

July 6, 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, City Attorney McCarthy, Community Development Director Tokos, Public Works Director Ritzman, Finance Director Marshall, and Police Chief Miranda.

PUBLIC COMMENT

Bain read the public comment rules.

Mark Watkins expressed concerns regarding the airport. He reviewed the history of the airport business plan and asked when it will be implemented. Voetberg will contact Watkins.

Joyce Thompson-Graham asked that the city allow two posts and a rope, or the placement of signs prohibiting parking, camping, and loitering at the vacated section of SW 6th Street.

PROCLAMATIONS AND RECOGNITIONS

Recognition of recent CERT graduates. Dean Sawyer made a brief PowerPoint presentation regarding the CERT training and program. The following CERT graduates were recognized by the City Council: Ann Way, Joy White, Normandee Nelson, Keith Cox, Volola Newell, Michael Newell, Dennis Halverson, and Darold White,

Bain introduced David Marshall, the city's recently appointed Finance Director.

CONSENT CALENDAR

The consent calendar consisted of the following items:

- A. Approval of City Council minutes from the regular meeting of June 21, work session of June 24, and special meeting of June 29, 2010;
- B. OLCC license application for ARR Place, 143 SW Cliff Street, for additional privilege;
- C. OLCC license application for the Sail Inn Café, 134 SW Bay Boulevard, for full on-premises sales.

MOTION was made by Brusselback, seconded by Obteshka, to approve the consent calendar as presented.

COUNCILOR'S REPORTS AND COMMENTS

Obtshka reported that the 8th annual Nye Beach Clambake and Barbecue was very successful.

Obtshka reported that the Greater Newport Lodging Association had met and elected officers. He noted that the GNLA will change its name to the Greater Newport Lodging and Restaurant Association. Issues discussed included temporary business licenses and consistent enforcement.

Obtshka reported that the July 4th fireworks display was exceptional, and suggested a combination laser/fireworks show.

Obtshka reported that a comedian will appear at the Newport Reads Youth Program tomorrow. He noted that the upcoming Literary Flicks movie will be "Far from the Madding Crowd."

Brusselback reported that he had attended two parades and a ribbon cutting. He thanked the Police Department for blocking Coast Street during the first annual pet parade in Nye Beach.

McConnell updated Council on the Sister City visit. He reported that ten girls, aged 12 to 14, will be visiting in late July and early August.

Kilbride reported that there were 133 SeaPort Air passengers from Newport last week, and 40 from Astoria. He noted that the subsidy for the week was \$39,000, and that to date, SeaPort is \$44,000 over the revenue cap. He added that the subsidy amounts to \$2,966,000 since the start of service.

Bertuleit reported that he attended the Nye Beach Clambake and other events.

Patrick thanked Kilbride for tracking SeaPort's invoices.

Patrick reported that a delegation from Newport will be going to Washington to present various aspects of the city to NOAA employees. She noted that Kilbride will be presenting the differences between Oregon and Washington taxes and other financial issues.

Bain reported on a recent ACT meeting where road damage on Highway 101, from milepost 132 to 134 was discussed. Also discussed was Highway 20 bridge repair.

OFFICER'S REPORTS

City Manager's Report. Voetberg reported that it is time to renew the city's Coast Guard City status. He noted that he would copy the City Council on the renewal letter.

Voetberg reported that the packet contains notes from the June 24 CWACT meeting.

Voetberg reported that the Oregonian is going to run a feature article on Wilder Twin Park in its sustainability section during July.

Voetberg noted that the packet includes correspondence from Guy Faust who reported that the CDBG micro-enterprise grant request netted \$45,000, rather than the requested \$100,000. He noted that the city provides \$7,500 to this program.

Voetberg will keep Council informed on the ocean testing and monitoring technical advisory task force.

Voetberg reported that updates to the business license and room tax ordinances will be completed by July 9 and distributed to the working group. He added that a final draft will be presented to Council at its July 19 meeting, with a public hearing to be held on August 2, and final consideration at the August 16 meeting.

Voetberg reported that a draft resolution calling for an election on the issuance of general obligation bonds to fund a swimming pool is included in the packet. He distributed a conceptual drawing, and noted that the final resolution will have exact cost information.

Voetberg noted that the League of Oregon Cities Conference will be held in Eugene in September. He asked that Councilors let Hawker know if they plan to attend.

Voetberg reported that the recent bond refinancing resulted in a savings of \$918,000 over the term of the loan. He recognized Ross Schulz and Linda Brown for their work on the refinancing.

Voetberg reported that a list of street department work items had been distributed at the work session, and would appear on the next work session for Council prioritization.

Voetberg thanked the Volunteer Fire Department for the fireworks display.

Voetberg reported that he would add the Agate Beach parking issue to the suggestion/concern list.

Cossey presented an update on airport activities and the recent FAA inspection. He reviewed the recent FAA inspection, including each issue addressed by the FAA; what caused the problem; solutions; and prevention of future occurrences. He addressed the FAA letter of investigation and the issues that led to it. Cossey discussed the issue of depleting the Jet A supply, including average sales, ordering, the issuance of the notams, and pilot preparation. He addressed the SeaPort Air gear problem, and explained the requirements of the Airport Emergency Plan. He reported that SeaPort did not declare an emergency; addressed the airport's ideal response to this situation; the retraining of personnel; and the availability of the training manual and the Airport Emergency Plan. He addressed the AWOS system and explained the maintenance and inspection requirements. He explained that he is a certified weather observer, and able to perform a visual inspection when the AWOS is down. He reported that he lives in Newport and did not drive from southern Oregon to conduct visual inspections. He reported that no flights were missed due to the AWOS outage. He explained the AWOS maintenance contract and the needed repair. Cossey addressed SeaPort's interline and baggage agreements; SeaPort's schedule; and the FAA AIP grant opportunity. Patrick asked whether the city had a copy of SeaPort's interline ticketing and baggage agreements, and Cossey noted that we do not. Patrick asked whether additional staff or training is planned for the airport, and Cossey reported that a seasonal employee would be hired during the busy season, and will be focusing on customer service. Cossey noted that the interline ticketing and baggage agreements that SeaPort Air has with USAir will help SeaPort establish similar agreements with other carriers. Patrick reported that she had heard that one of the NOAA planes wanted fuel when the airport supply was depleted. Cossey noted that a USGS plane went to North Bend to refuel.

Bertuleit noted that the conceptual drawing of the swimming pool shows six lanes. McConnell noted that the city needs a pool that is big enough to satisfy community needs.

City Attorney's Report. McCarthy reported that she will be out of town during the July 19th meeting.

ACTION ITEMS

Approval of guaranteed maximum price #1 with Slayden Construction for phase one of the construction of the new water treatment plant. Ritzman reported that the issue before Council is the approval of the guaranteed maximum price #1, in the amount of \$1,466,749.33, for phase one water treatment plant work to be performed by Slayden Construction. Obteshka asked how the maximum price is calculated, and Ritzman explained that the contractor does this. Bertuleit asked whether the price is within the budget, and Ritzman noted that it is within the budget at this time. McConnell asked whether there is a way to be assured that the contractor is finding the lowest cost. Ritzman reported that the engineers and staff are looking at all the details, and that the contract requires the contractor to look for cost-saving measures. MOTION was made by Obteshka, seconded by McConnell, to approve the guaranteed maximum price #1, in the amount of \$1,466,749.33, to Slayden Construction Group, Inc., for the new water treatment plant. The motion carried unanimously in a voice vote.

Resolution No. 3516 adopting new water user rates for the 2010-11 fiscal year. Voetberg reported that as a consequence of conversations at the work session, the city will operate as it has been in not charging the late penalty. He stated that staff will come to the next meeting with proposed changes. Obteshka stated that the \$17 late fee is excessive. Patrick stated that she would rather wait to see what the penalty will be before voting on the matter. Bain stated that Council needs to move forward in setting the rates. Voetberg noted that the rate increase is part of the budget, and if the resolution is adopted this evening, it will allow the city to collect during all months of the year. McCarthy noted that there are two \$17 charges; one in 3d and one in 3e, and that 3d was never charged by the Finance Department. She added that 3e is charged when delinquency notices are sent. Obteshka suggested re-evaluating the matter. Bertuleit suggested omitting 3d and 3e until the next meeting. Voetberg noted that there are other changes to bring to Council, and added that he would like to bring the matter back on July 19 for Council consideration. Obteshka suggested implementing increases in phases. MOTION was made by Brusselback, seconded by Obteshka, to adopt Resolution No. 3516, increasing city water user rates inside the city limits, outside the city limits but within the city's urban growth boundary, within the former Seal Rock Water District, but within the city, and within the former Seal Rock Water District, but outside the city limits. The motion carried in a voice vote with Patrick voting no.

Resolution No. 3517 adopting new sewer user rates for the 2010-11 fiscal year. Ritzman explained that adoption of this resolution would increase the sewer user rates and monthly infrastructure improvement fees by five percent. Kilbride asked whether there are there penalty provisions. It was noted that water and sewer charges are on the same bill, so the penalty applies to both. MOTION was made by McConnell, seconded by Brusselback, to adopt Resolution No. 3517, increasing city sewer user rates. The motion carried in a voice vote with Patrick voting no.

Request for Council approval of ODOT Transportation Enhancement and USDOT Tiger II grant applications. Tokos explained that the issue before Council is whether the Community Development Department should proceed with ODOT and USDOT grant

requests. He reported that the ODOT application is for a Transportation Enhancement grant for funding for the construction of a multi-use bike and pedestrian path along SE Ferry Slip Road, and the USDOT application is for a National Infrastructure Investment (Tiger II) grant for planning and preliminary design of a 35th Street to Highway 101 connection. MOTION was made by Patrick, seconded by McConnell, to direct staff to proceed with grant applications to ODOT and USDOT for the purpose of securing funds for future construction of bike and pedestrian improvements along SE Ferry Slip Road and for planning and preliminary design of a 35th Street to Highway 101 connection. The motion carried unanimously in a voice vote.

Final order and findings affirming the city manager's decision to approve a temporary encroachment permit involving unimproved road right-of-way adjacent to 310 NW Gilbert Way. Tokos explained that the issue before Council is the adoption of a final order and findings on the temporary encroachment permit involving unimproved road right-of-way adjacent to 310 NW Gilbert Way. He reported that Council affirmed the appeal at a public hearing on June 21, 2010. MOTION was made by Patrick, seconded by Brusselback, to adopt the final order and findings, as presented, affirming the city manager's May 13, 2010 decision to issue a temporary encroachment permit involving unimproved road right-of-way adjacent to 310 NW Gilbert Way. The motion carried in a voice vote with Bertuleit voting no.

Prioritized list of Council recommendations for the LOC legislative agenda. Voetberg reported that a tabulation of Council choices for legislative priorities is included in the packet. Council identified H., F., D., and G., as its top legislative priorities. MOTION was made by McConnell, seconded by Patrick, to forward the Council's top four legislative priorities to the League of Oregon Cities. The motion carried unanimously in a voice vote.

Award of wayfinding signage contract. Voetberg reported that the first phase of this project is for Nye and Agate Beaches, and that the Bayfront and Deco District will follow. He recommended that the contract be awarded to the low bidder, ES&A Sign and Awning Company, in the amount of \$29,792.00. MOTION was made by Patrick, seconded by McConnell, to award the City of Newport visitor wayfinding signs to ES&A Sign and Awning Company of Eugene, Oregon, in the amount of \$20,792.00, and to authorize the city manager to execute all necessary agreements on behalf of the city with ES&A Sign and Awning Company. The motion carried unanimously in a voice vote.

Consideration of participation in a fire and rescue working group. Voetberg reported that the issue before Council is the consideration of a resolution supporting Newport's participation in a working group to explore the coordination and sharing of resources between various fire and rescue agencies in Lincoln County. MOTION was made by Patrick, seconded by McConnell, to adopt Resolution No. 3518, supporting the participation in a working group to explore the coordination and sharing of resources between fire and rescue agencies. The motion carried unanimously in a voice vote.

PUBLIC COMMENT

Walter Sherman stated that he had questions regarding the airport director's presentation. He noted that there were two e-mails regarding the low fuel; that it ran out on Saturday; the notam was not issued until Sunday; and fuel did not arrive until Tuesday. He noted the Part 139 Certification Manual identifies the SeaPort Air gear issue as a series two problem, and that the airport personnel were untrained to deal with this type of problem. He stated that the training manual was locked in an upstairs office. He stated that there has not been a certified AWOS technician since Dennis Reno left. He stated that there were no weather observer training records included in his recent public records request for training records.

Bertuleit asked about water seepage on Vista and Marine Drives. Ritzman reported that the issue is a hillside stream that staff directed into a roadside ditch.

ADJOURNMENT

Having no further business, the meeting adjourned at 8:16 P.M.

Margaret M. Hawker, City Recorder

William D. Bain, Mayor