

May 1, 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, Goebel, Swanson, Allen, Sawyer, and Engler were present. Roumagoux and Saelens were excused.

Staff in attendance was Spencer Nebel, City Manager; Peggy Hawker, City Recorder/Special Projects Director; Derrick Tokos, Community Development Director; Mike Murzynsky, Finance Director; Tim Gross, Public Works Director; and Jason Malloy, Interim Police Chief.

PLEDGE OF ALLEGIANCE

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

PROCLAMATIONS, PRESENTATIONS, AND SPECIAL RECOGNITIONS

Proclamation - Police Week - May 14 - 20, 2017. Hawker introduced the agenda item. Engler proclaimed the week of May 14 - 20, 2017 as Police Week in the City of Newport. Malloy accepted the proclamation.

PUBLIC COMMENT

Dennis Bishop addressed Council regarding issues on Cherokee Lane and the Nye Beach Turnaround. He reported that the Cherokee Lane neighborhood issue has become unbearable, and that has been blocked four times from egress/ingress to his property. He also noted that one of the neighbors was videotaping him. He stated that he has leased vending spaces at the Nye Beach Turnaround, and proceeded to clean the area.

Angela Bishop reported that she and her husband, Dennis, have been watched and harassed by one of their neighbors, Linda Neigebauer. She asked why Neigebauer was taking pictures. She stated that other neighbors are making it difficult for the trash truck to service the street.

Nebel reported that he plans to have a report on the various issues at the May 15, 2017 Council meeting. He added that a public hearing on a revision to the vending ordinance will be held that evening too. He noted that he believes that Bishop has obtained permits, for the vending business, from the county, but that no city vending endorsements have been issued.

Allen asked whether Nebel has talked with Rose Jade, a neighbor on Cherokee Lane. Nebel reported that he has previously talked with most of the neighbors.

Allen suggested contacting Thompson's Sanitary Service to determine whether access is an issue on Cherokee Lane. He added that if access is blocked for the solid

waste vehicles, it may also be blocked for other entities, including the ambulance company. He suggested Nebel communicate with those other agencies.

Bishop asked whether he could get a vending event for Loyalty Days.

CONSENT CALENDAR

The consent calendar consisted of the following items:

- A. Approval of minutes of the April 3, 2017 meeting;
- B. Approval of minutes of the April 17, 2017 meeting;
- C. Approval of minutes of the joint work session with the Planning Commission and the SDC Advisory Committee of April 17, 2017;
- D. Approval of minutes of the joint work session with the Airport Committee of April 19, 2017;
- E. OLCC application - Off the Hook Bar and Grill - Full, On-Premises Sales, 3211 South Coast Highway, #B.

Allen noted two corrections to the April 3, 2017 minutes. MOTION was made by Sawyer, seconded by Goebel, to approve the consent calendar as amended. The motion carried unanimously in a voice vote.

PUBLIC HEARING

Public Hearing and Possible Adoption of Resolution No. 3773 Approving Rates for Thompson's Sanitary Service, Inc., for Solid Waste, Recycling, and Composting, Effective July 1, 2017. Hawker introduced the agenda item. Nebel reported that the city franchise agreement for solid waste, recycling, and composting with Thompson's Sanitary Service, Inc. He stated that under the terms of the franchise, the franchisee charges and collects rates adopted by Council resolution each year in accordance with Section 12 of the agreement. He noted that the agreement provides that rates are intended to produce revenue that is equal to the quotient of the allowable expenses divided by the operating ratio. He added that this range is targeted to be 85% to 91%, with the midpoint being 88%. Nebel reported that the agreement provides that on or before April 1 annually, the franchisee shall submit, to the city, an annual report on operations. He stated that this report was received on March 30 and indicated that the operating ratio is at 93.58%.

Nebel reported that in 2014, Council approved a compostable collection program which added \$6.59 per month to residential households receiving this service, unless the customers used a 24-gallon household garbage cart and opted out of the compost collection program.

Nebel reviewed the historic monthly rates for solid waste collection. He reported that Thompson's provided a rate comparison that shows how the requested rate compares to general inflation over time, adjusted for program changes. He added that the proposed rate of \$30.50 for a 35-gallon service is below what the rate would be adjusted for inflation since 1993 of \$32.79.

Nebel reported that the agreement provides for two methods to be considered for future rate adjustments. He stated that in each even numbered year, throughout the term of the franchise, the rates are adjusted in an amount equal to 85% of the two-year

percentage change in the CPI. He noted that this pertains to all urban consumers of WestB/C for all items published by the Bureau of Labor Statistics. He added that this occurred between the months of May and April of the previous and current years. He stated that the second method allows for a rate review to be conducted when the operating ratio falls outside of the previously stated range. He added that if a rate adjustment occurred in the previous year (which was the basis for the 2015/2016 Fiscal Year adjustment), then the franchisee is only eligible for 85% of the one year change in the CPI.

Nebel reported that the packet contains the customer survey that Thompson's sent out with the May bills. He stated that the city will be compiling the results, and will share that information with Council in July.

Nebel reported that he reviewed the audited financial statements for Thompson's and other financial information, and believes the rate review report accurately reflects the costs related to the operation of this system.

Nebel reported that the 2017 rate study shows a rate adjustment of 6.40% is necessary to meet the requirements of Section 12.1-h.(1), which states, "The city shall review the report and, if the city's review of the report indicates that the operating ratio is likely to be less than 85 percent or greater than 91 percent, the franchisee shall implement new rates for the next year, either as proposed by the franchisee in the report, or as modified by the city, no later than June 15. The rates shall then become effective no later than July 1, and shall supersede the rates that were previously in effect. The rates shall provide the franchisee an operating ratio of 88 percent."

Nebel reported that half of the increase is due to increases in garbage and composting disposal charges.

Engler opened the public hearing on Resolution No. 3773 at 6:24 P.M. She called for public comment.

Joe Cook, representing Thompson's Sanitary Service reviewed the need for the increased fees. He noted that the increase is primarily due to increased disposal costs, and uneasiness in the recycling markets. He reported that a 6.4% increase will represent \$1.83 monthly to most customers.

I move adoption of Resolution No. 3773, which establishes a maximum rate adjustment of 6.40% increase in rates for Thompson's Sanitary Service, Inc. for solid waste, recycling and composting effective July 1, 2017.

Engler asked for additional comments. There were none. She closed the public hearing at 6:26 P.M. for Council deliberation.

Allen asked about the increases that promulgated the increase. Rob Thompson responded to Allen's questions. Thompson reported that when Portland began collecting yard debris and trash removal every two weeks, Thompson's was ahead of the curve. He noted that Portland tonnage was trying to find a home, while Thompson's is lucky to have a nearby facility. Allen asked whether there was anything associated with the compostable collection that was affecting the increase. Thompson noted that the majority of the company's cost is disposing of garbage. He added that the next most impactful component is the commodities market. Allen requested a breakdown on the impact of collecting compostables.

Goebel stated that he had hoped that the compostable collection would reduce garbage and recycling numbers. Thompson noted that tonnage in all categories has increased.

Aimee Thompson reviewed education efforts. She discussed the Newport Middle School "Green School" program, and the hope that by educating students, it would educate peers and parents.

Allen asked whether the compostables were mainly comprised of yard debris or food waste, and Thompson noted that it was mainly yard debris with food waste around four percent.

A discussion ensued regarding step increases as opposed to a 6.4% increase.

Goebel asked whether additional increases are anticipated if Resolution No. 3773 is adopted. Cook responded that increases would be significantly less likely. Allen asked whether the city's franchise agreement is within industry standard.

MOTION was made by Swanson, seconded by Sawyer, to adopt Resolution No. 3773, which establishes a maximum rate adjustment of 6.40% increase in rates for Thompson's Sanitary Service, Inc. for solid waste, recycling, and composting effective July 1, 2017. The motion carried unanimously in a voice vote.

COMMUNICATIONS

From the Lincoln County School District Requesting Council Consideration of the District Acquiring the City's Former Swimming Pool Facility. Hawker introduced the agenda item. Goebel declared a conflict of interest as he is working with the School District on this facility. He stepped down. Nebel reported that the Lincoln County School District is requesting that Council initiate a conversation regarding the possibility of the acquisition of the former swimming pool facility. He stated that the District is proposing to house auxiliary and support services in the facility. He added that they would shift support services from existing school facilities to expand classroom space.

Nebel reported that Resolution No. 3617 established a management strategy for Forest Park which outlined various ways the park would be maintained as open property. He stated that there was also discussion that after the pool relocated, this property could be used as staging, parking, or entrance areas into the park.

Nebel reported that he outlined a number of issues that Council would need to address in a December 15, 2016 communication which includes issues with zoning, park designation, structural questions about the integrity of the facility, and concerns about potential land use impacts by having school facilities on both sides of Big Creek Road which could potentially create a circumstance similar to that at the high school.

Nebel reported that if the building could be economically stabilized, there could be a cost savings for the District in repurposing the former pool for school and administrative uses. He added that there could also be cost savings for demolition by the city.

Nebel reported that the District conducted some structural evaluations of the building, and they believe the shell of the building could be economically repurposed to address some of their space needs. He stated that the District would like to enter into formal discussions with the city on evaluating this matter.

Nebel reported that if Council is inclined to continue discussions with the District, it would be appropriate to schedule a public hearing to give the public an opportunity to comment generally on the reuse of the pool for school support purposes. He stated that this would be important since a number of citizens were involved in the establishment of Forest Park. He added that if, after a general hearing, Council wishes to pursue this matter, then it would be appropriate for the District to pursue the rezoning of the property,

and for Council to begin the process to amend the ordinance, which designated the pool property as part of Forest Park.

Nebel reported that if Council is not supportive of pursuing these discussions, it would be appropriate to take action indicating that the city does not wish to pursue transition of this facility to the District.

Nebel reported that he believes it is worth holding a public hearing to obtain comments from the public regarding the possible repurposing of the former pool building to determine whether to pursue zoning and park boundary amendments, and park boundary amendments related to Forest Park.

Dustin Capri, Capri Architecture, and Rich Belloni and Jon Zagel appeared on behalf of the District. Zagel explained the need for additional classrooms noting that with some support services moved to this building, up to eight additional classrooms could be provided. Capri reported that the District is trying to reuse the building, and noted that despite significant needed upgrades, it could be repurposed. Belloni explained the proposed improvements to the building and addressed parking issues.

MOTION was made by Sawyer, seconded by Allen, to schedule a public hearing on the possible transfer of the former pool building to the LCSD for Monday, June 5, 2017, in order to give the public opportunity to provide input as to whether the city should pursue these discussions or not. Allen asked why the pool facility was included in the Forest Park designation, and the anticipated impact differences. The motion carried in a roll call vote with Goebel having recused himself and not voting.

Communication from the Destination Newport Committee - Update on Marketing and Social Media. Engler introduced the agenda item. Nebel reported that Jamie Rand will update Council on marketing activities that have occurred throughout this fiscal year. He stated that the city entered into an agreement with the "News-Times" that included a new strategic effort for digital marketing, which encompassed optimization of key words; displaying network ads; regular and quarterly reports; tracking activity; social media and marketing; utilizing online video commercials; the DNC Facebook accounts; and contact marketing creating webpages and micro-sites to support campaign promotion.

Jamie Rand, publisher of the Newport News-Times and Lorna Davis, Executive Director of the Greater Newport Chamber of Commerce, appeared before Council on behalf of the Destination Newport Committee.

Rand made a PowerPoint presentation that covered: search engine optimization; website analytics; social media engagement data; Google adwords campaign; social media; social posts; social post results; and additional information.

Davis reported that the DNC utilizes a broad mix of media including: social media; television; billboards, webcam; and print media.

CITY MANAGER'S REPORT

Report on the Distribution of Proceeds from the Sale of the Bornstein Property. Hawker introduced the agenda item. Nebel reported that on March 1, 2017, the city received the proceeds from the sale of the Bornstein property in the amount of \$1,652,857.50. He stated that the funds were deposited in the General Fund. He recommended that the funds be used for three specific purposes: (1) for the payoff of the Northside Fire Station loan in the amount of \$203,613.23; (2) the payoff of the purchase

of the Angle Street/Highway 101 parking lot property in the amount of \$1,123,070.78; with the balance of the proceeds placed in a reserve account for future land purchases in the amount of \$326,173.49.

Allen stated that when the Bornstein sale was approved, he abstained. He added that he would have preferred the Council amend the Municipal Code and utilize the provisions of the Code for the sale of the property. He noted that now that the sale is complete and the city has the proceeds, he does not think that his previous abstention would preclude him from weighing in on this issue.

MOTION was made by Sawyer, seconded by Swanson, that the proceeds from the sale of the fish processing plant on Bay Boulevard be appropriated for the following uses: (1) authorize the payoff of the Northside Fire Hall loan in the amount of \$203,613.23, with the City Manager executing any required documents relating to the payoff of this loan; (2) authorize the payoff of the purchase of the property located on the southeast corner of Highway 101 and Angle Street in the amount of \$1,123,070.78 with the City Manager executing any required documents relating to the payoff of this loan; and (3) authorize city administration to proceed with the creation of a land reserve fund with the balance of the proceeds estimated to be \$326,173.49 being placed in this reserve for future land uses. The motion carried unanimously in a voice vote.

Discussion on Process for Developing a New Agreement for Fulfillment Services.

Hawker introduced the agenda item. Nebel reported that the city has a contract for tourism promotion services for the operation of the Visitor Center providing visitor information, media information, visitor website, visitor kiosk, hospitality training, support group and research tours, supporting the goals of the Destination Newport Committee, promotion of off-season tourism activities, and maintaining social media channels. He stated that the city has gone through a request for proposals for tourism promotional services in the past, and the last time, one proposal was received from the Chamber of Commerce. He suggested that Council direct staff to negotiate a three-year extension of the current agreement, instead of going through an RFP process. He noted that he believes it would be difficult for another entity to compete for these services. He stated that Rich, reviewed this agreement, and under the city's Public Contracting Rules (2012) E-2, purchase of advertising does not require a competitive process.

Davis stated that she appreciates having the Chamber provide these services. She noted that the contract is unique and leverages twice as much in other funding to complete the program.

MOTION was made by Sawyer, seconded by Goebel, to authorize the City Manager to negotiate a three-year extension of a contract for tourism promotion services for the City of Newport with the Greater Newport Chamber of Commerce. This agreement would then be brought back for Council review and approval by the first meeting in June. The motion carried unanimously in a voice vote.

LOCAL CONTRACT REVIEW BOARD

The City Council, acting as the Local Contract Review Board, began meeting at 7:57 P.M.

Recommendation from the Destination Newport Committee to Consider a Contract with PDX TV, Fox 12 (KPTV.com) for Webcam Services. Hawker introduced the agenda item. Nebel reported that the Destination Newport Committee has reviewed a proposal from PDX TV, Fox 12, for placing a weather camera in a mutually agreed upon location to feature live shots weekly during the Fox 12 weather segments. He stated that the city owns a camera and pays for a T-1 line through CoastCom to KGW, and the DNC is recommending continuation of this agreement as well.

Nebel reported that the Fox 12 proposal is structured differently in that the camera will be installed and maintained by Fox 12. He stated that Fox 12 will commit to weekly mentions in various newscasts, and include 200,000 monthly ads on weather.com, which will allow folks to access the DNC web and social media sites. He noted that for Fox 12 to commit the equipment installation, and maintenance, they are requiring a three-year commitment from the city. He added that the monthly prepaid discounted cost for the services is \$2,925 if paid in advance.

Davis responded to Council questions.

MOTION was made by Swanson, seconded by Sawyer, to accept the proposal from PDX TV, Fox 12 for the installation and maintenance of a weather camera with associated marketing opportunities for a three-year period, and authorize the City Attorney to draft an appropriate contract with the City Manager executing the contract implementing the terms of the proposal. The motion carried unanimously in a voice vote.

RETURN TO CITY COUNCIL MEETING

Council returned to its regular meeting at 8:07 P.M.

REPORT FROM MAYOR AND COUNCIL

Engler reported that she visited the storm drain failure on Oceanview Drive. Gross reported that it is anticipated that the project will be completed later this week. He noted that a work session will be held regarding street and stormwater ownership and responsibility.

Engler reported that she attended a recent beautification/landscaping meeting. She noted that Jerry White reviewed plans for beautification of the roundabout in South Beach, the Nye Beach Turnaround, the parking lot at Highway 101 and Angle Street, and the PAC.

Engler reported that the recent youth symphony program was well done.

Engler reported that she is unable to attend the next Budget Committee meeting. MOTION was made by Allen, seconded by Swanson, to excuse Engler from the Budget Committee meeting of May 9, 2017. The motion carried unanimously in a voice vote. 2040 advisory committee meeting last week. Getting ready to wrap up surveys.

Swanson reported that she attended the Airport Master Plan open house and was the only attendee.

Swanson reported that she attended a recent meeting of the Public Arts Committee, and the Committee is working on a potential revision of the Percent for the Arts resolution, as well as a solid funding base.

Swanson reported that she attended a recent meeting of the Vision 2040 Advisory Committee at which the group was divided into three different subcommittees.

Swanson reported that she attended a recent meeting of the Lincoln Community Land Trust at which the group considered funding sources.

Swanson reported that the 60+ Advisory Committee developed a mission statement for the age friendly community designation. She stated that the information will be presented to Council in late July or early August, and she urged the city to be the driver for this designation.

Swanson reported that she attended a recent meeting of the city's Emergency Management Committee at which solar eclipse planning continued.

Swanson reported that she attended the first Budget Committee meeting on April 25.

Swanson reported that, on behalf of the Solid Waste Advisory Committee, she and Saelens met with Nebel regarding the debris management plan.

Sawyer reported that he attended the recent Volunteer Dinner, and thanked Melanie Nelson for a job well done in organizing the event.

Sawyer reported that he attended the first Budget Committee meeting on April 25.

Sawyer reported that he attended a recent meeting of the SDC Advisory Committee. He commended Tokos on his work with this group. Tokos noted that the initial public hearing on the SDCs will be held on July 17.

Sawyer reported that the dinner held at the 60+ Center earlier this evening was wonderful.

Sawyer reported that he looked at the men's restroom at the VAC, and it appears to be a simple fix.

Goebel reported that he attended the recent Volunteer Dinner.

Goebel reported that the Port of Newport Budget Committee meetings are scheduled one hour after the city's Budget Committee meetings.

Goebel reported that he attended a recent meeting of the beautification/landscaping committee.

Goebel reported that the earlier 90+ dinner was great.

Goebel reported that he was involved in the interviews for the Port of Newport's Director of Operations position.

Goebel reported that Kurt Schrader will be in town on May 9 from 3:00 - 4:30 P.M.

Engler reported that a small cities meeting will be held in Toledo on Friday.

Goebel reported that the hospital groundbreaking is scheduled for May 23.

Goebel reported that he will not attend the meeting of June 19 as he will be out of town.

Allen reported that he attended the recent Volunteer Dinner, and that Melanie Nelson did a great job.

Allen reported that he attended the recent joint work session with the Airport Committee regarding the master planning process.

Allen reported that he attended the first Budget Committee meeting on April 25.

Allen reported that the 90+ dinner held earlier this evening was great.

Allen reported that he attended a recent meeting of the League of Oregon Cities Board of Directors. He noted that the major topic of discussion is the impending retirement of the executive director and subsequent recruitment.

Engler asked about the parking study. Tokos reported that the consultant's initial draft was deficient in a number of contractual requirements, and a revision is underway. He added that a meeting will be scheduled in late May or early June to review the updated document.

Nebel reported that a hospital project update is scheduled for the May 15, 2017 Council agenda.

PUBLIC COMMENT

Marletta Noe asked whether the newly-authorized KPTV webcam will have images during the 8:00 P.M. news since it is still light during the summer.

ADJOURNMENT

Having no further business, the meeting adjourned at 8:39 P.M.

Margaret M. Hawker, City Recorder

Wendy Engler, Council President