

January 20, 2009
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.

ROLL CALL

On roll call, Bain, Bertuleit, Brusselback, Kilbride, McConnell, Obteshka and Patrick were present.

Staff attending was as follows: City Manager Shaddox, City Attorney Firestone, Finance Director Riessbeck, Community Development Director Bassingthwaite, Public Works Director Ritzman, Lieutenant Teem, Parks & Recreation Director Protiva, Interim Airport Director Wilson, Library Director Smith, and Executive Assistant Atkinson.

PROCLAMATIONS & RECOGNITIONS

Dean Sawyer, former Newport City Police Sergeant and one of the current Newport CERT organizers, gave a brief power point presentation. The following citizens received a Certificate of Appreciation for their participation and completing the Community Emergency Response Team Program (CERT): Shaun Barclay, Lillie Chirrick, Kristin Cooper, David Daus, Edward Doench, Russ Engle, Keith Harcourt, Larry L. Johnson, Ruth Kassebaum, Corey, Mabey, Ivan Magnum, Mark Miranda, Gary Weber, and Brook Young. Mayor Bain thanked all of the CERT members, past and present who have participated in this great program.

Former City Councilor Peggy Sabanskas was presented a plaque of appreciation for her 16 years of service to the citizens of Newport. Councilor Larry Henson could not be present at the evening meeting, but he also will be receiving a plaque of appreciation for his service to the citizens of Newport while serving on Council.

CONSENT CALENDAR

The consent calendar consisted of the following items:

- A. Approval of City Council minutes from the work session and regular meeting of January 5, 2009
- B. Report of Accounts Paid, December 2008.
- C. Fire & Police Reports, December 2008
- D. Proposed 2009-10 Budget Schedule

MOTION was made by Patrick, seconded by McConnell, to approve the consent calendar as amended during the noon meeting. The motion carried unanimously in a voice vote.

COUNCIL MEMBER REPORTS & COMMENTS

Councilor Bertuleit reported on the January 14th Airport Committee meeting. He indicated one item presented at the Airport Committee meeting would also be discussed at this evening's meeting. That item was the grant request for the beacon tower replacement

Bertuleit also reported on the most recent Bicycle & Pedestrian Committee meeting he had attended. He commented on the State bicycle route, a trail near Ocean View, and sidewalk improvements in front of the Coast Guard Station.

Councilor Kilbride reported he had attended his first Council of Government's (COG) meeting last week in Albany. He described the structure of the committee, and explained their main focus is senior services and programs.

Councilor Obtshka reported he attended a Nye Beach Parking District meeting. He stated that Bassingthwaite has been working on a parking matrix for all the proposed parking districts. He would recommend this matter be included in the Council's upcoming 2009-10 budget.

Councilor Brusselback reported he will be attending his first Parks & Recreation Committee meeting tomorrow morning serving in his capacity as Council liaison.

Councilor McConnell reported on three meetings he had attended; the Oregon Coast Council for the Arts; the Lincoln Community Land Trust, and Destination Newport Committee. McConnell said he would like to invite a representative from the Land Trust to make a presentation before the Council on low income housing.

McConnell reported the Destination Newport Committee approved a Portland Company, PDXposed, shooting a second 30 minute episode of Newport in February. It will air in the spring on KGW and its affiliates. Also discussed was the Special Events/Activity Grant Fund application form, which the Council will discuss later this evening.

Mayor Bain reported on attending a Housing Authority meeting last week. He commented that the Authority operates a child care facility in the Ocean Spray Community Center, and they will be looking for someone to take that activity over. Bain said he had indicated during the noon work session that this group might want to get in contact with the individuals who had requested child care assistance at the Council's last meeting. He stated this is a community based program, and could be an opportunity for a good match.

OFFICER'S REPORT'S

Report of the Mayor. Bain noted that he would like to reappoint Chuck Forinash to serve another three year term on the Bike and Pedestrian Committee. There is also a vacancy on this same committee, as well as the Airport Committee. He will request that press go out on these two vacancies. He also reported he hopes to make an appointment to the Planning Commission at the Council's next meeting.

MOTION: Patrick moved, seconded by McConnell, to approve the reappointment of Chuck Forinash for another three year term to the Bike and Pedestrian Committee. On call for vote, all members present voted aye, motion carried.

Bain reported that Kate Rowland had contacted him, and had indicated she would no longer be with the “News-Times” after the end of January.

Report of the City Manager. Shaddox suggested the Council hold a mid-year budget review on January 30th at 1:00 P.M., and invite the entire Budget Committee to attend. Finance Director Riessbeck will disperse the budget information soon.

Shaddox reported the annual Council goals setting session is scheduled for Friday, February 13th from 9:00 A.M. to 4:00 P.M. He indicated he would be the facilitator for this session at Council’s request, rather than hiring an outside facilitator. Shaddox requested that Public Works Director Ritzman give a status report on the Bay Blvd project because of necessary changes in the timeline. Ritzman reported bids will still go out this spring, allowing for the contractor to secure prices on materials. Some work, such as potholing, will occur before Memorial Day, but the main excavation and construction would not begin until after Labor Day. This will include a storm drain system, conduit for utilities, sewer and water lines, fiber optic conduit, curbs and gutters, sidewalks, and street overlay. Ritzman explained this particular project became a very complicated project with the addition of the undergrounding of utilities.

Shaddox informed Council that we need an updated Council photo for both our website and photo gallery here at City Hall. February 2nd will be scheduled for the photo shoot.

Report of the City Attorney.

Firestone reported that Council may need to hold a special meeting on the proposed Airport Service Agreement with SeaPort as early as next week. He hopes to have the finalized written agreement completed soon, and sent to the Council prior to their special meeting.

DISCUSSION ITEMS

Presentation by Budget Chair, David Allen, on Budget Process. David Allen, Chair of the City’s Budget Committee, and Don Huster, also a member of the City’s Budget Committee came forward. Allen explained he had sent an e-mail to City Manager Shaddox requesting there be more budget committee involvement earlier in the process. Allen said it would be beneficial to meet earlier to be able to weigh in with recommendations before the formal process is set. He stated he had also met with Shaddox, and was informed there would be a mid-year budget status review and budget committee members would be invited. Allen requested another meeting be scheduled with the budget committee after the City Manager and Finance Director have received all budget requests from department heads, and prior to final numbers being crunched. Allen also indicated he would like to see a priority list created for Public Works capital projects

Don Huster stated he supports Allen’s budget suggestions. He commented this would allow the committee the opportunity to assist in steering the process, rather than dealing with it after it was fairly complete. He pointed out that infrastructure is a major priority for him. Huster requested an update on how the water and sewer fees that were approved during the last budget process were being collected and utilized.

Shaddox commented that he agrees with this approach for budget preparation. He stated the City would like to work as a team with the budget committee to bring these ideas forward. He stated staff could assemble three to five year projections for our

revenues, and he also could have Public Works prioritize their capital projects. He indicated a second meeting with the budget committee could occur in March after department proposals have been turned into his office and Finance.

Bain said he appreciated the budget committee members requesting the opportunity to understand where the budget requests come from, and how they will be budgeted for the future.

Patrick thanked both Allen and Huster for their work on the City's budget.

Obtshka suggested a timeline be created on the prioritized Public Works' projects, and then posted on our website.

It was noted the added budget committee meetings would adhere to the public meeting statutes. Bain also indicated the Budget Committee would want to hold elections for the chair and secretary positions as they do each budget cycle.

Allen commented he would like to see the ongoing revenue stream do a better job of helping to pay for upcoming public works projects. He said he would like to discuss this idea in the upcoming work sessions.

PUBLIC COMMENT

Joyce Gaffin, a South Beach resident, read a letter which will be entered into the record. The letter spoke to preserving a segment of the western view shed in the neighborhood between the South Jetty Road and the northeastern boundary of the South Beach State Park. The letter shared a list of requests for preserving this area, as well as programs that could assist to accomplish the preservation.

Bain commented this request had been presented to Council at a prior meeting, and thanked Gaffin for her bringing it back before them.

McConnell asked if State Parks had offered any assistance with her request. Gaffin responded there is a small possibility they may assist. McConnell also suggested Gaffin contact the Lincoln Land Legacy group to see if they can help with transaction fees. Gaffin said she would contact them.

Bertuleit recommend staff look into this and make sure none of the land has been vacated. Searching for potential grants was also suggested.

Parks & Recreation Director Protiva stated this property is contiguous with State Parks, and would be more beneficial for their purposes. Gaffin responded that State Parks is cutting back in funding. Patrick said she did not think State Parks would include this project in their budget. Gaffin said she wants the City to be instrumental in preserving this property.

Kilbride inquired which properties were owned by Investors 12. Gaffin described those properties, as well as nearby property owners.

Bain asked staff to review this request and report back.

ACTION ITEMS

Public Hearing on the proposed substantial Amendment No. 5 to the South Beach Urban Renewal Plan and Report and adopting ordinance. Bain opened the hearing at 7:25 P.M. Bassingthwaite provided an overview of the process and the proposed amendment. He indicated the proposed amendment was developed through an

extensive public involvement process that included public meetings held by an appointed ad hoc advisory committee, a public open house and public input. The public open house was held December 4, 2008, to present and answer questions on the proposed amendment. The Planning Commission reviewed the proposed amendment following a public hearing on December 8, 2008, and voted unanimously to recommend approval, and now the public hearing is before the Council this evening for their consideration. Bassingthwaite explained the proposed amendment would extend the sunset date of the current South Beach Urban Renewal Plan from 2010 to 2020, and would allow the establishment of a revised list of projects. He explained the difference between the closeout date and sunset date for the plan. Bassingthwaite reported on the presentation made January 14th before the Lincoln County Board of Commissioners. The City has received only one written letter of objection, which he distributed to Council prior to their evening meeting. Also there were no citizen objections at the Planning Commission hearing.

McConnell asked if projects listed in the plan are actually the proposed projects. Bassingthwaite said yes. Some are eligible for 100% urban renewal funding and some only a portion is eligible. Bassingthwaite explained that combining funds with urban renewal funds is very beneficial and partnering with private investors is also good. McConnell inquired if the projects listed were by priority. Bassingthwaite explained they are in phases, but can be changed if needed.

McConnell asked if green spaces and parks were included in the plan, and Bassingthwaite responded yes.

Patrick said there was plenty of input through the public process, and infrastructure was definitely a top priority.

Bassingthwaite also spoke to working with ODOT on development of an alternative mobility transportation standard for Hwy. 101 in South Beach, and the importance of local funding such as that in the proposed amendment.

Obtshka asked when we would hear from Lincoln County on their decision with regards to the 5th amendment. Bassingthwaite explained the process that would need to be followed. Both Bain and McConnell said it was a very positive meeting with the county.

Patrick suggested the Urban Renewal Agency also adopt the 5th Amendment to the South Beach Urban Renewal Plan prior to the Council's adoption. She further requested this action occur prior to the Council's action to adopt at their next meeting.

Bain called for proponents. Janet Webster, a resident of Newport, and an employee at the Hatfield Marine Science Center spoke. Webster said she had been involved with the ad hoc advisory committee process on the 5th Amendment to the South Beach Urban Renewal Plan. She said it was a good process with lots of public involvement. Webster said she supports the plan, and commented that it is very flexible. She suggested Council consider more specific goals with regards to South Beach in their upcoming goal setting session.

Don Huster, proponent, reported he had served on the ad hoc committee, and the process had been very well organized and thought out. He stated that Bassingthwaite did a very good job of structuring the framework for the phases.

Bain called for opponents. Bassingthwaite noted there was only one opponent, and that opposition was received by letter from Gregory A. Carpenter, 5806 N.W. Rhododendron Street, Newport.

McConnell thanked Bassingthwaite for all his work on this project.

Bain closed the public hearing at 7:53 P.M.

MOTION: Bertuleit moved, seconded by McConnell, to approve the proposed amendment and direct staff to bring the ordinance back to the next City Council meeting. The motion carried unanimously in a voice vote.

Request for extended bus service for the Seafood & Wine Festival from the Chamber of Commerce and to utilize transient room taxes. Lorna Davis, Director, Newport Chamber of Commerce, spoke on their extended bus service request. She stated they would like to extend the shuttle bus service hours on Saturday, February 21, 2009, during the Seafood & Wine Festival to 10:00 p.m., and to utilize transient room tax funds to accomplish this. This request was based on a previous Council recommendation. The extension of hours on that particular date could help to mitigate potential driving under the influence issues and provide a benefit to our visitors during the festival. It was noted the fiscal impact would not exceed \$1,000 from transient room tax monies.

Obtshka said he was really interested in getting as many people as possible to know about these added hours. Bain said there would be reporting on this.

MOTION: McConnell moved, seconded by Obtshka to approve the request from the Greater Newport Chamber of Commerce to fund an extension of the shuttle service on Saturday, February 21, 2009 during the Seafood and Wine Festival, at a cost not to exceed \$1,000, and that the funding come from transient room tax monies. The motion carried unanimously in a voice vote.

Special Event Application received for the Newport Marathon. Tom Swinford, Newport Marathon event organizer, was present to answer questions about the marathon, and their application. Swinford shared the history of the event, and a couple of stories from past marathons.

Swinford indicated the marathon organizers are requesting a fee waiver for the services provided by the City. Those services include traffic control during the event and barriers. This will be the event's 11th year. It would be held on May 30, 2009, between the hours of 7:00 A.M. and 3:00 P.M. It is a well received event in the community, and brings approximately 2000 visitors to our area each year. The estimated fiscal cost to the city should be no more than \$1,000.

MOTION: Bertuleit moved, seconded by Patrick to approve the fee waiver requested by the Newport Marathon to be held on May 30, 2009. The motion carried unanimously in a voice vote.

Adoption of new Municipal Code Chapter 6.60, regulating release of towed and impounded vehicles. City Attorney Firestone explained this issue was requested by our Police Department. He explained the Council would need to decide whether or not to adopt an ordinance adding a new code chapter to require payment, proof of ownership and insurance before releasing a vehicle that has been impounded for abandoning or for parking violations. Firestone explained the city currently requires payment of costs and

compliance with certain requirements before a vehicle being impounded during a traffic stop can be released, but does not have the same requirements for vehicles impounded for abandonment or for parking violations. He stated if the ordinance is adopted by Council, the fiscal impact would be positive, as it would allow the city to recover costs not currently being recovered.

MOTION: Motion was made by McConnell, seconded by Brusselback, to read Ordinance No 1970 by title only and for adoption by roll call vote. Shaddox read Ordinance No. 1970 by title only and placed for final passage. Voting aye on the adoption of Ordinance No. 1970 were: Bain, Bertuleit, Brusselback, Kilbride, McConnell, Obteshka, and Patrick.

Proposed ordinance to change the allocation of room tax proceeds that must be expended on tourism promotion or tourism facilities. Firestone reported the issue before the Council is whether or not to amend the current code provision allocating the percentage of room tax proceeds to be used for tourism promotion and facilities by increasing the percentage from 40% to 46%. Firestone explained this would make the city compliant with state law, and recommended the ordinance be adopted.

MOTION: Brusselback moved, seconded by McConnell to read Ordinance No. 1971 by title only and for adoption by roll call vote. Shaddox read Ordinance No. 1971 by title only and placed for final passage. Voting aye on the adoption of Ordinance No. 1971 were Bain, Bertuleit, Brusselback, Kilbride, McConnell, Obteshka and Patrick.

Consideration of adoption of amendment to employee retirement plan. Firestone explained the matter before the Council is whether or not to adopt the proposed 2009 restatement of the City of Newport Employee's Retirement Plan. He explained in detail the changes being recommended. He explained the difference between the Trustee and the Board. He indicated if the Council wished to consider additional changes to the plan, he would recommend going forward with adoption of the 2009 restatement, and a process be established to consider the additional changes. Any decisions made by the administrator, which would be the Finance Director could be appealed to the 5 member Trustee. Firestone also stated if the Council does not wish to make all the recommended changes, they at least make the changes required by Federal law.

Obtshka asked can a domestic partner be a beneficiary. Firestone said there are three basic options on how the benefit can be dispersed, and anyone can be designated to receive those benefits by the beneficiary.

MOTION: McConnell moved, seconded by Bertuleit for adoption of the 2009 restatement of the City of Newport Employees' Retirement Plan as presented. Motion carried unanimously in a voice vote.

Consent to Vacation of Way of Necessity. Firestone reported the Council needs to consider whether to consent to the vacation of a way of necessity that currently affects property owned by Landwaves in South Beach. Firestone recommended the Council consent to the vacation as requested, and authorize the City Manager to sign a written consent. He indicated no one has objected and no one will lose access.

MOTION: Bertuleit moved, seconded by Obteshka to consent to the vacation of the way of necessity as requested and authorize the City Manager to execute a written consent. On call for vote, all members present voted aye, motion carried.

Annual adjustment of System Development Charges and proposed amendment to Section 3 of Resolution No. 3431. Bassingthwaite explained the proposed amendment to Section 3 of Resolution No. 3431 would change the automatic adjustment to require Council approval by resolution for the adjustments in system development charges. The proposed revision would also change the date of the construction cost index for SDC adjustment purposes from January 1 to November 1. This would allow staff to calculate the rate earlier so that there is more time between the calculation and the effective date of January 1st. He also noted there was a typo in the table on the staff memo, the figures \$0.025/sq.ft., and \$0.027/sq/ft. should actually appear as \$0.25 and \$0.27.

MOTION: Patrick moved, seconded by McConnell to adopt Resolution No. 3454, amending Section 3 of Resolution No. 3431. On call for vote, all members present voted aye, motion carried.

DISCUSSION

Report on potential funding for child care through OSU Extension Service.

Kilbride asked to have this matter tabled until it can be determined if the Association of Family and Community Education child services can be incorporated into the Housing Authority child care services, as mentioned earlier in the meeting by Mayor Bain. He said it might be better to wait and consider it during the next fiscal budget.

McConnell and Bertuleit both expressed that the need is now. Brusselback said he had a problem with this request being funded out of the general fund contingency. He commented that Finance Director Riessbeck had indicated this was where this request would need to be funded. He agreed with Kilbride's recommendation to table the matter, and look at it during the upcoming budget session.

Following a brief discussion, McConnell said it appeared the general consensus of the group was to table this matter until further information can be attained.

MOTION: Kilbride moved, seconded by Patrick, to table the request from the Association of Family and Community Education through the OSU Extension Services, until further information has been gathered. On call for vote, all members present vote aye, motion carried.

Further discussion with regards to the Special Event/Activity Grant Fund Application process (\$75,000).

Linda Neigebauer, business owner in Nye Beach, and Catherine Rickbone, Director of Oregon Coast Council for the Arts spoke with regards to the Special Event/Activity Grant Fund Application process. Their main request was to change that portion of the application that excluded events already established. Neigebauer referred to the very popular Nye Beach Mystery Weekend coming up in March, and Rickbone spoke to the Fall Jazz Festival. They explained there are already established events in their

infancy that bring many people to our community, and would bring more with expanded marketing. Rickbone also commented that if you get local support for an event this assists as leverage for attaining grants.

Bertuleit said the original idea when providing these funds was to establish more events during the shoulder seasons. Bain commented we need to make sure we are using the transient room dollars wisely. Kilbride asked about the funds that currently go to advertising and marketing.

It was determined the application form needs some reworking by staff. It was noted there will be at least two more requests coming before the Council at their next meeting on this same form.

A discussion ensued on the grant funding and whether it will be carried over to the next budget year. Shaddox said that will be up to the Council on whether they want to fund this again next year.

Patrick said we need to look at what the current advertising agency is providing, and what these other grant requests will be asking for and make sure they are not crossing paths.

It was the general consensus of the Council to continue this matter to a later date.

Shaddox introduced new Library Director, Ted Smith to the Council.

Submit FAA grant funding request for Airport Beacon Tower replacement.

John Wilson, Airport Interim Director, distributed copies of photos of the beacon tower, which depicted its deterioration. He recommended Council approve a funding request to FAA for a replacement beacon tower at the Airport. He explained the tower is a necessary component of the Airport operations, and has become a safety hazard because of corrosion, age-related stress and climatic issues. Wilson also is recommending there be some reprogramming of funds included in the current budget that is intended for new additional aircraft hangars, and put it towards supporting this beacon tower project.

Wilson explained the FAA will not support the hangars, as we have five open hangars now, and no waiting list. Patrick said what happens if in the summer we get more requests for hangars, can we then go out for the FAA monies. Wilson said yes we could, and that would be the better time to make the request.

Kilbride asked if this request had been approved by the Airport Committee, and Wilson responded it had. He also spoke to the Committee approving a water suppression project, and having design work done for this project.

MOTION: Kilbride moved, seconded by McConnell to authorize city staff to submit a funding request to the FAA to replace the Airport rotating beacon tower.

Under discussion, Obteshka asked how long the original tower lasted. Wilson said he thinks this is the original tower, so we got our money's worth. The motion carried unanimously in a voice vote.

Summary Report – Nye Beach Holiday Celebration. As required by the current Special Event/Activity Grant Fund Application process, a final report summarizing the results of the event/activity with a detailed and verified accounting is required. Thus, the participants in the Nye Beach Holiday Celebration provided the required report.

ADJOURNMENT

Having no further business, the meeting adjourned at approximately 9:24 p.m.

Cheryl Atkinson, Executive Assistant

William D. "Bill" Bain