



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: August 14, 2019
TO: Mayor and City Council
FROM: Spencer Nebel, City Manager
SUBJECT: Status Report for the Three-week Period Ending Friday, August 9, 2019

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

- Met with staff to discuss access issues to the east side of the airport. We have a number of property owners located on the east side of the airport, including the Emerys, Bartons, Halls and Starker Forests, who periodically need to cross through the airport fence to get to their property. Most of this activity is related to forestry purposes. We will be having a meeting with property owners on the east side to discuss options for alternative access that would avoid going through the secure area of the airport.
- Met with Barb James on various personnel issues.
- Peggy Hawker, Gloria Tucker, Richard Dutton and I met to discuss the duplicated agenda packet production process. This is a process which is required when posting the Granicus agenda packet, as well as, posting our web version of the packet. We will be following up on some logistical issues in order to clean this up, including handling of the audio recorded committee meetings.
- Tim Gross, Mike Murzynsky, Steve Rich and I met to discuss the Longview Hills water system. Unlike other manufactured home communities in Newport, the City meters and bills individual homes in Longview Hills. (in the other manufactured home communities, there is a master meter for all water used within those developments). In reviewing the history of this system, it appears that it was the original intent to build the system to City specifications, and then turn the system over to the City. This never happened since the system was not built to City specifications. As a result, the park ownership is responsible for any repairs to the water system that occurs within this development. We have informed the owners of the development that the City would like to install a master meter at the entrance to the site, and turn all the existing meters over to the development for their internal billing and use. Ownership of this park changed a couple of years ago, and the new owners indicate that they were not told that the park owners maintain the

utilities within the development. We will be meeting with representatives of the owner to further discuss this situation.

- Along with Peggy Hawker and Councilor Parker, I participated in a Sister City Host Committee meeting. We finalized preparations for the August visit of the Mombetsu Junior High students.
- Held bi-monthly meetings with Jason Malloy, Rob Murphy and Lance Vanderbeck.
- Peggy Hawker and I met with Dr. Ralph Breitenstein and Leslie Palotas to discuss follow-up from the meeting with the Ford Family Foundation. It appears the Foundation is considering providing financial support to the Vision 2040 Committee to help them fulfill their efforts at keeping the Greater Newport Area Vision document active.
- Met with Steve Rich to discuss the lease of one of the Abbey Street Pier building tenants. The tenant, through their attorney, argued that the tenant didn't have a responsibility to pay property taxes. Furthermore, they were delinquent of payment of these taxes. Steve followed up with their attorney, who stated that the property was indeed taxable, though it was city-owned. The lease also clearly provided that the tenant pays those taxes, in addition to their lease. The tenant has agreed that they owe the back taxes and they are currently paying those taxes.
- Met with Barb James and Steve Rich on an employee issue.
- Met with Parks and Recreation staff to discuss the status of the Parks and Recreation Director.
- Met with Derrick Tokos to discuss our short-term rental implementation status. A lot of work has been done, and we will need to get the final pieces in place to fully implement the policies to enforce the ordinance approved by Council.
- Met with Library Director, Laura Kimberly, in a regular bi-monthly department meeting.
- Attended the monthly meeting of the Yaquina Bay Economic Foundation (YBEF). On Wednesday, August 28, YBEF will holding their annual meeting. The keynote speaker at this meeting will be Anne Kublisch, President of the Ford Family Foundation. The reception begins at 6:30 PM in the Gleason Room at the Oregon Coast Aquarium. Please let Peggy know by August 19 if you are interested in attending that dinner so she can RSVP for you.
- Interviewed Derrick Tokos on KNPT regarding the regional housing study that was recently completed for Lincoln County, and to discuss impacts of legislation on housing in the state of Oregon.
- Met with Jon Lynch at Jon Scott Realty on US Hwy 20 regarding drainage issues there. Mr. Lynch indicates that as part of a street improvement project a number of years ago, the City paved the gravel area in the right-of-way up to his property line. He stated that since that time, his small drainage system adjacent to his building is overwhelmed with sand and debris washing in from the street. He is requesting that the City periodically vacuum out these catch basins and lines. I will be meeting with Public Works Director, Tim Gross, to discuss this situation.
- Participated in a kickoff meeting for the implementation of LodgingRevs for our short-term rental monitoring. They hope to be fully functional by the end of the month. Property information is being downloaded so they can begin their vacation rental monitoring within the City of Newport.

- Steve Rich, Barb James and I met with the Parks and Recreation Director regarding a separation agreement. I appreciate the spirit of these discussions which were matter-of-fact and straight forward. I wish Jim well in the future.
- Derrick Tokos, Rachel Cotton, and I discussed the draft tree ordinance. This is an item that will be coming to Council sometime this fall.
- Steve Rich, Barb James, Tim Gross and I participated in negotiations with the Newport Employees Association (NEA). An update was provided to Council on the status of the negotiations at the August 5 Executive Session.
- Along with Councilors Parker, Hall and Jacobi, I participated in a tour that was facilitated by Thompson's Sanitary, Dahl's Disposal and Lincoln County Solid Waste District Manager, Mark Saelens. The first stop on the tour was the Garten Materials Recovery Facility in Salem. Garten is a non-profit organization that provides job opportunities for people with various disabilities. This facility employs 130 individuals who are involved with various aspects of recycling. The mixed recycling material collected curbside in Newport is hauled to this facility. This material is dumped on the floor of their recycling facility, with the mixed recyclable materials being placed on a conveyor, where sorting for certain materials is done at various stations. The amount of mixed recyclables hauled into this facility each week is rather staggering. The amount of waste that comes with the mixed recyclables is significant, as well.

Thompson's and Dahl's both indicated frustration with people not understanding the challenges of recycling plastics 3 through 6. Historically, these plastics were allowed in commingled recycling. However, in reality, these materials have not truly been recycled. China either disposed of the plastic materials or burned them as fuel. As China has been addressing its environmental issues, these practices ended, creating a significant problem for the recycling market. These plastics are still eligible to be placed in mixed recycling in Portland and California, however, the recycling center is separating, and generally disposing of these materials in landfills. This creates a certain level of frustration from customers who live part time in California and Portland, as to why we are not recycling plastics 3 through 6 in Lincoln County.

Garten also takes computer components and will break them down to salvage valuable materials. Computers that can be rehabilitated are sold at their store in their recycling facility. In reviewing the photos, there is a significant amount of waste that gets included in mixed recycling. This causes additional expense for customers such as the City of Newport, who utilize the mixed recycling center. Overall, a number of the markets for recovered recyclable materials have stabilized since China stopped taking the majority of mixed recyclables.

Our next stop was Coffin Butte Landfill, who since 2008, is owned by Republic. Coffin Butte has been in operation for many years before Republic acquired this facility. At Coffin Butte, there is an extensive system for the collection of methane and leachate, which are two by-products of landfilling. Coffin Butte has a public drop-off area for garbage, recycling and compost. Only the route trucks and garbage tip trailers are allowed into the landfill proper. Coffin Butte occupies about 700 acres, of which 115 acres have been permitted for landfilling. There is

approximately 40 years of life left at that landfill location. Coffin Butte has been working on extending the life of the landfill by pulling out organic matter, such as yard waste and food waste, and materials that can be recycled. The more effective we are at pulling these type of materials out of the waste stream, the longer the life of the landfill. There is a series of liners in each landfill cell, with gravel in between the liners to allow for the passage of methane and leachate. Liners are also placed above the top of the cell, once that cell is closed. Cells are created over the top of previous cells to expand the life of this facility. This landfill was started in a former quarry.

Since China restricted accepting recycled materials, the landfill has seen an approximate 2% increase in materials coming in to the landfill. Approximately 32% of the waste stream is diverted from the landfill through composting, recycling, building materials, and other items that are diverted.

Our final stop on our tour was at Pacific Region Compost located across 99W from the landfill. This facility is also owned by Republic. Compost is hauled in bulk from various communities, including Lincoln County, to this facility. Materials include yard debris, food waste, and other compostable products. This facility is licensed for 27 acres. The organic waste materials are all windrowed into piles. Water temperature and air flow are all monitored in each of the piles to create optimum conditions for decomposition of the organic materials. A specialized piece of equipment periodically turns the compost piles. In the compost piles, the heat from this process rises up to approximately 150 degrees. No fertilizer is added to the piles to accelerate this process. It takes approximately 90 days to create compost from these mixed organic waste.

The diversion rate for Lincoln County at the watershed for landfills was 23.6% in 2017.

I appreciate the coordination of this tour by Thompson's Sanitary, Dahl's Disposal and District Manager, Mark Saelens, from the Lincoln County Solid Waste District. It was beneficial to see these facilities, and see the challenges that they face in handling materials disposed from homes and businesses in our community.

- Met with Parks and Recreation staff to discuss transitional issues relating to the departure of our Parks and Recreation Director. Judy Mayhew will be the interim Parks and Recreation Director as we go through a search process for this position.
- Steve Rich, Tim Gross, Derrick Tokos and I participated in a conference call with Rodney Wood from Casco Communications (Peak Internet) regarding their request for a franchise in Newport. Peak Internet is owned by Pioneer Telephone and provides internet services to Pioneer customers. Currently, the only area that they provide services to in Newport, is South Beach. Peak is launching a video service that will include local channels, videos and movies, and online video services. Peak is posing to use existing phone lines for this service. Peak hopes to roll out the service later this fall. After reviewing what they are proposing to do, we are not sure that a franchise agreement is necessary for this service. Our franchise agreement is focused on use of the right-of-way, which Pioneer Telephone is already doing. This raises a few questions whether Pioneer will be including the

revenue from Peak, as part of their franchise fee calculations. As a result of this review, we are going to take a look at other franchise ordinances in other communities to see how things such as data, and services over existing lines, is handled in other communities. We will be reporting back to Council on this issue.

- Tim Gross, Derrick Tokos and I met regarding the local improvement district for Golf Course Drive. During the planning of street improvements for this project, we ran into a bit of an impasse with the property owners who were concerned about the proposed width of the street. This, coupled with the loss of our assistant city engineer and project manager in the Engineering Department, put this project on the back burner. One of the big issues we have to resolve with the property owners, are minimum standards that are currently used as a basis for street reconstruction. These minimum standards will be discussed as part of the transportation plan that is currently underway. It is likely that the discussions of these standards would occur in the spring of 2020, as part of this study. We would then work with the neighbors to finalize the design of this project, which would occur in the summer and fall. Construction could occur in the winter and spring of 2021. In addition, there is a section of water main that needs to be replaced on Highway 101 to help facilitate this golf Course Drive Water Main project. Tim will be bringing a task order forward for the design of this project, which will tentatively be slated for construction in 2020. We will be communicating this information to the property owners to update them. This has been a long process. Hopefully, this schedule will provide progress on meeting the need to replace a water main, and address street issues for this neighborhood.
- Mike Murzynsky, Tim Gross, Derrick Tokos, Kirsten Lomeli, and I met to review the appeals that we received on the calculation of Equivalent Service Units for storm water. Owners of approximately 15 properties contacted the City and questioned the calculations of their storm water area. We will be looking at each of these appeals and doing a site visit for each location to determine whether the calculated area is consistent with actual conditions on site. Overall, with the hundreds of properties that were included in the calculations, we are pleased that only a limited number are questioning the area of impervious surface they have on their properties.
- Along with Councilors Allen and Goebel, I participated in an Audit Committee meeting of the City. The Audit Committee met with the auditors, as they were completing their initial field work, collecting various information to be analyzed as part of the independent audit. The Audit Committee discussed its future meetings, as well as, the process necessary to secure a new auditor for the next three-year period, which will need to be done in early 2020. The City will go out for RFPs, and the Audit Committee will recommend a new contract for the audits moving forward from that time.
- Steve Rich, Derrick Tokos, Tim Gross and I participated in a conference call with Lightspeed Networks, who is requesting a franchise with the City of Newport. Leslie Hallan and Leif Hanson participated in this call. Lightspeed Networks is focused on rural communities, and is owned by the rural electric cooperatives. They provide internet, voiceover and other similar services. They would like a franchise agreement in Newport to run additional lines for high-speed internet services within the community. Currently, they have no master plan for providing

this service to Newport. In the past they have had a cooperative relationship with Coastcom. However, since the acquisition of Coastcom by Wave, the cooperation on future projects is limited since Wave is a competitor for internet services. They also build and serve existing customers, such as cell phone companies like AT&T, Verizon, and Wave Broadband, and would like to be able to add existing access for businesses in Newport. In building new infrastructure, they would choose a route that would connect them with the business district. They understand that there are some significant conflicts with other utilities for use of this right-of-way. They would work on a route that minimized these conflicts. Historically, they have been eager to partner infrastructure activities by laying conduit at a time when streets are opened up for work. They typically will rent space on existing poles for overhead installations.

They also are positioning themselves for small cell coverage in the future. The advantage to the community is price competition and better services. They do try to build their system to facilitate implementation of future 5G services. Currently, Newport is not on any schedule to start rolling out a 5G service.

Their company has also worked with communities like The Dalles and Maupin to create a public-private partnership and increase high-speed internet services. We indicated that we will review their request for a franchise and bring this back to Council at some point.

- Participated in the reception honoring Mike Eastman on his retirement after 43 years of service to the City of Newport. We congratulate and thank Mike for this service. He indicates that he will be around and stay active in a number of his volunteer efforts during his retirement. Mike will also be doing some contract work on sign training for ODOT, as well. We wish Mike and Jan well in his retirement.
- Along with Dr. Breitenstein, Leslie Palotas, and Peggy Hawker, I participated in a conference call with the Ford Family Foundation regarding the possibility of securing funds to assist with activities on the implementation of the 2040 Vision. Ralph, Leslie and Peggy met with Max Gimbel of the Ford Family Foundation on Sunday afternoon and had an informal discussion on how to move forward. Ford Family Foundation seems genuinely interested in helping to support our efforts in Newport.
- Lance Vanderbeck, Steve Rich, Tim Gross and I met to prepare for our meeting with the DEQ on appealing the fines levied by the DEQ on the airport for various storm water reporting issues.
- Held an internal meeting with Steve Rich and Barb James on NEA negotiations.
- Held a bi-monthly meeting with Richard Dutton to discuss IT issues.
- Derrick Tokos, Christina Chapin and I met with Mike Walas regarding concerns about the quality of certain buildings in Newport where fascia boards and paint are in bad condition. Two specific buildings he has expressed concern about, is the laundry mat on Highway 101, and the barber shop and dog grooming place. Since this complaint was made, a car has driven through one wall of this second facility. It appears that the owner of the building may be pursuing replacement of the building with the insurance proceeds. We indicated to Mr. Walas that we inspect buildings for life/safety issues, but not necessarily maintenance issues. I indicated that we will be discussing whether the City should consider adopting a

maintenance code that would address some of the types of concerns that he has regarding the structures and signs. He is also concerned about plywood that has been put in place to board the windows. He states it has a graffiti-like sign indicating that the dog grooming business has moved. He felt this should be more compliant with the City's sign ordinance.

- Barb James, Rob Murphy, and I met on a personnel matter at the fire department.
- Participated in an interview of one of the two candidates for the Public Works Operational Superintendent position. This is the position that Dave White filled. We have one internal and one external candidate that we are considering.
- Friday, August 2, we welcomed a delegation of six junior high students and five adults from Mombetsu to Newport. From a staff standpoint, Peggy Hawker was very involved in all aspects of coordinating this visit. Peggy was assisted by a Sister City Committee to help deal with host families, planning, and other activities, as well. Our delegation had a very busy stay with activities scheduled on Saturday, Sunday, Monday, Tuesday, with the departure on Wednesday morning from Mombetsu Park. They enjoyed the ceremony with the City Council giving up their seats making the delegation our honorary Mayor and Council members. I want to thank Peggy Hawker, Councilor Ryan and his wife, Sachiko, and other members of the Host Committee, for their efforts in making it a truly welcoming experience for the delegation. We will be following up with a letter to Mombetsu outlining some of our future plans for exchanges. This will include a banner exchange as part of the Nye Beach Banner program for next year. Former Councilor Wendy Engler and Veronica Willemin, are coordinating the details of this exchange. This will be outlined in the letter from Mayor Sawyer to Mayor Miyakawa.
- Prepared agenda items for the August 5 City Council meeting.
- Participated in meetings on Monday morning with Tim Gross, Jenny Dresler, Tia Cavender and Representative Gomberg to discuss the Governor's weekend announcement of her intention to veto funds for the Big Creek Dams. Later in the afternoon, we participated in a conference call with Senator Roblan on the same issue. Both Representative Gomberg and Senator Roblan played critical roles in getting the original funding passed through the legislature, and in dealing with the Governor's possible veto of this funding. We appreciate all of their efforts relating to this.

At the request of Representative Gomberg and Senator Roblan, Tia and Jenny worked to draft a letter for the Coastal Caucus to send to the Governor regarding the veto. From a local standpoint, we started reaching out to various stakeholders in Newport to respond to this issue. Peggy Hawker drafted a letter for Council to sign, based on the talking points provided by Tia that was authorized to be sent to the Governor Monday night. The Governor's veto shifted a number of priorities, particularly for Tim Gross and myself during this week.

- Participated in a Council work session on land use in Oregon, as well as, an executive session on negotiations and on possible acquisition of property.
- Participated in the regular City Council meeting of August 5.
- Mike Murzynsky, Steve Baugher, Linda Wertman and I met on the draft purchasing policy that has been prepared by the Finance Department. We have had the goal for a number of years to develop a policy that will govern our various purchases internally, which is easy to understand by various employees. For a number of

years, we have been using a document relating to basic purchasing processing, put together by Speer Hoyt, which is overly complex. The Finance Department has put together a good draft for us to work from to institute both policies and processes that will make better sense for the City.

- Tim Gross, Lance Vanderbeck and I met with Becca Puskas, Kathy Jacobson, and Zach Loboy from the DEQ regarding the storm water violation at the airport. Overall, the DEQ admitted that they did not have a complete file on the airport storm water variances that had been requested in the past. Copies of those requests were forwarded to the DEQ as a result of this meeting. Furthermore, we argued that the connection of penalties with sanitary sewer discharges from the Agate Beach lift stations should not be considered as part of the fine structure for the airport. We will provide our written argument as to why the fines are disproportional to the actual issues being addressed.
- Took a few hours Tuesday afternoon, August 6, to run the dog to the vet in Corvallis. Came back and participated in the National Night Out event, as well as, the farewell dinner for our Japanese delegation. I appreciate Councilors Hall and Jacobi for manning the City Council's booth at National Night Out. The crowd for this year was even larger than the inaugural event last year. This seems to be an event that people care about and are interested in participating in.
- Mayor Sawyer, Councilors Allen, Goebel and Parker participated in the farewell dinner for our Japanese delegation at the Oregon Coast Aquarium. This was another nice event. Again, thanks to Peggy Hawker for making these arrangements for a successful visit for our Sister City delegation. Thanks to the committee, including Councilor Parker and Sachiko, for organizing and hosting the delegations, as well. It was a great visit!
- Participated in a meeting by our Sister City delegation to discuss future activities.
- Participated in a meeting with Councilor Parker, Peggy Hawker, Wendy Engler, and the adults of the Sister City delegation regarding the banner project at the VAC. As indicated earlier, we will be proposing a specific exchange of banners for the 2020 banner project at Nye Beach. The theme for the banners this year was a relationship with Mombetsu. If you have not had an opportunity to see the banners at Nye Beach, please take time to do that. There are some very beautiful banners that will be auctioned off in November. They are painted by artists from the region.
- Participated in a second interview for the Public Works Operations Superintendent position.
- Along with Barb James and Tim Gross, participated in negotiations with the NEA.
- Mayor Sawyer, Tim Gross, and I met with Tia Cavender, Jenny Dresler and Representative Gomberg to prepare for the meeting with the Governor's office on the possible veto of funding for the Big Creek Dams. We met with the Governor's Budget Director, Debbie Koreski, and the Governor's Natural Resources Policy Advisor, Jason Miner, to make our pitch as to why this line item should not be vetoed, as initially proposed by the Governor. For your review, I've attached some of the talking points that were prepared for the meeting on Thursday.
- I interviewed Tim Gross on the Big Creek Dams and the Governor's veto on KNPT Radio on Thursday morning, prior to leaving for Salem to meet with the Governor's office.
- Mayor Sawyer, Tim Gross and I joined Tia Cavender, Jenny Dresler and Verena Winter, our dam consultant, for a meeting with the Governor's Budget Director,

Debbie Koreski, and Natural Resources Policy Advisor, Jason Miner. At this meeting, Debbie Koreski indicated that the Governor understands the need for the dam, but that the Governor strongly felt there needed to be a comprehensive review of all dams in the state before the state provided assistance to a specific dam. Our biggest argument with the Governor's office was the ripple effect that a veto would have with our efforts to secure federal funding for this project. We also indicated that with the wide range of projects that were included in HB5050, it was hard not to feel singled-out by the Governor with this veto for a project that the City has been actively working on since 2011. At the end of the meeting, Debbie indicated that she would share the concerns about the impact the veto could have on the City's effort to secure federal funding of this project. Debbie indicated that they had heard from a number of stakeholders in Newport and Lincoln County stating the Governor should reconsider this veto. They also indicated that Congressman Schrader's office had urged the Governor not to veto this funding. There was also a comment that the Governor received in support of vetoing the funding for this project, so that a regional water facility could be built. We explained to the Governor's staff that the various partners in this regional concept had essentially walked away from this project, leaving the City to deal with the water issues by itself. The plan that people referred to clearly indicated that if the water source could not be developed at Rocky Creek at a regional basis, then the City should focus on redeveloping and improving the Big Creek Reservoirs. At the end of the meeting, I felt slightly more optimistic, however, I thought our odds were under 50% that the Governor would reverse course on this proposed veto. I appreciate the excellent support and guidance provided to us by Representative Gomberg, Senator Roblan, Tia Cavender, and Jenny Dresler to prepare us for this meeting, and to make the best case for reversal of the veto to the Governor's staff.

- Held a bi-monthly meeting with Mike Murzynsky.
- Mike Murzynsky, Kay Keady, Richelle Burns and I met to revise information on the back of the utility bills. We are adding an explanation of each line item on the bill and how it is calculated. We are also adding information as to what types of activity are supported by the water, sewer, storm water and infrastructure fees on the bill. We will print several months' worth of bill stock with the revised information in order to further refine this information, before we purchase more significant amounts of our bill stock.
- Mike Murzynsky, Steve Baugher, Linda Wertman and I met regarding the tracking of construction projects, and making that information available on the website. With Engineering now at full staffing, Chris Janigo has gotten all the projects entered into the Public Works website. The reports that Linda is compiling will allow folks to review the status of these projects from a financial standpoint. These efforts will move us toward the transparency and information that Ralph Busby had envisioned some time ago.
- Met with Mike Murzynsky and Steve Baugher regarding the options for developing a more robust financial forecasting tool. During the OCCMA conference, they both met with the Finance Director and City Manager of Aumsville to see a demo and explore their model of financial forecasting. Also, they met with Forecast Five, who has developed software to download financial data for the purposes of conducting projections. Based on their review, both systems would get us where I would like to be in our capability of projecting impacts of various financial decisions on the

City's long-term finances. It is our goal to have something in place prior to the development of the 2020-2021 Fiscal Year budget.

- Representative Gomberg called Mayor Sawyer and me on Friday evening to let us know that he had received a call from the Governor and that she would not veto the funding for the Big Creek Dams. This was great news to close out a rather exhilarating week.

We had a great response from other Newport stakeholders in sending out letters of support to the Governor's office. I am attaching a copy of the Governor's letter, and my email I sent to those responding stakeholders who requested that the Governor reverse her decision to veto the dam funding. I continue to be amazed at how one action can totally redefine the anticipated priorities for the upcoming week. I am very pleased that this community was able to effectively communicate with the Governor about the impact that this veto would have on this project.

Upcoming Events:

- The Oregon Coast Caucus will be held at the Three Rivers Casino in Florence on Wednesday and Thursday, August 21 and 22. Currently, Mayor Sawyer and Councilors Allen, Goebel, Jacobi and Hall are registered to attend.
- I will be on vacation from August 22 through Labor Day weekend. Peggy Hawker will be Acting City Manager through this time period.
- City Hall will be closed Monday, September 2 in observation of Labor Day. The Council meetings will be held Tuesday, September 3, beginning with a work session at 4 PM.
- The employee BBQ will be held Friday, September 6 at 6 PM at Big Creek Park.
- City Council established a work group to meet this fall consisting of the City Council and Budget Committee members. The first meeting of the Finance Work Group is scheduled to meet September 10 from 4-6 PM. Details will follow.
- The Library Centennial kickoff ceremony and ribbon cutting will begin at 2 PM Saturday, September 14. Details to follow.
- September 26-28 is the LOC's Annual Conference in Bend, OR. Councilors Goebel, Allen, Parker, Jacobi, Hall and Mayor Sawyer have been registered, along with Peggy and myself. Please let us know if your plans change, so we can cancel without financial penalty prior to the conference.
- On September 30, the City Council will hold a town meeting at 6 PM. Location is yet to be determined.
- I am planning to take a vacation day, Friday, October 4, to spend a long weekend in Portland.
- I plan on attending the 2019 ICMA Annual Conference in Nashville, Tennessee October 19-23. I will be leaving Friday, October 18 and I will be taking a few vacation days following the end of the conference, beginning October 23 through October 28, before returning to Newport.
- I plan on attending the OCCMA Board Retreat on November 6-8 at Silver Falls Lodge. This will be the retreat in which we will plan activities for the Association for the year. I will be President of the Oregon City/County Management Association for the 2020 calendar year.

- City Hall will be closed Thursday and Friday, November 28 and 29 in observation of the Thanksgiving Holiday.
- The only scheduled Council meetings in December will be December 2. There will be no meetings scheduled for December 16.
- I will be taking vacation from December 18 through December 27 to head to Michigan for the holidays.
- City Hall will be closed beginning at noon on December 24 through the 25th for the Christmas Holiday.
- City Hall will be closed January 1, 2020 for the New Year's Holiday.

Attachments:

- ✚ Attached is the letter from Governor Brown indicating that she will not veto funding for the Big Creek dams.
- ✚ Attached is my email to those who were asked to contact the Governor. The Governor's office indicated that they received a number of supporting letters for the dam funding.
- ✚ Attached is an email and talking points developed by Jenny Dresler in preparation for the meeting we had with the Governor's office on Thursday, August 8. There is good information about the status of the dam, and the long-term financing plan for this very significant infrastructure project.
- ✚ Attached is a letter from Mike Cully, Executive Director for the League of Oregon Cities, discussing the National League of Cities Service Line Warranty Program. This is an insurance program that citizens can buy for water and sewer service lines. City of Newport currently does not participate in this program. If any members of Council are interested in pursuing this issue, please let me know.
- ✚ Attached is a news article out of the The Sault News indicating that Sault Ste. Marie has offered the position to a new city manager. Oliver Turner was the manager that was hired to replace me when I left to come here. Oliver left to take a position in his home state of Ohio.
- ✚ Attached is the YBEF invitation to their annual banquet.

I hope everyone enjoys the last few weeks of summer!

Respectfully Submitted,



Spencer Nebel
City Manager

cc: Department Heads



KATE BROWN
Governor

August 9, 2019

Honorable Bev Clarno
Secretary of State
900 Court Street NE, Suite 136
Salem, OR 97301

Re: House Bill 5050

Dear Secretary Clarno:

House Bill 5050 contains numerous appropriations. Four of them are of particular concern to me. I am providing instructions to state agencies with respect to three items and exercising my line item veto authority with respect to the remaining item.

Section 38 (3) of House Bill 5050 appropriates \$1,600,000 to the Oregon Business Development Department for the Port of Port Orford for the Redevelopment of the Port Orford Cannery.

Port Orford is one of the most economically challenged communities on the Oregon coast. This project has the potential to affect more than one third of the local workforce and the community as a whole. The Legislature has previously supported the redevelopment of this building with planning monies. The current plans for the project call for a total project cost of \$6 million. Efforts are underway to secure a \$3 million grant from the Federal Economic Development Administration as well as other matching funds. I am directing the Oregon Business Development Department to release this appropriation only after the Port of Port Orford has secured the matching funds.

Section 82 (1) of House Bill 5050 appropriates \$4 million to the Water Resources Department for distribution to the City of Newport for planning, environmental permitting, and design costs of replacing the Big Creek Dams.

Oregon currently has no financial plan or rules to help communities with failing dams that pose safety risks. My recommended budget proposed a comprehensive package to continue Oregon's work on dam safety including \$1 million to study Oregon's most dangerous dams and prioritize them according to condition and risk. My budget created a dam safety task force with



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legislative involvement to develop rules and plans to help communities finance dam replacement and repairs. The Legislature did not fund either of these proposed programs. My budget also authorized \$14 million for the Wallowa Lake Dam project, which the Legislature approved.

The Big Creek Dams are only two of what could be several dams across the state that need critical repair. Oregon currently has 969 non-federal dams subject to Water Resources Department (WRD) inspection. Of these, 72 dams are currently rated as high hazard, meaning that if they were to fail they would likely result in fatalities and damage to property downstream. Based on existing information from WRD, as of February 2018, 15 high-hazard dams were in poor condition and six were in unsatisfactory condition. Currently, WRD only has resources to conduct regular visual inspections of dams, and does not have resources to conduct more in-depth assessments of dams for safety. As a result, very few high-hazard dams have had a comprehensive safety assessment, while our understanding of seismic and flood risks has improved in recent years.

I issued notice of possible intent to veto funding for this project because I believe that we need to study all of Oregon's dams to prioritize them for repair or replacement. We must work with legislators to develop funding mechanisms before we set an expectation in Oregon's communities that the state would have capacity to bear the full replacement costs of all of Oregon's high hazard dams. The replacement costs of more than \$60 million for the Big Creek Dams without a clear financial plan are still of significant concern to me.

I have heard from the Newport community about its years-long efforts to assess and plan for the replacement of the Big Creek Dams. I applaud the City of Newport and the surrounding communities for their initiative and financial support. I understand their efforts to partner with the Federal Emergency Management Agency to secure up to \$15 million in federal support for this project, and I am concerned that my veto would significantly impede these efforts. Additionally, FEMA is beginning work on dam safety and we believe they will be developing a national safety assessment which will be critical for our state work.

I am appointing a dam safety task force which will be supported by my office and WRD. I thank Dean Sawyer, Mayor of Newport, for his willingness to be the task force's first member. I will ask members of the Legislature to participate in the task force so we can begin to develop funding mechanisms, not just for Big Creek Dams, but for all of Oregon's high hazard dams. I expect the Legislature will provide WRD with additional funding in the February 2020 legislative session for both the dam safety task force and continued study and assessment of Oregon's dams.

Honorable Bev Clarno
August 9, 2019
Page 3

Section 115 (11) of House Bill 5050 appropriates to the Department of Administrative Services \$500,000 for the Association of Oregon Counties for urban growth boundary planning grants to Eastern Oregon Counties.

This is an appropriation that was not included in my recommended budget. Based on information received from the legislative branch, the purpose of this appropriation is to allow the Association of Oregon Counties (AOC) to work with counties in Eastern Oregon to plan for urban growth boundary adjustments newly allowed by SB 2 from 2019. I have signed and support SB 2 and its policy goals; however, this is work traditionally done by the Department of Land Conservation and Development (DLCD) and the agency is best positioned to do the work. I understand there are concerns with the contractors DLCD has provided in the past. The solution to that problem is not bypassing the agency; it is working with the executive branch to ensure that our agencies are providing appropriate services for all regions of our state. I am directing DLCD to review their contractor list and work with representatives from Eastern Oregon counties to ensure they are prepared to provide appropriate services statewide. I am vetoing the appropriation to AOC and invite this funding for Eastern Oregon county planning – as long as the funding goes through DLCD – in a future legislative session.

Section 115 (16) of House Bill 5050 appropriates to the Department of Administrative Services \$400,000 for the Historical Portland Public Market Foundation for the James Beard Public Market.

I support the numerous appropriations that will spur economic development in communities across Oregon which are contained in House Bill 5050.

Despite the previous setbacks for this project, the Market offers a tremendous potential opportunity for the Innovation Quadrant in Portland. I am directing the Department of Administrative Services to not disperse the \$400,000 of funds listed in Section 115 (16) until there is a signed agreement with a definitive construction timeline for the James Beard Public Market. The state has previously invested significant funds in the predevelopment of this project. It is only prudent for the state to ensure project viability before dispersing additional funds.

* * * * *

Article V, section 15a of the Oregon Constitution grants me the “power to veto single items in appropriation bills ... without thereby affecting any other provision of such bill.” House Bill 5050 is an appropriation bill that triggers my line item veto authority.

Honorable Bev Clarno
August 9, 2019
Page 4

In accordance with Article V, section 15a, I hereby disapprove, disallow, and veto the following item of Enrolled House Bill 5050 without affecting the remaining provisions of the bill:

Within Section 115:

**(11) Association of Oregon
Counties for urban growth
boundary planning grants
to Eastern Oregon Counties \$ 500,000**

I have signed House Bill 5050 as to the remaining provisions of the bill and return the signed bill to you with this letter. On this bill, I have lined through the item that I disallow, disapprove, and veto. This provision is a "single item" within the bill that is distinct and severable.

Sincerely,



Governor Kate Brown

KB:smg

From: Spencer Nebel

> Sent: Tuesday, August 6, 2019 10:00 AM

> To: 'Dietmar Goebel'; Kaety Jacobson; Anne Armstrong; Billie Jo Smith;
> Bud Shoemake; Caroline Bauman (ecdev@orcoast.com); Carrie Lewis;
> Catherine Rickbone Coast Arts; Chris Chandler at Central Lincoln PUD;
> CJ Drake; Craig Martin (manager@cityoftoledo.org); Dave Price
> (dave.price@occc.cc.or.us); Dean Sawyer; Denise Rundell;
> birgitte.ryslinge@oregoncoastcc.org; Dr. Lesley Ogden; Fran Mathews
> (fran@marinediscovery.com); frank@newportnet.com; Fred Postlewait;
> Geoffrey Wilkie; Jim Cline (jfcline53@gmail.com); John Lavrakas
> (john.lavrakas@oregonarc.com); Julie Hanrahan; Karen Gray; Kath
> Schonau; Ken Brown; Patti Ferry; Port of Newport GM; Robert Cowen;
> dvr.snr@charter.net; Shannon Reed; 'Wayne Belmont'; 'Claire Hall';
> 'Barton JoAnn'; dvr.snr@charter.net
> Cc: City Council; Tim Gross; 'Tia Cavender'
> Subject: Request to contact Governor Brown regarding possible veto of
> the Big Creek Dams

>

> To Community Members:

>

> I am asking you to consider sending a communication to Governor Brown today regarding a possible veto of funding for design and permitting for the replacement of the Big Creek Dams by the Governor. Last night, the Newport City Council approved and signed the attached letter to the Governor. Representative David Gomberg met with the City Council last night and is hand carrying the letter for a meeting with the Governor this morning to discuss why a veto of this legislation is the wrong action to take on a critical infrastructure project for the Central Coast. Senator Roblan has also been instrumental with this funding and is meeting with the Governor's office later today on this matter.

>

> The legislature approved a \$4 million allocation in HB 5050 to the City of Newport for planning, environmental permitting, and design costs to replace the Big Creek Dams. On Sunday, Governor Kate Brown provided notice that she is considering vetoing one bill and three line-item appropriations passed during the 2019 Legislative Session, including the appropriation for the Big Creek Dam replacement project. The Governor states that Oregon currently has no financial plan or rules to help communities with failing dams that pose safety risks. Since 2011, the City has participated in multiple in-depth assessments of the dams for safety, investing \$2 million in the project. Likewise, since 2012 the Oregon Water Resources Department (OWRD) has funded two studies on the Big Creek Dams project and invested \$500,000 in planning efforts. Both the condition and risk of these dams have been well-vetted by state and federal regulators, and today, the Big Creek Dams are designated as the second and third most critical, high-hazard dams in the State of Oregon. This is due both to their unsatisfactory rating and seismic vulnerability. The health, safety and sustainability of the City Newport and the surrounding coastal region depend on timely permitting, design and replacement of these high-hazard dams.

>

> The Big Creek Dams hold the City of Newport's sole source of potable water to 10,000 residents and 2.5 million visitors annually. The City currently faces a threat of total failure in the event of a moderate earthquake of M3.5 or higher. This is a pretty modest earthquake. We are reminded of this threat with numerous seismic events occurring up and down the Oregon coast. Failure of the one or both dams would spell disaster for the region-loss of the public water supply, damage to life, personal property and critical infrastructure, and economic hardship. The time to act is now.

- >
- > Please communicate your concerns to the Governor of the impact that a dam failure would have on your organization if the Big Creek Dams fail. A dam failure would impact the availability of water for Newport over a period of years. Communications on this matter can be directed to Governor Brown is required to act on the veto of legislation by the end of this week.
- >
- > Please contact Jason Miner, the Governor's Natural Resources Policy
- > Director at Jason.MINER@oregon.gov and Elana Pirtle-Guiney, Governor's
- > Legislative Director at Elana.PIRTLE-GUINEY@state.or.us
- >
- > Or the Governors web site at:
- > <https://www.oregon.gov/gov/Pages/share-your-opinion.aspx>
- > Check the Natural Resources box on the drop down menu.
- >
- > Please feel free to send this email on to others who may have a concern regarding funding this critical effort. Let me know if I can provide any additional information.
- >
- >
- > Spencer R. Nebel
- > City Manager
- > City of Newport, Oregon 97365
- > 541-574-0601
- > s.nebel@newportoregon.gov

Spencer Nebel

From: Jenny Dresler <jenny@pacounsel.org>
Sent: Thursday, August 08, 2019 9:40 AM
To: 'Winter, Verena'; Tia Cavender; Tim Gross; Spencer Nebel; David Allen; Dean Sawyer
Subject: BCD talking points
Attachments: Newport TPs 8.8.19.pdf

All –

Please see the attached talking points and summary of current and pending FEMA grant funding for this afternoon's meeting. I'll bring copies for each of you and would suggest that we focus on the below points of interest:

- The \$2.8M the City has already invested in assessing condition and risk
- Our financial plan (attached) and how state and local dollars help to leverage federal dollars
- The grant application that OWRD has in the queue/ how that parallels the survey the Governor mentioned in her notice of intent

I confirmed that we are meeting with Debbie Koreski and Jason Miner at 1:00 PM. They let me know that they have received the letters from the City, County, and partners in support of the \$4M. The Governor has seen them as well. Congrats on a quick grassroots effort.

For those of you joining the meeting, let's plan to meet in the rotunda of the Capitol at 12:30 PM to go over any last minute logistics.

Best,

Jenny Dresler
Director of Grassroots
Public Affairs Counsel
503-363-7084 (office)
503-810-4174 (mobile)
www.PACounsel.org
jenny@pacounsel.org

Big Creek Dams - Lottery Bonding Talking Points

8/8/2019

Concern: *"Oregon currently has no financial plan or rules to help communities with failing dams that pose safety risks."*

- The City is ahead of the curve. We consider the Big Creek Dams to be a "pilot" or model for other communities that face similar issues. The proposed project will help develop a replicable funding model that other communities in the state could benefit from when their dam planning has evolved. We consider ourselves partners with OWRD in putting together a model financial plan.
- The City has already developed a financial plan to replace the Big Creek Dams that involves multiple sources of funding: City, state, and federal dollars. And federal funds often rely on a state match.
 - A veto would jeopardize the City's ability to apply and compete for federal funding from FEMA. Without the \$4 million in matching state funds, the City could not be competitive enough to win the two federal grants the City has targeted for 2020-21.
 - A veto sends an alarming message to the federal grant reviewers. A veto implies that something is wrong with the project and doesn't provide any context to the policy concerns surrounding the issue.

Concern: *"The Big Creek Dams are only two of what could be several dams across the state that may need critical repair. Oregon currently has 969 non-federal dams subject to Water Resources Department (WRD) inspection. Of these, 72 dams are currently rated as high hazard, meaning that if they were to fail, they would likely result in fatalities and damage to property downstream. Based on existing information from WRD, as of February 2018, 15 high-hazard dams were in poor condition and six were in unsatisfactory condition."*

- OWRD currently rates the Big Creek Dams as the 2nd and 3rd most critical, high-hazard dams in the state. To date, the City has invested **\$2.8M of its own resources** in assessing the condition of the dams and safety risks. The state has put forward \$500,000 to assist the City in conducting feasibility studies.
- Regional Solutions also has directed resources to this project. In fact, in 2018 the City was the sole award winner of a \$250,000 grant from Regional Solutions to begin environmental compliance and initial design work for the Big Creek Dams.

Concern: *"My recommended budget proposed almost \$2 million to study Oregon's most dangerous dams and prioritize them according to condition and risk."*

- All of the elements of the proposed budget request will be covered by a new FEMA High-Hazard Dam Rehabilitation Grant Program that OWRD just applied to receive. This money would go along way to assist OWRD in conducting a study of Oregon's high-hazard dams.

Concern: *"Currently, OWRD only has resources to conduct regular visual inspections of dams, and does not have resources to conduct more in-depth assessments of dams for safety."*

- OWRD is actively pursuing federal funds to conduct more in-depth studies of dams for risk and safety. OWRD submitted a FEMA grant application in July for this very purpose. There is a formula specific to the grant to consider risk and safety of dams.

Concern: *"Very few high-hazard dams have had a comprehensive assessment of their safety."*

- The City has already invested in a comprehensive assessment of the Big Creek Dam's safety. Two planning studies were prepared, funded in part through OWRD grants.
- These assessments determined the dams are unsafe, have advanced seepage issues, and are vulnerable to seismic events.

Grants Secured to date for the Big Creek Dams Project			
Funding Agency	Grant Program	Amount	Status
Oregon Water Resources Department	SB1069 Water Feasibility Study Grant	\$250,000	Approved and closed
Oregon Water Resources Department	SB1069 Water Feasibility Study Grant	\$250,000	Approved and closed
Office of the Governor	Regional Infrastructure Fund Grant	\$250,000	Approved; Waiting for Grant Agreement to be Executed
	Grants Secured Subtotal	\$750,000	
Pending Grant Applications (August 2019)			
Funding Agency	Grant Program	Amount	Status
Oregon Legislative Fiscal Office and OWRD	Direct allocation for 2019-2021 Biennium	\$4,000,000	Approved by Legislature. Line item veto being considered
Federal Emergency Management Association (FEMA)	Hazardous Mitigation Grant - Post-Fire Funds	\$345,000	Approval Pending; Decision by September
Federal Emergency Management Association (FEMA)	High-Hazard Dam Rehabilitation Planning Grant	~\$100,000	Approval Pending; Decision by September
	Pending Grants Subtotal	\$4,445,000	
Grants Targeted for 2019-2022 (Subject to Change)			
Funding Agency	Grant Program	Amount	Status
Federal Emergency Management Association (FEMA)	Pre-Disaster Mitigation (PDM) Planning Grant	\$4,000,000	Submitting in Dec 2019
Federal Emergency Management Association (FEMA)	PDM Resilient Infrastructure Grant	\$10,000,000	Submitting in Dec 2020 or 2021
Federal Emergency Management Association (FEMA)	High-Hazard Dam Rehabilitation Construction Grant	\$1,000,000	Waiting for more information
Oregon Water Resources Department	SB839 Water Development Grant and Loan Program	\$5,000,000	Evaluating competitiveness
City of Newport	General Obligation Bond (2021)	\$20,000,000	Planned; subject to change
	Grants Targeted Subtotal	\$40,000,000	
	Grand Total	\$45,195,000	



*****AUTO**ALL FOR AADC 970 00969 T3 P1
SPENCER NEBEL
CITY MANAGER
CITY OF NEWPORT-OR
169 SW COAST HWY
NEWPORT, OR 97365-3806



July 22, 2019

Dear Spencer:

The League of Oregon Cities (LOC) is pleased to recommend the National League of Cities (NLC) Service Line Warranty Program, administered by Utility Service Partners (USP). Offered at no cost to League members, the NLC Service Line Warranty Program educates homeowners about their service line responsibilities and offers affordable protection from unanticipated service line repair costs. Homeowners in participating cities are eligible to purchase low-cost repair service plans for broken or leaking outside water and sewer lines, covering up to \$8,500 per occurrence.

Benefits to residents and municipalities include:

- Educates homeowners and reduces local officials' frustration
- No cost for Oregon cities to participate
- Affordable rates for residents
- Increases citizen satisfaction

Important features of the program:

1. USP pays for the repairs, not your residents
2. Customers are provided with a 24/7/365 repair hotline staffed with live agents
3. All repairs performed to local code by rigorously vetted, licensed and insured local contractors
4. USP is responsible for all aspects of the program, including marketing, billing, customer service, and performing all repairs

The cities of Reedsport, Winston, Hines, Bandon, Coos Bay, Newberg, Glendale, Estacada, Hermiston and Cottage Grove currently offer the program, which has saved Oregon homeowners over \$600,000 in repair costs over the past three years. The LOC has chosen to recommend USP, a HomeServe company, because of its outstanding national reputation. USP is a BBB Accredited Business with an A+ rating, and they maintain a customer satisfaction rating of 4.7 out of 5 stars. This is the only protection program endorsed by the National League of Cities and multiple state municipal leagues.

We encourage you to consider joining more than 600 U.S. cities in adopting the NLC Service Line Warranty Program for your municipality.

For more information, please contact Dennis Lyon of USP. He can be reached at 724-749-0301 or DLyon@UtilitySP.net. Their website is www.utilitysp.net.

Sincerely,

Mike Cully
Executive Director
League of Oregon Cities



THE SAULT NEWS

SAULT STE. MARIE, MI

Commissioners select city manager

By Scott Brand

The Sault News

Posted Aug 8, 2019 at 4:37 PM

SAULT STE. MARIE — Passing the muster with the department heads, community panel and the commissioners themselves, it appears as though the City of Sault Ste. Marie will be hiring a new city manager.

The Sault Ste. Marie City Commission has unanimously approved a conditional offer to Brian Chapman, the lone candidate who underwent extensive interviewing on Thursday. This seemingly ending the search, conducted by Jerry Richards of the Michigan Municipal League, that had delivered approximately two dozen candidates for consideration.

“I was kind of skeptical going into the process with only one candidate,” admitted Commissioner Abby Baker before adding that she was blown away during the interview process by both his background and hunger to get more experience.

Chapman has served as the city manager for the City of Vassar, a municipality with roughly 2,700 residents located near Frankenmuth since 2013. He has also served as an Organizational Development Specialist and Management Assistant for the City of Oshkosk, Wis. and had cut his teeth in city administration with the City of Negaunee from 2007 to 2011.

Commissioner Shane Miller noted that both Chapman’s work experience and educational background were initially impressive.

“On paper, he looked great,” said Miller after the interview. “Now that he was here, he was wonderful.”

“I was really impressed by him,” said Commissioner Kathy Twardy describing Chapman as very comfortable, very relaxed and very confident.

Reflecting on positive reports from the community panel and department heads, where someone reportedly described Chapman as a blend of the two most recent city managers — Oliver Turner and Spencer Nebel — Commissioner Don Gerrie indicated this was an important hurdle to overcome.

Commissioner Tim Talentino echoed those sentiments.

“The bottom line — they will be working with the individual every day,” said Talentino analyzing the positive feedback from the other panels.

Mayor Anthony Bosbous and City Attorney Steve Cannello were unanimously approved to negotiate a contract with Chapman, subject to final commission approval. That contract will also be conditional pending a third party background check to verify educational degrees, employment history and criminal activity as well as a visit to the City of Vassar by a contingent of city commissioners in the coming weeks.



*Stimulating economic growth
in the greater
Yaquina Bay region*

***The Yaquina Bay Economic Foundation cordially
invites you and a guest to our annual banquet.***

Wednesday, August 28, 2019.

Oregon Coast Aquarium, Gleason Room

***Our guest speaker will be Anne Kubisch
President of the Ford Family Foundation.***

***Reception starts at 6:30 pm with dinner following.
Seating is limited. RSVP by 5:00 pm August 19, 2019
to Chris Chandler at cc@clpud.org***

***YBEF wishes to thank Georgia-Pacific, our annual
banquet sponsor, for allowing the refreshments and
banquet meal to be complimentary.***



Georgia-Pacific