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## MEMO

DATE: November 21, 2016  
TO: Mayor and City Council  
FROM: Spencer Nebel, City Manager  
SUBJECT: Status Report for the Period of Time from September 25, 2016 through November 25, 2016

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The past couple of months have been quite convoluted from a conference standpoint, as well as squeezing in a vacation, and then dealing with my father's passing, and a serious accident involving my niece's son who had a serious fall at U of M, which has left him in critical condition for the past two weeks. Thank you for the kinds words regarding my Dad's passing. He had a very full life and lived life well over his 100 years on this earth!

### HIGHLIGHTS OF ACTIVITIES:

Highlights of activities over the past two months includes the following:

- Attended the ICMA Annual Conference in Kansas City, MO, from Saturday, September 24 through Wednesday, September 28.
  - The opening key note speaker was Soledad O'Brien. O'Brien is an award winning journalist, documentarian, news anchor, and philanthropist. She has received critical acclaim for her series, "Black in America and Latino in America". She indicated that at this point in history, there is a lot of yelling without anyone listening to each other. Conversations are going past each other. Today our society is as divided as ever on the basis of race, sex, religion, age and income, with very few bridges between these various pockets of diversity. Society is avoiding the awkward conversation regarding how to thrive in a diverse nation. Soledad O'Brien came from a multi-racial family, her Dad being white, and her Mother being black. In 1958, Maryland did not allow or recognize multi-racial marriages which was problematic when she moved to the DC area. Our society has come a long way on a number of these issues. There are many current issues that will have to work their way through conversations in society prior to them being accepted by most corners of society.

Soledad O'Brien has indicated that most of the news regarding the riots that had occurred over race issues focused on the riot not the reasons for the riot. It is important to realize that when a story is told, the perspective from the story teller can be very different.

Individually we need to understand that we all have our biases, and we need to try to understand that two people can look at the same scenario, and come up with two very different conclusions. This has been very clear in the very different perspectives of the police shootings that have occurred in America during the past few years. Ms. O'Brien indicated that we all need to recognize our own individual biases, try to understand the perspective of others during these socially challenging reactions, and work hard to listen to each other in order to find pathways to living peacefully in a diverse culture.

- Attended a key note session from New York Times columnist, and PBS commentator, David Brooks. Mr. Brooks indicated that selflessness leads to greater success. In today's society, those who are not affiliated with any specific religion are the fastest growing group in America, along with those who are not affiliated with either political party. Furthermore, there is lack of awareness of the different viewpoints that people living together may have. Class separation is becoming greater in our society, as was illustrated in this year's political races. This is evidence in the changes that have occurred among those who support various political parties. Finally, society has a lack of intimacy where people can sit, discuss, and chat with each other on various community concerns or issues. The number of single, elderly people is at a record high, and the measures of loneliness are also very high. Mr. Brooks indicated that we need to have a change of culture from autonomy, and self-supporting to one that is more based on community.

In addition, David Brooks believes that people are afraid of commitment. He indicated that people should be measure, not by their financial success, but by their ability to make and keep commitments to others.

- Attended a session on the XYZ Culture in Local Government. This culture is one which innovation, accessibility, and transparency are the norm and employees are challenged, engaged, and excited to produce results. Greg Stopka, Alliance for Innovation, commented that certain aspects of the Millennial culture are for all generations. He encouraged managers and departments to have fun in City Hall. It is important to celebrate successes, with non-traditional awards. This can include things like ringing a gong if you are successful with a project. Let your employees have fun in designing the office. Have areas for non-traditional breaks with activities of interest to the Millennial generation. Encourage employees to connect with each other.

He indicated that interns are key to incorporating new ideas in overall management. Interns should be paid because you expect to get real work from them. There should be efforts to set goals with the interns, and have an appropriate, central space for them to work. In today's culture, it is also important to have innovative meetings, celebrate failure, encourage organizations to up more single issue quorums with multi-disciplinary participants to discuss, through various aspects of public policies.

Doug Mathews, Chief Communications Director for the City of Austin, Texas, stated that evolution in the work force is inevitable. Since 1985, there has been an emphasis of balancing work with life. Furthermore, there has been greater focus on the differences in generations, from the "Baby Boomers" till now. He encouraged managers to suspend the inclination to interrupt. It is important for all managers to be better listeners. He also emphasized the importance of

learning from mistakes made. He said it is important to encourage advancement within your organization, even if that leads to losing key staff, who choose to advance themselves to other organizations. He suggested that at staff meetings, try to carve out 15 minutes to allow a group to present ideas in a specific topic area for moving the organization forward.

- Attended a session about using analytics to grow tourism, market share. Many cities are successfully recruiting visitors by using analytics. Lisa McKay, Vice President of Sales from Buxton, indicated that their firm utilizes credit card reporting data to help profile customer base. Psycho-Graphics allows analysts to understand the likes and purchases of customers. Through analytics, they can separate the expenditures of day-trippers to overnight visitors to determine how these two groups choose to spend their tourist dollars. Once this is understood, it allows direct marketing to likely customers. Buxton works with communities, as small as 2,000 in population and providing services to over 800 cities at this time.
  
- Attended a session put on by Bob Chapman. Mr. Chapman is Chairman and CEO of a global capital equipment firm. Bob Chapman is the author of a book called Everybody Matters, the Extraordinary Power of Caring for Your People Like Family. Mr. Chapman indicates that leadership is truly dealing with the human aspects of organizational leadership. Leadership is a profound responsibility to make positive differences in people. The majority of employees do not feel cared for by their employer. The way an employee feels they are treated at work has a much bigger impact on health than many medical conditions. Employees need mentors, and leaders, not bosses. Mr. Chapman indicates that we do not take time to teach our supervisors to care for the individuals they are responsible for in the workplace. We need to measure success by the way that we touch the lives of people. We do not want our employees getting hurt. It is important to ask folks within the organization for their opinion on various issues in moving the organization forward. Employees are always happy to know that you cared enough to ask. It is important to focus on what employees do right, as well as what they do wrong. Celebrate desired behavior within the organization. Involve family members in any recognition to employees. Comments he received in his organization, when he implemented these types of steps, was that employees shared: "it is good to know after 30 years they were appreciated within the organization". People want to know that they turned out okay.

Difficult times can challenge an organization, but when his company through a downturn, employees all shared in helping the company make it through these challenging times, by spreading furloughs among the entire work force instead of downsizing the workforce. Listening and caring are the two most important words in management. Mr. Chapman indicated that as we grow up a lot of effort is spent teaching us to speak, but not teaching us to listen with empathy.

- I attended a follow-up session with Mr. Chapman that gave participants an opportunity to ask more specific questions regarding the concepts outlined in his key note presentation. One manager in the session indicated that she sends birthday cards to all their employees. Mr. Chapman said that he does not do that. He believes it is probably better to write a note to employees when they do good things for the organization or for

others. It is more important to focus this attention on acts of goodness, not top sales, birthdays or other events.

Using a football analogy, he said it is very important that the receiver thank the guard for making the block that enabled the receiver to make the catch. Without this block, the catch would not be possible. Within our organizations, we have many similar situations where employees play a key role, even though it is not the visible upfront role where most celebrations occur. When employees fail in a particular task, it is important to deal with these issues with passion. It is also important to deal with supervisors that treat their employees in an abusive manner.

- I attended a session regarding building stronger communities through effective community engagement. This session took a look at scenarios where existing policies, procedures and practices are not in alignment with the evolving population changes. The Ferguson Police issues were cited as an example of this type of dysfunction that can occur when a community changes, but the policies and orientation of the community do not change with the population. In Ferguson by much of the population, the police were not viewed as friendly, but more as an occupying force. A significant shift occurred, after the shouting and riots, with the Ferguson Police Department when it became necessary to remove a memorial that had been established on the street where Michael Brown was shot. The Ferguson Police provided a blanket for Brown's grandmother who was protesting the moving of the memorial. This was viewed as a significant shift of the Ferguson Police being sensitive to the needs of the community.

It was noted that it is important to invest time to establish mutual relationships and build trust within all aspects of the community. During challenging times, it is also critical that the community must speak with one voice. It is important to track complaints to reassure those sub-communities are being protected, and not being singled out. Transparency is critical. It was indicated that police academies need to look at their approach when it comes to listening and understanding other cultures. This is also very important when officers are newly hired to a police department when field training is conducted. This can be a big influence on how new officers approach different sub-communities within the greater community.

- I attended a session on Leadership vs. Management as it relates to local government challenges for city managers and department heads. Local government has developed structures to maintain the integrity of professional government which has had a tendency to push the gap wider between administration and politics. Today as city management and department heads learns more about leadership than management. Managers need to be aware about the politics of identity and political acceptability. In many situations, when data and values collide, values win. Furthermore, it is a challenge for city managers to work with newly elected officials who have their own values and priorities, which may be inconsistent with the direction that the organization has been heading. Marrying these different views is critical for an organization to continue moving forward. As the involvement from outside grows, the job of city management becomes more difficult to work through these issues with staff. In city management there is also danger of being effective with the council at the expense of staff. This can be problematic in

organizations. Today's city managers need skill in managing the boundaries for the management team.

In addition, values can sometimes trump deliberation and process. SCMA Executive Director Bob O'Neal separates the skillsets necessary to run a city into leadership team skills and management team skills. He indicated that the leadership team skills do not apply to most department heads but to the city manager and the city manager's team. Leadership teams encourage constructive conflict and diverse ideas to get through a difficult decision. The way these situations are handled can build trust to constructively manage conflict.

It is the city manager's rule to use symphonic skills to bring together the operations and management issues with the political and value issues of the elected leaders. Today facts alone are no longer sufficient to sell ideas in the community. These facts need to be accompanied with a story that helps citizens put these facts in perspective. Visions must be anchored with small successes to build credibility and organizations must have a realistic outlook in order to survive.

- I attended a session on how social media has revolutionized the ways governments communicate with their constituents. Today's social media is sharing facts and sometimes lies about various issues within the community. City's need to have a voice in social media in order to amplify additional perspective to community members. Social media allows you to meet people where they are at. This city is successful in social media, it provides a place where people go for information instead of relying on miscellaneous blogs. Social media sites can help create a sense of community in a city. This is helpful in the event that a crisis affects a city. When the city has developed a trust, social media can be a huge tool in explaining to people what the circumstances are relating to that particular crisis.

Any city employees who provide content city to social media sites need to fully understand that they are representing the city, they need to understand what is good public content and what is private content that shouldn't be part of the city's website. For cities jumping into this area having clear roles and responsibilities and policies in place are important to address these issues up front. These policies should be regularly updated as needed. Once the city jumps into the social media world the city needs to be committed as a priority to engage regularly. With Twitter it's important to post fresh content at least four times a day in order for people to follow a Twitter site.

It generally makes sense for Police and Parks to have their own sites, but any tweets and messages from those departments should be re-tweeted over the city's main site. These tweets can be very effective during emergency situations since it helps the public understand what response is being taken in a particular issue.

It is also important to be human when mistakes are made. Utilization of humor is a good way to address these types of mistakes. It is important to use tweets to direct folks to the appropriate location on the website for further information. It is important to have a point source for communicating on social media on behalf of the city. It is also important to have a backup to that primary source so that communications

continue in the absence of a primary responder. Please note that we intend to build this responsibility into job re-organization with in the city manager's office. Probably in conjunction with the deputy recorder's position.

Overall it was a good conference. I appreciate having the opportunity to participate in the International City Managers Association conferences each year!

- This apparently was education week since I headed from Kansas City and back to Portland in time to attend the League of Oregon Cities Conference.
- I attended the Oregon City/ County Management Association Workshop that was held at the LOC Conference. The keynote speaker was Alan Ovson regarding everyday negotiations. Mr. Ovson indicated that every day we negotiate for everything with family, coworkers, citizens and others. Whenever you begin negotiations it is important to know what you expect, are your expectations achievable and can you raise or lower your expectations. The key component in negotiations is listening and understanding what is important to the party you are negotiating with. Often times negotiations get hung up on issues that can be addressed if both parties spent time understanding what is really important about those issues to the other party. It is important to build relationships with parties you are negotiating with. This helps get to the real issues that need to be addressed. Mr. Ovson indicated that it is important to be careful about the use of the word "but" vs. "and". The minute you insert "but" into your response it signals an end to that discussion. By replacing "but" with "and" it continues the dialogue and expands the envelope of discussions relating to that issue.

It is better to ask folks that you are negotiating with to explain their position than respond "I know what you mean". It is important to ask tons of questions to really understand the issues from the party you are negotiating with.

Mental filters can create road blocks to successful negotiations. Sometimes these filters will lead to assumptions that just are not accurate.

In negotiations it is important to have a concession plan to think through the options that you can resort to if you are not successful at reaching your original objectives. Finally, saying no in negotiations is a powerful statement. When used appropriately it can communicate a clear message.

Mr. Ovson said negotiations should not start out with the dollars, but with why we are negotiating. He outlined several steps as follows:

- 1.) Collect information
- 2.) Deal with emotions both your emotions and their emotions
- 3.) Provide a clear position
- 4.) Outlining expectations or set high goals
- 5.) Know the full range in strength and power in negotiating
- 6.) Focus on needs over wants
- 7.) Concede in accordance with your concession plan

- I attended a session on economic development regarding Realities and Unique Strategies. It is important in evaluating strategies to understand the difference in economic activity within your community. Trade in sector in business will actually bring dollars into the community from outside. Manufacturing, processing, commercial fishing, etc. (local trade recirculates dollars that are within the community) gas stations, retailers, etc. Please note one slight difference in a tourist community is that these retail businesses also bring additional dollars into the local economy from visitors staying in the community.

Economic development occurs through extensive networks. Cities are rarely in charge of all functions relating to these decisions. Cities are typically organized in a top down manner. For economic development a more nimble approach is necessary.

Successful economic development strategies focus on community development, capacity building and collaboration. The city of Florence has developed an overall strategy with the theme a premium coastal city as part of this effort, Florence is focusing its urban renewal efforts on economic development activities creating a more pleasant and vital community feeling through beautification efforts such as flower baskets and public art. One of the challenges that small rural communities are facing in this country and in Oregon, are that employers are concerned about workforce availability in the smaller, rural communities. It is relatively easy to exhaust the local community in a workforce with these smaller communities having trouble attracting employees to their communities due to housing availability and other factors.

- I attended a session on the homeless challenge, looking at local policies and practical community partnerships. This session focused on the Keizer/ Salem collaboration that has been going on for a number of years. One of the challenges of dealing with the homeless population is that many of these individuals are just trying to stay out of the way and out of sight of the community. This makes it difficult to collectively deal with these types of issues. St. Francis shelter was established in Salem which is an apartment complex with 20 units. This is geared for families with 5 low-income units for single people also being part of this complex. The name of the apartment complex was kept generic since that can be a bit of a stigma for children coming home from school. By coming home to a place that sounds like any other apartment complex, it can create less stress for the kids. In dealing with the homeless issue it is important to avoid quick fixes. Furthermore, each community area has different issues and one size will not fit all communities. The city of Salem provides a grant to St. Francis shelter which helps pay for one person. St. Francis shelter regularly utilized community groups such as Eagle Scouts, football teams and others to provide various services in the community. The Interfaith Hospitality Network tries to provide a continuum of care for those that are in the homeless situation.

The Salem Police Department has an internal team of 4 members to work with and understand homelessness. One or two officers are specializing in mental health issues that often relate to homelessness. Salem is working to change the mindsets of its officers as it relates to dealing with the homeless population. The police department cannot arrest homelessness away. Police balance the need for action with the need to

deescalate situations on the street. The police department will also escort caregivers to the homeless camps.

The Salem/Keizer area has developed a homeless initiative task force with representatives from social service agencies, police agencies and others from both communities try to address issues on a more comprehensive basis in that area. The schools have been a partner as well. Some of the innovative efforts include teaching basic life skills such as home budgeting to kids in school to help them understand personal financial responsibility and the student. The task force also reviewed various codes in both communities in parks, camping, powers that public spaces are open, smoking etc., as part of their efforts to develop strategies in this regard.

- At the conference I had an opportunity to meet with Kristin Ramstad with the Oregon Department of Forestry regarding assistance in the development of a preplan for the City of Newport. Kristin indicated that she is available to give technical support to the development of this plan and would be happy to meet with organizers of this effort in Newport once we are at a point where we can move forward with this plan.
- Attended the keynote session with speaker Adam Bryant, columnist of the New York Times. His address focused on how do you keep large established companies quick and nimble to compete in the future. 1.) Create a simple plan for how the organization is to move forward (he indicated simple is harder than you think!) Where are you going and how do you plan to get there needs to be measureable. He used an example of a score in football game to illustrate the need to understand if you are achieving these goals or not. He indicated that when a company is locked up into individual silos that is very destructive for the overall company. The company needs to continue operating as a company first, departments second. 2.) Once you have a simple plan you need to repeat it repeatedly. You know that this is having an impact on the organization if they start mocking these rules! Keep the rules basic. Three things are memorable twenty things are not memorable as far as rules of the road. 3.) Respect the players in the organization. The worst thing management can do is to humiliate employees in front of colleagues. Truly listening to people is a critical issue. Also when you are listening it is important not to have an agenda. 4.) It is important that the team understand that they are cared for. Everyone has a role to play. The team needs to be accountable and it needs to be quick and nimble (WWDWBW-who will do what by when.) 5.) Hold adult conversations- easy to delay those conversations that are necessary in order to deal with the conflict or corrective behavior. Don't make comments about why they are acting that way just outline the actions that are problematic. 6.) Hazards of emails- things get lost in translation. There seems to be a weird disconnect with emailing which does nothing to build organizational culture. Email can tap into the bad part of our brain and is no way to resolve disputes. No more than two emails should ever be sent where disagreement occurs. If it remains unresolved, then a conversation or meeting should be held. Don't use email when anything is at stake send fewer emails. Discourage copies and blind copies being sent since everyone is overwhelmed by information that is not necessarily helpful to keep an organization quick and nimble.

Today's CEO has to be a master psychologist how do you deal with insecurities and concerns within the organization.

Mr. Bryant outlined a list of “unusual” interview questions to help understand how an individual may fit in with an organization better than traditional questions. His list of questions included: what role do you play in an organizational team? If there were no humans what type of animal would you be? Why? On a scale of 1-10, how weird are you? What three qualities would you have if time and money were not an issue? How would you describe the core of your DNA in one word? What qualities do you like most in your parents? If you are going on a journey what one of four animals would you leave behind? (cow, monkey, lion, rabbit.) It was very interesting and a somewhat provocative session!

- I attended a session on bridging the culture divides in our communities by Police Chief Kim Yamashita and City Councilor Olga Gerberg both from the city of Sandy. Cultural divides in communities are a growing concern across the country. Certain communities have a lack of representation and participation in community affairs. This has the impact of making community decisions without truly understanding how they may impact certain elements within the community. The language divide can be frustrating for people on both sides of issues. In the Latino community, nodding heads in a measure of respect, which sometimes is misinterpreted as the individuals understanding what you are saying. Furthermore, interpretation has its hazards, particularly if the interpreters are not bi-cultural. Mistakes in meaning and intent can be easily made. Finally, there is a real challenge in interpreting legal and medical terminology. This is further compounded by many families of languages and dialects that exists with different cultures – including in the Latino community.

A lesson from Ferguson is that the Police and City government were not connected with all aspects of the community. If they had been, there might have been a better understanding of the situation that would have ended in a different reaction of that community going forward. It is important that Police Departments participate in various community events to better understand and share the variety of cultures that exist in a community.

Efforts to use a little Spanish goes a long way in appreciation in the Latino community. Having staff learn a few key Spanish words can help that community feel a little more connected and appreciated. Also, recruiting future Police officers from the Latino community can be very fruitful for the department in having a local employee with family connections within the community, as well as better connecting the department with the Latino community.

- Attended a tour of the development of North Salem. In this particular part of the community, the city through the Urban Renewal Agency, purchased and tore down buildings to create building footprints to help redefine this part of the community. The city took advantage of acquiring property when that property became available. The project ended up with the development of a three-screen movie theater, additional commercial space with housing above the ground floor. On the back of Broadway Street, behind these developments, additional market rate condos were developed. One block to the north on Broadway, commercial space was developed on the ground floor with housing for low-income individuals built above. The city provided a \$2.1 million loan,

payable in 99 years, in order to facilitate this housing development. The city also acquired property in partnership with a church on the opposite side of Broadway Street. Overall, the city invested in land purchases of nearly \$2 million. Today this property has a real market value of over \$21 million. It is interesting to note that the commercial spaces on the ground floor have struggled to remain filled. The housing has been successful (both market rate and the affordable housing). Overall some of these tools may be available to assist the City Center area of Newport as part of our North Side Urban Renewal District. In future years, after thorough study and public input, the City will create a refinement plan for this area. I have attached a copy of the North Broadway area of redevelopment sheet that was part of the tour for your review.

- Attended a session on transportation from a city perspective. ODOT indicated at this session that the current method for financing transportation is not sustainable since there is a continuous erosion of revenue due to inflation, and better fuel efficiency for vehicles. If the gas tax were indexed, then the revenues would presumably grow in relationship to the inflationary costs for maintaining the road systems. The top three issues that ODOT is dealing with is congestion relief in Portland, having a sustainable transit system, and seismic preparedness. Bob Russell, the Oregon Trucking Association, informed the group that Congress has not increased the gas tax in 23 years, and have reduced the Federal revenues that are provided to States for participating in road construction. The Oregon Trucking Association believes it is essential to provide relief to the traffic congestion in Portland. They strongly support multi-modal as an important way to get cars off the highway. Steve Novak, a Portland City Commissioner, indicated that Portland has not successfully raised funds for transportation. The last effort was with a street utility fee, which failed. A progressive tax, based on income, was dropped since the impact on major entities was significant and it would be impossible to have a successful campaign to implement that modal. Portland has found that the gas taxes is the most politically acceptable way to fund transportation. Portland passed a 10 cent gas tax, which funds about 10% of the need for local funds. Christ Hagerbaumer, Deputy Director, Oregon Environmental Council, stated that Oregon severely underfunds transit programs, safe routes to schools, and other similar systems that would assist in capacity and safety issues. ODOT's priority is to maintain the existing system that they have.
- Attended the lunch and gubernatorial candidate forum. Unfortunately, Governor, Kate Brown, did not participate in this session, which closed the conference.
- Prepared agenda items for the October 3, 2016, City Council meeting.
- Attended a routine department head staff meeting.
- Met with the Mayor to review the agenda for the October 3<sup>rd</sup> meeting.
- Barb, Peggy, Cheryl, Steve and I met to review staffing in the City Manager's office. With Cindy's departure, and with a new Deputy City Recorder's position included in the budget, we have some opportunities to significantly restructure roles in this department. As we move forward, it is my intent to have a Deputy Recorder/Communications position that would have a shared focus on Recorder issues and also play a primary role in creating a presence on social media, and other communication activities for the City of Newport. I think this is a much needed area that we have not been able to fulfill as an organization. The creation of this job gives us an opportunity to help fill that niche. The second position would be the Executive Assistant to the City Manager, this position would also provide administrative support for HR. We will be working through the

responsibilities of these two positions so that we can initiate advertising in the not too distant future. In the meantime with Cindy's departure, we are very grateful that the Fire Department is loaning us Melanie Nelson on a half time basis, and we grateful that Cheryl Atkinson has upped her schedule to provide more support during this transitional period. I am hopeful that we find the right people for the right positions, and for this office.

- Met with John Baker to review his efforts relating to Public Works.
- Met with Lance Vanderbeck to discuss routine operational issues at the Airport.
- I was on vacation from Wednesday, October 5 through Friday, October 7, 2016, as Angela and I celebrated our anniversary.
- Mike Murzynsky, Barb James, Steve Rich and I met to review changes to the employee handbooks regarding our retirement program. Part of this effort was changes in our procedural issues that were approved by the City Council. It is not clearly defined the time periods for calculating payouts for city employees at retirement time.
- Met with Julie and Mark Hanrahan regarding concerns they have regarding the hiring of the next Police Chief for the City of Newport. Julie and Mark were suggesting that we go through an open process instead of just relying recruiting from within. In addition, they expressed some concerns relating to the handling the fire at the hotel next to Columbia Bank, as well asking about the status of the cleanup from that fire. Furthermore, they have expressed concern about the homeless activity in and around the bank.
- On Tuesday, October 11, through Friday, October 14, I was off on funeral leave to attend services for father, who passed away on Saturday, October 8, 2016. Again thank you for the kind thoughts and prayers through this period of time. As I indicated, my dad lived his 100 years on this planet very fully, and the services were truly a celebration of the impact that he had on many people in our extended family and in my home town community. I was very pleased and amazed at how well my 96-year old mother did, on a very busy day greeting a couple hundred well-wishers, and being on her feet a lot of that time, and making it through the funeral services. My parents would have been married for 77 years on October 14 this year!
- Prepared agenda items for the October 17, City Council meeting.
- Attended a routine Department Head meeting.
- Met with the Mayor to review the agenda.
- Met with Melanie Sarazin regarding her concerns over not going through a competitive process for the hiring of the Police Chief.
- Participated in the SafeHaven Hill evacuation drill in South Beach. It was very amazing to see how quickly 100 plus people made it up the hill to the SafeHaven site. There was a brief ceremony, talking about the on-going development of this site for the future, and the great cooperation that has been developing between Hatfield, NOAA, Aquarium, and other entities in the South Beach area to stock the container that it located at SaveHaven Hill.
- Met with school superintendent Steve Boynton to discuss the city's old pool building. The schools are interested in exploring the possibility of converting that facility into some sort of special program area and administrative offices. There are a number of zoning and land use issues as well as the forest reserve that will need to be reviewed to determine whether this is a possibility or not. Ultimately, I will to bring a report to City Council on this matter for Council review.
- Tim Gross, Dave White, Mike Murzynsky and I met with Enterprise Fleet Management regarding the possibility of utilizing Enterprise's services for providing vehicles and light trucks for city vehicles for city purposes. Following the meeting we are providing additional information and will get back together with Enterprise to make a determination as to whether we see any benefit to proceeding with these discussions or not.

- I met with Melissa Roman to discuss the various airport issues relating to the master plan and pre-removal project.
- Met with Jason Malloy regarding the process for filling the police chief's position. It remains my intent to put together a series of review panels to evaluate a fit for Jason Malloy to serve as our next police chief, with the end result of these panels determining whether we should proceed with hiring Jason as our permanent police chief or go through a search process. In the meantime Jason has been appointed interim police chief following the retirement of Police Chief Mark Miranda from the city of Newport. Jason was agreeable to serving as our interim police chief until a final decision is made regarding this position. I anticipate in pulling together this group early in 2017.
- I met with Tracy Goudy regarding the status of her son's employment with the city.
- I conducted my last departmental meeting with Police Chief Mark Miranda.
- I participated in a meeting with Rob Murphy, Mike Murzynsky and Tim Gross regarding the funding for the fire station seismic retrofit. This was part of the report which included a recommendation on rejecting the bids and rebidding after the first of the year with a modification of the scope of the project.
- I met with the representatives of the safety committee regarding concerns over a temporary fix of a roof leak at the recreation center. I did follow up with Tim Gross and they are attempting to figure out a more permanent fix which occurs around a skylight at the community rec center. The collection system which has been installed is for a temporary period of time.
- I met with Brett Joyce from Rogue Brewery regarding his concerns over our requirement for Rogue to install at their expense a BOD Monitoring system on the wastewater leaving Rogue Brewery. In reviewing this issue with city staff, the station was included in the expansion project for Rogue Brewery since our existing system relies on our staff physically going to Rogue periodically taking samples and measuring those samples for BOD and solids entering the wastewater system. Since this time Tim Gross has checked with his counterparts in both Eugene and Bend for how they deal with wastewater coming from breweries. In both of these communities they have required their brewers to install expensive equipment which does pretreatment of the sewage before it leaves the facility. The cost for pretreatment will presumably far exceed the cost for the meter and related additional charges for treating the waste from Rogue Brewery. I followed up with a detailed email to Mr. Joyce and he would like to facilitate a meeting with our staff and his staff to work through these issues. He does not believe it is appropriate for the city to tie this requirement on to the expansion project. Again regarding this it is certainly appropriate to address this issue at any point but it seemed appropriate as Rogue was proceeding with this major expansion project to get this issue addressed.
- Derrick Tokos and I met with Tracy Flowers regarding the potential of a warming shelter being located in the city's former restaurant building located in South Beach. A tour of that facility was subsequently arranged and we also contacted Samaritan Hospital who is currently renting the facility. Samaritan has indicated that they want to continue renting the building until April 2017. The group looking for a warming shelter was going to explore other options. If there are no other options determined prior to that time, they will approach us again about this site.
- Met with Tad Taylor to review various IT issues.
- I met with Barb James regarding various HR issues.
- I met with Rob Murphy to discuss a number of issues which came up in the last labor/management conference he held with the fire union.
- I met with Oregon Coast Bank president, Fred Postlewait and Jason Buchholz for the city to acquire a right-of-way to facilitate the Bay/Moore project when we rebid that project in the spring. The

bank (owns that) strip property which includes the existing sidewalk to the existing right-of-way to the city for facilitation of realignment of this intersection.

- I attended Police Chief Mark Miranda's retirement party. The party was jointly hosted by (Mark's wife) and a number of the volunteers in the police association at the Hallmark. It was a very fitting retirement focusing on Mark's 40+ years in law enforcement starting out in California, then Arizona and ultimately coming to Oregon. The event had a nice cross section of folks from law enforcement from across the state of Oregon. A good delegation from Keizer where Mark worked prior to coming to Newport, with a large number of family and friends filling in the rest of the gap. Congratulations go out to Mark for a well-deserved retirement!
- Attended a board meeting of the Oregon Coast Aquarium. The Aquarium Board is working on a major fund raiser over the next four-year period. Their goal is to raise \$8 million in capital and \$2 million for annual funding through this effort. Working through their fund raising consultant, they will be conducting a silent phase of this fund raising effort over the next two years. They will then pursue a public fund raising effort starting in the fall of 2018 after securing a number of major funding commitments. Otherwise, financially the Aquarium continues to improve its overall financial position and now has the ability to start considering some more significant capital projects in order to keep the experience of visiting the Aquarium fresh and evolving for visitors.
- Participated in Cheryl Harle's radio show with County Commissioner, Bill Hall, to discuss the recreation marijuana tax initiatives that were on the November election ballot.
- Participated in the first meeting of the Vision 20/40 Advisory Committee. The committee worked through a number of issues in the first meeting to identify a number of general thoughts, ideas, and themes for this process. The consultants then took this information to identify a number of key areas for specific focus as the visioning process moves forward. This will be an ambitious process. It will be important to build a solid foundation for this visioning effort to maximize the success for moving this process forward in the community.
- Mike, Barb, Steve and I continued our efforts to refine the retirement handbook.
- Ted Smith, Barb and I met to discuss Ted's efforts at reorganizing the staffing at the Library. The Library is going through a series of retirements and personnel changes, which is a good opportunity to take a look at how best to meet staffing needs going forward in the future.
- Barb, Lance (in his role as Chair of the Safety Committee), and Jim Salisbury met with me to review our processes for communicating safety concerns to the appropriate departments. This has been done rather informally in the past. I am proposing when safety issues are identified, they be forwarded on some sort of form to the appropriate department for their review. The department will then respond back indicating either that the safety issue has been addressed, or they disagree with the concern that has been expressed. If there is a disagreement, then the Safety Committee can review that matter and make a recommendation to me. It is my hope that this will generate a better flow of information and accountability among the various parties once we can perfect this form.
- Participated in a meeting of the City Emergency Management Committee.
- Met with Lance to review various Airport issues.
- Met with Tom Webb regarding the Visual Arts Center. Tom has been developing a cost formula to best allocate out the costs for utilizing the Visual Arts Center to the various users of the arts center. This is a part of the overall plan that was approved by the City Council awhile back. That plan went to the Visual Arts Committee for their review and comments.
- Barb, Lance, and I met to review the Airport job responsibilities. A report on these positions was provided to the Airport Advisory Committee, who then provided input on these positions. We are

modifying the positions so that we can get these folks hired into new jobs for the operation of the Municipal Airport.

- I met Kasey Postlewait, and other members of the Newport Swim Team in order to discuss the move from the existing pool to the new Aquatic Center. With additional size and capabilities of the Aquatic Center, the relationship between the Newport Swim Team and the Aquatic Center will be a bit different. In the past, the Newport Swim Team would have exclusive use of the pool facility. With the new Aquatic Center, there are multiple bodies of water, and additional lanes to accommodate more multiple use of this facility. At the first meeting, I gained a better understanding of their use of the facility and their expectations going forward. A second meeting was set up with Parks staff to continue these discussions.
- Participated in a conference call for the Oregon City/County Management Association (OCCMA) By-Laws and Constitution Committee. I am chairing this committee, and we are looking at rewriting the by-laws and constitution for OCCMA. In an odd way this is fun and recreation for me!
- Met with Jason Malloy for our regular weekly meeting to discuss Police Department operations.
- Participated in an evaluation meeting with Mayor Roumagoux and Councilor Engler to summarize a report for the City Council on my job performance over the past year. I certainly appreciate the solid support and constructive comments made by the City Council during this process. As I have indicated before, I am very grateful that the City Council selected me as Newport's City Manager in 2013. Angela and I have absolutely no regrets for making the move to this great community, and the beautiful Oregon Coast!
- Met with Barb on a Newport Employee Association grievance.
- Barb, Tim, Steve and I met to develop our proposals for the Newport Employee's Association consideration on implementation of the wage study. This has been a fairly complex process, and with all our other priorities, we have not moved this along as fast as we would like. We did get far enough to set up a meeting with the Association to discuss the wage reopener that was agreed to in the current year contract.
- Met with Les LaCrosse regarding concerns at the Airport relating to other tenants at the Airport.
- Met with Melissa Roman on a number of options relating to the Airport Master Plan. This effort has gotten bogged down by the FAA's resistance to consider a couple of favored alternatives for inclusion in the plan.
- Met with Mike, Linda Brown and Barb, on the Accounting position in Finance that will focus on project management, and other accounting responsibilities. This will be an important position to get established in the Finance Department. It will certainly enable us to move in a more reliable and consistent fashion, and will allow for better reporting on various project funding in the future. We also finalized the budget calendar for the 2017-18 Fiscal Year.
- Tim, Derrick and I met regarding the parking requirements for the Aquatic Center. As you may recall, we had a project budgeted in the last fiscal year to build a parking lot on the south side of City Hall. As discussions were evolving on the acquisition of the SE corner of Angle and Highway 101, we opted not to go forward with the south lower parking at that time, since the parking could be accommodated in a more significant way, for less cost on the property across the street from City Hall. This site will effectively meet the parking requirements in the parking study for this facility. We will need to meet to discuss other potential uses of the parking lot for events, such as the Farmer's Market, and how to deal with competing events when there is a major event at the Recreation Center/Aquatic Center, while another event may require the use of the parking on this site. Based on the authorization of the Council to proceed with the purchase of this site, I have authorized Tim to go forward with getting proposals for construction of a parking lot on this

property for consideration by the City Council at the December meeting. Please note, in order to meet our own parking requirements for the Aquatic Center, this parking will need to be ready to go at the time the Aquatic Center is open.

- Met with County Counsel, Wayne Belmont, on the Avery Street Project. As you may be aware, Avery Street is currently a county road, and the county would like to turn this street over to the city. However, before the city can accept the street, it has to be brought up to certain standards by the county. Also, the PUD is also in the mix on this street, since they have to make certain improvements as well. The county is suggesting that the value for the improvements be determined, and the county provide that funding to the city so that one project can be done as one project versus multiple projects by the county and the PUD. This would likely create an inferior end product for the redevelopment of this street. We will be reviewing this option, and at some point will make a recommendation to the City Council on how we feel we should proceed. It should be noted that PUD has been somewhat resistant to participating to the extent that the city believes they should in developing the street, and pedestrian walkways at this location.
- Derrick, Steve, and I met to review the various options in proceeding with the sale of the seafood processing building to Bornsteins. This item has since been presented to the City Council for the Council's consideration.
- Kathy Cline and I had a follow-up meeting with the Newport swim team. We shared our initial comments that the Aquatic Center will be quite different from our current pool in that there will be multiple uses going on at the same time to maximize the use of this facility. One of the critical issues for operating a new pool for groups and individuals will be to utilize a "lane per hour" fee basis when exclusion lane use is requested for the use of the new lap pool. This facility is significantly larger than our old pool, and will be able to accommodate multiple users in different lanes going forward. By having lane charges, it should create more efficiency in how the facility is used. This is a standard basis for charging fees for various recreational pools. The average lane rental is \$15/hour per lane. This is what is charged for private rentals. It had been our initial thoughts of charging \$7/hour per lane for the Newport Swim Team. In calculating out their current usage, they would be paying \$2.50 a lane.

What I have indicated to the Newport Swim Club is that I am comfortable for the balance of this fiscal year of maintaining the fees for the same use of lanes at their current rate, and gradually raising their rates over time to a more appropriate level. We did check with other pool facilities, and the costs charged to other swim clubs are by far more than our fees. Even though this is the case, we do not want to create a financial hardship on the Newport Swim Team. There was much discussion about schedule, and the Newport Swim Team head coach was going to meet with Kathy to work through those schedule issues. It is my understanding that most of the scheduling issues can be worked out to the satisfaction of both the Aquatic Center and the Newport Swim Team, and we have scheduled a follow-up meeting with the swim team to discuss possible financial proposals for consideration. I am hoping that we will be able to wrap up our negotiation with one more meeting, and have a report for the Council's consideration at the first meeting in January.

- Barb and I have been meeting to develop a new salary schedule for part-time and seasonal employees at the City of Newport. Our lowest levels of our scale are now below the minimum wage (we now have everyone being paid minimum wage) Furthermore, it is becoming evident that the wages we are offering for some of these positions are so low that we cannot keep employees in these positions causing a tremendous amount of turnover. This has been particularly problematic with the pool and other similar positions. We will be bringing a recommendation to the City Council for the Council's review on revising this wage structure.

- City Hall was open on Halloween night for “trick or treaters” as part of the City Center Halloween celebration. City Recorder, Peggy Hawker, organized the offices in City Hall remaining open for Halloween night. We had staffing at my office, Finance, Police, Planning, and Engineering with all geared with candy for the substantial number of ghosts and goblins that came through the building. The Police Volunteers took a lead in organizing the City Center Halloween event this year with the assistance from Peggy. It was a fun night and I really appreciate everyone that volunteered their time to make City Hall a very special place on Halloween.
- Participated in Cheryl Harle’s KCUP radio show for an hour long interview.
- Attended the Oregon City County Manager’s Association Annual Board Retreat in Silverton on November 3 & 4, 2016.
- Got back from the board retreat in time to catch the performance of “Capital Steps” at the PAC. It was certainly an enjoyable way to celebrate the end of this year’s campaign season.
- Steve, Peggy, Rob Murphy, Jason Malloy, and I met to review the issues regarding the City Center Motel fire investigation. As you may be aware, the various attorneys involved with this process made a specific request to preserve the site so that any final evidence could be obtained prior to demolition and removal. Also, the City Police have seized some evidence as part of the review for potential criminal charges in this fire as well. All the various parties collectively went through the fire site. It is my understanding that all the evidence has been collected, and the owner is now cleared to proceed with removing all the debris and rubble from the premises. This has been a long and convoluted process. We are planning an update to the City Council at the December 3, meeting. A letter is attached outlining the clean-up schedule
- Tuesday, November 8, 2016, was election day. Congratulations go to Mayor Roumagoux, and Councilors Sawyer and Swanson to their reelection to the City Council, and to newly elected City Councilor, Dietmar Goebel on your election to the Council. 2017 has many challenges and opportunities ahead for the City Council. I look forward to continue to serve the new Council during the 2017-2018 calendar years.
- Met with Lance to review operations at the Airport.
- Participated in an Airport Committee meeting. The Airport Committee provided input to the job descriptions for the positions at the Airport.
- Barb, Steve and I met to prepare our proposals for discussion by the NEA. We will be scheduling an executive session with the Council to discuss the implementation of the wage study in this contract, as part of the reopener on wages agreed to with this contract.
- Attended a County Commission meeting on the pending transfer of Big Creek Road from Lincoln County to the City. The County’s primary concern relates to the access to the property owners that utilize this road, as well as maintaining recreational uses of the reservoirs. I indicated that those are certainly understood priorities of the city. Barring any new regulatory requirements for reservoirs, the city is also interested in maintaining recreational access to these resources.
- City Hall was closed on Friday, November 11 in observation of Veteran’s Day.
- I was out of the office on Monday, November 14 & 15, on vacation spending time with my brother who was visiting from Michigan.
- Met with Barb and Lance to discuss the proposed salary ranges for the Airport jobs.
- Met with Jeff Bertuleit regarding the South Beach Urban Renewal District. Jeff is concerned that as we reach the end of the Urban Renewal District, that there are still a number of significant projects that need to be completed. He indicated that the road behind the welding shop running up to 40<sup>th</sup> Street should still be a priority of the city in order to provide acceptable access for these businesses to a light, since it is so difficult to pull out onto Highway 101. Furthermore, the signalization of the intersection of 40<sup>th</sup> Street remains a priority, and that drainage of the Highway

101 corridor should remain a priority in the final projects that need to be underway by 2020. I explained to Jeff that we will start initiating discussions on this final phase of projects for South Beach during the summer of 2017. We will need to identify what the priorities are, and then proceed with the appropriate design, permitting, and other coordination in order to implement those projects prior to the expiration of the district.

- Met with Jason Malloy on a routine Police Department update.
- Met with Anthony Dal Ponte, Deputy General Counsel for Pacific Seafood, Greg Peden and Mathew Friesen, who are with Gallatin Public Affairs, who is assisting Pacific Seafoods. This meeting was coordinated by Representative Gomberg, and included Derrick Tokos and myself from the city. Pacific Seafood is proposing to redevelop the site at 411 SW Bay Blvd., which was previously owned by Hallmark Fisheries. Pacific Seafood acquired this property in 2015. The property contains a dated icehouse and a dilapidated warehouse, and includes a dock now leased to Pacific Seafood by the city that is in marginal repair. Between these two buildings, there is a vacant property that is very blighted and structurally deficient. Pacific Seafood is looking at a phased project that would include a new dock along water, a new ice house and the clean-up of the blighted vacant site between the two buildings. They're proposing as part of a second phase to repurpose the old warehouse and potentially create a small business incubator in the open space between the two buildings, with a third phase including a state-of-the-art seafood processing facility to increase the capacities for commercial fishing and permanent retail space along Bay Blvd. in this complex. They're proposing to develop this site and are seeking private investment, economic development funds, transportation and improvement funds, planning grants, small business development grants and any other potential sources of revenue to maximize the impact that this development would have on the bay front. It was indicated that the specific plans are very preliminary and conceptual at this point. They would really hope to get community input into this overall effort. It an exciting concept and we will look forward to working with Pacific Seafood on moving this project forward. This project would have impact on the property that is currently leased by the Pacific Seafood from the city. It is likely that Pacific Seafood would want to secure either a long-term lease or potential acquisition of the property that would be used to construct the new dock. A copy of their presentation is attached to this staff report.
- Barb, Tim Gross, Steve and I met with the Newport Employees Association to discuss the implementation of the salary survey. There was a general concurrent with our approach to implement the study over a 3-year period. We have developed some exhibits to help them understand how this would ultimately come together as part of satisfying the implementation of the salary study of wages. Since we are approaching this over a 3-year period, Becky Gallagher suggested that we extend the contract over the 3-year period in order to fully implement this salary schedule. It would certainly be nice not to have to deal with the negotiations within a few years!
- Tim Gross, Dave White, Barb James and I met to continue our discussions on reorganization of the Public Works department. Under the new plan for Public Works, streets, storm sewer, water distribution and wastewater collection would all be coordinated by Dave White. The water plant and the wastewater plant would remain as separate operations in Public Works. We would not fill the position that was vacated by the retirement of Lanny Schulze. It is our intent to use senior employees positions currently in Public Works to provide specific projects or individual oversight for day-to-day operations. It is my opinion that this will eliminate a number of the silos that have been created in the past which have affected the efficiency of the utilization of resources for Public Works. John Ritchie has also announced his retirement from the wastewater plant. The changes will eliminate the responsibility for Wastewater supervision to supervise the sanitary

collection crews out in the street. This has been problematic with limited supervision and no coordination with the other crews working out on the street. I am encouraged and pleased with the reception that the employees in Public Works have given to this new structure. I particularly appreciate Dave White's willingness to step up to the plate and take on a substantially greater workload within the department. With the elimination of Lanny's position, it is our intent to create an administrative assistant's position out at Public Works to provide the necessary administrative support to Public Works which I believe will help free up Dave's time from routine clerical-type matters, allowing him to focus on supervision. Furthermore, it is our intent to place the administration of the cross connection and restructured program with this new administrative assistant's position in Public Works which will be necessary with Jim Salisbury's retirement coming up next month.

- Lance, Steve Councilor Busby and I met with Zephyr Air to discuss their desire in providing scheduled air service to Newport. This would be on a limited basis, initially starting out with four scheduled trips a week and ramping up as demand would allow. They would be looking for a subsidy from the state and/or city. We have also had inquiries from two other air service providers, as of recently. I believe that these small commuter airline operators are gearing up for the expected influx of state dollars to try to re-establish some level of rural air service in Oregon. I look forward to hearing from the other two operators who have expressed an interest in talking to us regarding this possibility.
- I participated in a meeting on OSU's Marine Studies Initiative. Bob Cowan along with others were making a pitch to a major foundation for substantial support for this project. They invited Representative Gomberg, Kevin Greenwood from the Port and me to participate in a presentation on the importance of this project to the local community.
- I provided a presentation to the Friday chamber lunch on the status of various city initiatives. Mayor Roumagoux was present at this presentation.
- Derrick, Rob, Joseph, Steve and I met regarding reimbursement for the demolition work relating to the house fire on 5<sup>th</sup> Street above Bay Blvd. As you may recall, following the Saturday fire, city staff met with Farmers Insurance (insurer of the house) and Road & Driveway to discuss immediate remediation that was necessary to prevent the house from falling into Bay Blvd. At this point we had closed this block of Bay Blvd. to traffic. The city agreed to retain Road & Driveway to come in to stabilize the structure. Farmers authorized the demolition and clean-up work to be done by Road & Driveway at this time. By Monday we were instructed by Farmers Insurance that they would process payment for the work that Road & Driveway had done, both for the homeowner as well as for the city in stabilizing this facility. The building was leveled and removed by the following Tuesday. Road & Driveway billed the insurance company for the work that was done on behalf of both the city and the homeowner in removing debris from the site. Farmers issued a check to the homeowner for this entire amount of work. To date the homeowner has not paid the city any money and paid Road & Driveway a limited amount of the funds they received for this work. City Attorney, Steve Rich, has issued a demand for payment to the property owners. As part of this demand for payment, we are copying the title company and the realtor with this listing, so that any potential buyer understands that there is a dispute regarding these costs. We also initiated a timeframe in which to place a lien on the property. I am disappointed that this matter has not been addressed as it was represented to me that it would be by Farmers Insurance. We did proceed with payment to Road & Driveway for the work that the city contracted with that company. Road & Driveway was unable to collect the full amount that was owed to them, as well. I will keep you informed as to the status of this issue.
- I prepared agenda items for the November 21<sup>st</sup> council meeting.

- A routine department head staff meeting.
- Met with the mayor to review the agenda.
- Jim, Kathy Cline and I met to review a structure for swim team fees. A meeting has been scheduled with the swim team to follow up with them on these proposed fees for the use of the new aquatic center.
- Mike, Barb and I met to review our personnel change forms and the timing for getting these forms into payroll. Mike indicated that we need to move up the date to have PAFs into Finance by two or three days in order to get through that process and payroll in order to minimize the opportunity for mistakes to be made. We will discuss this with the department heads and following that discussion, consider any comments made, we will provide information out to the employees about the new schedule for completing any personnel changes earlier in the process so that these changes can be made accurately to payroll.

In addition, we outlined a process for dealing with the administration of requests through the city's retirement program. We need to have a process that clearly indicates who is responsible for what aspects of dealing with the retirement process. We have worked our way through the various steps which are necessary and will put together a written policy outlining who is responsible for what steps to continue or efforts for improving the overall administration of the city's retirement system.

- Tim, Dave, Barb and I met to work through a number of issues regarding Public Works job descriptions in light of the new supervisory model that we are implementing within the department.
- Steve, Mike, Barb and I participated in a conference call with Christine Moehl who is our pension attorney. Over a number of interpretations of our pension plan, as well as continuing to develop better procedures for administrating this plan. We had an agenda with very specific questions. I think we got some excellent information from this call.
- I participated in a meeting of the Audit Committee. The audit is in the process of being finalized. We believe that we will have timely submission of the audit to the state this year.
- County Legal Counsel, Wayne Belmont, has communicated to me that the County is considering the purchase of a duplex on Cottage Street, just to the north of the American Legion. This duplex is currently vacant and the County is proposing to use it for Mental Health Crisis Respite Housing. The County has met with neighboring property owners to brief them on this purchase. City Council members can contact Cheryl Counell of the County Health and Human Services Department if additional info is requested.

**Upcoming Events:**

- City Hall will be closed in observation of the Thanksgiving Holiday on Thursday, November 24 and Friday, November 25.
- I will be attending a tsunami conference in Florence on Wednesday, December 7 and Thursday December 8.
- The Employee Appreciation Dinner will be held on Friday December 9 at 6 p.m. at the Hallmark Resort. Please contact Cheryl or Melanie to RSVP.
- I will be on vacation December 15, 16 and 19 for a quick trip to Michigan to see my family before the holidays.

- There is no Council meeting scheduled for Monday, December 19. The only regular meeting in December will be December 5, 2016.
- City Hall will be closed on Friday, December 23 at noon and Monday, December 26 for the Christmas holiday, since Christmas is on Sunday this year. City Hall will also be closed on Monday, January 2 to observe the New Year's holiday (New Year's Day is on Sunday.)
- The City Council will hold its organizational meeting on Tuesday January 3, 2017 at 5 p.m. This will be followed by a brief reception with the regular meeting following.
- The City Day at the Capital is February 8, 2017.
- LOC Annual Conference is September 28-30, 2017 at the Double Tree Hilton Hotel in Portland.

**Attachments:**

- ❖ Attached is a copy of the presentation that Pacific Seafood shared with us regarding their proposed plans for 411 SW Bay Blvd.
- ❖ Attached is a handout that was provided at the LOC conference regarding the mid-Willamette Homeless Initiative Regional Task Force and statistics compiled by the Oregon Housing and Community Services as to the number of homeless people in Oregon. Please note there was quite a bit of skepticism regarding these numbers. Also please note that it does not include the numbers reported by the school districts regarding youth that are moving from house to house.
- ❖ Attached is a letter prepared by Bruce Mate regarding the value of building the Marine Studies Initiative solely on the existing Hatfield Campus.
- ❖ Attached are the four legislative priorities of the League of Oregon cities for the 2017 session.
- ❖ Attached is the letter from the Economic Development Alliance of Lincoln County requesting \$5,000.00 from the City of Newport to participate in the RAIN program (Regional Accelerator and Innovation Network.) I will bring this request to the City Council for the December 5<sup>th</sup> council meeting.
- ❖ Attached is a letter from Elkins, Zipse & Mitchell regarding the demolition schedule for the Newport City Center Motel.
- ❖ Attached is a letter from the Department of the Navy providing notice of the record of decision for the northwest training and testing environmental impact statement.
- ❖ Attached is a letter from the Department of Environmental Quality regarding the 2015 DEQ Material Recovery and Waste Generation Summary for Lincoln County. The report indicated in 2015 that Lincoln County disposed of 43,000 tons of waste and recovered 19,000 tons of waste.
- ❖ Attached is a copy of a notice of claim from the Bureau of Land Industries Wage and Hour Division on the payment bond for KSH Construction Company. This is related to the contractor's payment of the prevailing rate of wage for overtime wages for the Ferry Slip Road project. In addition, a second letter and notice was provided against KSH Construction Company for the Safehaven Hill retrofit Project.
- ❖ Attached is a letter from the Oregon Restaurant Lodging Association reminding cities that a portion of the revenues must be used for tourism promotion and tourism related activities for the City of Newport that accounts for 46% of our room tax collection.

- ❖ Attached is a thank you received from Mayor Roumagoux from the Foodshare Board of Directors thanking her for her visit to their facility.
- ❖ Attached is a thank you from Nancy Stuebor that was sent to the mayor, myself and others expressing appreciation for the City's assistance in making Camp Gray a reality.

I hope everyone has a wonderful Thanksgiving weekend.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "S. Nebel". The signature is fluid and cursive, with a large initial "S" and a long, sweeping underline.

Spencer R. Nebel, City Manager





# Pacific Seafood



## Core Goals

1. Revitalize obsolete facilities to remove blight and promote continued economic development
2. Ensure adequate infrastructure capacity to support existing activity and planned future development
3. Improve linkages between water/marine activity and other transportation infrastructure
4. Preserve and enhance Newport's "working waterfront" and balanced mix of industries
5. Enhance Newport's entrepreneurial climate and encourage growth of small businesses

## The Challenge

### Commercial Fishing / Traded Sector Activity

- Responsible for 19.7% of Net Earnings in Lincoln County\*
- Third-largest West Coast commercial fishing port in 2015\*\*
  - Landred 65 million lbs. valued at \$33 million
- 37.4% increase in economic contribution between 2003 and 2012\*\*\*
- Approx. 243 commercial fishing vessels ported on Central Coast
- Home of Deadliest Catch: Dungeness Cove

### Tourism

- Responsible for 16.1% of Net Earnings in Lincoln County\*
- Accounts for 3% of Lincoln County economy\*\*\*
- \$133.3 million total estimated personal income in 2012\*\*\*\*
- 18.7% increase in economic contribution between 2003 and 2012\*\*\*\*

### Economic Environment

- Diversifying local economies (growth of "other identified industries")
- Declining median household income (\$41,996 in 2012 vs. \$45,199 in 2000)<sup>†</sup>
- Persistent trend of "out migration" of young adults<sup>††</sup>
- 5.9 percent unemployment (as of Aug. 2016)\*\*\*\*

## City/County Economic Development Strategies\*

### Business Creation/Retention/Expansion

- Expand capacity for small business creation, retention, and expansion
- Support locally made products and incubators for growing businesses
- Enhance entrepreneurship in Lincoln County

### Natural Resources

- Protect and assist fishing industry
- Share information between scientists and commercial seafood industry
- Support Farmer's Markets and "Buy Local" campaigns

### Transportation

- Improve transportation linkages
- Support marine activity

### Arts & Culture

- Support visual artists, writers, musicians, and performing artists
- Improve access to cultural opportunities and increase participation

### Education

- Expand programs in marine science and resource management

\* Lincoln County's Economy, Key Strategies for the 21st Century, Oregon's Economy

\*\* 2012 Data from U.S. Census Bureau, 2013

†† 2011 Census Update on Lincoln County, Oregon's Economy

††† 2011 Census Update on Information, State of Oregon Department of Management

†††† Oregon County Economic Development Strategies Long Range Plan 2010-2011

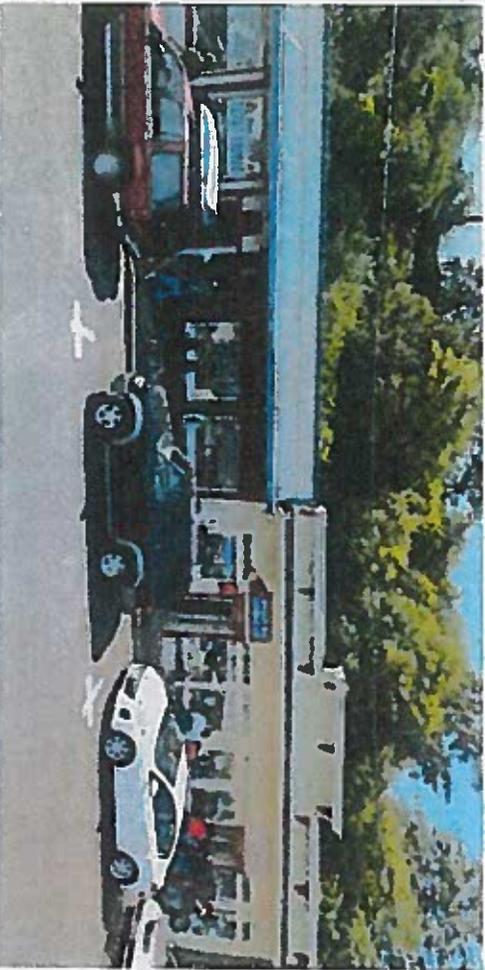
## The Site: 411 SW Bay Blvd.

- Approximately 0.62 total acres
- Previously owned by Hallmark Fisheries
- Acquired by Pacific Seafood in 2015
- Contains dated ice-house and dilapidated warehouse
- Bounded to West by city-owned property
  - Dock now leased to Pacific Seafood
- Bounded to East by Anchor Pier Lodge
- Located directly across the street from art galleries, shops, and restaurants
  - Oceanic Arts, Newport Candy Shops, Beach the Moon Gallery, etc



## Shore Side

Vibrant Business District, Active Tourism, Walkable Streets



## Bay Side

Urban Blight, Deterioration, Decay



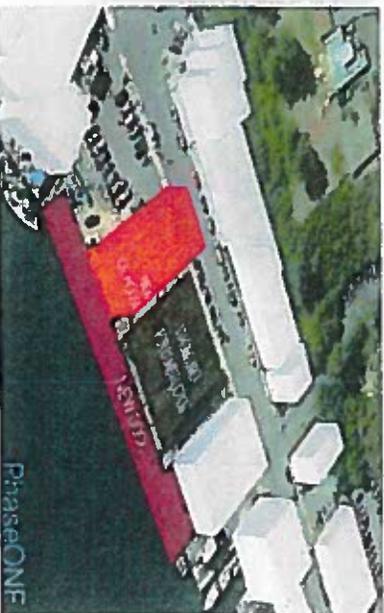
# The Opportunity: A True "Working Waterfront"

*"Commercial fisheries and working waterfronts are essential sources of jobs and economic growth" - OCZMA*

## Phase I

### Site Revitalization

- Remove existing blight
- Construct new dock and transportation linkages
- Construct new ice house



## Phase II

### Temporary Incubator Space

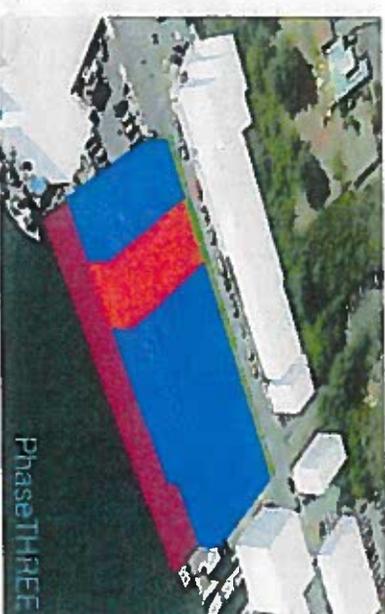
- Create small business incubators
- Re-purpose old warehouse
- Partner with Hatfield Marine Science Center



## Phase III

### Processing Facility with Permanent Retail

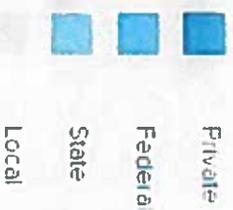
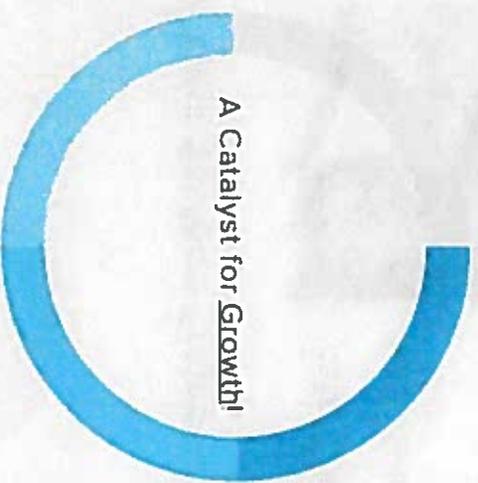
- State-of-the-art seafood processing facility
- New capacity to support commercial fishing
- Permanent retail space along Bay Blvd.



## Phases I/II: A Public-Private Partnership

## Possible Funding Sources

- Private Investment
- Economic Development Funds
- Transportation/Infrastructure Improvement Funds
- Municipal Planning Grants
- Small Business Development Grants
- Regional Development Funds
- Others?



## Pacific Seafood Project Team



**Tony Dal Ponte**

Deputy General Counsel

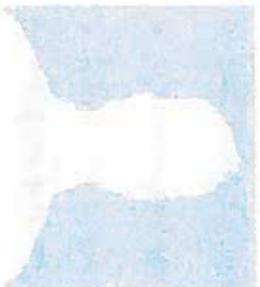
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Join our update list to stay informed

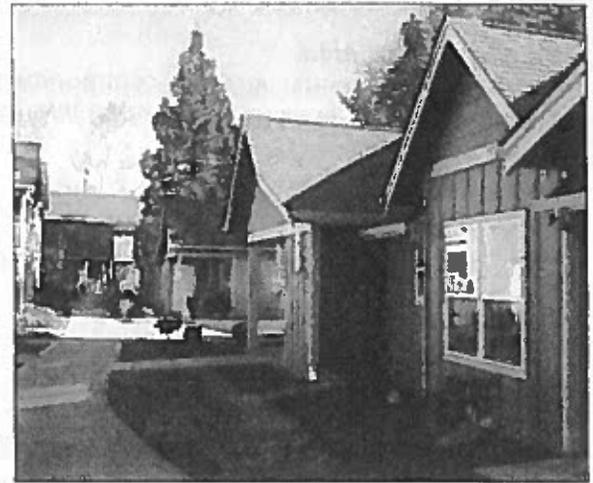
Keep me posted!



# Mid-Willamette Homeless Initiative Regional Task Force

[www.homelesstaskforce.net](http://www.homelesstaskforce.net)

The Mid-Willamette Homeless Initiative is a collaborative effort among the cities of Salem and Keizer and Marion and Polk counties. The task force's purpose is to identify and launch proven strategies that will reduce homelessness in the Marion-Polk county region, encompassing the cities of Keizer and Salem, Oregon. Co-chairs include Salem Mayor Anna Peterson, Keizer Mayor Cathy Clark, Marion County Commissioner Janet Carlson and Polk County Commissioner Jennifer Wheeler. Task force members include business and community leaders with expertise in social services, housing, public safety, and business.



The task force focuses on the homeless problem in cities and counties; lack of affordable housing; best practices for reducing chronic homelessness; current available services; impacts on public safety and business; and potential revenue sources. Contributing factors such as mental illness, addiction, lack of education and the need for transportation, as well as the challenges of unique populations such as youth and veterans are also addressed.

The Task Force will establish an action plan including measurable outcomes by February 2017. Task force meetings are open to the public.

### Subcommittees

The Task Force appointed eight subcommittees as follows:



#### **Public Safety**

Develop recommendations to implement new approaches, such as Law Enforcement Assisted Diversion, to address public safety issues related to homelessness, including runaway and homeless youth.

#### **Support Services/Education**

Develop recommendations to enhance coordination and to fill gaps in support services and education for individuals, families, children and youth experiencing homelessness. Scope includes K-12 education, mental health services, alcohol and drug abuse services, crisis intervention, Ready to Rent classes and other financial literacy strategies including credit recovery, job training/readiness services, and transportation.

#### **Affordable Housing**

Develop proposals to increase housing supply. Identify barriers and potential solutions for zoning, land supply, and other pressures that limit housing capacity.

#### **Financial**

Develop recommendations related to credit recovery including eviction prevention, resale of vacant homes/property, and financing collaborations for public and private dollars to increase affordable rate housing and multi-family housing.

Contacts: Lisa Trauernicht, (503) 589-3264, [ltrauernicht@co.marion.or.us](mailto:ltrauernicht@co.marion.or.us)  
Laura Walker, (503) 540-2405, [lwalker@cityofsalem.net](mailto:lwalker@cityofsalem.net)  
[www.homelesstaskforce.net](http://www.homelesstaskforce.net)

**Health & Housing**

Develop recommendations for proposal to the Oregon Health Authority and Oregon Housing & Community Services to deliver support services, connect with Willamette Valley Community Health (Coordinated Care Organization) and other community service providers.

**Veterans**

Develop recommendations to provide housing, shelter, and support services for homeless veterans.

**Transitional Housing/Shelters**

Develop recommendations to address gaps in transitional housing and shelter beds.

**Focus Groups/Coalition**

Connect other coalitions, partners, community members, and individuals who are homeless or who have experienced homelessness into the Task Force's work.



**Task Force Topics**

Task Force meetings focus on the following topics:

- Background and Scope
- Best Practices
- Continuum of Care
- Barriers and Opportunities to Expand Affordable Housing
- The Challenge to Better Serve Homeless Veterans
- Innovative Public Safety Strategies
- Local Opportunities and Barriers for Renters
- Asset Maps/Service Coordination
- Permanent Supportive Housing
- Health in Housing
- Runaway and Homeless Youth
- Families with Children
- Domestic Violence
- Senior Housing
- Rentry Housing



*End homelessness.org*

**Task Force Meeting Dates**  
(All Meetings are Held at Keizer City Hall)

2016		2017	
February 17	September 19	January	TBD
March 29	October 17	February	TBD
May 2	November 7		
June 6	December 1		
July 20			

Contacts: Lisa Trauernicht, (503) 589-3264, ltrauernicht@co.marion.or.us  
Laura Walker, (503) 540-2405, lwalker@cityofsalem.net  
www.homelesstaskforce.net

# Homelessness in Oregon

Point-in-Time Count of Homeless People, January 2015<sup>1</sup> Homeless Students by County of Enrollment, 2014-15<sup>2</sup>

County	Total Homeless People 2015	Total Sheltered People 2015	Total Unsheltered People 2015
Oregon	13,176	5,819	7,357
Baker	14	13	1
Benton	127	74	53
Clackamas	494	186	308
Clatsop	682	393	289
Columbia	317	43	274
Coos	612	33	579
Crook	36	9	27
Curry	86	0	86
Deschutes	503	176	327
Douglas	404	206	198
Gilliam	0	0	0
Grant	7	7	0
Harney	6	4	2
Hood River	69	4	65
Jackson	679	349	330
Jefferson	55	4	51
Josephine	883	124	759
Klamath	252	76	176
Lake	6	0	6
Lane	1,473	757	716
Lincoln	54	27	27
Linn	222	154	68
Malheur	104	50	54
Marion	732	573	159
Morrow	0	0	0
Multnomah	3,801	1,914	1,887
Polk	42	9	33
Sherman	0	0	0
Tillamook	106	6	100
Umatilla	52	24	28
Union	75	29	46
Wallowa	23	11	12
Wasco	47	14	33
Washington	591	196	395
Wheeler	0	0	0
Yamhill	495	246	249
No County	127	108	19

County	Total Enrolled, K -12	County	Total Enrolled, K -12
Baker	140	Lake	16
Benton	261	Lane	2156
Clackamas	1259	Lincoln	571
Clatsop	213	Linn	989
Columbia	176	Malheur	381
Coos	408	Marion	1618
Crook	97	Morrow	42
Curry	131	Multnomah	4069
Deschutes	1264	Polk	144
Douglas	502	Sherman	11
Gilliam	*	Tillamook	137
Grant	8	Umatilla	118
Harney	43	Union	216
Hood River	45	Wallowa	37
Jackson	2218	Wasco	94
Jefferson	210	Washington	2150
Josephine	637	Wheeler	*
Klamath	394	Yamhill	494

↑ School Count  
includes coaches  
surplus

<sup>1</sup> Oregon Housing and Community Services (2015, July 30). *Homelessness in Oregon* Retrieved from <https://www.oregon.gov/ohcs/pdfs/2015-Point-In-Time-Count-Summary.pdf>

<sup>2</sup> Oregon Department of Education (2014-2015). Oregon Statewide Report Card Retrieved from [http://www.ode.state.or.us/opportunities/grants/nclb/title\\_x/homelessstudentsoregonv2\\_.pdf](http://www.ode.state.or.us/opportunities/grants/nclb/title_x/homelessstudentsoregonv2_.pdf)





## Property Taxes

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### Priority

The League seeks passage of a comprehensive property tax reform package to address an outdated and inequitable system.

### Background

Property taxes are the largest source of tax revenue for cities, with \$1.2 billion collected in FY 2014-15. Property taxes play a vital role in funding the essential services that cities provide, including police, fire, roads, parks and more. They are also a key revenue source for counties, special districts and school districts--providing approximately one-third of the state's education budget (\$2.4 billion in 2014-15).

As provided in the Oregon Constitution, property taxes are regulated largely by Measure 5 (1990) and Measure 50 (1997). Measure 5 instituted limits on the amount of tax that can be levied per \$1,000 of a property's real market value (RMV) to 1.5 percent. Specifically, those limits (caps) are \$5 per \$1,000 for revenues used for education services, and \$10 per \$1,000 for revenues used for general government. If the tax to be extended is greater than these caps, the difference is reduced (compressed) and not collected. Measure 5 limits are now more than 25 years old and 60 percent of cities (147 of 241) have exceeded the limits, resulting in the reduction of their voter-approved levies. Many more cities are very close to the limits and simply opt not to refer a levy.

Measure 50 added another layer of limits by establishing permanent tax rate restrictions on all property taxing jurisdictions. Permanent rates for cities range from \$0 to \$10.62, with an average of \$3.55. Those rates can only be exceeded by passage of a bond levy (limited to capital projects) or a local option levy. However, local option levies are subject to the Measure 5 limits, and cities often find they are competing with other local government taxing jurisdictions as the total is capped at \$10 per \$1,000 on RMV.

Measure 50 also applied tax rates to assessed value (AV), which was originally established by taking a property's real market value in 1995-96 and discounting it by 10 percent. Then, Measure 50 capped annual growth on the established AV at 3 percent, no matter the changes in RMV. New or improved property is added to tax rolls by multiplying the real market value by an annual county-wide ratio of assessed values to real market values in an attempt to replicate the property tax discount given via Measure 50. The complex AV system has resulted in significant inequities—tax bills can differ by thousands of dollars for properties that have the same real market value in the same city. In addition, the gap between AV and RMV has grown from the original 10 percent discount to a state average of a 25 percent discount because assessed value continues to grow at a slower rate than RMV.

Over the years, the Legislature has also expanded and created new property tax exemptions in all categories. These exemptions have not been systematically reviewed to ensure that the benefit to taxing jurisdictions justifies annually foregoing the tax revenues that pay for the services provided to the entities receiving the exemptions. The revenue loss attributed to the 132 available exemptions and special assessments is estimated at \$25.9 billion for the 2015-17 biennium.

Review and reform of Measures 5 and 50 and the exemptions will likely be part of comprehensive property tax reform discussions in the 2017 session, along with general state and local tax reform. The Legislature has been interested in returning to a real market value property tax system to restore equity in taxes on similarly valued property. In addition, the Legislature has expressed interest in providing a new partial homestead exemption for primary residences to make property taxation more progressive and temper tax increases caused by returning to a real market value system.

## Outcome

Passage of a legislative referral making the following Constitutional changes:

- Achieve equity through a transition to a real market value-based property tax valuation system and away from the assessed value system of Measure 50; and
- Restore choice by allowing local voters to adopt tax levies and establish rates outside of current constitutional limits in their taxing jurisdictions.

Passage of a companion bill making statutory modifications to the existing property tax system to enhance fairness and adequacy. These changes would include but are not limited to:

- Adjust how new or improved property is added to the tax rolls and is assessed;
- Remove or adjust the 3% discount given to property owners who pay their taxes by November 15; and
- Adjust property tax exemption criteria.



## Recreational Immunity

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### Priority

Ensure that employees, officers and other agents of landowners, including cities, are exempt from liability under Oregon's recreational immunity law.

### Background

Landowners in Oregon are immune from civil liability in the event a person is injured on their property provided that they were recreating and that the property owner did not charge a fee for access to their land. However, the Oregon Supreme Court has ruled that the employees or other agents of the landowner may be liable if a person is injured as a result of their actions. For public agencies that are required to indemnify and defend their employees against such claims, recreational immunity has been stripped away.

Without effective recreational immunity, cities will expose themselves to unwarranted risks if they expand recreational opportunities in their community. Indeed, some have been forced to close parks. Oregon's recreational opportunities are utilized to a high degree by its citizens, contribute to quality of life and should not be compromised by the possibility of such lawsuits.

### Outcome

Restore the civil immunity landowners and their employees had against tort actions for injuries sustained while recreating.



## Transportation

### Priority

The League will help draft and support passage of a comprehensive, multi-modal, and statewide transportation funding and policy package with an emphasis on street, road and highway preservation and maintenance.

### Background

Maintenance and preservation needs have outpaced the resources available for streets, roads and highways in Oregon. In its March 2016 Infrastructure Survey Report the League identified \$3.7 billion in capital needs for highway and non-highway transportation projects (\$2.6 billion highway/\$1.1 billion non-highway). In addition, for the 120 cities that participated in the survey, the report shows an aggregated street budget shortfall for operations and maintenance of approximately \$217 million per year. Safety and disaster resilience were cited as major challenges and needs by most cities. Cities also expressed support for a voluntary jurisdictional transfer program (the sensible alignment of highway facilities and management responsibility) with the availability of adequate funding to facilitate the transfer and to maintain the asset.

Given the threat that inadequate funding represents to investments already made in the transportation system, the League will insist on a transportation package that increases and makes more sustainable the ability of all government jurisdictions to preserve and maintain these assets through the following:

1. Providing for a significant increase in resources available for the preservation and maintenance of city streets, including:
  - Substantially increasing the state gas tax and licensing and registration fees;
  - Indexing the state gas tax;
  - Continuing efforts to identify and implement alternative funding mechanisms (VMT, tolling, public-private partnerships, etc.);
  - Disaster resilience and seismic upgrades for all transportation modes;
  - The completion of transportation projects begun but not yet completed due to lack of funding or changes in funding criteria;
  - Providing additional funding for voluntary jurisdictional transfer;
  - Funding transportation enhancements such as bike-ped facilities;
  - Increasing funding for the statutory Special City Allotment program while maintaining the 50-50 percent ODOT/city split; and
  - Repealing the referral requirement (2009 Jobs and Transportation Act) on cities seeking to create/increase local gas tax.
  
2. Addressing statewide needs relating to intermodal transportation including:
  - Additional funding for transit operations and capital projects;
  - Additional funding for freight rail capital projects and operations (*ConnectOregon*, short-line rail and transload facilities); and
  - Additional funding for passenger rail operations, equipment and capital projects (federal matching money and AMTRAK Cascades).

### 3. Avoiding:

- Any preemption of local government ability to self-generate transportation revenues for street maintenance and preservation;
- Change the dedication of State Highway Fund dollars to highway, road and street projects contained in Article 8, Section 3a of the Oregon Constitution;
- Reduction of cities' 20 percent share of the State Highway Fund;
- Creation of unfunded mandates requiring cities to undertake specific programs, such as greenhouse gas reduction scenarios; and
- Further complication of the planning and regulatory process that currently governs the project delivery.

### Outcome

While supporting a systems approach to transportation funding, the League's primary objective will be to obtain more adequate funding for the preservation and maintenance of existing streets and roads within cities – i.e. the protection of investments already in place.



## PERS

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### Priority

Seek legislation that creates savings, including but not limited to:

- **Addressing Investment Efficiencies.** Oregon spends an inordinate amount of money paying external consultants and risk managers. Bringing those functions in-house could provide an additional \$1 billion in fund savings. Further, it reduces the odds of the “de-risking” of the investment portfolio as it would make risk managers accountable to the Oregon Investment Council.
- **Reducing the Annuity Rate.** The annuity or “money match” rate is set at 7.5% as it’s linked to the assumed earnings rate. Dropping this rate to 3.5 percent, which would more accurately reflect market conditions, would reduce total liabilities by approximately \$1.1 billion according to PERS’s actuary.
- **Redirecting Individual Account Plan (IAP) Contributions.** Redirecting IAP contributions into the defined benefit plan would reduce employer rates by 6% of payroll for employers who “pick-up” the required employee contribution and could shorten the duration of the unfunded liability.
- **Devoting Unanticipated Revenues to Employer Rate Relief.** Should any of the ongoing discussions on tax reform result in new or unexpected revenue, the League urges that the Legislature devote those resources to the PERS unfunded liability.

While these listed priorities have been identified as the most likely to provide significant rate relief, the League will be open to other legally defensible options that provide long-term financial stability and sufficient benefit to members.

### Background

PERS pays its obligation to retirees through earnings on investments and employer contributions. Those investments lost approximately \$17 billion in the market crash of 2008, and efforts to adjust benefits by restricting cost of living adjustments were overturned by the Oregon Supreme Court.

Subsequent to the 2008 losses, earnings have not consistently met expectations, and the longevity of retirees further expanded the deficit between the amount the system owes and assets it utilizes to pay benefits. As a result of these factors, the systems unfunded liability is near \$22 billion.

### Outcome

The Public Employee Retirement System continues to be in crisis with rate increases set for the 2017-2019, 2019-2021, and 2021-2023 biennia which are likely to reach a system wide average of 30 percent of payroll. This liability will impact service delivery for the next 20 years, if not longer, and must be addressed. The League is proposing several reforms that will address the benefits paid out by the system and the revenue used to fund pension benefits.

## **Investing in education and saving lives in a tsunami zone**

By Bruce Mate

Contrary to what you may have heard, Oregon State University can save more lives – and advance coastal safety – by building its next marine studies facility within a tsunami zone in Newport.

I was assigned to work at OSU's Hatfield Marine Science Center in Newport in 1975. As a marine biologist, working so close to the Pacific Ocean was a dream.

Plate tectonics was a new concept then, and few people thought about earthquakes and tsunamis. Today, we know much more about these events, but opinions vary on what to do about them.

Along the Oregon coast, quakes larger than magnitude-8 occur every 320-500 years with larger events (greater than M-9) every several thousand years. Recent earthquakes in similar geologic regions, including Japan, have brought the dangers into better focus. What does that mean in Newport?

Every six months, the Hatfield Center evacuates the entire 450-person campus as part of a tsunami drill. We walk at a casual pace to Safe Haven Hill at the end of Yaquina Bay Bridge in 12-15 minutes, less than the estimated 20-40 minutes between an earthquake and the predicted arrival of a potential tsunami. Safe Haven Hill is 80 feet high and has been cleared to accommodate 3,000 people. It is being equipped with emergency supplies funded by Hatfield employees, OSU, Lincoln County and other partners.

Engineers have the skills to design a building to survive M-9 earthquakes, even on soft sediments. By demonstrating how to build safely along the coast, OSU will assist coastal communities located near sea level – in Oregon and worldwide.

OSU President Ed Ray has required that the new building also be designed to serve as a vertical escape route for those who may be injured or not able to walk to Safe Haven Hill. At 70+, I may be one of them. Meanwhile, the university plans to construct new student housing one mile south of Hatfield near Oregon Coast Community College, above the tsunami zone. This makes

perfect sense so students are not disoriented during night-time seismic events.

Let's suppose for a moment that this new marine studies building were built somewhere else. Students and faculty would still spend most of their time on Hatfield campus to access sea water labs, conduct research, use the library, attend seminars, interact with OSU researchers and have internships with state and federal agencies who would remain at existing Hatfield Center facilities. Some people suggest moving the entire Hatfield Center to higher ground. This would cost at least \$500 million, not including OSU's state and federal agency partners.

In my 49 years of marine biology, I have visited marine labs worldwide. Nearly all are located near the seashore where marine scientists do their work. OSU is aware of tsunami risks and is planning to increase campus safety with our new building.

I believe OSU is doing an excellent job in reducing tsunami risks at Hatfield with evacuation drills, looking at strengthening older buildings, and construction of this new building at the Hatfield Marine Science Center. President Ray engaged outside, third party experts and expert faculty in making this decision. He gathered input from marine studies students and staff and from coastal and Oregon leaders. His decision and these data are publicly available for review at <http://leadership.oregonstate.edu/president/msi-building-be-constructed-hatfield-marine-science-center-campus>

With a well-engineered building designed to survive and reduce earthquake risks for occupants, evacuation preparedness and multiple evacuation escape routes, Oregon State's entire marine facility will be among the safest located near water anywhere in the world.

#####

***Bruce Mate is the director of Oregon State University's Marine Mammal Institute at the Hatfield Marine Science Center in Newport, Oregon, and a pioneer in use of satellites to track endangered large whales and other marine mammals. He has been a researcher at the Hatfield Center since 1975 and worked in every ocean.***

ECONOMIC DEVELOPMENT ALLIANCE OF LINCOLN COUNTY  
*Strengthening Lincoln County's economy. Attracting and supporting primary jobs.*

Post Office Box 716  
Newport, Oregon 97365

RECEIVED

NOV 14 2016

CITY OF NEWPORT

Dear Spencer:

Earlier this year, I contacted City staff about reserving some funds in the budget for economic development. We took advantage of a grant opportunity with Ford Family Foundation, which was successful. The grant provides Lincoln County with a dedicated staff person, with expenses, who will be matching entrepreneurs with expertise, capital, and resources through the RAIN program (Regional Accelerator and Innovation Network).

I requested \$5,000.00 from City of Newport as a partial match for the \$50,000.00 grant we are receiving. I looked in my "sent mail" outbox on the computer but I must have deleted the request. Please consider it now as a current request.

I made requests to: Lincoln County (\$10,000), City of Newport (\$5,000), City of Lincoln City (\$5,000), and City of Toledo (\$2,000) roughly based on ability to pay. The responses were positive in all cases.

I am now requesting funds for Economic Development Alliance, as matching funds for a Coastal Venture Catalyst. The position started November 1<sup>st</sup> and will run for one year.

The county has paid their contribution of matching dollars. The easiest way is to pay them to my organization, and I will pass the funds on to the RAIN program for this purpose. I am working very closely with the newly hired person and look forward to serving Newport and the surrounding area to identify entrepreneurs we can help succeed. We will report our success to the City on this grant.

Sincerely,



Caroline Bauman  
Executive Director



BARRY W. DOD\*\*  
JOHN M. EICKELBERG\*\*  
JULIE D. ELKINS  
ERIC E. MEYER  
MICHAEL C. MITCHELL\*\*

## ELKINS, ZIPSE & MITCHELL

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NOT A PARTNERSHIP  
EMPLOYEES OF FARMERS INSURANCE EXCHANGE, A MEMBER OF THE FARMERS INSURANCE GROUP OF COMPANIES

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(SEE DIRECT DIAL BELOW)  
FAX: (503) 245-3191

\*\* ALSO ADMITTED IN WASHINGTON

*Please Reference Our File # in Your Correspondence*

November 3, 2016

Derrick Tokos, Community Development Director  
Joseph Lease, Building Official  
City of Newport Community Development Department  
169 SW Coast Hwy  
Newport, Oregon 97365

[D.Tokos@NewportOregon.gov](mailto:D.Tokos@NewportOregon.gov)  
[J.Lease@NewportOregon.gov](mailto:J.Lease@NewportOregon.gov)

Re: Newport City Center Motel  
Loss Date: 8/4/2016  
Our File No.: 16-433502

Dear Messrs. Tokos and Lease:

I represent BIBA LLC, dba Newport City Center Motel, in regards to multiple injury claims arising out of the unfortunate fire on August 4, 2016. I am in receipt of the City's Notice and Order requiring demolition of the burned/damaged structure, dated October 27, 2016. Yesterday I spoke with each of you regarding the situation.

My client desires to comply with the order to abate the problem by demolition of the structure. While my client hopes to accomplish demolition by the date ordered (November 26, 2016), the purpose of this letter is to set forth background information and to outline the plan for this effort, and to request additional time for compliance with the order, to December 15, 2016, recognizing that there are compelling competing legal interests.

As you know, four deaths occurred in the fire, and my client has been notified of other less serious claims. The estates of each of these decedents have obtained legal counsel, and some have formally demanded that the site and evidence be preserved. We are under legal compulsion to avoid "spoliation" of evidence, so my client cannot simply destroy and demolish the structure and its components without providing the claimants the reasonable opportunity to examine the site, and/or participate in forensic examinations that were in the process of being scheduled when your order arrived. Notices to the attorneys representing the four estates, and to other represented parties were sent on October 27, 2016.

November 3, 2016

Page 2

I understand from yesterday's conversation with Mr. Lease that the City's immediate concerns are focused on the collapsed south wall of the burned area, which has fallen partly onto neighboring property, as well as the "unsupported" west wall in the burn area. These concerns are for public safety, as I understand. Secondly the City is concerned about the aesthetic of a burned and partially collapsed building, even if the site is fenced and generally inaccessible to the public. My clients share these concerns.

Since the time of the fire, the property and casualty insurer has also been conducting investigations and handling property damage claims – claims by both the LLC and its guests – as well as investigating multiple injury claims. The liability insurer had authorized me to conduct a forensic examination of the burned area and partially collapsed structure under the supervision of forensic engineers and fire cause and origin experts. These were scheduled to start on November 7, 2016, and the experts for the decedents' estates were also prepared to participate. This will be an expensive and time consuming effort.

Finally, there were concerns raised by other departments of the City of Newport and legal authorities. Specifically, before my client undertook to demolish or even alter the scene from the immediate aftermath of the fire, we needed to obtain permission from the City's Fire and Police Departments, as well as the State Fire Marshall and the District Attorney's office, to insure that those authorities no longer needed access to the site for their particular investigations. We received permission, to proceed with demolition plans, from these agencies by letter dated 10.27.16 - the same day as your Notice and Order to abate.

Against this background, please understand that we have been attempting to address the needs of all those concerned with the event and the property. Attached to this letter, please find our plan to deal with these various concerns. We submit this plan to support the application for a demolition permit, which we request be immediately issued.

Sincerely,



Mark L. Zipse

Direct Line: (503) 892-2078

Cell: (503) 475-6250

Email: [mark.zipse@farmersinsurance.com](mailto:mark.zipse@farmersinsurance.com)

MLZ/mlz

cc: Ivan L. VanDeWege, Talbott Associates Inc.  
Sarabjit "Tony" Singh, Newport City Center Motel  
Lisa C. Ross, Western Commercial Claims - Y6 (Claim #: 3006798510-1-2)  
Michael E. Swaim, Esq.

PLAN FOR DECONSTRUCTION AND DEMOLITION  
NEWPORT CITY CENTER MOTEL  
NOVEMBER 3, 2016

1. November 3, 2016 - conduct Asbestos survey of site by ETTNW— Environmental Testing and Training Northwest, Eugene Oregon; Apply for demolition permit.
2. November 7-17, 2016 Partial deconstruction and demolition of burned area; removal of debris from neighboring property (south wall) and unsupported West wall to address concerns raised by Mr. Lease in Phone Call with Zipse on November 2, 2016; **All material to be moved and retained on-site until completion of forensic examination by team of experts;** Thereafter, material to be removed in compliance with results of asbestos survey, which results are expected by Monday or Tuesday November 7 or 8; (see step 5)
3. Any material deemed appropriate for preservation for legal issues or claims will be catalogued and collected by the forensic experts, supervised by Ivan VandeWege of Talbott & Associates forensic consultants, Portland, Or.
4. November 17- December 15; continued deconstruction, examination and removal of debris from site. . It is uncertain how long will be required, and it is the hope of the property owners and the insurers that this will be accomplished sooner than December 15, but it is dependent on availability of appropriate workers, and equipment;
5. To the extent required, debris will be removed from site using DEQ certified asbestos abatement contractors and procedures;





DEPARTMENT OF THE NAVY

COMMANDER  
UNITED STATES PACIFIC FLEET  
250 MAKALAPA DRIVE  
PEARL HARBOR, HAWAII 96860-3131

RECEIVED

NOV 03 2016

CITY OF NEWPORT

IN REPLY REFER TO:

5090

Ser N465/1251

November 01, 2016

Dear Sir or Madam:

SUBJECT: RECORD OF DECISION FOR THE NORTHWEST TRAINING AND TESTING ENVIRONMENTAL IMPACT STATEMENT/OVERSEAS ENVIRONMENTAL IMPACT STATEMENT

The Department of the Navy (Navy) has announced its decision to implement its Preferred Alternative, Alternative 1, as described in the Northwest Training and Testing (NWTT) Final Environmental Impact Statement/Overseas Environmental Impact Statement (EIS/OEIS), to conduct ongoing military readiness training and testing activities primarily within existing range complexes, operating areas and testing ranges of the NWTT Study Area. Implementing the Preferred Alternative will ensure the Navy accomplishes its mission to maintain, train and equip combat-ready military forces while minimizing potential environmental impacts to the greatest extent practicable.

The NWTT Study Area (see Enclosure 1) is primarily comprised of established maritime operating areas and warning areas in the eastern North Pacific Ocean, including the Strait of Juan de Fuca, Puget Sound and Western Behm Canal in southeastern Alaska. The NWTT Study Area includes: air and water space within and outside Washington state waters, air and water space outside the state waters of Oregon and northern California, and water space within Alaska state waters. It includes four existing range complexes and facilities (the Northwest Training Range Complex, Naval Undersea Warfare Center Division Keyport Range Complex, Carr Inlet Operations Area and Southeast Alaska Acoustic Measurement Facility), and Navy installation pierside locations where sonar maintenance and testing occur (Naval Base Kitsap Bremerton, Naval Base Kitsap Bangor and Naval Station Everett).

The Navy made its decision to implement Alternative 1 after carefully considering the potential impacts training and testing activities may have on the human, natural and cultural environment, as well as considering comments on the proposal and environmental analysis received from government agencies, tribal governments and the public. The Navy used the best available science in conducting its comprehensive analysis of the impacts on thirteen resource areas, as well as cumulative impacts.

The Record of Decision (ROD) documents the Navy's decision to train and test as described in the Final EIS/OEIS under Alternative 1. As identified in the Final EIS/OEIS, proposed training and testing activities include the use of active sonar, acoustic sources and explosives, as well as

pierside sonar maintenance and testing. While training and testing, the Navy follows strict guidelines and employs measures to reduce effects on marine species.

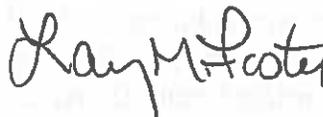
The ROD and Final EIS/OEIS completion follows years of research, analysis and public involvement. The Navy held nine public scoping meetings in March 2012, eight public meetings in February/March 2014 for the Draft EIS/OEIS and four public meetings in January 2015 for the Supplement to the Draft EIS/OEIS. Meetings took place in Washington, Oregon, Northern California and Alaska. The Final EIS/OEIS includes public comments received during the Draft and Supplement review periods and the Navy's responses to those comments. In the ROD, the Navy also considered and responded to comments substantively different from those already addressed in the Final EIS/OEIS, which were received after the Final EIS/OEIS was published on October 2, 2015.

The ROD and Final EIS/OEIS, as well as supporting technical reports and other reference materials, are available online at [www.NWTTTEIS.com](http://www.NWTTTEIS.com). Additionally, printed copies and CD copies of the Final EIS/OEIS are available for viewing at 21 community libraries identified on the project website and listed in Enclosure 2.

If you have questions or require additional information, please contact the NWTT EIS/OEIS project manager at:

Naval Facilities Engineering Command Northwest  
Attention: NWTT EIS/OEIS Project Manager  
1101 Tautog Circle, Suite 203  
Silverdale, WA 98315-1101

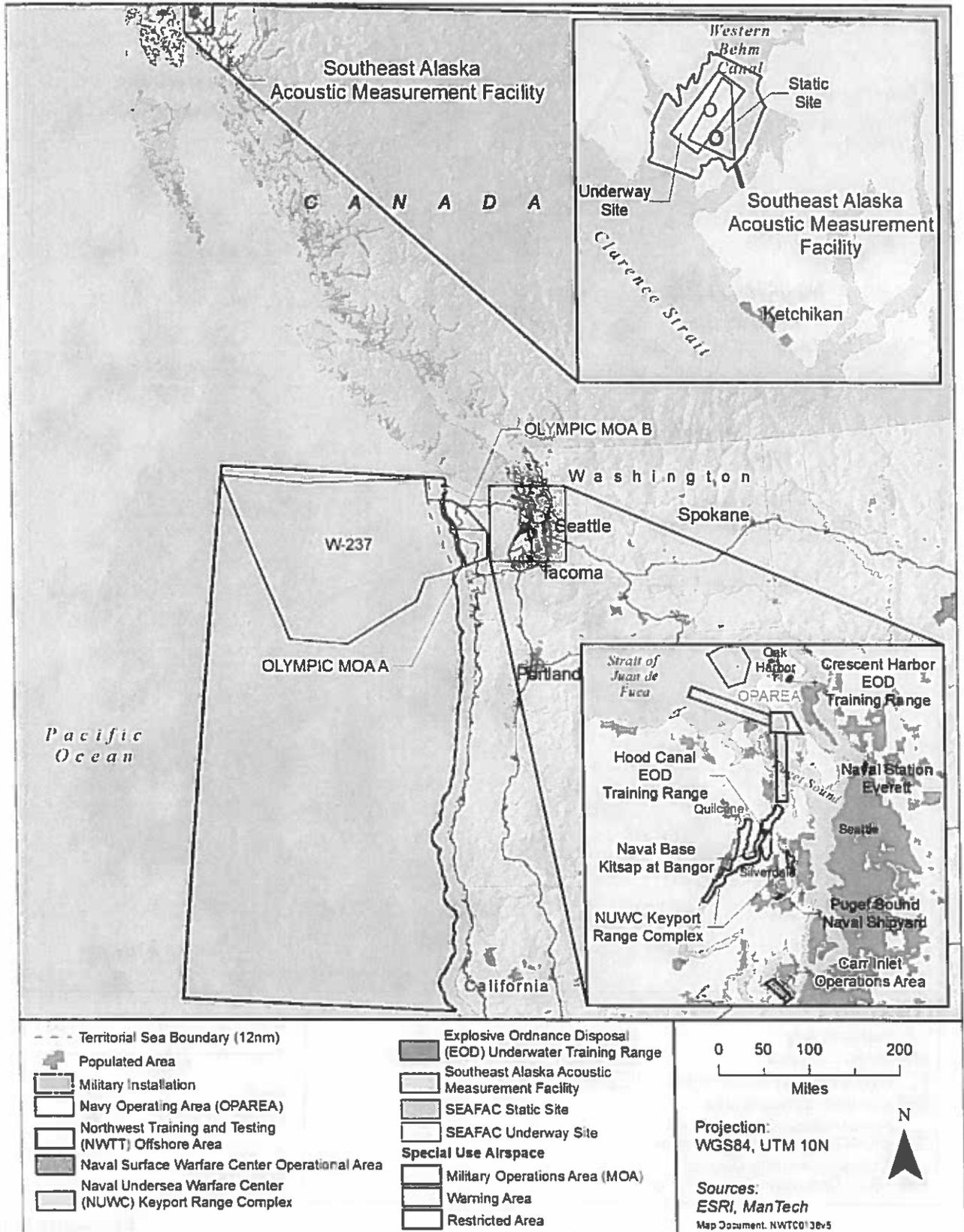
Sincerely,



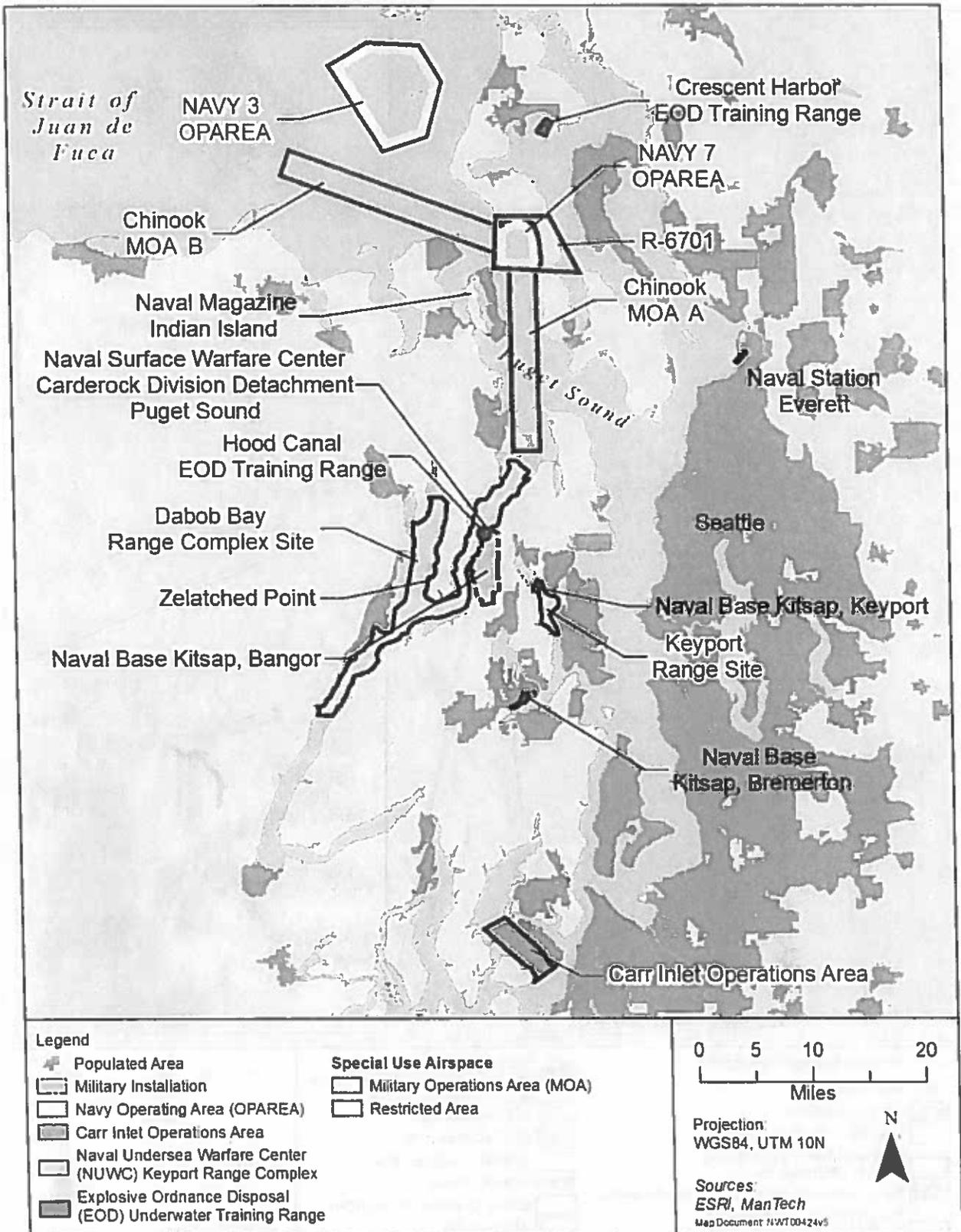
L. M. FOSTER  
By direction

- Enclosures: 1. Figures of the NWTT EIS/OEIS Study Area  
2. Public Libraries with copies of the NWTT Final EIS/OEIS

# Enclosure 1: Northwest Training and Testing Study Area



Enclosure 1: Inland Waters of the Northwest Training and Testing Study Area



Enclosure (1)

Enclosure 2: Public Libraries with Copies of the NWT Final EIS/OEIS

**Washington:**

Everett Main Library  
2702 Hoyt Ave.  
Everett, WA 98201

Gig Harbor Library  
4424 Point Fosdick Drive NW  
Gig Harbor, WA 98335

Jefferson County Library (Port Hadlock)  
620 Cedar Ave.  
Port Hadlock, WA 98339

Kitsap Regional Library (Poulsbo)  
700 NE Lincoln Road  
Poulsbo, WA 98370

Kitsap Regional Library - Sylvan Way (Bremerton)  
1301 Sylvan Way  
Bremerton, WA 98310

Oak Harbor Public Library  
1000 SE Regatta Drive  
Oak Harbor, WA 98277

Port Angeles Main Library  
2210 S. Peabody St.  
Port Angeles, WA 98362

Port Townsend Public Library  
1220 Lawrence St.  
Port Townsend, WA 98368

Timberland Regional Library – Aberdeen  
121 E. Market St.  
Aberdeen, WA 98520

Timberland Regional Library – Hoquiam  
420 Seventh St.  
Hoquiam, WA 98550

**Oregon:**

Astoria Public Library  
450 10th St.  
Astoria, OR 97103

Enclosure (2)

Driftwood Public Library  
801 SW Highway 101 #201  
Lincoln City, OR 97367

Guin Library, Hatfield Marine Science Center  
2030 SE Marine Science Drive  
Newport, OR 97365

Newport Public Library  
35 NW Nye St.  
Newport, OR 97365

Tillamook Main Library  
1716 Third St.  
Tillamook, OR 97141

**California:**

Fort Bragg Branch Library  
499 Laurel St.  
Fort Bragg, CA 95437

Humboldt County Public Library - Arcata Branch Library  
500 Seventh St.  
Arcata, CA 95521

Humboldt County Public Library - Eureka Main Library  
1313 Third St.  
Eureka, CA 95501

Redwood Coast Senior Center  
490 N. Harold St.  
Fort Bragg, CA 95437

**Alaska:**

Juneau Public Library - Downtown Branch  
292 Marine Way  
Juneau, AK 99801

Ketchikan Public Library  
1110 Copper Ridge Lane  
Ketchikan, AK 99901

Enclosure (2)



# Oregon

Kate Brown, Governor

## Department of Environmental Quality

Western Region Salem Office

4026 Fairview Industrial Dr SE

Salem, OR 97302

(503) 378-8240

FAX (503) 373-7944

TTY 711

November 5, 2016

Mr. Mark Saelens  
Lincoln County Solid Waste District  
880 NE 7th Street  
Newport, OR 97365

Dear Mr. Saelens:

On the back of this letter is the 2015 DEQ Material Recovery and Waste Generation Summary for your wasteshed. This report is derived from the 2015 Material Recovery Survey, which is required under ORS 459A.010. This statute also incorporates your wasteshed's recovery rate goals set for 2009. Your county should be proud of the efforts your recovery rate represents.

The Material Recovery and Waste Generation Summary includes your wasteshed's 2015 recovery rate, the amounts of materials disposed and recovered, per capita disposal, recovery and generation rates, amount of two percent credits your wasteshed has earned, and a chart comparing this year's results with previous survey years. The full 2015 Oregon Material Recovery and Waste Generation Rates Report will be available on the DEQ Web site at [www.deq.state.or.us/lq/sw/recovery/materialrecovery.htm](http://www.deq.state.or.us/lq/sw/recovery/materialrecovery.htm) by November 7, 2016.

DEQ Materials Management staff will be happy to work with your wasteshed to assist in improving data collection and waste reduction efforts. For assistance with your waste recovery and prevention efforts, please call Cathie Rhoades at 503-378-5089. If you would like more information about data collection or the material recovery survey, please call Michelle Shepperd at 503-229-6724, or toll free in Oregon at 1-800-452-4011 x6724.

Sincerely,

Brian Fuller, Manager  
Materials Management  
Western Region

Attachment: 2015 Recycling Collector Data Summary – Lincoln

CC: City Managers of Lincoln City, Newport  
Garbage Collection Companies, Lincoln



**REGIONAL TECHNICAL ASSISTANCE CONTACT:**

Contact Cathie Rhoades at 503-378-5089 for assistance in identifying ways to help reduce waste generation and disposal through waste prevention, reuse, recycling, and composting.

**SURVEY COORDINATOR:**

Contact Michelle Shepperd by email, [shepperd.michelle@deg.state.or.us](mailto:shepperd.michelle@deg.state.or.us), or in Portland at 503-229-6724, or toll free in Oregon at 1-800-452-4011 x6724, for more information on the survey.

---

NOTE: DEQ routinely updates recovery rates for prior years as we receive new information. These are the current corrected figures for all years.





# Oregon

*fil*  
Bureau of Labor and Industries

Brad Avakian  
Commissioner

NOTICE OF CLAIM

TO THE CLERK OR AUDITOR OF:

ATTN:

Spencer Nebel  
City of Newport  
169 SW Coast Highway  
Newport, Oregon 97365

and

KSH Construction Company  
PO Box 21451  
Keizer, Oregon 97307

PLEASE RESPOND TO:

Tania Close, Compliance Specialist  
Wage and Hour Division  
800 NE Oregon St. #1045  
Portland, OR 97232-2180  
971-673-0807

CERTIFIED-RETURN RECEIPT REQUESTED

Article #: 7015 0640 0000 9302 7529

CERTIFIED-RETURN RECEIPT REQUESTED

Article #: 7015 0640 0000 9299 6819

*Copied to  
Tim Gross  
Steve Rich  
No action require  
on our part  
JRM*

Re: NOTICE OF CLAIM: Ferry Slip Road Street Improvement Project  
CONTRACT DATE: August 24, 2015

NOTICE IS HEREBY GIVEN that the Bureau of Labor and Industries, Wage and Hour Division, has a claim for labor performed by the person(s) listed on Exhibit A (attached). This claim is based on a prima facie determination that the prevailing wage as required by ORS 279C.840 in the amount of \$11,940.60 has not been paid, plus \$11,940.60 as liquidated damages pursuant to ORS 279C.855, for a total claim of \$23,881.20.

This claim may include unidentified workers, listed as "John Doe(s)," for whom the commissioner may have received information indicating that the worker(s) have not been paid in full the prevailing rate of wage as required by ORS 279C.840 or overtime wages required by ORS 279C.540.

The Bureau is continuing its investigation into this matter. A final determination will be made after considering all the facts and circumstances and an amended claim may be made as a result.

This claim is against the payment bond taken from KSH Construction Company, as principal and Allied World Specialty Insurance Company as surety for the work done on the Ferry Slip Road Street Improvement project. Such labor was supplied to KSH Construction Company (see Exhibit A).

Dated this 17th day of October, 2016.

BRAD AVAKIAN, Commissioner  
Bureau of Labor and Industries

PORTLAND  
890 NE Oregon St. Suite 1045  
Portland, OR 97232-2180  
(971) 673-0761  
Fax (971) 673-0762

SALEM  
3865 Wolverine St. NE: E-1  
Salem, OR 97305-1268  
(503) 378-3292  
FAX (503) 373-7636

EUGENE  
1400 Executive Parkway, Suite 200  
Eugene, OR 97401-2135  
(541) 686-7623  
FAX (541) 686-7980

Gerhard Taubel

Gerhard Taubel, Administrator  
Wage and Hour Division

**EXHIBIT A**  
**Page 1**  
**CLAIMANT INFORMATION**

**Employee's Name:** Lance Anthony  
**Period of Claim:** September 5, 2015 to June 25, 2016  
**Trade or Occupation Classification:** Laborer 2

Total Earned	\$ 20,890.76	
Total Paid	\$ 18,645.05	
Wages Owed	\$ 2,245.71	
Liquidated Damages	<u>\$ 2,245.71</u>	
<b>Total Owed</b>		<b>\$ 4,491.42</b>

**Employee's Name:** Coby Barnes  
**Period of Claim:** September 5, 2015 to June 25, 2016  
**Trade or Occupation Classification:** Laborer 1

Total Earned	\$ 3,514.24	
Total Paid	\$ 3,433.04	
Wages Owed	\$ 81.20	
Liquidated Damages	<u>\$ 81.20</u>	
<b>Total Owed</b>		<b>\$ 162.40</b>

**Employee's Name:** Dean Castonguay  
**Period of Claim:** September 5, 2015 to June 25, 2016  
**Trade or Occupation Classification:** Laborer 2

Total Earned	\$ 41,674.88	
Total Paid	\$ 40,024.94	
Wages Owed	\$ 1,649.94	
Liquidated Damages	<u>\$ 1,649.94</u>	
<b>Total Owed</b>		<b>\$ 3,299.88</b>

**Employee's Name:** Craig Daugherty  
**Period of Claim:** September 5, 2015 to June 25, 2016  
**Trade or Occupation Classification:** Power Equipment Operator 6

Total Earned	\$ 4,100.68	
Total Paid	\$ 3,879.04	
Wages Owed	\$ 221.64	
Liquidated Damages	<u>\$ 221.64</u>	
<b>Total Owed</b>		<b>\$ 443.28</b>

**EXHIBIT A**  
**Page 2**  
**CLAIMANT INFORMATION**

**Employee's Name:** Chuck Ferrell  
**Period of Claim:** September 5, 2015 to June 25, 2016  
**Trade or Occupation Classification:** Power Equipment Operator 6

Total Earned	\$ 1,904.52	
Total Paid	\$ 1,878.44	
Wages Owed	\$ 26.08	
Liquidated Damages	<u>\$ 26.08</u>	
<b>Total Owed</b>		<b>\$ 52.16</b>

**Employee's Name:** Phillip Hale  
**Period of Claim:** September 5, 2015 to June 25, 2016  
**Trade or Occupation Classification:** Power Equipment Operator 6

Total Earned	\$ 47,799.12	
Total Paid	\$ 46,865.51	
Wages Owed	\$ 933.61	
Liquidated Damages	<u>\$ 933.61</u>	
<b>Total Owed</b>		<b>\$ 1,867.22</b>

**Employee's Name:** Jeremy Karl  
**Period of Claim:** September 5, 2015 to June 25, 2016  
**Trade or Occupation Classification:** Laborer 1

Total Earned	\$ 7,272.65	
Total Paid	\$ 6,801.10	
Wages Owed	\$ 471.55	
Liquidated Damages	<u>\$ 471.55</u>	
<b>Total Owed</b>		<b>\$ 943.10</b>

**Employee's Name:** Justin Klum  
**Period of Claim:** September 5, 2015 to June 25, 2016  
**Trade or Occupation Classification:** Laborer 2

Total Earned	\$ 2,129.24	
Total Paid	\$ 1,888.46	
Wages Owed	\$ 240.78	
Liquidated Damages	<u>\$ 240.78</u>	
<b>Total Owed</b>		<b>\$ 481.56</b>

**EXHIBIT A**  
**Page 3**  
**CLAIMANT INFORMATION**

**Employee's Name:** Justin Klum  
**Period of Claim:** September 5, 2015 to June 25, 2016  
**Trade or Occupation Classification:** Laborer 2

Total Earned	\$ 2,129.24	
Total Paid	\$ 1,888.46	
Wages Owed	\$ 240.78	
Liquidated Damages	<u>\$ 240.78</u>	
<b>Total Owed</b>		<b>\$ 481.56</b>

**Employee's Name:** Doug McGuire  
**Period of Claim:** September 5, 2015 to June 25, 2016  
**Trade or Occupation Classification:** Power Equipment Operator 4

Total Earned	\$ 52,704.39	
Total Paid	\$ 51,349.79	
Wages Owed	\$ 1,354.59	
Liquidated Damages	<u>\$ 1,354.59</u>	
<b>Total Owed</b>		<b>\$ 2,709.18</b>

**Employee's Name:** 10 John Does  
**Period of Claim:** September 5, 2015 to June 25, 2016  
**Trade or Occupation Classification:**

Total Earned	\$ 72,726.50	
Total Paid	\$ 68,011.00	
Wages Owed	\$ 4,715.50	
Liquidated Damages	<u>\$ 4,715.50</u>	
<b>Total Owed</b>		<b>\$ 9,431.00</b>

**Total Due to All Employees**

Wages Owed	\$11,940.60	
Liquidated Damages	<u>\$11,940.60</u>	
<b>Total Owed</b>		<b>\$ 23,881.20</b>

Pursuant to ORS 279C.600, the commissioner has a right of action first on the KSH Construction Company public works bond and then, for any amount of a claim not satisfied by KSH Construction Company's public works bond, on the contractor's payment bond.





# Oregon

## Bureau of Labor and Industries

Brad Avakian  
Commissioner

NOTICE OF CLAIM

TO THE CLERK OR AUDITOR OF:

ATTN:

Spencer Nebel  
City of Newport  
169 SW Coast Highway  
Newport, Oregon 97365

and

KSH Construction Company  
PO Box 21431  
Keizer, Oregon 97307

PLEASE RESPOND TO:

Tania Close, Compliance Specialist  
Wage and Hour Division  
800 NE Oregon St. #1045  
Portland, OR 97232-2180  
(971)673-0807

*Copied to  
Tim Gross  
Steve Rich  
No action  
required on  
our part  
- JAD*

CERTIFIED-RETURN RECEIPT REQUESTED

Article #: 7015 0640 0000 9299 6574

CERTIFIED-RETURN RECEIPT REQUESTED

Article #: 7015 0640 0000 9299 6826

**RECEIVED**

OCT 21 2016

CITY OF NEWPORT

Re: NOTICE OF CLAIM: Safe Haven Tsunami Hill Retrofit  
CONTRACT DATE: August 24, 2015

NOTICE IS HEREBY GIVEN that the Bureau of Labor and Industries, Wage and Hour Division, has a claim for labor performed by the person(s) listed on Exhibit A (attached). This claim is based on a prima facie determination that the prevailing wage as required by ORS 279C.840 in the amount of \$7,947.11 has not been paid, plus \$7,947.11 as liquidated damages pursuant to ORS 279C.855, for a total claim of \$15,894.22.

This claim may include unidentified workers, listed as "John Doe(s)," for whom the commissioner may have received information indicating that the worker(s) have not been paid in full the prevailing rate of wage as required by ORS 279C.840 or overtime wages required by ORS 279C.540.

The Bureau is continuing its investigation into this matter. A final determination will be made after considering all the facts and circumstances and an amended claim may be made as a result.

This claim is against the payment bond taken from KSH Construction Company, as principal and Allied World Specialty Insurance Company as surety for the work done on the Safe Haven Tsunami Hill Retrofit project. Such labor was supplied to KSH Construction Company (see Exhibit A).

Dated this 17th day of October, 2016.

BRAD AVAKIAN, Commissioner  
Bureau of Labor and Industries

PORTLAND  
800 NE Oregon St. Suite 1045  
Portland, OR 97232-2180  
(971) 673-0761  
Fax (971) 673-0762

SALEM  
3865 Wolverine St. NE, F-1  
Salem, OR 97305-1268  
(503) 378-3292  
FAX (503) 373-7636

EUGENE  
1400 Executive Parkway, Suite 200  
Eugene, OR 97401-2158  
(541) 686-7623  
FAX (541) 686-7980

Gerhard Taubel

Gerhard Taubel, Administrator  
Wage and Hour Division

**EXHIBIT A**  
**Page 1**  
**CLAIMANT INFORMATION**

**Employee's Name:** Lance Anthony  
**Period of Claim:** September 5, 2015 to June 25, 2016  
**Trade or Occupation Classification:** Laborer2

Total Earned	\$ 15,374.02	
Total Paid	\$ 13,582.01	
Wages Owed	\$ 1,792.01	
Liquidated Damages	<u>\$ 1,792.01</u>	
<b>Total Owed</b>		<b>\$ 3,584.02</b>

**Employee's Name:** Dean Castonguay  
**Period of Claim:** September 5, 2015 to June 25, 2016  
**Trade or Occupation Classification:** Laborer 2

Total Earned	\$ 19,201.37	
Total Paid	\$ 18,318.39	
Wages Owed	\$ 882.98	
Liquidated Damages	<u>\$ 882.98</u>	
<b>Total Owed</b>		<b>\$ 1,765.96</b>

**Employee's Name:** Chuck Ferrell  
**Period of Claim:** September 5, 2015 to June 25, 2016  
**Trade or Occupation Classification:** Power Equipment Operator 6

Total Earned	\$ 1,656.37	
Total Paid	\$ 1,633.28	
Wages Owed	\$ 23.09	
Liquidated Damages	<u>\$ 23.09</u>	
<b>Total Owed</b>		<b>\$ 46.18</b>

**Employee's Name:** Phillip Hale  
**Period of Claim:** September 5, 2015 to June 25, 2016  
**Trade or Occupation Classification:** Power Equipment Operator 6

Total Earned	\$ 23,743.12	
Total Paid	\$ 22,326.74	
Wages Owed	\$ 1,416.38	
Liquidated Damages	<u>\$ 1,416.38</u>	
<b>Total Owed</b>		<b>\$ 2,832.76</b>

**EXHIBIT A**  
**Page 2**  
**CLAIMANT INFORMATION**

**Employee's Name:** Jeremy Karl  
**Period of Claim:** September 5, 2015 to June 25, 2016  
**Trade or Occupation Classification:** Laborer 1

Total Earned	\$ 828.31	
Total Paid	\$ 822.24	
Wages Owed	\$ 6.07	
Liquidated Damages	<u>\$ 6.07</u>	
<b>Total Owed</b>		<b>\$ 12.14</b>

**Employee's Name:** Justin Klum  
**Period of Claim:** September 5, 2015 to June 25, 2016  
**Trade or Occupation Classification:** Laborer 2

Total Earned	\$ 3,238.88	
Total Paid	\$ 2,943.79	
Wages Owed	\$ 295.09	
Liquidated Damages	<u>\$ 295.09</u>	
<b>Total Owed</b>		<b>\$ 590.18</b>

**Employee's Name:** Doug McGuire  
**Period of Claim:** September 5, 2015 to June 25, 2016  
**Trade or Occupation Classification:** Power Equipment Operator 4

Total Earned	\$ 21,924.38	
Total Paid	\$ 21,343.79	
Wages Owed	\$ 580.59	
Liquidated Damages	<u>\$ 580.59</u>	
<b>Total Owed</b>		<b>\$ 1,161.18</b>

**Employee's Name:** 10 John Does  
**Period of Claim:** September 5, 2015 to June 25, 2016  
**Trade or Occupation Classification:**

Total Earned	\$ 32,388.80	
Total Paid	\$ 29,437.90	
Wages Owed	\$ 2,950.90	
Liquidated Damages	<u>\$ 2,950.90</u>	
<b>Total Owed</b>		<b>\$ 5,901.80</b>

**EXHIBIT A**  
**Page 3**  
**CLAIMANT INFORMATION**

**Total Due to All Employees**

Wages Owed	\$ 7,947.11	
Liquidated Damages	<u>\$ 7,947.11</u>	
<b>Total Owed</b>		<b>\$ 15,894.22</b>

Pursuant to ORS 279C.600, the commissioner has a right of action first on the [contractor's/subcontractor's] public works bond and then, for any amount of a claim not satisfied by the [contractor's/subcontractor's] public works bond, on the contractor's payment bond.





**RECEIVED**  
**SEP 26 2016**  
**CITY OF NEWPORT**

September 15, 2016

Spencer Nebel  
City Manager, City of Newport  
169 SW Coast Highway  
Newport, OR 97365

Dear Spencer,

As summer begins to wind down after yet another successful tourism season across Oregon, we wanted to take this opportunity to thank you for your continued efforts to harness the power of tourism as a driver for local economic growth.

Many of our members across the state are reporting record breaking sales numbers from 2015 with 2016 numbers coming in close to the performance seen the year prior. The success of customized lodging property promotion, coupled with regional and statewide programs, can be thanked for the extraordinary outcomes we are seeing. The results of course directly benefit local government partners who have also reported significant gains in tourism tax revenue growth.

Because of this unprecedented success, we would like to take this opportunity to remind our local government partners from around the state to continue safeguarding all dollars within your lodging tax collections that must be used for tourism promotion and tourism related facilities.

Each community has a different proportional share of dollars within lodging tax collections that must be used for these purposes based on a number of factors we are all familiar with. As we continue to enjoy the success of lodging performance in Oregon, we ask that you continue to safeguard any increased revenues that must be used for tourism promotion and tourism related facilities. And of course you have our full support for any efforts you may be undertaking to continue utilizing the unrestricted lodging tax dollars currently being collected during these incredibly successful times for general fund needs as deemed appropriate by your local community.

We hope the increasing revenue streams being realized by local governments continues to flourish, but that will only be the case if we remain vigilant in our ongoing role to protect the portion of these funds that must go back into tourism promotional investment and infrastructure.

If you have any questions or would like to set up a time to meet in person or schedule a time to talk over the phone about lodging tax collections in your community, please do not hesitate to reach out.

Here's to Oregon's continued tourism success,

A handwritten signature in black ink, appearing to read 'Jason Brandt', is written over a horizontal line.

Jason Brandt  
President & CEO  
Oregon Restaurant & Lodging Association



Dear Mayor Roumaganov,

Sept 26, 2016

Thank you for attending our Hunger Action, Power recognition Event. It was an honor to have you visit our facility to support our work, meet our board members and chat with our community advocates.

We know you understand the difficult issues families and individuals face in our coastal community. Therefore we greatly appreciate the work you do in Lincoln County to bring awareness and solutions to the forefront.

Thank you again for your support!

With gratitude,

*Melissa J. Bell*

Nancy Mitchell, Executive Director  
Food Share Board of Directors





October 2016

Dear Spencer,

With your help, the dream of Camp Gray became a reality!  
Thank you for your extraordinary leadership,  
encouragement, and generosity. I hope you enjoy these  
images from our inaugural season. You have inspired us all,  
and you have deeply touched many young lives.

Best wishes,

*Spencer*  
Nancy Stueber  
CEO and President

*We are so pleased  
to be part of you!  
Please don't commiserate!*

