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MEMO

DATE: November 3, 2014
TO: Mayor and City Council
FROM: Spencer Nebel, City Manager
SUBJECT: Status Report for the time period of October 27 – November 7, 2014

HIGHLIGHTS OF ACTIVITIES:

On behalf of the city administrative team. I would like to convey our condolences to Councilor Dean Sawyer on the loss of his sister Bette, who passed away early this morning. As you may know, Dean spent the past month in California taking care of Bette as she struggled with terminal cancer. Our thoughts and prayers go out to Dean and his family.

Highlights of activities during the past 2 weeks ending November 7, 2014 include:

- Along with Peggy Hawker, Cheryl Atkinson and Derrick Tokos, I participated in the Fifth Annual Community Spelling Bee which is a fundraiser for Newport High School Academics. I am pleased to announce that we finished in second place as did all the other teams except the teachers. The teachers were the only team to spell the word Hallux. The City Hall team was Bee-tlejuice with our entire team sporting black and white make-up and black, white and red clothing and black wigs. Unfortunately, we did not win the costume part of the contest either! It was a fun time and they did raise some dollars for the academic programs at Newport High School.
- Peggy Hawker, Derrick Tokos and I participated in a conference call with Speer Hoyt to review the revisions to the Taxi Cab Ordinance. They will be providing their comments back to us for incorporation into this document prior to Council consideration of adoption of the changes. We are also going to have our new City Attorney review this ordinance along with the Business License Ordinance and bring these ordinances back to the Council for approval after the first of the year.
- Mike Murzynsky and I met with Rob Murphy regarding the Fire Chiefs overtime budget. The Chief is running ahead on overtime this year due to extended vacancies in full-time

positions. It appears that the salary and wages line item will cover the additional overtime since we are running under budget on that line item.

- Mike Murzynsky, Tim Gross, and I participate in a conference call with Bob Gazewood regarding issues with sorting out the wastewater capital projects that are being carried over into the new fiscal year. These project funds were not appropriated to individual projects and are included in the fund that includes operations for wastewater as well in the previous year's budget. It remains a bit of a puzzle to balance out the revenues and expenditures for these projects and carryover the appropriate amount into the next fiscal year. These are the last projects that will be converted to individual project funding instead of grouped together with operating funds. We are expecting to have a budget amendment for the City Council's consideration by the end of the year.
- Along with Mayor Roumagoux, Councilors Allen and Saelens, I participated in a public meeting regarding the South Beach Urban Renewal Agency purchase of the northeast corner of US 101 and 35th. All property owners within the Urban Renewal District were notified of this meeting (370 property owners) with (12) people total showing for this meeting (4) of which were property owners. A significant amount of time was spent on talking about the relocation of the signal to 35th with ODOT requiring the channelization of the current US 101 and 32nd intersection. Furthermore, concerns were expressed that if this funding is utilized to purchase this property, the improvements intended farther south on 101 may not happen during the life time of the Urban Renewal District. Questions were raised as to what type of developments would the city look at if this property is acquired and some comments questioning whether the city should be playing a role in what typically would be private transactions between property owners wishing to develop certain areas. This item will be coming up for the Urban Renewal Agency consideration on November 17, 2014, at 6 P.M.
- Participated in a staff Emergency Management meeting. Progress continues to be made in a number of areas in regarding to the city's response in the case of emergencies. At the November 3 City Council meeting, Councilor Swanson gave a thorough report on the items discussed at this meeting.
- Participated in a VAC Steering Committee meeting along with Councilor Saelens. The committee continues to work on the operational plan for the VAC. The City Council on November 3 granted an extension for a report regarding the operational plan to come before the Council at the first meeting in March.
- Held a routine meeting with Mark Miranda to review various police issues.
- Mayor Roumagoux, Derrick Tokos, Mark Miranda, and I participated in a conference call with ODOT as part of our regular quarterly meetings. I related to some specific concerns about the channelization of the US 101 & 32nd Street intersection in South Beach. It was indicated that this is part of the overall agreement that the City, Lincoln County and ODOT in order to eliminate the traffic restrictions that were imposed after the Oregon Coast Community College was constructed on the hill. The \$3.6 million total amount, with \$2 million from the State, of funding for the US 101 & 35th Street intersection is tied to this agreement from ODOT as well. Amending this overall agreement would result in a delay of the plans to reconstruct this intersection which is part of the solution that eliminated

many of the restriction to new traffic on US 101. It seems clear from ODOT that even delaying the channelization of the US 101 and 32nd Street intersection is not going to be an easy sell and in the worst case scenario could threaten the improvements that OMSI and others are basing their developments on.

- Mayor Roumagoux and I met with the Yaquina Bay US Coast Guard base Commander Ryan O'Meara to discuss city/Coast Guard relations and for me to tour the Coast Guard station. Overall Warrant Officer O'Meara was very clear that his approach to city/Coast Guard relationships is quite different from his predecessor. He indicated, that in his opinion, some of the issues raised by his predecessor were not appropriate to for the Coast Guard to raise and indicated that he has an open door policy with the city for any issues or concerns we wish to express with the Coast Guard. Mayor Roumagoux and I enjoy a good lunch and felt very positive about our meeting with Commander O'Meara.
- Wayne Belmont, Kevin Greenwood, Terry Thompson, Kyle Linhares and I met to review where things stand with our response to the Coast Guard announced closing of the Newport Air Station. Overall it is important to keep the pressure on our elected federal officials to make sure that they are aware that the community remains steadfast about the critical role that the air station plays for the central coast. Furthermore, it is important that we continue checking in with our federal officials and ask them what is happening with this matter. This needs to remain on the top of their priority lists as they reconvene in a lame duck session. I indicated that the detailed meeting notes compiled by Peggy Hawker will be available on the Port's website after approval of the City Council. We are continuing to meet on a weekly basis to keep efforts moving forward on this matter.
- Participated in the first meeting of the housing study for student housing affiliated with development of an undergraduate campus at Hatfield by OSU. A Steering Committee has been set-up with planning representatives from the county, from the city, neighboring cities, OSU, Hatfield and the city's Planning Commission. Please note that the Planning Commission member is Lee Hardy who is involved with property management. Eco Northwest has been retained jointly by the city and county to do the study. The primary purpose of the study is to demonstrate that we do have the capacity to address student housing issues within the Newport area. If student housing was built into the Wilder subdivision it could also accommodate students from OCCC. This might makes sense both for OSU and OCCC. OSU has indicated that there are open to a public/private partnership also well as other scenarios for providing student housing in Newport. The biggest hurdle that would have to be overcome is direct participation by OSU will be required since students may be here for a quarter, an academic year, or a full year. The shorter periods of time can be problematic for securing housing outside of the campus housing model. In addition, there is likely a need for additional married student type housing and faculty and staff housing in the community which will likely be meet through entirely private means. This discussion may overlap with the discussion we are having on work force housing in that some of the tools we are discovery could facilitate the private development of housing with incentives that would allow the rents for these units to be less than they would be otherwise. I believe this is going to be a great exercise not only to demonstrate the community's ability and willingness to work through the student

housing issues but also looking a tools to expand other forms of housing in the community and region.

- I worked on the agenda reports for the City Council meeting of November 3.
- Met with Richard Dutton on various IT issues.
- Participated in a conference call with the Port and the County with a lobbyist Washington in that works for the various Ports in Oregon. We are getting some “free” help from this firm on behalf of all the Ports in Oregon. The lobbyist are discouraging requesting assistance from neighboring states since this may turn a small problem (a six million dollar budget issue) for the local Oregon delegation into a major problem by adding on more issues that could defeat the entire process. The lobbyist did encourage the community to continue it’s very effective effort at keeping this issue very visible particularly with our local delegation and encourage us to continue working with the Coast Guard and Homeland Security in making the case to keep the air facility open.
- Met at a staff level to review issues relating to a substantial delinquent water bill and partially installed water service line at 539 Wood Street. I will be directing a letter to the property owner that we will make an adjustment to the water bill once the new lateral line is installed underground. Currently most of the lateral line is above ground and the first freezing weather we will receive will probably result in its failure. This is an issue that has been ongoing for over four years. We need to improve our policies in dealing with these types of situations so that they can be addressed in a timely fashion.
- Peggy Hawker and I have met with both Melanie Nelson and Cheryl Atkinson regarding providing administrative assistant support to our new City Attorney. In talking to Steve Rich, he believes that having approximately 10 hours of administrative assistant support a week may be sufficient for his needs. Both Cheryl and Melanie had indicated a willingness to provide this support. We have also reviewed this with Rob Murphy who indicated that he is still supportive of sharing his administrative assistant for this purpose. I will be talk with Steve Rich about these two options.
- Assisted Peggy Hawker at handing out candy at City Hall for the Decoween event. It was a rather robust crowd on an absolutely beautiful Halloween evening. As a result of the heavy crowds, I did have to run to get additional candy to meet the needs of the trick or treaters visiting City Hall. Dave Hawker came down from Lincoln City to relieve me and assist Peggy in trick or treater responsibilities at City Hall. It was a fun night with lots of great kids in great costumes!
- Participated in a regular department head meeting.
- Meet with the Port, County, Midwater Trowlers Association, Fishermen’s Wives and others to compare notes as to where we are at with our local advocacy efforts to obtain a reversal of the Coast Guard’s decision to close the Newport Air Station. There is frustration among the Fishermen’s Wives based on their impression that the federal officials are not moving quick enough to avert the shutdown of this facility on December 15. As you are aware, this has been complicated by election season, though it probably has been helped by the timing of the Coast Guard notification of the closure one month before the election. It was decided that staff would participate in a conference call to our federal congressional delegation staff members to hear what they are saying about the

closure with others making direct contacts with the US Senators and Congressman in order to have this conversation with them separately as well. This work continues.

- Participated in the November 3 City Council meeting with Council and staff.
- Rob Murphy, Barb James and I met to review the various language changes that have been proposed by the Fire Unit in preparation for future negotiations.
- Participated in an airport staff meeting at the airport.
- Was on Cheryl Haro KCUP radio show.
- Met with Chuck Forinash and Janet Webster regarding the South Beach Urban Renewal District's consideration of acquiring property on the northeast corner of US 101 and 35th Street. Chuck has reservations that the acquisition of the entire parcel of property may not be in the best interests of the Urban Renewal Agency and the city. This would put the city in the awkward position of being a developer of sorts and would divert funds that could be used for other work in the Urban Renewal District that could facilitate future development. Janet Webster questioned what the city's vision is for the development of this property beyond its use as a gas station convenience store. She to, is hesitant to have the city jump into the land speculation business. She was also concerned that the city might sell the property for less than market value which might impact the sale of other private property along the corridor. I indicated that I would relay these thoughts on to the Urban Renewal Agency and encourage them to either put their thoughts in writing to the Urban Renewal Agency or participate in that meeting.
- Meet with Lance Vanderbeck to discuss operations of the Airport over the next six months. As you are aware, Melissa Roman has taken the lead on a number of airport issues with the FAA and others. Time Gross is needing her back for other future projects. We are trying to work out a balance of both the airport needs and Tim's needs during this time period where we are evaluating management options for the airport.
- Participated in a second meeting of the Student Housing Study with OSU and others. OSU outlined the four types of student housing arrangements they currently deal with. One type is traditional dorm housing. The second type is privately developed housing that is leased and operated by the University. The third type is a public/private relationship where the University provides some guarantees to the developer to assure that revenue streams are sufficient for the student housing development. The fourth type is private student housing. On a large campus situations, the private housing for students is something that can be supported. Due to the very flexible nature of the scheduling of students anticipated at the Newport Campus, this is not likely a workable model since many student would only be here for a ten week period or of a particular year. The housing review is also looking at staff that will need housing in the area as well. Again, overall our goal is to have a document that can be shared with the legislature indicating that the housing issues can adequately be addressed here in Newport, should the State appropriate the funding to build a campus here.
- Met with Mark Miranda to review issues relating to the tragic incident on the Yaquina Bay Bridge. The Chief has been working with the crime team in order to collect evidence related to this situation. This is going to require a substantial investigative effort by our local Police Department since the defense team will obviously try to demonstrate that

their client is not mentally capable of understanding the consequences of this act. The investigation will require additional overtime and travel to obtain the facts in order to be prepared for a trial on this matter. This was truly a tragic situation all the way around and it will be important for the law enforcement agencies to be fully prepared for the trial that will be occurring on this situation. I certainly appreciate the efforts of Police Chief Mark Miranda and the department in dealing with this very challenging issue.

- Along with the Port, County, and Fishermen's Wives, I participated in a conference call with representatives of Senator Merkley, Senator Wyden, and Representative Schrader offices on the next steps regarding the Newport US Coast Guard Air Station. Congress will return for a short lame duck session during the week of November 10, 2014. The delegation has forwarded a letter to the Secretary of Homeland Security requesting reconsideration of the closure of the Newport Air Station. They have also expressed those comments directly to the US Coast Guard Commandant. There are a hand full of legislative issues that Congress will be dealing with including an appropriations bill. There has been some strategizing about trying to potentially address the funding issue as part of that effort. It was the general conclusion of all the congressional delegation staff members that a hearing would not be constructive at this time. This is a small funding issue and if the scope is substantially increased it may raise other issues that could complicate the resolution of this matter. There was discussion of working with the South Carolina delegation on this issue. Our congressional delegation has discussed this issue with their colleagues in South Carolina and there seems to be a willingness to engage in a cooperative effort. The major issue is that the savings is minimal and the impact on public safety is significant. There were some discuss about the Inspector General report that was issued indicating that the Coast Guard was unable to meet their search and rescue goals for the time period between 2011 and 2013. This, seemingly, is important information to incorporate into this discussion. One question that was regarding was with Congressman Walden who has not actively participated in the Coast Guard discussion and whose district does not have any coastal areas Congressman Walden is part of the Republican Leadership in Congress. There was a discussion that Congressman Walden needs to be talked to since many of his constituents may be impacted when they come to the coast or if they have interests on the coast. It may be important to try and get him incorporated in this process as a Republican Congressman. It was decide that we will continue checking in with the Washington delegation on regular basis until this matter is resolved.
- Met with Richard Dutton on various IT updates. One of the issues that Richard is sorting out is the failure of our phone system that occurred on Thursday afternoon. This apparently is a situation that occurred with a subcontractor of our voice over internet provider, who change protocols that impacted the city's incoming calls. Richard is working with our provider to assure that this types of outages do not happen in the future and if they do that we have timely resolution.
- Had a routine meeting with Barb James to discuss various HR issues. Barb is off and running and developing a list of priorities that we will need to focus on in order to bring our HR practices up to speed. With the revolving door of HR people in the past, this is an area the needs significant attention. I have great confidence Barb's ability to start picking

away at these issues. It will also be helpful to have a full-time City Attorney available for Barb to consult with on a number of these issues. Progress is being made!

- Met with Les LeCasse on various airport issues. Les has offered to assist Lance and the airport employees with training and general oversight practices of the airport operation. I indicated to Les that I will review his offer. This offer may be a bit problematic with Les's problems and relationship with the FAA.
- Peggy Hawker and I met with Rachel Cotton who is working for Lincoln County Economic Alliance as an intern through AmeriCorps. Rachel has done a great job in summarizing the issue of the announced closure of US Coast Guard Air Station in Newport. Kevin Greenwood, Wayne Belmont and I will review her initiation report and determine what information we want to include in our two page fact sheet. We hope to be able to have this compiled information to quickly communicate the issue when requesting support on the issue from others.
- I did leave early this past Friday afternoon in order to get some outdoor work done at home. It was great weather on Friday and Saturday to get these things done.

UPCOMING EVENTS:

- City Hall will be closed on Tuesday November 11, 2014 in observation of Veterans Day.
- League of Oregon Cities Training on Council, Manager, and Staff Relations will be held on Tuesday, November 18 at Newport City Hall, Council Chambers. I am planning to attend.
- City Hall will be closed on Thursday, November 27 and Friday, November 28 in observation of Thanksgiving.
- City Council Meeting for December 15 has been canceled.
- Employee Appreciation Dinner will be held at the Aquarium on Friday, December 19 at 6 P.M.
- City Hall will be closed on at noon on Wednesday, December 24 and all day Thursday, December 25 in observation of Christmas.

ATTACHMENTS:

- None

Finally, I would like to congratulate Mayor Roumagoux, Councilors Allen and Saelens on your re-election to the City Council. I believe the next four years for the City of Newport will bring exciting times that will shape the long-term future of this city.

To Councilor Beemer, I would like to express my great appreciation for having the opportunity to work with you during my first year as City Manager. I really appreciated your efforts to get me up to speed as a new City Manager in Newport. I also am cognizant of the fact that you and Council Busby know all my secrets from your thorough background check and site visit to Sault Ste. Marie prior to hiring me as City Manager. I do look forward to continuing to work with you in whatever capacity you choose to benefit the City of Newport in the future.

In addition, I appreciated Councilor Sawyer's efforts to run an upbeat, positive campaign for Mayor during a very difficult personal time with the illness and passing of his sister. Fortunately, I will continue to have the opportunity to work with Dean in his capacity as a member of the City Council.

Finally, I look forward to working with Councilor Elect Wendy Engler when she becomes a new member of the City Council In January 2015. We will be putting together an orientation program for Councilor Elect Engler to assist her in her transition to the City Council. This will include a tour of all our major city operated facilities as well as a review of the city Charter, council rules, and the various laws effecting city elected officials including ethics, records and other similar activities. We will be developing this program in the next couple of weeks.

I am working hard on trying to provide these report on a more timely basis (these is certainly more timely then the last couple of report so progress is being made). I do hope to produce this report every two weeks to keep the Council and department heads informed as to may activities.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "S. Nebel".

Spencer R. Nebel, City Manager
Newport, Oregon