

July 17, 2017
6:00 P.M.
Newport, Oregon

CITY COUNCIL MEETING

ROLL CALL

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

Staff in attendance were Spencer Nebel, City Manager; Peggy Hawker, City Recorder/Special Projects Director; Steve Rich, City Attorney; Derrick Tokos, Community Development Director; Rob Murphy, Fire Chief; Tim Gross, Public Works Director; Mike Murzynsky, Finance Director, and Jason Malloy, Police Chief.

PLEDGE OF ALLEGIANCE

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

PROCLAMATIONS, PRESENTATIONS, AND SPECIAL RECOGNITIONS

Proclamation - Proclaiming August 2017 as Coast Guard Month in the City of Newport.

Hawker introduced the agenda item. Roumagoux proclaimed the month of August 2017 as Coast Guard Month in the City of Newport. Chief Warrant Officer, Thomas Molloy, Commander of Station Yaquina Bay, accepted the proclamation and thanked the city for its support of the Coast Guard.

Presentation of Lifesaving Awards to Police Officers Hayden Randall and Calvin Davis. Hawker introduced the agenda item. Roumagoux and Malloy presented lifesaving awards to Police Officers Hayden Randall and Calvin Davis for their part in assisting the Fire Department and medical staff in saving the life of a South Beach man.

From Director Bob Cowen, Hatfield Marine Science Center - Update on Marine Science Initiative. Hawker introduced the agenda item. Nebel reported that Oregon State University has continued to work on a design for a new educational facility in South Beach to house the Marine Science Initiative. He stated that OSU is proposing that the structure provide vertical evacuation, in addition to the classroom and office space. He noted that the Marine Science Initiative would have significant impacts in South Beach and Newport with the ultimate enrollment of 500 undergraduate and graduate students, living and studying here. He added that OSU continues to move forward with student housing which will be built in the Wilder subdivision.

Cowen reviewed the history of the Marine Science Initiative. He discussed students, programming, faculty and support staff, the buildings, and the additional safety value to the Hatfield Marine Science Center. He reported that YGH Architecture, from Seattle, has been contracted to design the building, which will include, among other things, an innovation lab, vertical evacuation for up to 1,000 people, and an auditorium and main building. He noted that groundbreaking is scheduled for January or February of 2018 with

completion in the spring of 2019. He stated that the dormitories would be built at Wilder on similar timelines. He reiterated that this project is a major investment for OSU.

Lori Fulton, Capital Planning and Development Project Manager for OSU, reported that much of the funds have been raised, and that fundraising will continue, and include naming opportunities.

Cowen responded to questions, suggestions, and comments from Council.

CONSENT CALENDAR

The consent calendar consisted of the following items:

- A. Approval of minutes of the work session of June 19, 2017;
- B. Approval of minutes of the regular meeting of June 19, 2017.

Saelens suggested changes to the work session minutes. MOTION was made by Engler, seconded by Allen, to approve the consent calendar with the changes to the work session minutes as made by Saelens. The motion carried in a voice vote with Goebel abstaining as he had not attended these meetings.

PUBLIC HEARINGS

Public Hearing on Resolution No. 3786 Adopting a System Development Charge Methodology and Setting Rates. Hawker introduced the agenda item. Nebel reviewed the public hearings that would occur at this meeting related to housing/construction. He reported that in 2013, the Planning Commission initiated amendments to Chapter 12.15 of the Municipal Code. He stated that as these discussions occurred, it became apparent that revisions that are more comprehensive were needed and that this would likely need to be facilitated by a consultant familiar with system development charge methodologies. He noted that the city retained FCS Group to provide the technical assistance necessary in order to complete these tasks. He added that Council appointed a technical advisory committee to work with FCS Group in completing this work.

Nebel reported that he believes that the proposed methodology will reduce SDC fees based on a reduction on long-term capital projects. He stated that the percentage of future construction costs that would be collected through SDC fees for each category of development projects has been modified to reflect future needs for funding with this methodology. He added that this methodology would enable the city to implement a construction excise tax to facilitate future housing needs without generally increasing costs for new development.

Nebel recommended that Council not take any formal action on any of the ordinances or resolutions, related to housing issues, at this meeting. He suggested that, after the public hearings, Council refer the various ordinances and resolutions to the August 7 meeting for potential adoption.

Roumagoux opened the public hearing at 6:45 P.M. She called for public comment.

Bonnie Serken, Chief Operating Officer of Landwaves, Inc., spoke in support of Resolution No. 3786 and the proposed new SDC methodology.

Jim Patrick, Chair of the Planning Commission, and local builder, spoke in support of Resolution No. 3786 and the proposed new SDC methodology.

Gary Lahman spoke in support of Resolution No. 3786 and the proposed new SDC methodology.

Joann Troy, Director of the Lincoln County Housing Authority, spoke in support of Resolution No. 3786 and the proposed new SDC methodology.

Hearing no further comment, Roumagoux closed the public hearing at 6:49 P.M., for Council deliberation.

MOTION was made by Goebel, seconded by Sawyer, to close the public hearing, and ask that Resolution No. 3786 be considered at the August 7, 2017 meeting for additional discussion and possible adoption. The motion carried unanimously in a voice vote.

Public Hearing on Ordinance No. 2113 Amending Chapter 12.15 of the Newport Municipal Code Related to System Development Charges. Hawker introduced the agenda item. Nebel reported that this item is related to Resolution No. 3786 regarding the updated system development charge methodology. He stated that the language addresses a number of exemptions and cleans up the process for granting credits for prior uses for eligible projects.

Roumagoux opened the public hearing on Ordinance No. 2113 at 7:01 P.M. She called for public comment.

Tokos reported that written testimony had been received from David Craig, and asked that his testimony be entered into the record. Roumagoux read Craig's testimony in support of Ordinance No. 2113.

Lola Jones, Executive Director of Samaritan House, spoke in support of Ordinance No. 2113 and the entire package of housing related legislation.

Hearing no further comment, Roumagoux closed the public hearing at 7:05 P.M. for Council deliberation.

MOTION was made by Swanson, seconded by Engler, to close the public hearing and ask that consideration of Ordinance No. 2113, amending Chapter 12.15 of the Newport Municipal Code relating to System Development Charges, be continued to the August 7, 2017 Council meeting for additional discussion and possible adoption. The motion carried unanimously in a voice vote.

Public Hearing on Ordinance No. 2114 Establishing a Construction Excise Tax for Affordable Housing. Hawker introduced the agenda item. Nebel reported that Senate Bill 1533 authorizes cities and counties to implement construction excise taxes (CETs) to help pay for affordable housing programs. He stated that this is also consistent with Goals 1 and 2 of the Newport Comprehensive Plan, which call for the provision of housing in adequate numbers, price ranges, and rental levels that are affordable to workers, and commensurate with the financial capabilities of Newport's households.

Nebel reported that with the adjustments being made to the SDC methodologies, an excise tax could be implemented, and in most cases, the overall impact on project construction fees will still be reduced for most projects.

Nebel reported that since the 2016 enactment of laws allowing local governments to collect construction excise taxes, a number of jurisdictions, including Tillamook County, Canon Beach, Corvallis, and Portland, have adopted CETs. He added that the Technical Review Committee invited representatives from Bend to make a presentation on the use

of construction excise taxes to promote affordable housing. He noted that Bend has been able to use these funds to facilitate a number of major housing projects. He stated that the city is at a unique point in which it can proceed with implementing a construction excise tax in conjunction with the new SDC methodology.

Roumagoux opened the public hearing at 7:09 P.M. She called for public comment. There was none. She closed the public hearing at 7:10 P.M. for Council deliberation.

Allen asked whether a tax may be set by resolution or whether it is required to be set by ordinance. Rich will review and report to Council.

MOTION was made by Sawyer, seconded by Saelens, to close the public hearing and ask that consideration of this ordinance be continued to the August 7, 2017 Council meeting for additional discussion and possible adoption. The motion carried unanimously in a voice vote.

Public Hearing on Resolution No. 3787 Setting Tax Rates for a Construction Excise Tax for Affordable Housing. Hawker introduced the agenda item. Nebel reported that Resolution No. 3787 is a companion to Ordinance No. 2114, which would establish an excise tax for affordable housing. He stated that under Oregon law, 50% of the construction excise tax collected after administrative fees is to be used for affordable housing, and can be used to pay for whole or partial fee waivers for SDCs, finance-based incentives, or full and partial exemptions from property taxes. He noted that 35% of the fees are available for programs such as affordable housing rehabilitation grants, homebuyer down payment assistance, and buyer education programs. He stated that 15% of the collected taxes are earmarked to go to the Oregon Housing Community Services to fund the department's down payment assistance program. He noted that the Planning Commission's recommendation is that the rate be established at 1% per commercial and residential construction, with the fee for administering the construction excise tax being set at four percent of gross revenues.

Roumagoux opened the public hearing at 7:12 P.M. She called for public comment. There was none. She closed the public hearing at 7:13 P.M. for Council deliberation.

MOTION was made by Engler, seconded by Goebel to close the hearing and ask the consideration of this resolution be continued to the August 7, 2017, Council meeting for additional discussion and possible adoption. The motion carried unanimously in a voice vote.

Public Hearing on Ordinance No. 2115 Establishing a Multiple Unit Property Tax Exemption Program for Multi-Family Rental Properties. Hawker introduced the agenda item. Nebel reported that state law authorizes cities to use property tax incentives to attract new multi-family housing developments. He stated that the housing needs and buildable lands assessment in 2011 and 2014 indicated that there is a lack of affordable workforce housing in the city. He added that it indicated that the pace of construction of multi-family housing units in Newport is well below the documented need. He noted that over the past year, the Planning Commission has worked with city staff to identify how tax incentive programs could be applied to Newport. He stated that the tax exemption could be provided for up to ten years in exchange for reserving a portion of the units as affordable (up to 80% of median family income.) He added that this could include new construction or redevelopment. He noted that any proposal for any tax exemption program would prohibit units from being used as vacation rentals and require certain public benefits

to be incorporated into the project. He added that property tax exemptions would only be provided to developments outside of known hazard areas.

Nebel stated that he believes that the very slow pace of multi-family unit development in Newport justifies a reconsideration of creating a tax exemption opportunity for developers wishing to invest in the city. He added that he believes this will be an additional tool to help address the lack of workforce housing in the greater Newport area.

Roumagoux opened the public hearing at 7:15 P.M. She called for public comment.

Jim Patrick reported that the quarter mile is written into the standards.

Wayne Belmont reported that the Board of County Commissioners would be discussing these issues on July 19.

Lola Jones stated that it is important to make these projects pencil out.

Frank Geltner asked whether this issue addresses tiny houses.

Hearing no further comment, Roumagoux closed the public hearing at 7:19 P.M., for Council deliberation.

MOTION was made by Swanson, seconded by Allen, to close the public hearing and ask that consideration of this ordinance be continued to the August 7, 2017 council meeting for additional discussion and possible and possible adoption. The motion carried unanimously in a voice vote.

Public Hearing on Ordinance No. 2116 Establishing a Tax Exemption Program for Non-Profit Corporations that Construct Low-Income Housing. Hawker introduced the agenda item. Nebel reported that state law authorizes cities to use property tax incentives to facilitate affordable housing. He stated that the Planning Commission is recommending that Council establish a tax exemption program for non-profit corporations that construct low-income housing in the city. He noted that the program applies to existing low-income housing projects and vacant land held for up to three years for the purposes of developing low-income housing.

Roumagoux opened the public hearing at 7:24 P.M. She called for public comment.

Marletta Noe addressed the issue of conversion of multi-family housing to halfway housing purposes.

Roumagoux closed the public hearing for Council deliberation at 7:27 P.M.

MOTION was made by Allen, seconded by Swanson, to close the public Hearing and ask that consideration of this ordinance be continued until the August 7, 2017 Council meeting for additional discussion and possible adoption. The motion carried unanimously in a voice vote.

Public Hearing on Resolution No. 3790 Adopting a Supplemental Budget for Fiscal Year 2017/2018. Hawker introduced the agenda item. Nebel reported that this supplemental budget is presented to address funding for the purchase and outfitting of a used fire engine from the Tangent Fire Department. He stated that the funding will come from the Fire Reserve for equipment purchases, and the reserves will be reduced by \$90,000.

Roumagoux opened the public hearing at 7:30 P.M. She called for public comment. There was none. She closed the public hearing at 7:31 P.M. for Council consideration.

MOTION was made by Swanson, seconded by Saelens, to adopt Resolution No. 3790 with Attachment A, a Resolution Adopting a Supplemental Budget for the Fiscal Year

2017/2018 and Making Appropriation Increases and Changes for the Fiscal Year. The motion carried unanimously in a voice vote.

Further discussion ensued regarding housing issues. Engler stated that she would like to know more about the impacts of vacation rental dwellings on sales and rentals of housing stock. She also stated that she would like more information on how construction excise funds are used.

COMMUNICATIONS

Continued Discussion on Zero-Foot Setbacks for Garages in Nye Beach. Hawker introduced the agenda item. Nebel reported that on June 19, 2017, Council requested that the Planning Commission assess whether the city should revisit standards for garage setbacks in the Nye Beach Design Review Overlay Zone. He stated that this relates to a provision added to Chapter 14.30 of the Newport Municipal Code that allows the construction of garages at the property line as an alternative to meeting a 20-foot setback.

Nebel reported that this issue arose due to a developer currently constructing single-family homes on three lots at the corner of Olive and Coast Streets in an area zoned C-2/"Tourist Commercial." He stated that the city, in 2008, approved a request from Nye Beach residents and business owners to remove the prohibition on residences at street grade.

Nebel reported that the Planning Commission discussed the issue at its June 26, 2017 meeting at which there were several Nye Beach residents and business owners in attendance, and three letters, related to the issue, were received and discussed. He stated that issues raised included the loss of on-street parking due to the driveway curb cuts for each home, potential safety conflicts between vehicles and pedestrians, compatibility with the design aesthetic of Nye Beach, and frustration that the homes at this location may be used as vacation rentals. He noted that other feedback included that the zero setback for garages provides design flexibility given the small lot sizes in Nye Beach, and that it must be viewed in conjunction with other development standards that influence the built environment.

Nebel reported that the Planning Commission considered the comments and determined that additional assessment of the zero setback option for garages in Nye Beach is appropriate provided it is pursued in the context of a broader evaluation of the non-discretionary standards for residential development, and in particular, those standards that apply to residential construction at street grade in the C-2 zone. He stated that the Planning Commission approved a letter to this effect, and it is included in the packet.

Allen stated that he would prefer to leave the issue a bit more open-ended for the Planning Commission. He noted that Council relies on the Planning Commission to do a lot of groundwork, and that he does not want to confine the discussion to what is in the motion.

Engler asked whether Council would hear public comment on this item.

Goebel stated that he read the Municipal Code provisions and talked with Tokos. He stated that he is concerned with the clarity of the Code. He asked whether the three

houses, for which permits have been issued, should have been required to go through a conditional use permit process.

Engler asked whether residential uses in a C-2 must comply with residential or C-2 zoning. Tokos noted that it must comply with the 2008 amendment.

Cathey Briggs raised the issue of public safety. She stated that she called the city before the permits were issued on the three houses and asked about safety issues related to zero garage setbacks.

Gross stated that he has looked at this situation and has no concerns, from a traffic safety perspective, about residents pulling into traffic or striking anyone due to a lack of visibility.

Briggs stated that she has checked to find similar requirements in other cities, and suggested that if it is safe, why more cities are not doing this.

Goebel stated that if it is the purpose of these standards to improve safety, continuity, relationships, and connectivity of neighborhoods, he is not sure the applicant demonstrated that. Tokos noted that this is a discretionary standard.

Allen noted that there are differences of opinion regarding public safety. He stated that he reviewed the packet from when the zero foot setback was approved, and that this provision was buried in the back. He added that if the issue had been more pronounced, Council would have had more of a discussion.

Engler stated that she believes the zero food setback should be removed from the Code. She suggested removing this provision and asking the Planning Commission to review the remainder.

Gus Willemin expressed safety concerns. He stated that with the zero foot setback, pedestrians are in danger.

Nebel noted that there are several options, including: Council could approve the motion included in the packet; approve an alternative motion to direct language changes to eliminate the zero foot setback; or approve a general motion to get a more detailed recommendation from the Planning Commission.

Kathy Cleary stated that she is appalled that this discussion has to occur. She stated that the ad hoc group spent months reviewing this type of issue, and that a lot of discussion revolved around this specific property. She stated that the zero foot setback was never discussed. She noted that she did not read the changes when they were presented.

Allen stated that what occurred was a public process with a publicly noticed meeting. He added that the recommendation was not considered as much at the Planning Commission meeting. He noted that he would like to go back and acknowledge what the ad hoc group did that made it to Planning Commission. He added that Council never had that issue before it, and he would like to cure that in the future. He suggested acknowledging the ad hoc committee recommendation and incorporating it into the Code. He stated that nothing could be done to fix what is happening with the three lots. He noted that a zero foot setback is not appropriate in these circumstances.

Goebel stated that in conjunction with discussion regarding the setback, use, lot size, and building size, he would like a discussion on vacation rental dwellings and where they should be allowed.

Allen stated that he prefers to keep land use planning separate from the VRD issue.

Tokos noted that this is a legislative change that has to go back to the Planning Commission.

Allen stated that he would like to have staff come back with recommended language based on what ad hoc committee did prior to sending the issue back to the Planning Commission.

Tokos noted that his understanding is that the issue would return to the Planning Commission to address removal of the zero foot setback; prohibited use language and what is meant by size.

MOTION was made by Allen, seconded by Swanson, to send the issue back to the Planning Commission to review the issues delineated by Tokos. The motion carried unanimously in a voice vote.

Engler asked whether the city could place a moratorium on vacation rental dwellings. Rich stated that he did not know how this could occur, but agreed to review the issue.

Goebel asked whether vacation rental dwellings could be approved as conditional uses.

CITY MANAGER'S REPORT

Approval of News-Times Contract for Services for the Destination Newport Committee Beginning July 1, 2017. Hawker introduced the agenda item. Nebel reported that in the 2016/2017 Fiscal Year, Council entered into an agreement with the Newport News-Times for various marketing services and support of the marketing programs that are overseen by the Destination Newport Committee. He stated that the work included in this contract is also coordinated with the city's tourism fulfillment services agreement with the Chamber. He noted that over the course of this fiscal year, the agreement provided assistance with Google search engine marketing, including optimizing key words, creating display network ads, and producing quarterly reports showing the impact of these efforts.

Nebel reviewed the proposed work of the News-Times for the new fiscal year. He stated that the budget for this work is \$100,000.00 in professional fees, and \$23,000.00 in printing fees. He added that the city would be billed, without any additional overhead, for the estimated media expense for Google for \$114,000.00.

Nebel reported that it is the opinion of the Destination Newport Committee that the increased investment in creating an active presence on social media has substantially benefitted the city's marketing efforts. He added that through the optimization of key words and ads through Google, the Committee gets almost instantaneous feedback as to the success of these specific efforts that have maximized the benefit of the advertising dollars for promoting Newport in the electronic media.

MOTION was made by Sawyer, seconded by Saelens, to authorize the City Manager to execute a contract for advertising and marketing services with the Newport News-Times for the 2017/2018 Fiscal Year. The motion carried unanimously in a voice vote.

Oceanview Drive Speed Limit. Hawker introduced the agenda item. Nebel reported that this issue arose because of a recent letter to the editor of the Newport News-Times that appeared in the June 9, 2017 edition. He stated that Council briefly discussed the issue at its work session of June 19, 2017, and at that time, Council requested that a discussion on this matter occur at this meeting. He noted that the packet includes: correspondence from various individuals expressing opinions related to the Oceanview

Drive speeds; a memo from Public Works Director Tim Gross that includes an overview of speed zone laws, a history of the speed limit on Oceanview Drive, and a summary of the actions taken to establish the current speeds on this street; the letter to the editor that was included in the June 9, 2017 edition of the Newport News-Times; the 2013 speed study of Oceanview Drive at the Agate Beach parking lot; and the 2013 speed study of NW Oceanview Drive at 14th Street.

Gross explained the process for setting speed limits on public roads. He stated that in 2013, it was marked at 25 MPH, and is now marked at 35 MPH, although people are driving 28 MPH.

Janet Westhusing asked Council to be thoughtful when they discuss this issue, and to listen to comments. She stated that for those people who walk the street daily, it is a harrowing experience, and has worsened in the nine years she has lived there. She noted that bikers, walkers, people with dogs, and people crossing from the hotel to the beach are using the road, and there are cars going 38 MPH and faster. She noted that there are no sidewalks or shoulders.

Mary Jo Higgins stated that she supports lowering speed the limit. She reiterated that there are no shoulders or sidewalks, and it is not safe.

James Hanselman reported that he has written a letter to the News-Times. He stated that he wants the city to look out for the safety of all Oceanview users. He suggested that 25 MPH might be the safe speed.

Jerry Robbins displayed a wooden sign that read, "Slow Down Please." He stated that he believes that Oceanview Drive has turned into a freeway. He noted that his impression is that over the last five years, the volume of traffic and speed has increased.

He reported that there are many hidden driveways on blind curves, and it is dangerous to enter the roadway due to speeders. He suggested installing traffic calming devices to include signage and striping, stop signs, or closing Oceanview to all but residential traffic.

Allen noted that traffic has increased three times in volume since 2013.

Gary Lahman suggested Oceanview Drive be a one-way southbound from Highway 101 to 11th Street with a pedestrian right-of-way on one side of the street.

Richard Summer reported that he wrote a letter that is included in the packet. He addressed comments made by Gross, and suggested that the increased speed and volume of vehicles will create greater risk over time.

Peggy Earl Fender reported that she has nearly been rear-ended at her driveway. She suggested the installation of stop signs.

Conrad Willit reported that stop signs and extended shoulders would help the problem.

George Benton suggested spot signs in both directions at 15th Street, and southbound at Spring Street.

Chuck Kurt suggested speed bumps or something other than what currently exists. He stated that 25 MPH would be good for him.

Ashley Garner stated that she chooses to walk everywhere, and has been honked at, yelled at, and run off the road. She suggested sidewalks or shoulders and a reduced speed limit.

Annie Butterfield suggested four-way stops at 15th and 22nd Streets and Oceanview. She also recommended additional traffic enforcement on Oceanview Drive.

Dennis Boskey reported that he has lived on Oceanview Drive since 1990. He noted that the street is not pedestrian friendly.

John Gilson reported that the speeders are primarily locals. He suggested installing a speed indicator on the road.

John Aylmer suggested the city engage a safety advocate. He added that the safety of the street should be studied, but that it does need sidewalks and curbs.

Barbara Lewis reported that she was horrified when the speed limit was increased to 35 MPH. She noted that in some areas, there is no place to get off the road.

Gail Willit stated that she likes the idea of installing stop signs. She noted that 25 MPH would be much safer.

Marletta Noe stated that the speed limit should be 25 MPH.

Naomi Josiah suggested installing stop signs at 15th Street and Spring Street.

Joann Ronzio invited Nebel and others to walk Oceanview Drive with her. Nebel and Gross agreed to accompany Ronzio at a date to be determined.

Nebel noted that lots of ideas and information came forth at this meeting. He added that alternatives can be discussed, and a report with options can be presented to Council at the September 5 meeting.

Introduction of Revised Airport Master Plan. Hawker introduced the agenda item. Nebel reported that staff has taken this opportunity to present the revised Airport Master Plan to Council. He noted that the Airport Committee will be meeting on August 1 to further discuss the plan, and it is anticipated that a recommendation from the Airport Committee will be forthcoming for the August 7 meeting. Nebel reviewed the changes in the revised Airport Master Plan.

Approval of Resolution No. 3777 Consenting to the Assignment of a Cable Television Franchise from Wave Division VII, LLC to Radiate HoldCo, LLC. Hawker introduced the agenda item. Nebel reported that Wave Division VII, LLC, a Washington Limited Liability Company, doing business as Wave, currently owns the South Beach cable franchise. He stated that the parent company of Wave is being purchased by Radiate HoldCo, LLC, a Delaware Limited Liability Company that requires Council consent to the assignment. He added that the franchise expires in 2018.

MOTION was made by Engler, seconded by Goebel, to adopt Resolution No. 3777, a resolution consenting to the assignment of a cable television franchise from Wave Division VII, LCC, to Radiate HoldCo, LLC. The motion carried unanimously in a voice vote.

Approval of Cost of Living Adjustment for Non-Represented Employees. Hawker introduced the agenda item. Nebel reported that the city is in the process of conducting a salary study for non-union employees, and because of the delay in completing this salary study, he is recommending that Council proceed, as of July 1, with a cost of living adjustment which will ultimately be factored into the overall adjustments from the salary study. He noted that this cost of living adjustment would be 2%, which is consistent with what is being provided in the negotiated agreements with the Newport Employees Association and the Newport Police Association. He added that the city is currently negotiating with the firefighters for the fiscal year beginning July 1. He stated that the packet includes a revised salary schedule. He added that under the terms of employment agreements both the city attorney and the city manager are also eligible for the same cost of living adjustment increases provided to other employees beginning July 1. He stated

that non-represented employees have been told that once the salary study is completed, adjustments would be made over multiple years beginning with the 2016/2017 Fiscal Year.

MOTION was made by Allen, seconded by Saelens, to approve the two percent cost of living increase for non-union employees, including the city attorney and city manager, and parks and recreation hourly employees, effective July 1, 2017 through June 30, 2018. The motion carried unanimously in a voice vote.

Nebel announced the appointment of Jason Malloy as Police Chief for the City of Newport.

LOCAL CONTRACT REVIEW BOARD

The City Council, acting as the Local Contract Review Board, began its meeting at 10:04 P.M.

Approval of Task Order No. 1 with Century West Engineering Corporation for the Power Ford and Sunwest Motors Storm Drain Line Design Services. Hawker introduced the agenda item. Nebel reported that in 2016, Power Ford and Sunwest Motors both reported sinkholes created by storm sewers that had been extended across their property when the ravines were filled. He stated that in the current budget, funding has been appropriated to relocate these storm sewers from underneath the buildings and within easement areas and/or rights-of way. He noted that the preliminary estimate on the actual storm sewer work placed construction cost at approximately \$925,000.00. He added that the task order has been negotiated with Century West Engineering, Incorporation for services in the amount of \$97,462.00.

MOTION was made by Engler, seconded by Saelens, to approve Task Order No. 1 with Century West Engineering Corporation for the Power Ford and Sunwest Motors storm drain line improvement, and engineering services in the amount of \$97,462.00, 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.

Bids for the Demolition of the Old Water Treatment Facility. Hawker introduced the agenda item. Nebel reported that as a cost reduction measure during the time of construction at the new water plant, the demolition of the existing plant was removed from that project. He stated that bids have been received for the demolition of the former water treatment facility with the low bid from Anderson Environmental Contracting, LLC in the amount of \$206,007.00.

MOTION was made by Engler, seconded by Goebel, to issue a Notice of Intent to Award the Water Treatment Facility Demolition project to Anderson Environmental Contracting, LLC, in the amount of \$206,007.00 be issued and continued upon no objection, authorize award and authorize the city manager to execute the contract after 7 days on behalf of the City of Newport. The motion carried unanimously in a voice vote.

RETURN TO CITY COUNCIL MEETING

The City Council returned to its regular session at 10:08 P.M.

Report on Status of Fireboat Grant Application. Murphy reported that when the fireboat grant was ready for submission, he learned that there are new requirements for port security grants, which requires the port to have numerous reports, and certifications that the Port of Newport does not have. He noted that he has met with Nebel and Port representatives, and advised by the grant host not to apply. He stated that he would assist the Port in getting the appropriate documentation completed and filed, and will reapply next year.

ADJOURNMENT

Having no further business, the meeting adjourned at 10:13 P.M.

Margaret M. Hawker, City Recorder

Sandra N. Roumagoux, Mayor