

July 21, 2014
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, Roumagoux, Allen, Beemer, Busby, Sawyer, and Saelens were present. Swanson was excused.

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

PLEDGE OF ALLEGIANCE

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

PROCLAMATIONS, PRESENTATIONS, AND SPECIAL RECOGNITIONS

Roumagoux proclaimed August 5, 2014 as National Night Out in the City of Newport. Miranda accepted the proclamation.

CONSENT CALENDAR

The consent calendar consisted of the following items:

- A. Approval of City Council Minutes from the regular meeting of July 7, 2014.

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

PUBLIC HEARING

Public Hearing and Possible Adoption of Ordinance No. 2069 Establishing Business License Endorsement Standards for Medical Marijuana Facilities and Repealing a Temporary Moratorium on the Establishment of Such Facilities. Hawker introduced the agenda item. Nebel reported that at the July 7, 2014, Council meeting, the Council heard a report from the Business License Ordinance Review Work Group relating to the possible local regulation of medical marijuana dispensaries. He added that following this report, the Council directed staff to prepare an ordinance containing the standards that were outlined by the Business License Ordinance Review Work Group. He stated that House Bill 3460, which became effective on March 1, 2014, allows for the establishment and registration of medical marijuana facilities in the state. He noted that the Legislature then recognized that additional clarity was needed in these provisions and approved SB1531 which explicitly allows cities to adopt reasonable regulations for the operation of medical marijuana dispensaries and to impose temporary moratoriums until May 1, 2015. He added that in accordance with this new legislation, the City Council did

approve an ordinance that created a moratorium to allow the city to consider further regulatory effects related to medical marijuana dispensaries. He stated that the City Council forwarded the matter to the Planning Commission to determine whether the city should adopt local standards as provided for in SB1531. He noted that the Planning Commission did not think any further land use regulations would be required for these types of facilities, but did recommend that the City Council adopt standards regulating the conditions under which a facility may dispense medical marijuana.

Nebel reported that Council asked the Business License Ordinance Review Work Group to consider the Planning Commission recommendations. He noted that the Business License Ordinance Review Work Group provided a report to the City Council which was received at its July 7, 2014 meeting. He stated that Council requested staff to develop a draft ordinance for Council consideration implementing the findings of the Business License Ordinance Review Work Group. He added that there was a question in regard to requiring certain insurance coverages for these facilities. He noted that Lauren Sommers, an attorney with Speer Hoyt LLC, has reviewed the ordinance and indicated that liability insurance requirements can be problematic for regulators in that if the entity fails to assure a business has liability insurance and a claim is made, the Oregon Supreme Court has indicated that cities can be liable for those damages. He stated that as a result, staff is not recommending that any specific liability insurance be required by the city as part of the business license, which would be consistent with the way that other businesses are handled by the city.

Nebel reported that Ordinance No. 2069 amends the Municipal Code as it relates to business licenses to create a special endorsement for medical marijuana dispensaries. He added that in addition to dispensaries meeting the Oregon Health Authority requirements to receive a state license, local applicants will need to provide to the city proof of state registration, and criminal background checks for the owner/manager and all employees of the facility. He stated that the ordinance establishes a condition that requires the person responsible for the facility and any employees working at the facility to cooperate with the city during an inspection authorized by this ordinance. He noted that the city will have the same access to all video surveillance records and recordings as required by the Oregon Health Authority.

Nebel reported that the ordinance provides that a medical marijuana facility endorsement will allow a facility to sell medical marijuana in accordance with state statute, but does not constitute a waiver of any law imposed by any federal, state, or local entity.

Nebel reported that the ordinance provides criterion for successfully passing a background check, allows the Council to set fees by resolution for the endorsement and background checks, and provides a process for issuing the medical marijuana facility endorsement. He added that the ordinance provides that the city may conduct a compliance inspection following the receipt of a complaint that alleges that a medical marijuana facility is violation of any of the terms of this chapter.

Nebel recommended that Council conduct a public hearing on the approval of Ordinance No. 2069, an ordinance repealing a temporary moratorium on the establishment of medical marijuana facilities and authorizing such facilities subject to business license endorsement standards.

Roumagoux opened the public hearing at 6:11 P.M. She called for public comment.

Art Hanson, who has a provisional license from the state to open a dispensary, indicated support for the ordinance. He added that the fees should be consistent and fair.

There was no further testimony, and Roumagoux closed the public hearing at 6:14 P.M. for Council deliberation.

Allen reported that Council had received an e-mail this afternoon from Lauryn Cummings-Morford who requested that her information be placed in the record. He noted that it is a lengthy message, but copies are available from the staff.

Allen reported that a revised ordinance had been sent to Council, and that two further changes need to be made. They are: the first line should read "regular" legislative session, rather than "special" legislative session. The final change is to 4.20.025(2) where the OAR reference in the last line should read 333-008-1180(2)(e) rather than 333-008-1180(2)(d). He noted that the accompanying resolution also contains a reference.

MOTION was made by Allen, seconded by Sawyer, to read Ordinance No. 2069, with the two minor changes as noted tonight, which is an ordinance repealing a temporary moratorium on the establishment of medical marijuana facilities, and authorizing such facilities subject to business license endorsement standards, by title only, and place for final passage. The motion carried unanimously in a voice vote.

Hawker read the title of Ordinance No. 2069. Voting aye on the adoption of Ordinance No. 2069 were Sawyer, Saelens, Roumagoux, Busby, Beemer, and Allen.

Sawyer asked about the threshold that would trigger a rejection of an application, and suggested publishing the threshold in advance.

Public Hearing and Consideration of Resolution No. 3687 Adopting a Time Frame and Criteria for Hiring a City Attorney. Hawker introduced the agenda item. Nebel reported that on June 18, 2014, Rob Connell resigned his position as City Attorney. He stated that in a special meeting held on June 23, 2014, the City Council agreed to have Busby and Swanson work with staff to develop an RFP for City Attorney. He added that this report was presented to Council on July 7, 2014. He noted that the Council authorized advertising for a staff attorney as an employee, and for the issuance of an RFP from individuals or firms interested in providing City Attorney services on a contractual basis. He stated that as part of this process, Council also scheduled a public hearing on July 21, 2014, on Resolution No. 3687, which outlines the criteria and time frame for hiring a City Attorney.

Nebel reported that the process outlined in the resolution provides for two parallel courses of action in regard to hiring a City Attorney which will allow for either an employee or a consulting relationship for these services. He stated that the deadline for submission of proposals and job applications is August 15, 2014, at 3:00 P.M. He added that materials will be provided to the City Council on or before August 21, 2014, with a special meeting being scheduled for August 25, 2014, at noon for the City Council to review proposals and applications. He noted that the employee candidates and the consulting attorneys will participate in interviews that will include department heads and the City Council on September 4, 2014, beginning at 9:00 A.M. He added that it is important to keep that entire day open since, depending on the number of individuals or firms interviewed, the interview process could consume a significant portion of the day.

Nebel reported that he appreciates the efforts of Hawker in pulling this information together and incorporating the comments made by Speer-Hoyt as well as former City Attorney, Rob Connell. He added that the review of applications and proposals, and actual interviews, is proposed to be conducted in executive session. He noted that Speer Hoyt intends to submit a proposal for consideration. He added that Speer Hoyt has been acting in the City Attorney capacity during the interim period.

Nebel recommended that Council hold a public hearing on the approval of Resolution No. 3687, adopting a time frame and criteria for the hiring of a City Attorney.

Allen stated that he abstained from discussion on this issue on June 23 and July 7. He noted that after Connell's resignation was announced, he reviewed the general duties of the position with some local attorneys, and in light of that review, he prefers to abstain. He added that under City Council Rules, he can abstain on voting if given permission by the City Council, which he was previously given. He stated that he has abstained from discussion and voting on this issue when it was previously discussed, and will abstain tonight.

Roumagoux opened the public hearing at 6:26 P.M. She called for public comment. There was none. She closed the public hearing at 6:27 P.M. for Council deliberation.

MOTION was made by Saelens, seconded by Sawyer, to adopt Resolution No. 3687, which establishes a time frame and criteria for the City Council's hiring of a City Attorney through either an employee relationship or contractually. The motion carried in a voice vote with Allen abstaining.

COMMUNICATIONS

From Mayor Roumagoux and Councilor Allen - Support from the City of Newport for the Expansion of Oregon State University's Hatfield Marine Science Center. Hawker introduced the agenda item. Nebel reported that on Tuesday, July 15, 2014, that he, Roumagoux, Allen, and Tokos, met with Robert Cowen, Director of the Hatfield Marine Science Center, to discuss the opportunity that was announced at the June 30, 2014, Town Hall meeting. He noted that Cowen outlined the plan to expand the facility to create a 500 student campus at the HMSC geared toward students completing their education at OSU. He added that the approach is for a multi-disciplinary program to provide practical experience relative to the overall mission of the HMSC.

Nebel reported that Lincoln County recently announced an appropriation of \$15,000 to conduct an economic study of the impact that this facility would have on the Oregon coast. He noted that in discussing this issue with Roumagoux and Allen, it was suggested that the City Council formally go on record as supporting this endeavor and communicate that support to OSU. He added that a letter of thanks could be directed to Lincoln County for its role in supporting this important initiative for the Oregon coast.

Allen noted that the \$20 million challenge grant that was awarded to HMSC will require significant other funding. He added that a letter from the city is the beginning of the type of support that should be coming from the coast in respect to the endeavor. He supported a letter of thanks to the Lincoln County Commissioners. It was suggested that Roumagoux and Nebel jointly sign the letter. Allen noted that it is important to acknowledge the amount of money the city has put into infrastructure development in South Beach.

MOTION was made by Sawyer, seconded by Beemer, that a letter of thanks be written to Lincoln County for its support of an economic study of the impact of HMSC's

endeavor, and that a letter be written to OSU supporting the HMSC expansion, and that both letters be signed jointly by the Mayor and City Manager. The motion carried unanimously in a voice vote.

From the City Center Newport Association - Electronic Message Sign at the Corner of Hurbert Street and US 101. Hawker introduced the agenda item. Nebel reported that on behalf of the City Center Newport Association, Frank Geltner and Zach Pool have been working on the development of an electronic message sign that would be used to announce various community events and would be placed at the northwest corner of US 101 and Hurbert Street in the city center area. He stated that this project was proposed as an alternative to a park development at this location that was designed and bid but deemed too expensive to move forward with after bids were received. He noted that the City Council had appropriated \$100,000 for this purpose, and of the \$100,000, \$90,000 is reserved for a city center project.

Nebel reported that the City Center Newport Association has been spearheading an effort to create a community message sign at this location that would not only benefit the city center but other venues within the city. He noted that a presentation was made by City Center Newport Association representatives to the City Council at the November 18, 2013 City Council meeting. He stated that during this meeting, there were a number of questions raised as to the community acceptance of the sign, operations and financial sustainability of the project after it is constructed, and questions regarding the overall design of the reader board. He noted that the packet contains a communication from Frank Geltner of the City Center Newport Association, which includes a financial analysis of the potential revenue that could be generated to help maintain the project. He added that there have been initial discussions with the Greater Newport Chamber of Commerce acting as the administrator for dealing with the signage operational issues. He stated that in reviewing the November 18, 2013 minutes which are included in the packet, there was discussion as to whether this project should go forward, and if the decision is made to go forward, that the committee will need city support to proceed with final design and procurement processes to make the sign a reality. He noted that there are a number of issues that the City Center Newport Association would like to explore with the city if the sign is permitted, including the timing restrictions on the routing of messages.

Nebel reported that at the November 18, 2013 Council meeting, there was some suggestion that prior to making a final decision on this project that citizen input be obtained. He noted that this project is not a private project, but would be conducted as a city project using room tax funds that have been reserved for a city center project. He stated that if the project were supported, it would be necessary to develop a specific plan that would provide revenue to help sustain the operation of the sign.

Nebel reported that in his previous community, the city operated two community message signs. He noted that the technology has improved dramatically to reduce maintenance and energy costs for operating these signs. He added that these signs fare well in subzero temperatures, but that he has not had experience with them in a corrosive salt air environment. He stated that they can play a role in informing the community of various events and activities, however they are limited in the amount of time a message is displayed, especially if there are several messages on the display.

Nebel reported that if Council is interested in going forward with this project, he recommends two steps be taken. He suggested that the City Center Newport Association develop an agreement with the Greater Newport Chamber of Commerce outlining the role that the Chamber would play in managing the messages and sign components once the structure is in place. He also recommended that public input be solicited, and that a public hearing be held at the August 18, 2014 City Council meeting, prior to making a final decision on the project.

Nebel reported that if a decision is made to go forward with this project, then the city would be involved in soliciting proposals for the construction of the sign including final design. He noted that since significant time has elapsed since the last presentation, it would be important for the City Center Newport Association to provide a current presentation on the plans for this project, and to determine whether the Council is interested in moving forward with the project or utilizing this funding for other community purposes.

Frank Geltner appeared on behalf of the City Center Newport Association. Karen and Ken Irwin, and Lorna Davis, were also in attendance. He noted that the City Center Newport Association has not done anything to encourage anyone relative to the project as the city has not made a decision. He added that when he sent Nebel the information, it focused on the price. He noted that there may be a need for reverse engineering to determine how much money will need to be spent on infrastructure. He added that the project may have to be scaled back to accommodate everything in the current budget. Geltner reported that Stephan will be presenting a series of lectures on Art Deco, and encouraged Council to attend.

Saelens noted that he is opposed to something that operates 24/7. He asked Geltner what has been done since November. Geltner reported that he has met with the Chamber, and it is also awaiting a city decision. He added that when he served as Executive Director of OCCA, he received many requests about event signage on the highway. He stated that this type of sign would be beneficial to the community.

Busby asked whether there are changes to the design. Geltner reported that he will discuss with Stephan the possibility of permanent deco artistic elements on the sides and base of the sign. Nebel noted that this would be a city-owned sign and any procurement would go through the city's public contracting process. He added that if Council is uncomfortable moving forward at this point, that could be direction to the City Center Newport Association and city staff.

MOTION was made by Busby, seconded by Beemer, to schedule a public hearing on a community electronic message sign to be located on the northwest corner of US 101 and Hubert Street in the city center at the August 18, 2014, City Council meeting at 6:00 P.M., to obtain community feedback on proceeding with the message sign as a city project. The motion carried unanimously in a voice vote.

From the Destination Newport Committee - Consideration of Production/Installation Contract with OnDisplay Advertising, LLC. Hawker introduced the agenda item. Nebel reported that the Destination Newport Committee has recommended that the city continue advertising on a billboard (building wallscape) which is located at SW 4th and Oak Streets in Portland by continuing a contract with OnDisplay Advertising, LLC. He stated that the advertising costs for this strategic location amounts to \$9,000 for each four-week period. He noted that the Destination Newport Committee has recommended

that the location be rented for a 36-week period which would be a total cost of \$81,000, plus production/installation costs of \$6,000 for a total of \$87,000. He added that the advertising period will run from January 5, 2015 through September 13, 2015. He noted that the contract with OnDisplay Advertising, LLC will not be executed until legal review is completed.

Lorna Davis noted that this has been a very good location for the city.

MOTION was made by Sawyer, seconded by Allen, that the City Council concur with the Destination Newport Committee and authorize the City Manager to execute an advertising contract with OnDisplay Advertising, LLC. for 36 weeks of display time on a billboard located at SW 4th and Oak Streets in Portland for a total of \$81,000, plus production and installation costs of \$6,000 for a total cost of \$87,000 beginning January 5, 2015 and running through September 13, 2015. The motion carried unanimously in a voice vote.

CITY MANAGER'S REPORT

Consideration of Resolution No. 3688 Adopting Fees for Business License Endorsements for Medical Marijuana Dispensaries. Hawker introduced the agenda item. Nebel reported that the City Council adopted Ordinance No. 2069 earlier this evening. He noted that the ordinance provides that fees be set by resolution. He stated that Resolution No. 3688 establishes two fees as part of the medical marijuana dispensaries business licenses ordinance. He added that one is an application fee for a medical marijuana facility endorsement, and the second is for background checks for employees of medical marijuana facilities. He noted that staff is proposing a fee of \$25 for the medical marijuana facility endorsement, and a fee of \$25 per employee background check to offset the city's expenses incurred in processing these endorsements. He added that a medical marijuana dispensary would be subject to regular business license fees as well.

Allen noted the change to the first line of the resolution, changing "special" legislative session to read "regular" legislative session. He also recommended a change to Section 2 which would read "The fee for background checks of employees of medical marijuana facilities is \$25.00 for each employee."

MOTION was made by Allen, seconded by Saelens, to adopt Resolution No. 3688, with the two minor changes, which establishes fees for medical marijuana facility endorsement applications in accordance with Ordinance No. 2069, in the amount of \$25 for a medical marijuana facility endorsement, and \$25 per employee for background check. The motion carried unanimously in a voice vote.

Consideration and Possible Adoption of a Memorandum of Understanding Between the Lincoln Community Land Trust, City of Newport, City of Lincoln City, and Lincoln County Related to Workforce Housing. Hawker introduced the agenda item. Nebel reported that in 2010 and 2011, in partnership with the state and local stakeholders, the city undertook a comprehensive update to the housing element of its Comprehensive Plan. He noted that this analysis demonstrated that the city lacks an adequate supply of affordable workforce housing units which makes it difficult for workers to find housing within the city limits. He stated that in 2013, the City Council deferred action on an agreement with the Lincoln Community Land Trust since it was determined that a

broader coalition should be brought together to address the workforce housing on a regional basis. He noted that since that time, discussions have ensued with Lincoln County and Lincoln City to provide base funding for administrative services that would be provided to the trust to support its mission to provide permanently affordable homeownership for working individuals and families in Lincoln County.

Nebel reported that this agreement was reviewed by the Planning Commission which indicated that they have invested considerable time and energy in updating the city's housing inventories. He stated that it was determined that in order for the city to realize an adequate supply of workforce housing, a proactive and creative strategy must be pursued. He added that with the recent announcement of Oregon State University's initiative to expand student enrollment by 500 students at the Hatfield Marine Science Center campus, the community will see an expansion of the current workforce to facilitate this activity. He added that the Planning Commission unanimously supported the investment of \$30,000 a year over a three-year period on a collaborative basis with Lincoln City and Lincoln County to support the hiring of a full-time staff person for the Lincoln Community Land Trust with the goal of the Land Trust becoming financially self-sufficient at the end of the three-year financial commitment.

Nebel stated that there is little doubt of the need for affordable workforce housing in the city. He added that the processes and methods for accomplishing that require a focused attention to meaningfully address the issue. He noted that he believes that the regional approach of the Lincoln Community Land Trust is an appropriate collaboration in which resources can be brought together to address this problem.

Nebel reported that Tokos serves on the Lincoln Community Land Trust Board of Directors, representing the interests of Newport, as disclosed in his report.

Rod Croteau, speaking on behalf of the Planning Commission, stated that the Planning Commission spent significant time on this issue, and urged positive consideration of the memorandum of understanding.

Bill Hall, Lincoln County Commissioner, recommended positive consideration of the memorandum of understanding. He recognized Allison Robertson, Land Trust board member from Lincoln City.

Allen noted that this memorandum of understanding indicates a sharing of costs, equal to \$30,000 from three entities, for a period of three years, for administrative costs. He added that the former agreement related to possibly utilizing city properties. He asked what other things, than the \$30,000 annual financial commitment, would be necessary to make this happen, and whether the donation of city properties will be necessary. It was noted that the Trust would look at a full range of options to prime the pump and facilitate the creation of workforce housing, and that the equitable nature will depend on whether the participants are willing to make land available. Tokos noted that the agreement was intentionally drafted without specifics. He added that revolving loan funds could be used; that all entities have properties in their inventory; and that the use of tax foreclosed properties may be an attractive option. He noted that because the agreement is open ended, discussions about making property available will occur on a case-by-case basis. Allen asked about the plan for budgetary self-sufficiency at the end of three years. Hall explained that the Trust is currently recruiting for a full-time director, and that the director will be charged with the creation of a permanent revenue stream through various methods. A discussion ensued regarding participation and contributions from other Lincoln County cities. Hall noted that the Cities of Toledo, Waldport, and

Yachats are paying a membership fee that is based on population. Tokos noted that there would be ongoing engagement with other entities. It was noted that annual reporting will be expected including information on how the program is being broadened.

Sawyer stated that if this is approved this evening, the city needs to make a commitment to provide properties.

Busby noted that the agenda item is not the entire package, and the goal is to obtain properties from the city over the next few years. He added that this project commits this money to very few people and equates to giving five or six people a check for \$50,000. He stated that he does not think the city should be in the housing business, but that there are other ways to do it, including incentivizing private businesses. He stated that this is a \$500,000 venture, not just \$30,000, and that he does not think this is a good priority in light of not adding an emergency planning position.

Beemer reported that he tries to spend the city's money in the same way he spends his own. He added that if this passes, he would be astonished if six houses are built in Newport at the end of three years. He asked Hall what he would consider to be a total success at the end of three years. Hall stated that he would consider success to be ten houses county-wide, and hopefully more depending on the willingness of jurisdictions to commit resources.

Sawyer stated that if this passes, properties should be transferred to the Trust immediately so that could begin building right away. He added that there is a housing problem in the county.

Tokos reported that this would not be all new construction; some would be rehabilitation of existing properties; and that with tax foreclosed properties, the housing could be in Newport or elsewhere. He added that a lot of people work in Newport but do not live here. He stated that this is a county-wide challenge.

Allen addressed the issue of potential housing needs with the expansion of the HMSC. He noted that it was expressed at the Town Hall meeting that Wilder might be interested, and that this might be a driving force in the private sector to meet some of those needs.

Nebel shared a few observations: the city has lost employees due to inability to find permanent affordable housing in the community; there is not one fixed method in addressing this issue; the group has tried to put together a plan to address this issue, and has gone as far as possible; this does not exclude private solutions; this does not specifically include city land which would need Council authorization to sell; and if the area is to grow economically, there needs to be adequate housing for workers in the community. Beemer noted that this is a problem that affects apartments as well as single-family dwellings. Other employees facing same issue. There is a problem having affordable housing.

Allen asked where the money will come from in the budget. Nebel reported that \$13,000 will come from the General Fund, and the balance from the revolving loan fund.

Hall stated that it is too narrow to believe that the program will help five or six people. He suggested considering the ripple effect and the fact that some current renters may move into the workforce housing units which could open up opportunities in the rental pool.

MOTION was made by Sawyer, seconded by Saelens, to enter into a Memorandum of Understanding with the Lincoln Community Land Trust, City of Newport, City of Lincoln City, and Lincoln County for a commitment to provide \$30,000 per year for a

three-year period in conjunction with the City of Lincoln City and Lincoln County to fund a staff person who will focus on the development of workforce housing on a regional basis. The motion carried in a voice vote with Busby voting no, and Allen, Beemer, Roumagoux, Saelens, and Sawyer voting yes.

Report and Consideration of Resolution No. 3689 Regarding the Establishment of a Task Force to Discuss the Regional Role of the Newport Municipal Airport. Hawker introduced the agenda item. Nebel reported that at the July 7, 2014 Council meeting, Busby requested that Council consider establishing a task force to look at the regional role the Newport Municipal Airport can play in the central coast. He stated that as a result, Council requested a report and recommendation from staff in order to develop the guidelines for such a task force. He added that he and Hawker have developed a resolution that outlines the possible structure of a task force including its responsibilities and deadline for completing the task. He encouraged Council to make modifications to the resolution to reflect the collective desires of Council.

Nebel reported that Allen suggested adding a member of the Airport Advisory Committee to the task force. Busby suggested two or three Airport Committee members. Roumagoux asked Busby to help identify potential Task Force members before she leaves on August 1. Roumagoux and Busby agreed to serve on the task force as Council Members. Allen suggested that the first line of the task force composition read "Council Members" rather than "City Councilors." It was the consensus of Council to add two Airport Committee members to the composition of the task force. Staff was asked to prepare individual letters to potential task force members.

MOTION was made by Sawyer, seconded by Beemer, to adopt Resolution No. 3689 which would establish a task force to discuss the regional impact of the Newport Municipal Airport with the addition of two Airport Committee members, and the change from "City Councilors" to "Council Members" in the first line of the task force composition. The motion carried unanimously in a voice vote.

Adoption of Legislative Priorities for the League of Oregon Cities. Hawker introduced the agenda item. Nebel reported that the City Council met in a work session and identified legislative priorities as requested by the League of Oregon Cities. He recommended that Council formally authorize the submission of its legislative priorities: as determined in the work session held earlier this evening.

MOTION was made by Sawyer, seconded by Beemer, to direct the City Manager to submit the following as the Council's top four legislative priorities: Pass a comprehensive transportation funding and policy package; Natural disaster planning; ConnectOregon funding; and Enhance mental health services. The motion carried unanimously in a voice vote.

LOCAL CONTRACT REVIEW BOARD MEETING

Roumagoux called the July 21, 2014 meeting of the Local Contract Review Board to order.

Approval of Addendum No. 1 to Task Order No. 8 for Bay-Moore Drainage Improvements - Environmental Issues with Civil West Engineering Services, Inc.

Hawker introduced the agenda item. Nebel reported that the city has previously authorized the design work for the Bay-Moore drainage improvements as part of this project. He added that it has been determined that dredging will be required in the bay which will entail more extensive environmental permitting obligations. He stated that the original scope of work did not anticipate this level of permitting. He noted that an addendum to Task Order No. 8 is being recommended by Gross in the amount of \$65,000. Gross reported that he expects this project to be built in the spring of 2015, and ideally complete the intersection improvements by next summer.

MOTION was made by Sawyer, seconded by Allen, to approve Addendum No. 1 to Task Order No. 8 for the Bay-Moore Drainage Improvements - Environmental Issues, with Civil West Engineering Services, Inc. in the amount of \$65,000 and authorize the City Manager to execute the addendum on behalf of the City of Newport. The motion carried unanimously in a voice vote.

Approval of Amendment No. 1 to Grant Consulting Services Agreement with Chase Park Grants, LLC. Hawker introduced the agenda item. Nebel reported that the city has benefited from the contractual services provided by Chase Park Grants, LLC. in two specific ways. He stated that Chase Park Grants has successfully secured substantial funding for the evaluation of the city's dam structures, water and wastewater projects, and by obtaining low interest loans and grants to facilitate the city's infrastructure rebuilding projects. He stated that Chase Park Grants have been successful in finding unique ways to combine programs to provide a high benefit back to the city. He cited, as an example, the Bay Boulevard project will obtain a significantly lower interest rate by combining two programs to accomplish both the stormwater and other utility work at the same time. He stated that Gross recommends that the current agreement with Chase Park Grants be extended for an additional year. Nebel reported that Gross has also requested an increase in the hours from last year's agreement to deal with the issues outlined in Task 1 project management, and Task 2 general research and eligibility determination. He added that for this work, the consultant will be paid an amount not to exceed \$12,267 monthly. He noted that in addition to the base contract, when specific projects are selected and require technical grant assistance, there will be a separate task order approved. Allen requested that staff provide a report on the savings recognized and the funds secured due to Chase Park Grants LLC.

MOTION was made by Sawyer, seconded by Allen, to approve amendment No. 1 to the Grant Consulting Services Agreement with Chase Park Grants, LLC, in the amount of \$144,256 and authorize the City Manager to execute the amendment on behalf of the City of Newport. The motion carried unanimously in a voice vote.

Approval of Specific Task Orders for FY2015 Technical Assistance Services - Chase Park Grants, LLC. Hawker introduced the agenda item. Nebel reported that the city has been utilizing Chase Park Grants, LLC. to provide grant preparation services. He stated that during 2015, there are five areas in which technical grant assistance is being anticipated including: Task Order 3.01 for wastewater/ sanitary sewer infrastructure; Task Order 3.02 for storm sewer infrastructure; Task Order 3.03 for Public Works facilities (Fire Station on 10th Street); Task Order 3.04 water supply and storage; and Task Order 3.05 water quality projects.

MOTION was made by Sawyer, seconded by Busby, to approve Task Orders No. 3.01 through 3.05 for technical grant assistance with Chase Park Grants, LLC, in the total amount of \$191,460 and authorize the City Manager to execute the task orders on behalf of the City of Newport. The motion carried unanimously in a voice vote.

RETURN TO CITY COUNCIL MEETING

REPORT FROM MAYOR AND COUNCIL

Roumagoux reported that she attended the Coast Guard Change of Command Ceremony on July 10. She reported that Chief Warrant Officer Ryan O'Meara replaced Robert Ornelas and took command of the facility that day.

Roumagoux reported that she attended the quarterly meeting with ODOT on July 10.

Roumagoux reported that she met with Bob Cowen, Tokos, Nebel, and Allen on July 15 to discuss the HMSC expansion.

Roumagoux reported that she attended the Chamber luncheon on July 16, and that Miranda was the speaker, and that he had done an excellent job.

Roumagoux reported that she attended a dinner and gave a welcome speech at the USS Juneau reunion which was held on July 19 at the American Legion.

Allen reported that he attended the Audit Committee meeting on July 16. He noted that Nebel, Gazewood, and Murzynsky also attended. He stated that the auditors have completed the initial field work, and that the next meeting is scheduled for October 16, 2014, at 1:00 P.M. to hear a report on the conclusion of the field work. He added that the Committee will meet and discuss the audit presentation that it plans to present to the City Council. He added that the audit will be completed and filed with the Secretary of State by the end of the year.

Beemer reported that he attended the Chamber luncheon, and that Miranda did a great job with his presentation.

Busby reported that the Public Arts Committee was unable to meet due to lack of a quorum. He added that the Public Arts Selection Panel met with the swimming pool committee earlier today.

Busby reported that the Airport Committee will meet tomorrow.

Saelens reported that the Wayfinding Committee was unable to meet due to lack of a quorum.

Saelens reported that he attended a recent meeting of the Bicycle/Pedestrian Advisory Committee.

Saelens reported that he attended a recent meeting of the Parks and Recreation Advisory Committee.

Saelens reported that as the City Council liaison to the swimming pool construction group, he has been busy attending meetings of the focus groups. He added that there is a public open house on the pool project tomorrow at 5:30 P.M., at the Recreation Center.

Sawyer reported that he attended a recent meeting of the COG. He stated that there had been a presentation by Nancy Boyer. He added that fees are increasing by \$358.58 to \$10,066.90 next year.

Sawyer reported that he attended a recent meeting of the Destination Newport Committee and heard a report on the banner in Portland. He stated that the Committee

had approved a marketing grant for the Oyster Cloyster. He added that the Committee had comprehensively reviewed the brochure and made good changes to the document.

Sawyer reported that he attended a recent meeting of the Tourism Facilities Grant Review Task Force. He noted that the Task Force received and reviewed the following requests: Salmon for Oregon - \$25,000 for its spring Chinook project; Pacific Communities Health District Foundation - \$50,000 for its education building; Lincoln County Historical Society - \$14,000 for entry signage at the Pacific Maritime History Museum; and the Sea Lion Docks Foundation - \$10,000 for its sea lion docks project.

Sawyer reported that he participated in a law enforcement community ice water challenge that is for a good cause. He noted that he was challenged by Officer Cummings.

Beemer reported that he is going to Philomath with Olaf Sweetman to attend a meeting on the Corvallis to Coast Trail. He added that the Mayor will attend the Port meeting in his stead.

Allen noted that the medical marijuana ordinance refers to an agreement with the facilities related to the list of conditions. He asked whether the City Attorney will be drafting the agreement that the city will be utilizing. Nebel noted that those documents will be prepared before the effective date of the ordinance. Allen requested that a copy of the documents be forwarded to the City Council.

ADJOURNMENT

Having no further business, the meeting adjourned at 7:54 P.M.

Margaret M. Hawker, City Recorder

Sandra N. Roumagoux, Mayor