



OFFICE OF THE CITY MANAGER  
City of Newport, Oregon  
169 S.W. Coast Hwy.  
Newport, OR 97365  
541-574-0603  
s.nebel@newportoregon.gov

## MEMO

DATE: January 5, 2018

TO: Mayor and City Council

FROM: Spencer Nebel, City Manager

SUBJECT: Status Report for the Two-Week period ending Friday, January 5, 2018

I hope everyone had a joyous holiday season and is looking forward to great things happening in 2018! I am very pleased with the efforts made organizationally by City staff, our Advisory Committees, and City Council in moving this community forward in positive directions in 2017. A lot of this work involved policy changes which resulted in over 41 public hearings during the course of the year. I believe that the City Council and City Government can be very proud of the transparent way that we operate and how important citizen input is to our policymaking efforts. When you combine these efforts with the visioning process which took place in 2017, involving discussions with hundreds of citizens to gain an understanding of their aspirations for the Greater Newport Area in the future, it is evident that the City places a high priority on hearing from our citizens first, and then making decisions based on this input, and based on the impact that those decisions will have on the city as a whole.

2018 will include a number of significant issues to help define the future of Newport, including the initiation of a new Parks Master Plan and the Comprehensive Transportation Plan for the City of Newport, which will include Urban Renewal Planning work regarding the future of City Center, the 101/US 20 Corridor neighborhood, and general long-term transportation issues for vehicles, bicycles, pedestrians and other means. These two Planning projects are significant, in that they will provide the framework to implement many of the aspirations of Vision 2040, and will address the long-term vitality and quality of life offered, within the Greater Newport Area. Furthermore, 2018 will give the Planning Commission and City Council an opportunity to review and modify code provisions relating to vacation dwelling units.

2018 will see the continued construction of a new hospital facility and will see the initiation of construction for Oregon State University's Marine Studies Initiative, located at Hatfield Marine Science Center. This construction, coupled with housing, will be built within Wilder Subdivision for students, and will have a very significant impact on

Newport's long-term development by continuing to diversify our local economy and grow our reputation as a national center for Marine Science Research. I'm looking forward to great things in this next fiscal year and I look forward to working with the Mayor, City Council, Staff and our Advisory Committees in moving Newport forward to realize the aspirations outlined in the Greater Newport Vision 2040.

### **Highlights of Activities:**

Highlights of activities over the past two weeks include the following:

- City Hall was closed on Monday, December 25 in observation of the Christmas Holiday.
- Worked on City Council agenda items for the January 2 City Council meeting.
- Met with Ted Smith in our bi-weekly staff meeting to discuss Library issues.
- Met with Lance Vanderbeck and Travis Reeves to discuss the installation of Airport Security cameras. We've had an offer to purchase cameras from one of our box hangar owners. We are taking a look at several options as to how we can implement security cameras at the Airport. It will likely be something that we will not be able to pursue until the new budget year, based on the costs for connecting these cameras to the FBO building. Lance will prepare a budget item request for consideration of this work in 2018-2019 fiscal year.
- Met with Phil Lund, the owner of the Spring Street property, over his frustration in trying to proceed with constructing a house on property he has acquired on Spring Street. One of the issues of primary concern was the stabilization efforts which were initially outlined by the geological engineers, which had subsequently been modified by the engineers. By the time we met, this issue had been resolved with Derrick Tokos. I indicated to Mr. Lund that one of our frustrations with his work has been that work done on the site has not been done in accordance with the plans received from his geo-engineer by Community Development. This has caused additional angst to both neighboring property owners and to the Community Development Department. Mr. Lund apologized for the crew not doing the work as outlined, while he was out of the area. Furthermore, he indicated his frustration with the County indicating that there is a County road that crosses his property. This road didn't show up in the title paperwork when he acquired this property. The County is working separately on this particular item. I indicated to Mr. Lund that we have had a number of citizens who have expressed various concerns about his project, including potential geological ramifications, as well as, historic access issues to the beach from this neighborhood. Mr. Lund said that he will take a more active role in the geological work which is required. Interestingly enough, the crew he had working in the first week of January on the site, did not have the plans and specifications from the geo-engineer and had to be corrected in the work that they were doing on this site.
- Thursday, December 28 I interviewed Peggy Hawker on the KNPT radio show. Peggy and I had a dialogue on the 2017 year-end report outlining various accomplishments during the course of the year.

- Met with Linda Brown, Steve Baugher, Mike Murzynsky and Linda Wertman to discuss the Capital Outlay budgeting process for this upcoming budget year. Linda Brown was a key player in compiling the budget documents received from Engineering and other departments. This work will be transitioning to Linda Wertman. In addition, our new Assistant Finance Director, Steve Baugher, will be taking over other aspects of the budgeting process, including the compilation of the equipment requests. This will be a significant year of transition with the budget process, with Linda's retirement in January. Linda is willing to stay on in a part-time capacity, to help walk us through the budget compilation process for this year.
- I had the opportunity to meet with the new Chamber Executive Director, Chris Nystrom. Chris has an extensive Chamber background, particularly in the area of economic development and business retention. I believe that she will continue to build a strong relationship which has occurred between the City and the Chamber
- City Hall was closed in observation of New Year's Day on Monday, January 1.
- Held a routine Department Head meeting.
- Participated in a Council Work Session on the Salary Study. There was a majority consensus on the Council in implementing the salary study wage adjustments, effective with the 2016-2017 fiscal year through the 2019-2020 fiscal year, subject to the final presentation to the City Council. Furthermore, there was agreement to consider the part-time and seasonal salary schedule at the January 16 Council meeting, with the exempt and non-exempt, non-represented full-time employee schedules being considered at the first meeting in February.
- Held bi-weekly meetings with Derrick Tokos and Tim Gross to review operations in each of their departments.
- Participated in the January 2 regular City Council meeting.
- Participated in an hour long radio show with Cheryl Harle at The Boss Radio station.
- Met with Melanie Nelson to review our upcoming schedules.
- I met with Chris from the News Times on follow-up from Tuesday's Council meeting.
- Barb James and I met with each of the Department Heads to review department salary schedules with them for any final input, prior to finalizing the draft salary schedule for employee review. These meetings were scheduled beginning at 8 AM, all the way through to 5 PM, in order to get them all in.
- Worked with Mike Murzynsky and Barb James on developing a format to present the impact of these salary schedule changes at the City, and to inform individuals how they will be impacted by these proposed modifications.
- Met with Jim Protiva to review departmental issues.
- Attended the COG City Manager's meeting in Philomath. The City Managers in the COG meet on a monthly basis. I try to make three or four of these meetings during the year. The managers are developing a process in conjunction with the COG to improve local effectiveness in addressing legislative issues of importance to the cities represented by the COG. We normally meet in Albany, but they moved the meeting to Philomath in order to attract managers from Lincoln

County. Conceptually, I think this could be a good idea in order to put forward ideas which are important, particularly to the smaller communities located within the COG. For everyone it brings together a different group of legislators for advocacy purposes. The true test will be whether this group can collectively identify issues that are important to this region. The three coastal managers participating in the meeting, indicated support for working with our colleagues in the valley on this initiative.

### **Upcoming Events:**

- City Hall will be closed on Monday, January 15, 2018, in honor of Martin Luther King's birthday. The Council meeting will be held on Tuesday, January 16.
- I will be on vacation beginning Tuesday, January 16 through January 29. I will be leaving Newport during the day on the 15<sup>th</sup>. During my absence Ted Smith will be Acting City Manager. I hope things go smoothly during my absence. The Council has previously excused my attendance from the January 16 Council meeting.
- Thursday, February 8 I will be attending Budget Law Training in Eugene. There is a session offered in Newport, but I will not be able to participate in this session.
- Monday, February 19, 2018 is President's Day and City Hall will be closed in observation. The regular Council meeting will be held on Tuesday, February 20, 2018.
- On February 22 there will be a day-long training session by the Department of the Treasury at OCCC. This meeting is for all elected and appointed individuals involved with the budget process. I have a meeting in Independence that day and will not be able to attend.
- February 22 I will be attending an OCCMA Board meeting in Independence, OR.
- The annual Goal Setting Session with Council will be held on Monday, February 26, 2018 from 9 AM to 3 PM.
- The preliminary Budget Committee meeting will be held Tuesday, February 26, 2018 at 6 PM
- The first Budget Committee meeting will be held Tuesday, April 24, 2018 at 5 PM.
- Tuesday, May 1-4, 2018 I will be attending the Northwest Regional Management meeting at Skamania Lodge in Stevenson, Washington.
- The second Budget Committee meeting will be held Tuesday, May 8, 2018 at 5 PM.
- The third Budget Committee meeting will be held at 6 PM on Tuesday, May 15, 2018.
- The Memorial Day observance will be on Monday, May 28, 2018 and City Hall will be closed.
- City Hall will be closed on Wednesday, July 4, 2018 in observance of the holiday. Please note the only City Council meeting scheduled for July will occur on Monday, July 16, 2018.
- Tuesday, July 10-13, I will be attending the OCCMA Summer Conference at Mt. Bachelor Village Resort in Bend. Please note the 2019 conference is scheduled here in Newport!
- Monday, September 3, 2018 is Labor Day, and City Hall will be closed. The regular Council meeting will be held on Tuesday, September 4, 2018.

- September 22-26, 2018 I will be attending the annual ICMA Conference in Baltimore, Maryland.
- September 27-29, 2018 are the dates scheduled for the League of Oregon Cities Conference being held at the Hilton Hotel in Eugene.
- November 8-9, 2018 I will be attending the OCCMA Board of Directors' Retreat at the Oregon Garden Resort in Silverton.
- City Hall will be closed Thursday and Friday, November 22-23 in observation of the Thanksgiving holiday.
- Please note that the only Council meeting scheduled for December will be held on December 3, 2018.
- City Hall will be closed on December 24-25, 2018 in observation of the Christmas holiday.

**Attachments:**

- ❖ Information sent out by the LOC during Christmas time regarding impact of the tax reform bill on government bonds. We are evaluating how this may impact the City for future bond issues.
- ❖ A letter from Mayor Yoshikazu Miyakawa, Mayor of Mombetsu offering New Year's greeting from Mombetsu. There has been some discussion among organizers of getting a group of students together for a Mombetsu visit this summer. Please note we need to formalize a Sister City Committee to provide oversight to the sister city relationship between Mombetsu and Newport. Mayor Roumagoux will be sending a letter back to Mayor Miyakawa.
- ❖ A City newsletter which went out as part of the December payroll. Please note that this is the first City Employee Newsletter we have sent out since July 2017 in regard to the Salary Study.

Best of wishes to everyone for a happy, healthy and productive 2018!

Respectfully submitted:



Spencer R. Nebel  
City Manager

## Spencer Nebel

---

**From:** LOC <loc@orcities.org>  
**Sent:** Tuesday, December 19, 2017 10:43 AM  
**To:** LOC  
**Subject:** Federal Tax Bill Alert

To All Oregon Cities:  
CC: Finance Directors

The presumed final federal tax bill draft was released by the congressional conference committee on Friday, and a final vote is expected before Christmas. The good finance news for city governments is that this draft provides that: 1) private activity bonds will continue to be tax exempt and 2) the state and local tax (SALT) deduction will continue to be available, although the deduction (used for property taxes and state income taxes) will be capped at \$10,000. Preservation of these two items was greatly threatened and much lobbying was done to continue them. Along with the League and others, GFOA and NLC have been advocating for cities on these tax and finance issues.

However, the bad finance news for cities is that the bill does eliminate the tax-exempt status of advance refunding bonds at the end of the calendar year. That is, interest on advance refunding bonds (*i.e.*, refunding bonds issued more than 90 days before the redemption of the refunded bonds) will become taxable in 2018. An advance refunding occurs when issuers refinance outstanding bonds before the original bonds mature or are callable. In effect, issuers sell new bonds to "retire" or buy back outstanding bonds. Government borrowers advance refund their outstanding debt to take advantage of favorable interest rates. This reduces their borrowing costs and frees up resources for new projects. Transactions where the refunding bonds are issued within 90 days of the call date are treated as current, not advance refundings. Interest on current refunding bonds would continue to be tax-exempt under the bill.

Since 1986, governmental bonds have been allowed to be advance refunded once (there was a time where refundings could be done twice too but that expired). By allowing bonds to have one advance refunding over the lifetime of the bonds, governments had the ability to restructure debt and lower borrowing costs which ultimately would be a savings to tax and rate payers.

I'm writing to alert you of this potential advance refunding change for three reasons:

1. Your city may want to reach out to your members of Congress to let them know how this change will increase debt financing. (If not outright preservation, many have been advocating for an amendment that provides for at least a phase out to allow advance refundings for bonds issued prior to the effective date.)
2. Your city may have planned to do an advance refunding in 2018 and may want to consider doing it this year if possible. However, this requires a resolution, lots of prep work, etc. so it is most likely too late if you haven't started already. We recommend consulting your city attorney and bond counsel for feasibility, details, etc.
3. Your city's budget and planning may be effected by these finance changes should they become law and increase financing costs. Some commentators are also forecasting that the business tax rate changes in the bill may make municipal bonds less attractive to banks and insurance companies. Note that there

may be other method(s) (for example, shorter or more frequent calls in bond documents, current refundings, etc.) that can be used going forward that have a similar economic effect as the advance refundings. We recommend consulting your city attorney and bond counsel for options and planning.

Best regards,

Wendy



**Wendy J. Johnson, Intergovernmental Relations Associate**

[wjohnson@orcities.org](mailto:wjohnson@orcities.org)

(503)588-6550 | (800)452-0338 | (503)540-6585 direct

(503)409-7259 cell

1201 Court St. NE, Suite 200 | Salem, Oregon 97301

[www.orcities.org](http://www.orcities.org)

***Helping Cities Succeed***

# MOMBETSU CITY

Office of the Mayor

2 Chome Saiwai-cho, Mombetsu, Hokkaido

January 1 st, 2018

Ms. Sandra Roumagoux

City of Newport

169 SW Coast Hwy.

Newport, OR 97365

Dear Mayor Roumagoux,

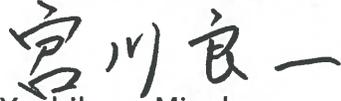
New Year's greetings from Mombetsu. Let me send my sincere appreciation for your cooperation and support toward the sister city exchanges between Mombetsu and Newport.

I am very delighted to know that your sister city committee is planning to send a group of students to Mombetsu this coming summer. I am looking forward to their visit and hope they will have a great time staying with Mombetsu families and getting to know with students of Mombetsu through various exchanges. I also hope the visit will help promote friendship and deepen understanding amongst the young generations of the two cities who will become the center figures of our future.

It was also a pleasure of mine to know that a scientist from Newport, who works for the National Marine Fisheries Service of NOAA, would visit Mombetsu to make a presentation at the Northern Regional Symposiums scheduled this coming February. His visit will help make another step forward for the sister city exchanges between Mombetsu and Newport. It will be a great pleasure of ours to welcome him and I am looking forward to seeing him.

I sincerely hope that we continue to promote the mutual exchanges and 2018 will be a prosperous year for you, your family and all our friends in Newport.

With my best wishes for a happy new year,

A handwritten signature in black ink, consisting of the Japanese characters '宮川良一' (Miyakawa Yoshikazu) followed by a horizontal stroke.

Yoshikazu Miyakawa

Mayor

City of Mombetsu

## 2017 - New Employees



Aaron Bales -POL



POL- Joella Blomstrom



P&R- Bill Johnson



Regina Martinez - EM



Jessica Calvin-Girard - P&R



P&R- Noa Godwin



Leann Jones- P&R



AIR- John Matherly



Christine Collins - P&R



Andrew Grant - PW



Shaelynn Loving - P&R



Marcus Molling - PW



Annette Crow - P&R



Ashtyn Burns -P&R



Meara Lucas Arndt - P&R



Debra Mosley - P&R



Kevin Duncan-PW



Bridget Hill - P&R



Brenda Luntzel -P&R



Doug Moss- PW



Karen Eibner-P&R



Nicholas Hutchins-P&R



Josh Malloy -P&R



Travis Reeves -IT

Paid Holiday Appreciation Day  
Pay Day

**January 2018**

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

**February 2018**

Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28			

**March 2018**

Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

# City of Newport

## Employee Newsletter



# Salary Study Update (Non-Union)

The salary study for non-union employees will be available for review the first week of January.

The study, which began in 2016, applies to part-time and full-time employees who are not covered by a collective bargaining agreement.

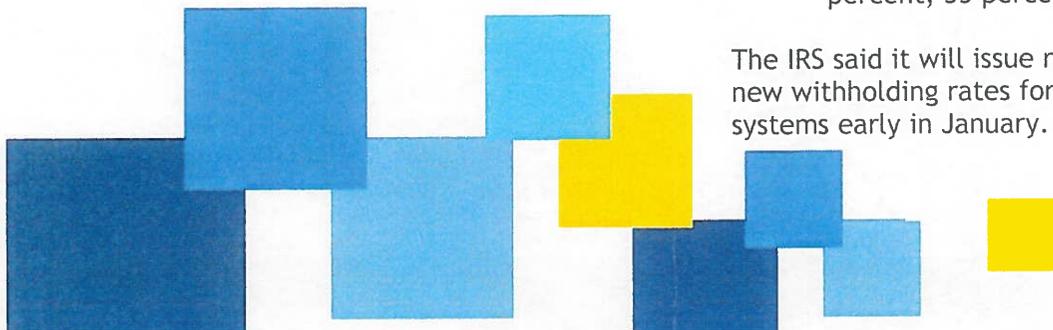
Bring any comments or concerns to HR Director Barb James by Jan. 22. Salary adjustments will take place over multiple years.

## What does that mean for paychecks?

If City Council approves the study on Feb. 5, the first adjustment would show on the March 1, 2018 paycheck.

## Questions? Ask HR Director Barb at 574-0604

“The study has been a long process and we are putting the appropriate time and energy into it to make sure that it’s appropriate and meaningful to our employees and the organization.” - Barb



## HR DIRECTOR'S NOTE

A new year means new year health resolutions. And health management can be simple and free through CIS.

CIS' Employee Assistance Program (EAP) partner will be Deer Oaks EAP Services this year. The EAP benefit covers up to 8 confidential short-term counseling visits as well as many other "employee assistance" services at no cost to benefited employees and their families.

In addition, the city will make its contribution to benefited employees' HSA this month.

## There's an App for that!

Think about joining the 'hubhub health' app through regence.com CIS Health Manager.

## Tax Cuts and Jobs Act

Under the new tax legislation, the number of tax brackets remains at seven but the tax rates are lowered and income ranges are different in 2018.

- **Current tax rates:** 10 percent, 15 percent, 25 percent, 28 percent, 33 percent, 35 percent and 39.6 percent.
- **New tax rates:** 10 percent, 12 percent, 22 percent, 24 percent, 32 percent, 35 percent and 37 percent.

The IRS said it will issue regulations on the new withholding rates for employer payroll systems early in January.

## 2017 - New Employees



Jenni Remillard -P&R



Gavin Santiago-P&R



Shelby Smith -Police



Dawn Smalley-FIN



Roberta-Springer -P&R



Jessica Steenkolk -POL



AIR- David Szymansky



Gloria Tucker -CMO



Zachary Wagman -LIB



FIN- Linda Wertman



Bunny West - Fire



Steve Baugher -FIN



Kylee Dubal -P&R



P&R- Keeley Naughton

Not pictured: Daniel Carpenter, Tyler Spencer, Morgan Bengs, Codi Franco, Ronan Krutzikowski, Connie Craddock, Jenna Whittier, Kyle Rickard, Hannah Trommlitz, Shane McNees, Seamus Graham, Kale Heath

**Remember all employees have free membership at the Recreation Center**

