatment plant bonds. He reported that both resolutions did

not reflect an upper limit rate, but authorized the bonds be sold at competitive rates and using staff's best judgment. He added that bond counsel suggested rates that reflect current market conditions. Allen stated that he does not support including an upper limit rate. Sawyer noted that Interim Finance Director Gazewood was confident the rate would be \$ .43 or \$ .44 per \$1,000 of assessed value.

Roumagoux read a letter from Elaine Karnes stating that "it is only appropriate to spend no more per thousand than stated in the voters' literature and promotional information, and that it is not appropriate to add on any further amenities (i.e. slide or roof garden) than promoted."

Further discussion ensued regarding the options related to the estimated tax rate of the bonds. Protiva noted that all the information is contained in Gazewood's staff report. Saelens reported that he had participated in all conversations with bond counsel and was comfortable with either option B. or C. as contained in Gazewood's staff report.

Alice Vachss addressed Council as a resident and pool user. She reported that her research indicates that \$7,000,000 for the construction of the building is insane. She suggested that since the vote was so close, the voters be allowed another opportunity to vote on the issue.

Rhonda Harman addressed Council as one of the fundraising co-chairs. She noted that she is proud of the job the group did, and while there was a small voter turnout, the measure passed.

Lou Limbrunner stated that he hates seeing this money spent on wasteful things, and suggested that the measure be presented again in a "real" election. He added that the existing pool could be rehabilitated for under a million dollars.

Vachss stated that Oregon Constitutional protections do not have to do with the number of votes. She noted that she is asking for an election during a general election year. Allen reported that the city's attorneys and bond counsel had reviewed the measure and had not seen a legal issue with what the city is doing. He added that regardless of whether the election was close, the voters have spoken, the measure passed, and he is ready to move forward.

MOTION was made by Allen, seconded by Beemer, to adopt Resolution No. 3655, a resolution authorizing sale of \$7,900,000 in general obligation bonds approved by the voters of the City of Newport, Oregon, on November 5, 2013, and providing for related matters, and incorporating in Section 3 the words "incoming City Manager" and adding to Subsection 3.(5), fourth line, following the words "20 years," the phrase "and the rates and prices at which the bonds are sold reflect current market conditions." The motion carried unanimously in a voice vote.

Saelens reported that there was extensive vetting by the community regarding whether a new pool was wanted. He noted that there were extensive monthly meetings, an open house, meetings of the Parks and Recreation Committee, at which the issue was discussed. He added that it is not unusual for contentious issues to come out closely as that is the nature of the community.

**CONSIDERATION OF RESOLUTION NO. 3656 SUSPENDING THE ANNUAL INCREASE IN PARKS AND RECREATION USER FEES.** Smith reported that the issue before Council is consideration of Resolution No. 3656 which would suspend the annual increase in parks and recreation user fees for one year. He noted that the day pass user would be paying \$3.36 per use with the increase, and that it would be better to thank

people for supporting the bond measure by not increasing the rates this year. Protiva reported that the resolution is supported by the Parks and Recreation Committee. Allen noted a typo on the effective date of the resolution.

MOTION was made by Beemer, seconded by Saelens, to adopt Resolution No. 3656, suspending the increase of Recreation Center and Swimming Pool user fees for one year, as amended. The motion carried unanimously in a voice vote.

### **PUBLIC COMMENT**

Carla Perry noted that the city has contracted with a grant researcher and understands that the chance of finding money to support the swimming pool construction is low. She asked that if money is found, it be applied toward the construction cost or to pay down the debt as opposed to funding additional special features.

### **COUNCIL COMMENTS**

Busby reported that there has been discussion regarding the creation of a task force to look at the business licensing issue. He noted that a discussion will be held regarding this matter at the December 16 work session. He added that the initial plan is for a group to be comprised of Saelens, Busby, and staff from the enforcement side, planning, and finance, and the goal is to gather information and make recommendations for changing the ordinance.

Beemer complimented the organization that supported passage of the pool bond. He added that the big difference between this election and the previous election is the organized support and ensuring that the information was distributed.

Allen reported that the Infrastructure Task Force met on November 21 and will hold meeting on December 5 and 19. He added that the new City Manager will be able to attend the final meeting.

Roumagoux thanked the pool bond measure supporters.

Roumagoux read a letter from Isabel Solano, a sophomore at Newport High School, who urged Council to support mitigation of plastic shopping bags.

Smith reported that a special meeting will be held on December 9 with a public hearing at 7 P.M., and possible presentations beginning at 6:00 P.M.

### **ADJOURNMENT**

Having no further business, the meeting adjourned at 6:42 P.M.

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Margaret M. Hawker, City Recorder

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Sandra N. Roumagoux, Mayor