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MEMO

DATE: October 8, 2018

TO: Mayor and City Council

FROM: Spencer Nebel, City Manager

SUBJECT: Status Report for the Three-Week period ending Saturday, October 6, 2018

The past three weeks have been very busy, and included my attendance of the ICMA Annual Conference in Baltimore, Maryland, the LOC Conference in Eugene, and preparing various reports for the Council agenda, the Vision 2040 Advisory Committee agenda, and the Finance Work Group agenda prior to heading to heading to the conference and during the conference as well.

Highlights of activities over the last three weeks include the following:

- Participated in a routine department head meeting.
- Participated in a Council work session regarding development of a policy to recognize neighborhood associations.
- Met with Mayor Roumagoux to review the agenda for the September 17 Council meeting, and participated in that meeting with Council.
- Participated in a meeting with Ralph Breitenstein, Leslie Palotas, Richard McKinnney and Peggy Hawker to compile the results of an interest survey that was done among the various members of the 2040 Committee. This is the information that was used to assign monitoring responsibilities for to work groups various Tier I strategies of the vision. This meeting was in preparation for the October 2 committee meeting.
- Participated in a phone call with Don Harris to proceed with an application for gaming tables at Moby Dick's. We put together a process, and I believe, he has submitted an application.
- Mike Murzynsky, Steve Baugher and I have been working on various pieces of information necessary for the next meeting of the Finance Work Group. This includes creating schedules based on schedules of pay for various long-term debt, and reviewing our methodology for putting together information regarding financial trends for the City's various operating funds. The next meeting of the Finance Work Group will be October 9, 2018 from 4-6 PM.
- Held bi-weekly meetings with Derrick and Tim.

- Met with Lance Vanderbeck to review the next steps regarding possible rural air service at the airport. The Airport Advisory Committee is currently reviewing this issue and will be making recommendations to the Council on how best to proceed with possibly utilizing some level of commuter air service between Newport and Portland. Boutique Air currently provides commuter services between Pendleton and Portland, and has expressed an interest providing service to Newport, as well. This makes some sense since they will be able to support aircraft from their current facility in Portland. Boutique Air offers commuter flights between major airports and rural communities across the mid-west and west. They fly Pilatus PC 12 aircraft and Beach King Air 350 aircraft. The Airport Committee will be reviewing the appropriate steps to move forward with a request for funding from the state for this effort. We will keep you informed.
- Met over lunch with interim Port General Manager, Teri Dressler. I believe that Teri is a great fit for an interim General Manager for the Port. She has extensive government management experience. She understands the importance of facilitating decision-making among elected officials, and I believe will be very helpful in helping the Port Commission function as a unit in the future. This will be critical as the Port determines how they want to proceed in permanently filling this position of General Manager.
- Derrick, Peggy and I met to review limitations in providing food carts on private property in the community. Currently, there is a half-mile radius from any existing restaurants that restricts a food cart from establishing itself on private property. The only exception to the half-mile radius are specific city-designated areas for food carts (i.e. Nye Beach turnaround) and mobile food carts that spend no more than 15 minutes in any particular area. We will be meeting with the property owner inquiring about this issue to outline options for addressing possible changes to the zoning ordinance.
- Met with Barb James in a bi-weekly meeting.
- Met with Chamber officers Richard O'Hearn, Judy Kuhl, Jason King, Patti Ferry with Lance Beck from the Oregon Coast Aquarium, regarding the Destination Newport Committee (DNC). In the past two years, DNC has lost most of its technical leadership with Lorna Davis, Jamie Rand, and now Lance Beck leaving their positions in Newport. Furthermore, other long-standing members of DNC are leaving with the retirement of John Clark, and the promotion of Ric Rabourn.

Lance is suggesting that room tax funding should be used to retain a DNC marketing position, either with the City of Newport or with the Chamber of Commerce. This position would help assure that the marketing funds for the City of Newport are being used most-effectively going forward. It is my opinion that the Chamber of Commerce would be the best entity to take over these types of responsibilities. This would likely mean reallocation of the marketing funding in creating a new contract with the Chamber to include the DNC activities, as well. This would also likely mean adjustments to the News-Times contract to help fund this added obligation, if it were housed in the Chamber. The DNC could then serve as an oversight committee of this contract on behalf of the City. The Chamber of Commerce is currently considering how this could get restructured, so that the Chamber would function fully as the DNC management organization for the City. This would likely require the Chamber to hire a marketing individual

to fulfill these tasks. This is an ongoing discussion, and once a number of options are identified, I will be bringing a report back to the City Council for added discussion prior to finalizing any recommendations on how to move forward with this important function for the City of Newport.

- I met with Councilor Goebel and former City Manager, Don Davis, at the Don and Ann Davis park. This is to proceed with signage at the park. We will be replacing the main wood park sign with a sign similar to what we used at the Ernest Bloch Wayside. Furthermore, we are going to explore an interpretive sign to provide some history about the role that both Don and Ann Davis played in this community. Don felt that the engraved rocks do not need to be modified in any way. These have a certain historic significance, and Don felt they should remain with the existing verbiage that refers to Don Davis Park.
- I prepared a letter to Victor Mettle on his retirement since I would be out of the office on Victor's last day. Victor retired on Friday, September 28, and we wish Victor and his family well in his retirement.
- Prepared agenda items for the October 1 City Council meeting.
- Prepared an extensive packet for the Vision 2040 Advisory Committee for their October 2 meeting. I believe that things are moving along nicely with this group. I believe they will be playing a very meaningful role in promoting and monitoring the long-term implementation of the 2040 vision.
- Tim Gross, Andrew Grant, Barb James and I met regarding salary placement for the Compliance Specialist position which has been budgeted for the Wastewater Treatment Plant. This will need to be negotiated with the Newport Employees Association.
- Derrick Tokos, Tim Gross, Steve Rich and I met on the upcoming discussions on the public utility district franchise for the City of Newport, which expires next year. We will be holding an initial meeting with the PUD. It probably would be advisable to have a work session with City Council to obtain any comments Council has toward any modifications to this agreement between the City and PUD.
- Met with the Newport Employees Association regarding follow-up to a grievance response. This was in regard to an employee who has filled a position that requires a CDL and water certificate from the State of Oregon. This employee has not met those requirements and indicated that he had a disability which prevented him from taking the tests. While the medical information provided to the City was inconclusive relating to any required accommodations, efforts to work with the State Agencies responsible for these two separate types of tests were conducted. The employee also indicated during the grievance meeting that he intends to retire in February, 2019. As a result of this information, the grievance response provided that the employee and the Association could execute a "last chance" agreement that would allow him to finish out his career without the licenses, provided he retire on February 1, 2019. At our meeting with the Association, the employee indicated that his private attorney advised him not to sign the agreement. We have made several changes to the agreement and have given a deadline of October 9 for the employee to execute the agreement or we will terminate employment at that time. The Association has indicated a willingness to sign the agreement. We have worked with our liability insurer, CIS, through this entire process and they have assured us that we have taken all

reasonable steps in how we've handled this matter, and they support termination of this employee if a last chance agreement is not executed.

- Participated in ICMA's 104th Annual Conference held in Baltimore, Maryland, September 22-26, 2018. Highlights of the conference are as follows:
 - Participated in a tour of Baltimore, including Fort McHenry. Fort McHenry became famous during the war of 1812 when a 30X42 flag with 15 strips and 15 stars signified an American victory over the British in the battle of Baltimore. This site inspired Francis Scott Key to write a poem which is the basis of the Star Spangled Banner, now the national anthem of the United States.



The tour drove through various neighborhoods, including many of the east coast neighborhoods of row houses. This is a very efficient form of land usage, in that the houses are built right up to the front of the street with small backyard courtyards for outdoor experiences. There are extensive developments of decks on the roofs of these buildings, for outdoor activities.

The tour visited Federal Hill where we had a nice overlook of the inner harbor and Baltimore's inner city.



The photo through the bus window below is of the main sewage lift station in downtown Baltimore. This building was built in the early 1900s, and as you can see, no expense was spared in creating a beautiful structure to handle the pumping of wastewater from downtown Baltimore.



Overall, Baltimore has a significant amount of historical places that are well-interpreted, and has many different types of neighborhoods surrounding the city. Unfortunately, Baltimore is dealing with a homicide rate that last year was well above that of any other large American metropolitan area with the rate of 56 homicides per 100,000 people. This was followed by Detroit with a rate of 40 per 100,000 people, and Memphis follows with a rate of 28 per 100,000, and then Chicago with a rate of 24 per 100,000. This compares with a murder rate of 4.2 per 100,000 (2015) for Portland. Panhandling was quite aggressive in Baltimore, as well.

- Attended an ICMA University Workshop about shaping the culture of your organization. Reasons to pursue organizational excellence include building a reputation where people are talking about the organization in positive, glowing terms. Organizations need to put systems and processes into place to limit fatigue, burnout and the need for “hero behavior”. Excellent organizations try to prevent mistakes or problems so the organization doesn’t need to scramble to answer to Council or citizen complaints, and organizations provide responses that will stick.

Reasons to pursue organizational excellence is:

- (1) to help envision the future that an organization truly wants,
- (2) the need to address the ever increasing demands of customers and stakeholders, and

- (3) the organizations need to leverage technology, so that technology makes us more effective in how we do our jobs, not create busier work environment.

The framework for organizational excellence includes getting results from an organizations vision, creating culture from organizational values, developing strong leadership in management, leading change, measuring progress, maximizing performance, having an organization that is engaged and passionate about accomplishing the tasks, which will lead to the outcome of delighting customers.

In creating a culture of excellence, what followers of organizational leaders want from their leaders is: integrity, confidence, decision making, and clarity. What they do not want their leaders to be is: irritable, moodiness, untrustworthy, indecisive, needless micromanagers, or having excessive authority. In organizations it is important to hold poor performers accountable. Poor performers shift work to high performers or to the manager.

It is important for leaders to think longer term. It is important that they look beyond their department and grasp their department's relationship to the larger organization in its work. It is important to reach and influence constituents beyond their jurisdictions and boundaries. There needs to be a heavy emphasis on the intangibles and vision, values, recognition, reputation, pride and motivation. They need to deal with conflicting requirements and multiple constituencies and think in terms of renewal, both personally and organizationally.

Organizational values should be the manager's "north star". In developing these core values, it is an important starting point to transition an organizational culture. These core values should be used as a basis for interviews and evaluations. New employees' orientation should be considered during the first two weeks of employment and onboarding needs to occur through the first year of employment. These are steps that can change an organization's core values.

Once core values are developed, it is important to create a real understanding of the meaning and behavior of these values. Then, an organization should define and adhere to a leadership philosophy that acknowledges people's attitudes and motivation, where knowledge exists, and the need for empowerment. This should trigger a review and adjustment of personnel management processes and other rules, regulations, and processes to ensure that they reflect the organizational values. Finally, an effective program to implement coaching, feedback and accountability from all, especially managers, needs to be practiced. Leaders should not worry about employee morale, since moral can change in a minute. Managers should focus on employee commitment to the values of the organization, which is sustainable.

- For the next session, we heard from New York Times best seller, Daniel Pink, regarding the secrets of perfect timing. Mr. Pink indicated within each

of us there are hidden daily cycles that impact our daily actions. There has been much research that indicates the level of care you receive in a hospital is much greater if you arrive there in the morning than in the afternoon. In a study of colonoscopies, doctors found twice as many polyps in morning procedures, than they did in the afternoon procedures. Our cognitive abilities change throughout the day, as well. As a result, it is important to structure your day so that your creative work is being done when your cognitive abilities are highest and your routine work is being done when these abilities are at low cycles. The beginning of this cycle is the best time to address complicated issues, for morning people. For people who are night owls, the best time to deal with these types of issues is at the end of the day. Often times, organizations schedule meetings during times when organizational members should be working on complex problems.

Daniel Pink also said we underestimate the power of breaks. Physically moving around on a break can be refreshing for the mind, also breaks are better when they are done in a social way, rather than solo. Breaks that take you outside beat inside breaks, and the more fully detached you can be during your break increases your cognitive ability to resolve problems. Breaks are not a deviation from work, but are a necessary work feature to be intentional. For work tasks it is important to have a beginning, middle and end. Ending work tasks are energizing and elevate individuals' spirits. Deadlines make people act quicker because there is an ending. Breaking projects up creates a series of endings, which helps folks complete those tasks.

With the old expression, "I've got good news and bad news", the person sharing the news typically likes to share the good news first. However, people want the bad news first. This is typically best for individuals since their leaving on a higher note can influence their perception of the bad news.

In short, Daniel Pink recommends that leaders shine a light on the endings to get people to act and move toward those endings. It is important to provide short fuses, rather than long fuses to motivate people to reach multiple endings to get a major task completed.

- We heard from Pulitzer-prize winner, Doris Kearns Goodwin, who gave a presentation on her latest book, *Leadership in Turbulent Times*. She evaluated the leadership qualities that four US presidents possessed, including, Abe Lincoln, Teddy Roosevelt, Franklin D. Roosevelt, and Lyndon Johnson. These four presidents had a number of common traits, including that they continued learning and growing, they were not afraid to fail, they had great empathy, and they created a culture of collaboration. All four leaders praised good accomplishments, found time to thank people, found time to relax, found ways to dissipate anger, and connected with people at all levels. In each of these administrations, these presidents were not afraid to surround themselves with people that might

not agree with them. Lincoln had his team of enemies, Johnson (in reference to Edgar J. Hoover) stated, "I'd rather have him inside the tent pissing out, than outside the tent pissing in."

- I attended a session on affordable housing: the what and the how. The presenters were Anthony Mercantante, Township Administrator, Middletown, New Jersey, and John Wood, Assistant City Manager/Director of Neighborhoods and Housing Development, Kansas City, Mo. Over twelve million residents pay 50% or more of their income on housing. One full-time worker making minimum wage cannot afford housing. In Kansas City, the recession caused that community to completely revamp the housing policy. The housing program was pulled into receivership by HUD. The city put together a five-year program to take back the control of the housing program. John Wood indicated that in reviewing the Kansas City housing issues, income was a primary factor, not price or availability that determined affordability. Cities should incentivize, engage developers with proven capacity and experience to create additional housing options. It is important to create better neighborhoods that are more desirable for people to live in. Kansas City has focused essentially on landlord /tenant relations, as well.

New Jersey is the highest state in the union in regards to property taxes, this helps lead to overall high housing costs. From the township standpoint, time was spent determining who the housing policies were intended to serve. They identified partners (traditional banks, large non-profit affordable housing organizations, housing commissions, and smaller organizations involved with affordable housing.)

Nothing brings out the NIMBYS (Not In My Backyard) out in force like affordable housing. In New Jersey, there has been challenges with the resale of affordable housing with restrictions, since this has a significant impact on most buyers trying to get necessary bank financing. New Jersey has created a low-income housing tax credits. The city provides a direct municipal subsidy for certain projects. They are allowing accessory apartments in single-family zoning districts, and are focusing on special needs housing (autistic adults, memory units, and other similar types of housing.) Furthermore, the long-standing CDBG programs to rehab housing has the benefit of upgrading the housing stock in a way that it is affordable to the property owners. New Jersey is one of the top states in the union for the use of inclusionary zoning, which is an affordable housing tool that links a requirement for affordable housing to the production of market-rate housing. Inclusionary zoning either requires or encourages new residential developments to make a certain percentage of the housing units affordable for low or moderate income residents. This has been an important tool in New Jersey to expand affordable housing units in new housing developments in that state. In New Jersey it has been their experience that rental units have proven more successful in meeting affordable housing needs rather than home ownership.

- Participated in a meeting of ICMA Host Committees. Portland, Oregon will be hosting the ICMA conference in 2021. The Oregon City/County Management Association will be responsible for raising approximately \$350,000 to offset some of the costs for participants coming to the Portland conference.
- Attended a session on incivility and political dysfunction: “What can we do about it?” The speaker was Carolyn Lukensmeyer, Executive Director of the National Institute for Civil Discourse. In a recent poll, 75% believe incivility is a crisis today, 83% believe that incivility leads to intolerance, and 93% believe that the President needs to be more civil, and that if the President was more civil that he would be more successful in his tenure as president.

Fifty-seven percent indicated that the current political climate is a source of personal stress for them, and 59% of Americans feel that today is the worst time in the nation’s history. This factor was true with all generations that were participants in this poll. Dr. Lukensmeyer indicated that there are a number of factors that she believes is contributing to incivility. The first is the number of hours of news that is available and watched by people across the country. The 24-hour news cycle and the commentators on both the left and right side of issues have led to increased polarization of our society. The rapidly escalating amount of money in politics continues to harden candidates’ views and positions, and impact the willingness for folks to compromise on issues. Social media has had an impact of posting very critical personal attacks on decision makers. In the last two elections, over \$7 billion dollars has been spent. Prior to this time, only a fraction of this has been spent on elections. These are all leading to an increase in incivility in our society. The Association of Public Health is now defining incivility has a health issue. As a people, we react to the signals that we receive. Today is okay to demonize other people.

Dr. Luckensmeyer used two different cities to outline how two different processes led to two different results regarding civil war statues honoring various confederate leaders. In Richmond, Virginia, a two-year process to gain neighborhood input occurred. This helped to foster dialogue within the community that ultimately led to a community-wide decision to remove certain confederate statues from public places. By contrast, Charlottesville made an arbitrary decision to remove the statues. This was recognized by white nationalists as a weakness, with that organization focusing on the community where no dialogue occurred prior to making a decision to remove the civil war statues. Communities who foster that kind of discussion and debate are more likely to end up with an acceptable solution to a majority of the folks in the community. It is important to build trust by bringing people together to discuss various issues. In congress 46 bipartisan freshmen congressmen signed a pledge of civility to each other. The majority of folks that signed the civility pledge indicated that their constituents are tired of the name-calling, childlike behavior currently

going on in federal government to some extent in some of the states. It is important that we can all disagree on issues, but it is not in anyone's interest to hurt each other, or personally degrade those who believe differently than us. Dr. Luckensmeyer showed a video of the relationship that has developed between a very socially conservative church leader and a leader for gay and lesbian rights. In this case, both these community leaders sent an invitation to meet each other over coffee to discuss their differences. While these differences remain, the way that both parties are focusing on the differences, is not in a vindictive, personal way, but in a very factual way about different people have different beliefs they can share and discuss. These two individuals meet together on a semi-regular basis to continue these discussions. There are always risks and rewards to talk to someone that is on the opposite side of an issue. The purpose of these discussions is not to get in agreement, but to be agreeable in the discussions about their differences. The first step is to listen, and don't react. As part of the listening, one might understand what in this person's life experience has led them to this belief or position. Do we have the capacity to see each other as human beings, and in our discussions do we avoid having a superiority complex with the person with differing views? Dr. Luckensmeyer encourages local units of government to engage in civility discussion, and encourage representatives to join in the civility pledge. She suggests that one hour a week, people listen to a news source different than the news source you prefer to hear from. It is important to host discussions with family and social groups and create a civility community discussion to create a group of facilitators to support civility within the community. More information on revive civility can be found at www.revivecivility.org.

- I attended a session on "Project Implicit". Through life we learn from various experiences, which create biases in how we process information. These biases may be contrary to our own beliefs. Individually, we cannot eliminate our biases, but we need to be aware of them, and manage them. When we first meet a new person our brain will categorize that person at the time of the initial meeting. Over time, our learned experiences create an autopilot to navigate through many of our day to day activities. A good example of this is when you are driving and thinking about other things you may have a tendency to drive your regular route to work or home when on that day you actually intended to go somewhere else.

Today a lot of discussion is developing on micro-aggressions. A question such as, "where are you from?" has a very different meaning for folks in the minority communities, than it may have for other people. This is certainly true for the Latino community with the current emphasis in this country on the immigration rules. Media, television, and movies impact the stereotypes. There are a number of studies that have shown that when names are removed from resumes, people reviewing the resumes will grade them differently. When people see a particular name, they tend to associate that name with stereotypes that they have developed through the course of their lives.

Another expression that is under fire when hiring new employees is “that applicant would not be a good fit with our organization.” This statement creates a situation where we are trying to hire people just like ourselves, which is not the best for organizations. Social media creates a huge problem in reinforcing various stereotypes. Applicants that have disabilities, are overweight, identify themselves as part of the LGBTQI community, can face disadvantages when applying for positions. There is an implicit association test that has been developed for individuals to determine their individual biases. This test can be taken at www.implicit.harvard.edu.

- Heard from keynote speaker, Greg Bell, of Portland, Oregon, regarding *Watering The Bamboo*. Greg Bell obtained his political science and law degrees from the University of Oregon. He is a former Duck’s basketball player. Greg Bell indicates that our society is full of “negaholics”, who like to complain about everything. This can be detrimental in public organizations to creating a positive environment for employees to function. Peoples long term memory can contain things that have gone bad, while the short term memory holds things that ended up going well. Unfortunately, we tend to forget about the good things and focus on the bad things that happen to us. Today managers are like a deer with a target on their side. Managers need to be cat herders. Managers need to bring a first-day attitude to work with them every day. This can be contagious.

Organizational changes start out as a small seed. In nature it is important to nurture the seeds in order to get things to grow. Greg Bell’s book, “Watering the Bamboo”, utilizes the example of giant timber bamboo, which takes five years to germinate, but once it germinates it can grow ninety feet in sixty days. During this time before germinating, the bamboo needs to be cared for, watered, and fertilized. While there is no sign of immediate progress, during this time period the bamboo is establishing an extensive root system to create this explosive growth that occurs five years after the seed has been planted. He states that overnight successes in reality may have taken many years of failures, and years of cultivation to get off the ground. This is typical for many success stories. As the giant bamboo grows, the scaly barks sheds away from the bamboo. Greg Bell indicates that this is a good example that managers need to put into place to shed things that are holding back an organization. It is important to be patient with people, staff, and ourselves. Persistence is important. It is important to water and fertilize the bamboo seeds, not the weeds that can grow in the garden. Things are always going to start out sloppy. Do not get down when things do not go well, or fail, and do not celebrate premature successes either.

- I attended a session on Power & Balances. This was a panel discussion that dealt with issues such as sexual harassment. Attorney, Kevin Karpinski, indicated that courts use comparators to determine how people

may be treated differently because of the gender, age, religion, etc. As an organization, there needs to be clear cut criteria for dealing with conduct in a different fashion. In these areas, perception truly trumps reality. The concept of using events that appeal to the “boys club” in an organization can treat employees differently, since certain employees would not feel welcomed to participate in these activities. There has been an uptick in sexual harassment claims via electronic communications. An issue becomes a harassment issue when that discussion is unwelcomed by another person, even if the relationship at one point was agreed to. Harassment does not require any physical threat. Courts have developed new standards in evaluating sexual harassment. This is governed, in part by the organizational relationship between the employees. If a supervisor is involved there is no good defense if appropriate action was not taken. If an organization has a clear policy in place for employees to report harassment, and the employee failed to take advantage of the remedies in the policy, that can be a defense for the organization. However, it is important that the organization make everyone clearly aware of how to report these issues.

For sexual harassment issues, policies need to clearly provide a pathway, other than reporting sexual harassment to a supervisor when that supervisor is party to the harassment. In *Faragher vs. the City of Boca Raton*, the city had policies in place, but there was no effort to train or make employees aware of those policies. The courts ruled that the city needed to have an effective sexual harassment policy. The city needed to undertake prompt investigation of sexual harassment claims, and the city had to conduct periodic sexual harassment training. Without these being in place, the courts will typically rule against an employer in a sexual harassment case. (Please note that the City of Newport does have a policy in place that people are trained on annually through our SafePersonnel training.) Jenny Haruyama, City Manager of Scotts Valley, California, indicated gender diversity has a strong correlation to organization performance. Studies have shown a higher return on investment when a management team contains a mix of men and women. Women are still under represented at top levels of organizations. Part of this issue relates to the fact that women still often have the lead role on family and home responsibilities. It is important for organizations to take a look at transforming the culture to address these issues. This can occur by implementing modifications, such as flex hours, extended leave, and scheduling meetings during work hours instead of evenings to eliminate barriers for advancing into management positions.

Gender bias training is important for organizations to undertake. Self-awareness is a key. Both men and women have certain biases that can impact organization culture. It is important to understand gender stereotypes, and have constructive discussions internally in an organization. The City of Vancouver, Washington, was cited as having great gender equality and sexual harassment policies. I have asked Barb James to get a copy of these policies.

It is also important that local elected officials have this type of training. Today, more elected officials are involved with harassment suits. It is important to emphasize with elected officials that this is a real threat to city organizations. Research is showing that training is not necessarily changing cultures. Training provides some legal protection, but it does not necessarily eliminate the problem. Changing these issues is definitely a marathon, not a sprint. It was pointed out that the cost of one lawsuit can cover the cost of many trainings.

- Attended a session on changing course leadership with lessons learned from Ernest Shackleton. The first attempt to reach the South Pole was done in 1901. Reaching the South Pole was motivated by an international competition. Shackleton was a member of this first expedition that failed to meet its goal. Norway ultimately claimed the prize for reaching the South Pole in 1911. Scott made a second try in 1912, but never made it out. In 1914, Shackleton made another attempt to reach the South Pole on the Endurance. The Endurance failed to reach the South Pole when it got caught in the ice, but it was Shackleton's leadership that saved the lives of all crew members. During this period of time, Shackleton dealt with the individual grievances by addressing those items in a direct way that gave confidence to the crew members that Shackleton truly was in charge and was set with the goal to make sure everyone made it out alive. Shackleton worked through issues to find a different solution to problems that were brought up by the crew members. When Shackleton left the crew members to set sail in a small lifeboat for a whaling post to bring back a rescue ship, he took the most antagonistic people on his boat. He did this knowing that it would be more beneficial for the balance of the group to travel with him, since they could be very disruptive if he had left them behind. He shifted priorities in a critical fashion. Originally, he was seeking the fame of traveling to the South Pole, but the priorities soon shifted to saving all the men of the crew of the Endurance. Throughout this process, he provided a clear vision of the outcome, and was successful in rescuing all members of his crew who spent the winter living on the ice off of Antarctica.

I certainly appreciated the opportunity to attend the 104th Annual Conference in Baltimore. I will be working to try to implement a number of the lessons learned in our day to day operations in the City of Newport.

- Attended the 93rd Annual League of Oregon Cities Conference in Eugene, Oregon, with Council President Goebel, Councilors Allen, Engler, and Sawyer, and City Recorder/Director of Special Projects, Peggy Hawker. This conference immediately followed the ICMA Conference, so after flying back to Portland, I drove immediately down to Eugene for the LOC Conference. As part of the LOC Conference, the annual meeting for the Oregon City County Management Association was held on the Thursday morning of the conference. I was elected by the membership as President-Elect of the OCCMA for 2019. This means I will be President in 2020, and Past President in 2021. I appreciated the faith that the

nominating committee had in nominating me for this position. I look forward to serving in these capacities. Please note that the only other OCCMA President from Newport was Don Davis in 1983. I am certainly proud to follow in Don's footsteps albeit over three decades later.

Highlights of the League of Oregon Cities Annual Conference were as follows:

- Attended the Manager's Fall Workshop on developing your personal leadership, and developing leaders in your organization. The keynote speaker was David Rabiner. Mr. Rabiner discussed the changes that have occurred in the past couple of decades that have fundamentally changed how municipal organizations are led. In order to tackle the expected problems, it is necessary to develop leadership in others. During the 1980's, organizational culture said it was a bad idea to frequently change jobs. Today, if you throw out all the resumes that show significant movement from job to job, you may not have any qualified applicants for a position. In 2004, it was predicted that by 2013, there would be more jobs than employees. Due to the great recession that impacted the ability of many employees to retire, this pushed back the date to this year where we are at statistically full employment, and we do not have enough employees to fill all vacant positions. Furthermore, this shortage is going to get significantly worse. Currently, in the airline industry, the largest crisis the airlines are facing are having a sufficient number of flight attendants to continue flying their planes. Flight attendants are required for each 50 seats on a plane. If there are not sufficient flight attendants to meet that standards, the flights cannot fly.

Because of the employee availability issues, more IT is being done on a consulting basis, rather than on an employment basis. These trends will continue to grow. In the fast food industry, restaurants are closing because of labor shortages. Today's employers need to know how to win the labor war. The number one reason for employees to move in 1985 was the relationship between the boss and the employee.

Mr. Rabiner suggests that organizations need to develop leadership groups among the employees. Today many supervisors spend 80% of their time on 20% of the staff dealing typically with the problems. This leaves the top performers without the direction and guidance that helps keep them satisfied with their jobs. Historically in government, the retirement plans were one of the key things that kept employees working for one employer. Today's millennials are not concerned with retirement benefits keeping them with the same employer. Moving around and doing different things has more value to the millennials.

Mr. Rabiner identified four types of leadership skills that are found in organizations. You have a collaborative leadership style, self-focused leadership style, leadership style on focusing on needing to do everything the right way, and you have the leadership style of just "get it done". All four of these traits are important in an organization, and it is important for

the organization to recognize the different leadership styles that each member of the organization has, and try to relate to them in terms they best understand. It is important for the individuals to understand what motivates them, and how their actions may be misinterpreted by others in the organization. Mr. Rabiner identifies leadership as individuals in the organization that want to accomplish tasks. Management is more about having to make sure that these tasks get accomplished. President Dwight D. Eisenhower, is quoted as saying: "Leadership is the art of getting someone else to do something you want done because he wants to do it."

Mr. Rabiner pointed out some of the most critical leadership qualities necessary to meet the challenges that we can foresee in keeping our workforces together during the next ten years. These include:

- (1) flexibility and being approachable,
- (2) emotional intelligence, which is the ability to monitor one's own, and other people's emotions, to discriminate between different emotions and label them appropriately, and to use the emotional information to guide in thinking and behavior,
- (3) self-awareness,
- (4) empathy

In order to provide leadership for organizations in the twenty-first century, it is important to identify principals for the organization, do them, and trust that others will follow. You need to demonstrate a behavior consistent with the principal long enough, and the principal actually becomes a value. Relentlessly repeat a behavior long enough, and it will become a virtue. Once members of an organization practice virtue, that organization develops a culture that will be attractive to holding onto employees in the future.

- Participated in a tour of Eugene's rest stops, and Opportunity Village. Opportunity Village is operated by a private/non-profit called Square One Villages who oversees 24/7 safe and secure location for thirty (30) housing units.



This community is located on Department of Public Works property in a light/industrial area. Initially it was approved on a split vote of City Council. All the Council votes to extend this facility have been unanimously approved by the City Council. Opportunity Village is self-managed and staffed 24 hours a day. No city funds are provided for the operation of the community. Drugs and alcohol are not allowed. Individuals living in Opportunity Village do not need to be sober. Pets are allowed, and smoking is allowed in one area of the community. Opportunity Village does not provide services on site; however, they work with others to provide outreach to people living in the Opportunity Village. There are a number of types of structures that are all temporary in nature. In the village, one type that is used here and in the rest stops are Conestoga huts.



Conestoga Hut

There is no electricity or heat to these individual units. There is a common outdoor kitchen area, that residents are able to use.



“Kitchen Area”

As part of this tour, we visited two of Eugene’s rest stops. In 2013, Eugene establish the rest stop pilot program, which allows up to twenty people to sleep overnight in temporary structures on certain sites individually approved by the City Council. Each site is managed by a private/non-profit organization. The rest stops are intended to be a temporary home with the non-profit community working to connect residents with support and resources to help them move towards a more sustainable housing solution. Portable restrooms and trash collection are provided.



Rest Stop Located on City Property

For the Eugene rest stops, there is very minor infrastructure needed for these facilities. Again, there is no electricity or heat provided to the individual structures. There was gas and electricity for the common kitchen area. In the rest stops, residents need to vacate their housing units between the hours of 10 am and 4 pm. Portable restrooms are provided. A shower trailer comes into the rest stop every two weeks. There is a ten month limit for the length of time someone can remain at the rest stop.

In talking to residents living in the rest stops, one of the biggest benefits to them is that they have a secure place to keep their belongings and to live, which has helped many of the residents transition into more permanent housing. Furthermore, they have developed a sense of community, which does not occur on the street. This has helped the rest stop individuals address issues of being part of a social structure.

In addition, Eugene has a car camping program. Car camping sites can be located on property owned or leased by non-profit organizations, businesses, or religious organizations. The property owners may grant permission for up to six vehicles. Car camping locations must have portable restrooms, garbage disposal services, and a storage area for campers to store any personal items so they are not visible from any public street.

- Attended a mid-cities round table discussing a number of issues. Discussions included employers offering housing incentives, such as down-payment assistance to new employees. In Oregon, communities are eliminating tests for marijuana for new hires. Also discussed was rent control. It was noted that the mayors of Eugene, and Springfield have focused extensively on public art. This has been one of the steps that both communities have been focusing on in preparation for the 2020-2021 track and field games, which will be the largest sport event in the world for 2021.
- Attended a key note address from Jason Roberts, Co-creator of the Better Block Project. In Dallas, Texas, Jason was wondering why American city streets and blocks do not create the same type of community found in European cities. For cities to be vital, it is important to create spaces that are special, and could be used on post cards. American streets were built for cars and not people. This creates a very sterile environment in many of our urban areas. He noted the transition of Times Square in New York City in car centric to creating pedestrian spaces in the street areas, First on a temporary basis, and then on a permanent basis. Mr. Roberts advocated for utilizing temporary lane markings, potted trees and plants, temporary tables to transform urban street areas. These temporary transitions can show a community how an urban block can be brought back to life to accommodate both vehicular traffic and creating public spaces that people want to hang around. More information on Jason Roberts Better Block Program can be found at www.betterblock.org.

- Attended a session on financial forecasting with City Administrator, Ron Harding and Josh Hoyer, Finance Officer in the City of Aumsville. In Washington State, Ron Harding had a program developed to assist the city in longer term financial forecasting. Over the years, these excel spreadsheets have further been refined, and brought to Aumsville when Ron took the job as City Administrator there. The system of tables and spread sheets allow the city finance director to show the immediate long-term impacts of various financial decisions, including adding or deleting personnel, making a one-time purchase of equipment, or financing projects such as new sewer lines. The tables are set up in such a way that in the sewer fund, a new bond issue can be factored into the sewer fund to show how that financial commitment will impact sewer rates going forward in the future. Likewise, if a position is added to the Police Department, the impact can be calculated on the general fund showing how that would affect fund balances over a five-year period. I have obtained the copy of these spreadsheets from Aumsville, and we will be reviewing it to see if we can build these spreadsheets in time for the preparation of our next annual budget.

- Attended a session on the financing, sustainability, and resilience of water infrastructure. This panel included Tim Gross. Tim was also a panelist on the previous session, “Water, Water, Everywhere, but Not a Drop to Drink.” He spoke about the collaborative planning process in Lincoln County. Doug Woodcock, Deputy Director of Oregon’s Water Resources Department, indicated that there is not enough appreciation for the work to provide safe water, or water reservoirs in the State of Oregon. The State has developed a hundred year vision on managing these resources. In the past, there have been massive investments in water infrastructure, much of which was funded by the Federal Government. The League of Oregon Cities has found a need for the investment of over \$8 billion dollars for water infrastructure in the next 20 years. One of the logistical issues with water regulation in Oregon is that different aspects of regulation are segmented among many organizations creating a lack of direction on water issues. Oregon is behind the 8-ball as compared to other western states regarding the management of water. Niki Iverson, Water Resource Manager for Hillsboro, has indicated is it hard to communicate with residents on the need for reinvestment in water systems. Communities tend to like shiny new objects instead of basic improvements that are buried in the ground. It is important to know that conservation is also a supply option. Furthermore, resiliency planning is far from where it needs to be
In most of Oregon’s communities. It is not just about moving water around. Cities need to address components that will allow for recovery after a major disaster.

The City of Salem discussed their emergency crisis with the algal blooms from their water source. One of the problems that they had is they did not have an emergency plan on how to get drinking water to their residents.

This process was pulled together on the fly. It is important to identify where the resources are to meet these kinds of needs when an emergency of drinking water supply occurs. Oregon Water Resources Commissioner, Michael Faught, was very complimentary of Tim Gross' earlier presentation on the collaborative planning. He indicated that regions of the State need to engage in this type of activity in order to address water supply and environmental issues relating to the use of water on a collaborative basis throughout the state. In Oregon, 85% of water use is for agricultural purposes. The state needs to focus on greater efficiency in moving water around for these purposes, since much of this water is lost in transport from the source to agricultural fields.

- Attended several sessions that were part of the homelessness symposium. The first session dealt with bringing the community on board. This was presented by Dave Albanese, Community Services Officer for the City of Lebanon. This was the same program presented to the Council this year by Lebanon's City Manager. Dave Albanese was selected as chairperson of their working group to address homeless issues in Lebanon. He indicated one of the challenges deals with the variety of ways the community thinks homelessness should be handled. It ranges from shipping them out to Eugene to providing the resources they need. Lebanon brought a group of folks together to begin talking about how we can address these issues. There was a lack of understanding of what various groups were doing or not doing to address these issues. Lebanon hired a person to facilitate this conversation. It was Robert Marbut, from San Antonio, Texas. He surveyed the homeless population to determine what their needs were. Some of the conclusions were as follows:
 - (1) There was a wide spectrum of people that were homeless for a variety of reasons,
 - (2) There was a need to prevent homelessness from the step from going from a home to car, and then a much bigger step going from a car to sleeping outside.
 - (3) There are some homeless who truly want to make life changes.
 - (4) Agencies don't talk with each other, and do not necessarily know what others are doing to address these issues.
 - (5) To make change it is important to have clear direction from the Council, and City Manager on how to address the issues.
 - (6) A coalition of folks need to schedule regular times to meet, and need a budget to accomplish their tasks.
 - (7) The community coalition needs to include all aspects of homelessness from regulation and property interests to social services, and the religious community.
 - (8) People participating in this process need to be prepared to move forward on an action, and
 - (9) While it is impossible to resolve homelessness, a good plan will help direct individuals needing assistance and wanting to make different life choices.

- “Partnering with Counties”: I participated in a session on homelessness about partnering with counties. Mark Joling, Director of the Multnomah County Office of Homeless Services, discussed the joint homelessness effort between Multnomah County, City of Portland, City of Gresham, and City of Beaverton. The cities and county joined forces with individuals involved with homelessness from all of the cities moving to the county offices as part of a governmental agreement. This step was taken after 20 years of audits showing ineffectiveness in the individual efforts relating to homelessness. There is a board that meets every two months to review the status of these efforts. The benefits have been significant. One of the first efforts was focused on ending veteran homelessness. The business community has a seat on the committee. The budget for the joint offices is \$72,000,000 a year, and they serve 35,000 people. Additional information can be found at www.ahomeforeverone.net.
- Attended a session on “Everybody’s Park”. The speaker was Laurie Cooper of the City Attorney’s office in Medford. Medford has dealt with camping along a 18 mile pathway that connects Medford with other communities. Over time the homeless population impacted the use of pathway by local residents. Medford has conducted a number of sweeps of the homelessness. They have focused on clearing out blackberries with both mechanical equipment, and spraying. They have discovered that the more use of a park by the community at large, the less appealing the park is as place to camp. Medford had adopted exclusion zones for any repeated bad behavior. Individuals can be excluded from parks and downtown areas. Getting the bad actors out of these public areas has certainly helped make the parks more appealing to community members. Laurie Cooper discussed the impacts of the camping case in Boise where the Federal courts included that if there are no options for shelter beds, then it is cruel and unusual punishment not to allow individuals to camp in parks and other public areas. In this case, camping was a criminal violation. As a result of that ruling, Medford changed the violation for illegal camping to a civil violation with a fine. The city might be in a position where it could be challenged if fines were not paid and individuals were arrested for not paying the fines. They indicated they would cross that bridge when it comes. Medford Council has made changes to their zoning ordinance allowing shelters as a conditional use. Tiny houses have been a success in Medford. Police ticket as a last resort. Typically if someone is arrested it is based on an action, such as drunk and disorderly. Medford has been sued on the exclusionary zones. However, the local circuit court upheld the exclusion order.
- The final session was facilitated by Mayor Wheeler of Portland. Mayor Wheeler indicated that homelessness combines many factors including economic issues, deficit in affordable housing, drug and alcohol issues, a State system for mental health that is not functioning, and a loss of Federal support for housing. A number of initiatives across the State include Eugene & Springfield contributing money to the County to initiate various levels of support for homelessness on a countywide basis. Also

the “dusk to dawn” program has been implemented that incorporates the use of large mesh tents, which allows a spot in the tent for the homeless. Keizer, Salem, Marion and Polk Counties all have collaborated on housing issues. They learned that disjointed, but good efforts were taking place in the various communities. This created a framework to know what each of areas were doing, and to truly make a collective difference to homelessness in their communities. In Astoria, a task force was created to identify solutions to homelessness. This group has been meeting for about six months. The group is breaking into sub-committees and seeing some collaborations already beginning. Small cities such as Astoria have limits on their capacity to help. Mental health is poorly served. The jail is a revolving door, and there is a need for wrap around services to prevent these issues. There are no permanent shelters in Astoria. The Mayor of Astoria noted that Bornstein has built housing for their seasonal employees working in the seafood industry. Cottage Grove created a community coordinator to serve as a liaison between the homeless community and its residents.

At the end of the session, Mayor Wheeler put together a punch list, which including the following:

- (1) Increase support of housing, mental health funding.
- (2) Increase overall housing development.
- (3) Ease the burden of establishing temporary shelters.
- (4) Develop important social networks in the homeless community.
- (5) Create intergovernmental/private non-profit collaboration to address housing.
- (6) Provide more stable medical service for those who are homeless.
- (7) Focus on transportation issues.

Overall, it was a great conference with a lot of ideas for the city to consider in how we can move forward on several issues.

- Worked with the Chief to address a disciplinary action in the Fire Department.
- Participated in a routine department head meeting.
- Met with the Mayor to review the agenda for the October 1, 2018, City Council meeting, and participated in that meeting.
- Participated with members of the City Council and staff for a ribbon cutting for the Lincoln County School Districts Learning Education Center in the city’s former pool building. Great job of reusing and repurposing this former City facility!
- Met with Mike Murzynsky and Steve Baugher to finalize an agenda packet for the Financial Work Group.
- Peggy Hawker, Gloria Tucker, and I met on implementing a policy on the use of our Granicus agenda system as it relates to the approval of agenda items.
- Held bi-monthly meetings with both Derrick Tokos and Tim Gross.
- Met with Wayne Belmont to have an initial discussion on the public/private partnership that has been endorsed by the City Council and the County

Commission on possible carbon reduction. We will be following up on a more extensive discussion on this matter.

- Participated in a Vision 2040 Advisory Committee meeting. The materials are online for this meeting. I am really encouraged by how this effort is moving forward. We have great group of people that are very dedicated to serving the role as a catalyst for the strategies identified in the vision document. I believe that we have a specific direction in which the committee will be moving towards.
- Participated in BOSS radio show with Cheryl Harle.
- Met with Jeremy Burke of the New-Times, Lance Beck, member of the Destination Newport Committee, and Patti Ferry regarding the City's agreement for support services for the News-Times for the Destination Newport Committee. Most of the work has been laid out for this year; however, we will need to make sure that the new personnel from the New-Times are up to speed and meeting the obligations that the News-Times has for the City, and various marketing efforts, and continuing our discussions about how we will move forward in the future providing these services.
- Met with Jason Malloy and Rob Murphy regarding the draft alarm ordinance. This ordinance is going to be considered by the City Council at the October 15 Council meeting.
- Met with a number of different department heads regarding City cell phone management. In the past, the cell phones have been managed by each department with purchases, contracts, etc., taking place at the departmental level. We have gone through our telecommunications review, and we will be centralizing the overall issuance, programming and control of cell phones through our IT Department going forward. Overall, everyone seemed to believe that is was an appropriate way to proceed.
- Met with Barb James, Steve Rich, and Tim Gross regarding a Public Works employee matter.
- Participated in Outlook training. We brought in Neal Otto, who trained over 50 City employees on the utilization of Outlook for various tasks. Overall, the training received very good reviews.
- Ted Smith and I met with Mary Kay Dahlgreen, the new District Library Director for Lincoln County. Mary Kay was previously the State Library Director. The Library District has held a pretty low key role in the community. Mary Kay would like to increase the visibility of the role that this District Library plays in supporting other libraries in Lincoln County. She will likely attend a future City Council meeting to introduce herself.
- Ted Smith and I presented Carol Laufenberg with her retirement plaque from the City of Newport. Carol has had to retire due to some health issues, and was very appreciative of receiving her retirement plaque. She did not want any formal type of recognition.
- Derrick Tokos, Steve Rich, and I met on the taxi cab ordinance. As you may recall, the Council instructed staff to initiate discussions on the taxi cab ordinance with both Yaquina Cab and Pacific Cab in October of this year with a report coming back to the Council in January about any possible modifications to the ordinance.
- Held bi-monthly meetings with Richard Dutton and Jim Protiva.
- Met with Frank Geltner regarding the Wayfinding Committee. Frank has opted to resign from this committee. He is feeling somewhat frustrated with the progress

the committee has made. They have had a difficult time in getting quorums for their meetings, and Frank would like to spend his time in other ways benefitting the community. I indicated that I will be evaluating this whole process to determine how to proceed with this in the future since I do not believe we have a working quorum of this committee at this time.

- Met with Frank and Michelle Geltner regarding the taxi cab regulations. They shared with me their thoughts since they last discussed this in the Spring of 2018. I will be meeting with Pacific Cab Company as well to have some of the same discussions regarding the current ordinance.
- Along with members of the City Council, I participated in a dinner at OMSI Camp Gray. Overall, it was an appreciation dinner for the community as Camp Gray completes their third year of service to youth and adults in this community. OMSI has been very pleased with the success of this facility, and looks forward to continue to grow their programs here.

Upcoming Events:

- October 19, the LOC will be hosting a meeting in the Council Chambers from 10 AM to Noon as part of the League's preparation for the 2019 Legislative session.
- I will be on vacation, Friday, October 19, 2018, heading to Ashland. Angela and I purchased the Ashland Theater package at the Samaritan House annual gala.
- I will be on vacation Friday, October 26, to host family visiting Newport.
- November 6, 2018, is Election Day. The candidates for Mayor are Dietmar Goebel and Dean Sawyer, with David N. Allen, CM Hall, Jason D. Nehmeyer and Ryan Parker running for three Council seats. I thank all of the candidates for choosing to run for Council and wish all of the candidates well in the upcoming election.
- November 7-9, 2018, I will be attending the OCCMA Board of Director's Retreat at the Oregon Garden Resort in Silverton.
- City Hall will be closed on Monday, November 12, 2018, in observation of Veteran's Day.
- November 13, 2018, the third meeting of the Finance Work Group will be held.
- City Hall will be closed Thursday and Friday, November 22-23 in observation of the Thanksgiving holiday.
- November 30, 2018 - Notice of request for applications to fill two vacancies on the City Council will be issued.
- Please note that the only regular Council meeting scheduled for December will be held on December 3, 2018. The City Council may hold a special meeting on December 17, 2018, to consider changes to vacation rental code provisions if they so choose.
- On December 3-4, the second Oregon Tsunami conference will be held in Newport at the Samaritan Center for Education. Based on the last conference, I would encourage Council and staff to attend this event. A copy of the announcement is attached. This is a Council meeting date, so it will be our intent not to schedule a work session at Noon, so we can attend Monday afternoon's session.
- City Hall will be closed on December 24-25, 2018, in observation of the Christmas Holiday, and January 1 for the New Year's holiday.
- December 28, 2018, at 5:00 PM is the deadline for applications to fill two vacancies on the City Council.

- January 7, 2019, a work session will be held at noon to interview candidates to fill two vacancies on the City Council. The interviews will be conducted by the existing Council members, and the newly elected Council members.
- January 7, 2019, at 6:00 PM is the Organizational Meeting of the new City Council. The newly elected Mayor and Council members will take the oath of office. The new Council is scheduled to appoint two members to fill vacancies on the Council.

Attachments:

✚ None.

I hope everyone is enjoying the fall season.

Respectfully Submitted,

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

Spencer Nebel
City Manager