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## MEMO

DATE: October 16, 2019

TO: Mayor and City Council

FROM: Spencer Nebel, City Manager

SUBJECT: Status Report for the Four-week Period Ending Saturday, October 12, 2019.

It has continued to be a very busy period of time for the City Administration for the last four weeks, with the League of Oregon Cities Conference, as well as, dealing with various issues relating to City Attorney, Steve Rich's, family medical leave that has led to his retirement from the City. We are keeping Steve and his family in our thoughts and prayers during this difficult time period.

I am certainly feeling the impact of not having an attorney on staff during this four-week period. I appreciate Ross Williamson of Speer Hoyt and his efforts to meet our needs. It is not the same as being able to poke your head in the door and ask a quick question of an in-house attorney.

Cheryl Atkinson is serving as our gatekeeper for requests for legal services from staff. We are logging in all requests for legal services and authorization for legal services, and we will be compiling information for Council's consideration of how to proceed with this matter for the October 21 Council work session.

Another matter which has taken a significant amount of unexpected time during this past week, was Life Flight's decision to temporarily move personnel from the FBO building to Corvallis to address security concerns. In reviewing the issues, the primary nature of the conflict is having shared space with another lessor in the upstairs of the FBO building. That lessor understands Life Flight's security needs and has voluntarily agreed to terminate his lease early, so that the upstairs can be secured for exclusive use by Life Flight. In addition, we will be placing lockable doors at the stairways that lead to the upstairs of this facility. In discussing this with Life Flight, these actions are satisfactory, and once completed, will facilitate their move back into our FBO building.

### Highlights of activities over the last four weeks include the following:

- Along with members of Council, participated in a breakfast meeting at OMSI's Camp Gray. OMSI will be embarking on a visioning process, and are very

interested in the community's feedback on the long-term future role of Camp Gray and OMSI. OMSI will be making a presentation to the City Council to further these discussions. Camp Gray has been a significant addition to Newport's marine science sector. Hundreds of students pass through Camp Gray each year, with the possibility that some of those students may eventually end up working in jobs that are part of Newport's growing marine science industries.

- Held a routine Department Head meeting.
- Participated in a Council work session on Monday, September 16, on evaluating the permitting process for new construction to encourage affordable housing. This followed an executive session to consider exempt public records regarding privileged Attorney/Client written communications.
- Participated in a regular City Council meeting September 16.
- Mayor Sawyer and I met with Executive Director, Fred Abousleman, and Deputy Director, Rachel Maddock-Hughes, of the COG to discuss how the COG could be more beneficial to the City. The COG is embarking on developing a regional housing and land inventory for the entire region, including Newport and Lincoln County. They see the COG getting more involved in creating a resource for facilitating housing development throughout the region. Mayor Sawyer and I both welcomed their entry into this facet of regional planning within the COG area. In addition, we discussed the ownership and maintenance responsibilities of equipment in the 60+ Center kitchen. We are trying to develop City-wide contracts for regular inspections of things such as fire alarms, range/hood inspections, and other required inspections. In the past, this has been done with no City-wide coordination. Instead of having multiple contracts with multiple vendors, we are looking at putting together a master contract for various components of these systems to reduce inspection costs and to assure that all inspections are getting completed on a timely basis. We did confirm that the COG is responsible for these efforts, and have been conducting these efforts on the range/hood in the kitchen. The COG is responsible for maintenance of this equipment under the agreement with the City.
- Participated in a routine Parks and Recreation staff meeting. Judy Mayhew and crew are doing a good job in maintaining activities and operations within our recreational facilities.
- Met with Jim Fuller who is the retired civil engineer who worked on various projects in the City of Newport over the years, including the construction of the upper Big Creek Dam. Jim Fuller continues to advocate for investing money in developing a reservoir at Rocky Creek versus replacing the dams for Big Creek. While he acknowledges that the Rocky Creek project is not something that the City could undertake by itself, he feels energy should be put into reviving a regional approach to water issues. I explained to Jim that Lincoln City and Newport were the original funding partners to explore Rocky Creek. When the preliminary findings for Rocky Creek were developed, Lincoln City ended up making other improvements in their water storage systems to address their future needs. When it came time to re-initiate an application for water rights on Rocky Creek, Lincoln City opted not to continue participating in this process, leaving the City of Newport as the only entity contributing to Rocky Creek. I further explained to Jim that the fiscal challenges of the City handling the Big Creek Dam is significant enough. The cost of the City

going in alone on Rocky Creek makes that project financially not feasible at this point.

- Held bi-monthly meetings with Derrick Tokos, Tim Gross and Barb James.
- Lance Vanderbeck, Barb James and I met to review a complaint from Life Flight regarding inappropriate comments made by a tenant of the FBO building. Lance was going to do an investigation and get further details, and Barb was going to prepare some questions to help Lance evaluate the concerns expressed. Furthermore, Lance was exploring options to provide additional security at the FBO building.
- Held a bi-monthly meeting with Laura Kimberly to discuss department issues.
- Had a meeting with staff on our efforts to consolidate our services for inspecting things such as fire extinguishers, fire alarm systems, and range/hood systems.
- Met with Mark Saelens and Tom Webb regarding the VAC Steering Committee. The VAC Steering Committee was created in 2014 as part of an effort to address concerns at the VAC. The Steering Committee was structured to bring the various partners of the VAC together to collectively identify and prioritize requests relating to the improvement of that facility. With the changes, improvements and streamlining the management of the VAC through OCCA, the Committee is discussing how they can best play a role relating to VAC oversight in the future. I indicated that I was comfortable with the Steering Committee evaluating their continued purpose, and I was sure the City Council consider modifications to this structure. Overall, the operation of the VAC has certainly improved with Tom as director for OCCA, and the Steering Committee helping prioritize and advocating for items necessary for the VAC's operation and use. This was a very hot issue when I first began my employment with the City in December 2013, and addressing concerns about the VAC was one of my early priorities.
- Met with County Counsel, Wayne Belmont, to discuss possible locations for the animal shelter. The primary City-owned location where a shelter could potentially move would be somewhere on airport property. There are a number of isolated small pockets of property that would be large enough to house this operation and provide some isolation from residents in the area, while not having a significant impact restricting other non-aviation type development at the airport. The County is willing to pay the equivalent of a market-rate lease for land. I indicated that one of the challenges we are sorting out at the airport, is having adequate fire flow to allow for new building construction. Lincoln County indicated that they would be willing to contribute funding to address the fire flow issue, as an alternative to a market lease. I stated that we would do some further exploration of this issue at a staff level to determine the feasibility of continuing discussions on this possibility.
- Met with Rick Gutknecht regarding dust control issues on Big Creek Road. Mr. Gutknecht lives just below Frank Wade Park on the gravel portion of the road. He indicates that each year they deal with a significant amount of dust until the City applies dust control, however, the dust control becomes ineffective after the road is graded. His first request is that the City pave the portion of Big Creek Road that is adjacent to the homes to reduce the dust. Knowing that this is not likely to happen soon, he asked about having dust control come in earlier in the year, with additional dust control once or twice during the course of the year. He suggested only doing the end of the road that impacts the homes multiple times a year, instead of doing the entire length of the road once a year. I told him we

would discuss his ideas with Public Works. He also is advocating for speed limit signs on Big Creek Road. He indicates that many times people are travelling at a significantly higher rate of speed than 25 MPH. He also believes that on the two blind corners, it may be helpful to remind people of pedestrians walking on the road.

- Derrick Tokos and I met with Bob Cowan to discuss parking issues related to student housing. One of the challenges, in order to make alternative types of housing work on that site, would require that parking be provided offsite. Derrick suggested that OSU might want to look at the property that Samaritan House was considering developing across the street from OSU's proposed student housing area. We indicated to Bob that it is critical that OSU make some final decisions on how to proceed with addressing student housing issues since the Science Center Building will be ready for occupancy in July of 2020.
- Along with Mayor Sawyer, and several members of the Council, I participated in the dedication of the shower facility at Grace Wins Shelter. They had a BBQ in honor of the activities. The shower facility will help address a significant need in the community.
- Rob Murphy, Mike Murzynsky, and I met to review some of the financial implications of creating a fire district, which would consist of the City of Newport and the Newport Rural Fire District. We are trying to understand from a preliminary standpoint how the creation of a district may allow the City to rollback an equivalent amount of its tax rate, if it no longer was responsible for operating the fire department.
- Met with Derrick Tokos, Jason Malloy and Jim Folmar regarding next steps of implementing processes relating to vacation rentals. One of the key concepts that we are working on is relating to the adjudication of "strikes", as outlined in the ordinance. While the first strike does not have any direct financial implications on a vacation rental operator, the second and third strikes do. We are developing a process to deal with inquiries as to how these events can be addressed.
- Mike Murzynsky, Barb James and I met on the process of dealing with advances for travel. The Newport Employees Association agreement provides for advances to be made in the case of travel. Finance is reviewing these requests and sometimes there are discrepancies between what is being requested, and what is allowed as an advance. The policy does provide that actual receipts are necessary in order to close out the advance. I've indicated to Mike that the amount requested, if generally reasonable in relationship to the cost, should be granted, and then any discrepancies can be sorted out when the employee brings in the receipts. With the employee either owing some additional dollars or the City owing the employee some additional dollars. If we can sort it out on the back end, it will eliminate the delays due to the employee not having money available prior to their travel.
- Participated in a conference call with ExteNet Systems who is requesting a franchise agreement with the City. ExteNet is looking at initially putting repeaters on existing poles. Based on what they are proposing to do, we don't see a significant issue with that. We do want to see if we can specifically limit activity in the right-of-way to specific uses, as part of a franchise agreement. We have a number of franchise agreements that we have been sitting on since Steve Rich has been out on medical leave. It is my intent to package these all up together

and forward them on to Speer Hoyt to help clean up and advise next steps with these franchise agreements.

- John Lavrakas, Frank Geltner and I met to develop the policy annex as part of the YBEF bylaws. Last year, we completed the bylaws which were adopted by YBEF this summer. The policy annex will develop a number of operating procedures for YBEF.
- Barb James, Rob Murphy and I met on an employee situation in the Fire Department.
- Barb James and I met to finalize the cultural competency survey we want to issue to City employees as part of the discussions that we had this summer.
- Held bi-monthly meetings with Rob, Jason and Lance to discuss various departmental issues.
- Met with the Beautification Advisory Committee to review plans for landscaping the PAC. This is a project that has been identified as a priority for them. This would be the big project that would be financed with the dollars appropriated by the Council in the current fiscal year.
- Met with bed and breakfast owners regarding the implementation of the short-term rental licenses. Their biggest concern was that the bed and breakfast owners are going to be treated the same as other short-term rentals regarding water and sewer utility rates. This had not been done at the time of our meeting. This has since been resolved.
- Mayor Sawyer, Derrick Tokos, Jason Malloy, Chris Janigo and I met with our regional ODOT representatives, Brian Morey and John Hurstis, for a quarterly meeting. ODOT is reinitiating these meetings. We had an opportunity to talk about pedestrian pathways that we want to see built on Highway 101, starting from the Best Western, to provide an adequate walkway for pedestrians. We discussed the South Beach project and timing. It was indicated that ODOT will be required to bid this project in September 2020 based on the funding sources. We also discussed the timing of the traffic light at 11<sup>th</sup> and Highway 101.
- Peggy Hawker and I met regarding Karen Miptsos and an old insurance claim that she had made to CIS for damages relating to a hydrant that was not properly installed by City crews. As a result, damage occurred to her driveway which was addressed directly by the City by replacing her concrete driveway. In addition, she later made a claim for additional damages. Unfortunately, she did not respond in a timely fashion to offers of settlement from CIS, and CIS ultimately closed the claim. Several years later, the claimant wishes to pursue this claim again. While CIS had no legal obligation to re-open this matter, they again offered a settlement consistent with what was offered earlier. It is my understanding she has accepted that settlement.
- Participated in the Parks and Recreation Creation Advisory Committee meeting. I specifically wanted to get input from the Committee on the qualities that were important to the Committee members in the next Parks and Recreation Director for the City of Newport. The Committee provided thoughtful qualities that are important in the next director.
- Tim Gross, Bob Fuller, Justin Scharbrough, Kevin Duncan and I met regarding the plans for erecting a holiday tree on the lawn of City Hall for this year's holiday season. Public Works has checked with the City of Portland, and other locations, where a community tree is placed for the holiday season. We will be constructing

a permanent base on the lawn of City Hall for the tree. This base will be flush with the ground and utilize electricity that runs out to the sign. (With LED lights our electrical needs are substantially less). Hancock Forest is lining us up with the trees for the site. We are looking at an approximate 30 foot tree. The company that will be hanging our holiday decorations will be lighting the tree, as well.

- Along with Mayor Sawyer, Councilors Allen, Goebel, Parker, Hall, Botello and Jacobi, as well as, City Recorder, Peggy Hawker, and Public Works Director, Tim Gross, attended the 94<sup>th</sup> Annual Conference of the League of Oregon Cities. Below are the sessions attended:

- Attended the Manager's Fall Workshop at the League of Oregon Cities Annual Conference regarding the human side of budgeting. This session was taught by Scott Lazenby, who is a recently retired City Manager of Lake Oswego, and previously was in Sandy, Oregon, as City Manager for approximately 20 years, and Jordan Wheeler, current City Manager of Sandy and former Assistant City Manager for Lake Oswego. Scott has written a book outlining the method of budgeting that he implemented in Sandy, and also implemented in Lake Oswego. This budgeting process generally focuses on the allocation to each department of revenue targets, with the departments having substantial latitude in how that allocation is spent within their department. He indicated that those government functions like water, wastewater, and public works do not compete for funding in the same atmosphere as those departments that are funded out of the General Fund. Revenues for general government, police, fire, library and subsidies for recreation and airport all compete for the same funding.

Under his budgeting method, each department's allocation acts in many ways as a separate fund. Departments that do not spend all their allocation during the fiscal year are allowed to carry over that allocation into the next year. Departments have great flexibility in reallocating funds within their own departments. Scott argues that this creates a much greater responsibility at the departmental level relating to preservation of funds. It also stimulates creative ways to reduce certain expenditures in order to provide for other needs that the departments have. It makes each department much more responsible for making decisions about their budgets.

The other important part of this process is that all centralized costs for departments serving other departments (i.e., City Manager, Finance Department, Human Resources, IT, etc.) are allocated directly out to each department. While this increased the number of transfers in the budget, it clearly identifies what the actual expenses of operating the service departments for the City. In Newport, we do this on a limited basis with rent being charged out to all departments, but within the General Fund, the administrative costs are not allocated out in the same way. One further benefit of this process is that the departments providing outside services (i.e., Police, Fire, Library, etc.) are allowed to review the internal service department budgets, and provide input as to what is needed or not needed to better serve their departments.

Scott Lazenby has been promoting this type of budget in Oregon for a number of years. The only two cities that have adopted this form of budgeting is Lake Oswego and Sandy where Scott served as City Manager. While I am not sure this is a solution for the City of Newport, there are some intriguing components of this process that could be worth exploring in future budget years. I thought it was a timely issue to share a few notes from this session with the Finance Work Group. Therefore, I have attached a handout from Scott discussing the twenty-one budget tricks, and how this methodology goes towards reducing or eliminating a number of these items.

- Attended a session on addressing the hidden impacts of homelessness. This session was taught by Will O’Hearn, Director of the Eugene Library, who likes to use the expression “pennies in a cup” in dealing with customers of the library who are homeless. He has encouraged his staff to work closely with the homeless population that utilizes the library. Every time you greet someone, smile at someone, assist someone, it is like putting pennies in a cup in the relationship with that customer. Then, if that customer’s behavior requires correction, that goodwill allows you to withdraw some pennies from the cup to deal with that corrective action. It is important to remember that the reasons for homelessness vary from person to person. Issues relating to substance abuse, mental health, financial and other reasons, can contribute to other reasons why an individual is homeless. Treating everyone the same is a major mistake in managing this population.

The City Council in Salem is considering a “sit or lie prohibition on sidewalks”, which would restrict people from sitting or lying in the downtown area of Salem, and other areas of Salem, between the hours 7 AM and 9 PM. This is being considered with the expanded facilities and services that will be available to the homeless population beginning this fall in Salem.

Mayor Shane Bemis of the City of Gresham, outlined that that city’s efforts is due to specifically designating homeless service staff members. The city has two homeless service staff members that work to address the homeless population there. The City of Gresham has tried to marry compassion with the need to follow certain rules for this population. A link to a video describing this program is below:

<https://greshamoregon.gov/Homelessness-in-Gresham/>. This link brings you to the City of Gresham’s page on homelessness. This video outlines the problem, and outlines how the City of Gresham is addressing this problem.

- Attended a session on sustainability. The Cities of Redmond and Bend have both completed evaluations and implemented energy upgrades facilitated by Ameresco. Ameresco is a company that will conduct a complete evaluation, arrange for financing, and under certain circumstances, the energy savings may be greater than the cost to make improvements over time. Grant Burke, Facilities Manager for the City of Bend, recommended utilization of the State’s template for RFPs to select an energy management company. It is

important to note that there is a lot of prep work necessary as part of an energy evaluation.

John Walsh, City Manager of St. Helens outlined their city's effort at upgrading the city's street lighting. Like Newport, St. Helens is served by a public utilities district for electrical service. Through Ameresco, the City of St. Helens and the public utilities district collaborated on a street light evaluation which led to the replacement of street lights with high efficient LED directional lighting throughout the community. John has indicated that this effort significantly reduced their energy use, cleaned up the array of many styles of lighting within the community, and provides even directional (linear) lighting that reduces the flood lighting of homes in properties adjacent to street lights. I would like to pursue discussions with Central Lincoln PUD to see if they would be willing to collaborate in this type of effort.

The City of Bend has been able to get local grants for sustainability planning. The City of Bend has hired a sustainability staff member, and is utilizing a consulting firm to develop their plan. The City of Bend's climate action plan will be going to Council in the next couple of months. Energy trusts have played important roles in a number of communities, and in financing efficiency improvements. The energy trusts are affiliated with private utilities. Unfortunately, with PUDs and other public utilities, there is not an equivalent for funding opportunities for the City relating to concentration of electrical use. Northwest Natural Gas, however, does have an energy trust that can play a role relating to efficient use of natural gas.

- Participated in the LOC opening ceremonies, which included keynote speaker Fire Chief, Darby Allen, from Fort McMurray, Alberta, Canada. During this catastrophic wildfires, Chief Allen led to the evacuation of all 88,000 residents of Fort McMurray. This evacuation was conducted with no loss of life. Chief Allen indicated that people are the most important part of an organization. When people come together they form teams. In order to pull together an effective working team, it is important to do the little things right. In dealing with these catastrophic wildfires, Chief Allen stated that the three words that are necessary to effectively deal with this type of response are grit, determination, and perseverance.

In dealing with emergencies, trust is key. Responses are never perfect, but it is important when things go wrong, that individuals own up to the mistake. People will elevate their ability to respond to a situation, if the goal is clear. It is important to focus on safety during these critical emergency responses. It is also important to utilize and recognize the actions of regular citizens in dealing with these types of emergencies. People need to know that everything they do will make a difference. Finally, Chief Allen indicated that very critical ingredients in an effective and successful emergency response includes having sufficient coffee and toilet paper available to meet the needs of the emergency responders.

- Attended a session on how to effectively use eminent domain in a community for public works projects. Allison Bergseng, Principal Engineer for Capital



Development in Hillsboro, indicated that property considerations come in to play with the very initial design and alignment of projects. It is very important to look at ways to minimize impacts that a project may have on private property. It is good to involve the land acquisition consultants early in the process, as well as, legal assistance in dealing with land purchase and relocation issues. There are only a handful of legal firms that specialize in this area.

Cities are sometimes afraid of the concept of eminent domain. The 5<sup>th</sup> Amendment of the U.S. Constitution provides for the right of government to take property. The 14<sup>th</sup> Amendment clearly gives state and local government the same rights subject to appropriate compensation. Under the Uniform Relocation Act, it is very important that specific steps be undertaken to protect the City in acquiring property. This is an area in which government often makes mistakes. Early on in the process, it is important that Council approve a resolution declaring necessity for the project. This defines the center line of a project when project alignment is subject to modifications. This is drafted then reviewed legally, prior to the City Council approving this resolution. The City of Hillsboro hires a Right-of-Way Agent for any of these transactions.

Christine Nickerson, Right-of-Way Program Manager for Epic Land Solutions, Inc., indicated that having a declaration of eminent domain does not mean that you need to use this power. Federal guidelines should be used regardless of whether federal funds are included in this process. These guidelines provide the most protection to the local unit of government.

If the property taking requires relocation, personal property, and/or structures, it is important to determine the most effective ways of minimizing the impact to these property owners. Residential relocation costs can be substantial to the government unit. There is a more limited impact with commercial businesses, but still significant. Creating restrictions on access to property can also kick in relocation provisions. It is important right from the beginning when rights-of-entries are requested, to get to know the property owners that are along the project area. It is important to get initial general notices out to property owners, giving them notice of the project. It is important to proceed with appraisals, including a 15-day notice letter to property owners and their right to participate in the process. The initial appraisal must be reviewed by a second appraisal firm. Just compensation can never be lower than the appraisal. It is important not to negotiate with property owners early in the process. After negotiations, property owners have 48 days to consider the offer. When negotiations break down it is important to enlist an attorney familiar with ODOT and the Federal Relocation Act. The local unit of government can be on the hook for attorney fees if the taking is contested and the value is determined to be higher than what was offered initially.

- Attended a session on climate action at the local level. Mayor Mark Gamba of Milwaukie, discussed the Milwaukie climate action plan. The plan

identifies goals to reduce possible fuel use and promote the use of energy and solar energy.

Cathy Hyzy, Councilor for Milwaukie, initially started out as a citizen member of the Climate Action Committee. She said it was very important to educate community members and to get buy-in from employees. This committee created a community climate action plan. The 17 member task force made up of representatives from both commercial and environmental interests, met five times. Long-term goals were set as far out as 2050, when the city's goal is to be a carbon neutral city. The intent is to update this plan every five years. The goals of the plan have been incorporated into the city's comprehensive plan. There are 53 actions that the city would take the lead on. The city has hired a Climate Action and Sustainability Coordinator. Below is a link to the City of Milwaukie's Climate Action Plan. [https://www.milwaukieoregon.gov/sites/default/files/fileattachments/sustainability/page/85191/2018\\_1003\\_climateactionplan.pdf](https://www.milwaukieoregon.gov/sites/default/files/fileattachments/sustainability/page/85191/2018_1003_climateactionplan.pdf).

Tonya Graham, Councilor for the City of Ashland, discussed the climate action evolution in the City of Ashland. Development of a climate action plan came into the Council's priorities in 2015. Throughout the course of 2016, work ensued on the plan with a plan being adopted by the City Council in 2017. In 2018, the Council appointed an Implementation Committee. Ashland's goal is to have municipal operations be carbon neutral by 2030. Tonya noted that the city's energy use is a small percentage of the total community energy which, in Ashland, counts for 2% of energy use. The plan provides for a transition to clean energy, maximizing ways to conserve water and energy and supporting climate-friendly land use. Ashland is hiring a full time Climate Action Coordinator to implement this plan. Tonya indicated that staffing capacity is very important to make this work.

- I attended the session on the State of Housing - Post 2019 Legislative Session. For communities over 10,000 but under 25,000, the state legislation requires communities to allow duplexes in single-family zones. Existing property restrictions or homeowner association rules can continue to be enforced in these neighborhoods, however, new property restrictions cannot be implemented which would limit the development of duplexes in single family zones. Cities our size have to have ordinances in place by July 2021, before the state provisions become effective for that local unit. Cities can request an extension in time to comply with this provision, if it can be demonstrated that the city's infrastructure will not support densification of single-family neighborhoods.

The state also is providing significant funding opportunities for affordable housing. This state is looking for pilot communities to build permanent supportive housing. Parking requirements will be one of the big challenges for local units of government to face. The Department of Land Conservation and Development (DLCD) will be providing guidelines to a local unit to assist in changing local codes.

- Attended two of the short sessions on Friday afternoon, including “Dam, this Needs to be Fixed”, where Tim Gross did a great job of explaining the efforts of the City of Newport to gain support for the Big Creek Dam project at the federal, state and local level.
- I attended a short session put on by Andrew Phelps, Director of the Oregon Office of Emergency Management. He indicated that there is a national emergency exercise program where technical support can be provided for local emergency planning exercises. There is also assistance to facilitate new processes incorporating technical assistance to review the emergency responses. The Emergency Management Institute provides training online, as well as, resident training. This can be found at: [training.fema.gov.aspx](http://training.fema.gov.aspx)
- Attended the annual business meeting. Congratulations to Mayor Sawyer on your election to the League of Oregon Cities Board of Trustees. Dean will serve a three-year term in this capacity. Councilor, David Allen, has previously served on the Board of Trustees, as well.
- Attended a session on Financing Affordable Housing Infrastructure. In the state of Oregon there is an upswing in affordable housing activity. This is typically deed-restrictive affordable housing that places restrictions on owners to rent housing at subsidized rates. These projects use federal tax credits with a 9% credit which are difficult to get, but a 4% credit is less competitive to obtain. Across the country, 50,000 units per year utilize the 4% tax credit. Different sources of funds to fill the gap for affordable housing could be funding through Urban Renewal Agencies, CDBG, and home funding programs, Lift Funding, sponsor-equity and local GO Bonds. Measure 102 now allows local governments to provide public funds to private entities for housing projects under certain standards through GO Bonds.

Land is the key with any of these projects. Finding land in the right location that is affordable to develop is a critical threshold to develop an affordable housing project. These projects are very complex due to the wide-ranging funding sources to begin a project. It is not unusual to have 20 or 30 folks on a conference call each week as the project construction goes forward. Local government needs to be aware of the number of “cliff events” that can make or break a project. Often times, property is initially acquired with an option. If the review process at the local level takes longer, the option may expire, requiring the purchaser to renegotiate a new contract which often times is more expensive, which then impacts project funding. The second issue is related to the timing for the general contractor that has been contracted to do the work. If there are delays in the plan review or other review issues on the part of the city, a contractor may trigger escalating costs for the project, which may jeopardize the overall financial feasibility of the project.

- Attended a session on water and wastewater rates. Utility rates have several components. The first is the base rate which keeps a steady rate of revenue coming to the utility. The second component is the rates that are based on the use of water. Many local units are imposing a rate structure that increases the cost per unit of water for higher water users to encourage conservation. Rates need to be structured to cover long-term expenses out

20, 30 or 40 years. Existing rates need to be adjusted each year, and high contributors of biological waste to wastewater, such as breweries, need to pay for the extra load that is created by those types of entities.

- Attended a session on shovel-ready projects. This covered Sweet Home's efforts to rebuild their water system that was experiencing a nearly 40% water loss through various leaks in the system.
- Attended a session on PERS done by Carol Samuels from Piper Jaffray. Carol indicated that the current assumptions for PERS assume a 7.2% growth in assets from investments. PERS offers three separate retirement packages. Tier 1 covers employees hired prior to 1996; Tier 2 covers employees hired from 1996 to 2003, and OPSRP covers employees after August 29, 2003. The state has gone through a number of legislative changes to reform PERS. The Tier 1 retirees in a number of cases were obtaining retirements greater than their compensation due to the money match provisions that grew substantially through investments, prior to 2003. When the market had a down turn, the losses had a compounding effect on the ability for these benefits to be supported.

Investment income accounts for nearly 75% of PERS revenues. Current retirees and inactive employees account for 72% of the liability to PERS. This is significant in that reforms that have been put in place on newer PERS employees, will have minimal impact on the funded actuarial liability of the program. Senate Bill 1049 extended the amortization of the unfunded actuarial liability by an additional 10 years. While this slightly reduces the growth of the PERS expense, it is projected that the unfunded actuarial liability will still be 10 billion dollars in 2035. The new provisions allow work-back provisions which allow retirees to work an unlimited amount and still receive their PERS benefits. Interestingly enough, the state of Oregon has not opted to participate in the retire/rehire program, as of this point. They are evaluating what impact it would have among their long-term costs.

The state also appropriated funding for employer incentive fund accounts. An employer incentive fund account would allow a local employer to deposit extra payments into PERS. The state will match that payment by 25%. The minimum deposit is \$25,000 with a maximum eligible match being the greater 5 percent of the employer's unfunded actuarial liability or \$300,000, whichever is greater. For Newport, the maximum amount would be a contribution of \$1.2 million dollars which would obtain an additional \$300,000 in state funding to reduce our unfunded actuarial liability. Overall, local units of government need to be prepared for escalating PERS costs for a number of years.

- Attended the closing keynote address with Ciaran O'Connor and John Wood Jr., of Better Angels to talk about the impact the political divide is having on the United States. This polarization can be noted in many ways. It was indicated that in 1970 5% percent of parents would object to their kids marrying someone with different political beliefs than they had. While today it is closer to 50%. The 24-hour news cycle contributes to this polarization. This polarization can be seen by unfriending folks in social media because

of their political views, stress at family gatherings, when politics comes up at the dinner table, and other challenges. Better Angels provides a type of counseling in which they bring together people of different political beliefs so that folks can share why they believe the way they do. As the political divide has grown, the political views of individuals are being used as a basis for judgment for that person's character. In order to bridge those gaps, the focus really needs to be on the local issues trying to be resolved, not ideology. As public officials it is our role to strengthen the confidence of the people that policies are being dealt with on an open, transparent basis, not based on ideological beliefs. People are hungry to get along. However, it is important to communicate in a way that dampens down the emotions so that issues can be talked about in a respectful manner. It is also important to remember that it is not necessarily the goal to change a person's mind about a specific policy, but to have them understand why the policy is being considered. The goal should be to better understand their position as to why they may disagree with that action. This is a significant difference in the kill or be killed conversations that are happening today. Social Media has a way of magnifying conflict instead of reducing it. Social media has depersonalized issues and it may be promoting more divisive exchanges.

In order to bridge these gaps, it is important to meaningfully listen to differences of opinion on policy issues before moving forward with decisions. If people feel they have been listened to, they will accept the outcome better than if they feel the decision was made strictly on ideology.

I enjoyed the conference and I am glad that the majority of the Council was able to attend this year.

- Tim Dahle, who lives in The Dalles, owns a vacation rental in Newport. Mr. Dahle indicated he originally owned the condo unit jointly, but later bought out his partner's ownership in the unit. He stated his partner always took care of the business license, and he thought the license was a permanent part of his vacation rental. Since he was not currently licensed, he received no renewal information, and has been informed that he can no longer operate his vacation rental. He would need to get on the waiting list and vacancies would need to open up prior to him being able to legally operate in the future. He indicated that the ability for his family owning this unit, is that they could draw some income to offset use when they are not using the facility. I will be conveying to him information regarding the waiting list. He has asked about his appeal rights, if it is determined that he cannot continue operating his vacation rental. I will be putting together a response for him.
- Met with Judy Mayhew and Mike Cavanaugh to review the status of our negotiations with the LCSD on a joint use agreement. The two biggest issues have been dealing with the aquatic center and the ball diamond at Frank Wade Park. It is our intent to propose to the City Council that the ball diamond at the park be leased to the LCSD, with them operating that facility. This diamond has effectively functioned under the direction of the LCSD baseball program for many years. The primary difference in our negotiations for this facility, is that the LCSD is asking for a long-term lease (99 years) and we were proposing a shorter time. Based on

investment by the LCSD, this timeframe would get extended. This would formalize the working relationship that has surrounded this facility for years. As to the aquatic center, we are looking at keeping in place the same schedule which has been in effect for two years. However, the times wanted by the LCSD would require the school to pay compensation to the Recreation Center for the use of prime time. The non-prime time would be provided in exchange for the LCSD paying for lifeguards (which has been the practice for all of the school time). This will make the schools use more consistent with the swim club's use of the facility. It will help generate additional revenues for this facility in a justifiable way. Lincoln County School District seems satisfied with this approach. I will keep you informed as to our continuing negotiations with the LCSD.

- Met with Jason Malloy regarding the status of unlawful camping. With the Ninth District Federal Court ruling, local governments' ability to enforce camping restrictions are significantly compromised. The essence of this ruling is that if the community does not have an alternative place for homeless individuals to camp, the City can't restrict camping in their parks and along their streets. This ruling provides some benefit to identify alternatives so that camping can be shifted from less appropriate areas to more appropriate areas.
- I attended a meeting of the 60+ Advisory Committee to get their input on the qualities important in their next Parks and Recreation Director. Again, I was provided with a lot of thoughtful comments about important qualities for the person filling this position.
- Along with the City Council, Derrick Tokos, Tim Gross and Gloria Tucker, participated in a Town Hall meeting focusing on the upcoming transportation planning process. Overall, we had a good turnout and good discussion regarding this very important planning process.
- I met with Cheryl Atkinson to review City Attorney, Steve Rich's, open files to address those issues that we want to refer to Speer Hoyt, as well as, those issues that we will hold on to for the time being.
- Participated in a Parks and Recreation staff meeting.
- Met with Danyel Scott of Dreamland Skateparks, professional skater, Kevin Kowalski, and Jim Klein from Rogue Breweries, to talk about the next phase of the skatepark improvements. In 2019, Rogue made a commitment to raise funds for improvements to Newport's skate park. Jim indicated that Rogue will pay for the phase 2 improvements which are estimated at \$45,000. Danyel Scott has indicated that she has a block of time at the end of October to accomplish this work. Rogue is willing to either directly pay for the improvements or contribute the funds to the City, if the City needs to contract with Dreamland Skateparks to complete this work. In reviewing this with our legal counsel, it is not necessary for the City to contract for this work, so we are opting to keep it simpler by having the relationship occur between Rogue and Dreamland. This item was brought to the October 7 City Council meeting and was authorized by Council to move forward at that time.
- Held bi-monthly meetings with Derrick Tokos, Tim Gross and Barb James.
- Jason Malloy and I met with Blair Bobier of Legal Aid regarding two tickets that were written by the Police Department for illegal camping. With the current ruling of the Court of Appeals in the Ninth Circuit, it is clear that those tickets are not sustainable. Jason indicated that we will move forward with dismissal of those

tickets. Furthermore, Blair Bobier has offered to help us review and provide comment on any ordinances to regulate camping in a way that would better sustain a challenge in court. This is a project that Jason is pursuing.

- Met with Barb James and Rob Murphy regarding personnel issues at the Fire Department.
- Prepared agenda items for the October 7 City Council meeting and work session.
- I took a vacation day on Friday, October 4 for a long weekend in Portland for Angela and me to celebrate our wedding anniversary. We had a great weekend.
- Participated in a routine Department Head meeting.
- Along with Mayor Sawyer, Councilors Goebel, Parker, Botello, Jacobi and Community Development Director, Derrick Tokos, I participated in a tour of the new Marine Science Building at the Hatfield Marine Science Center. This is an impressive structure which has a significant amount of floor space in the three-story building. In addition, the tsunami evacuation ramp and roof is quite impressive. The building has a hardened elevator structure that is designed to function after a Cascadia Subduction event. It has its own power source to help move individuals with mobility limitations up to the roof of the new structure. The building is designed with crash bumpers to allow major objects to strike the building during a tsunami event without impacting the majority of the structure. This would address vessels and other things that would potentially be striking the building during a full- fledged Cascadia Subduction Zone tsunami.

From a design standpoint, this facility is meant to bring together all of the academic aspects of marine studies, whether it is the sciences, business or the arts. The spaces are designed with collaboration in mind. There is also a large auditorium that could seat 200-300 people, depending on how it is set up for a particular event.

One concern that was expressed during the tour is the delay in moving forward with the student housing component of this project. As a result of discussions at the tour, I am recommending that the City Council develop, and forward a letter to OSU, regarding the critical nature of having adequate safe housing for students who are studying at this facility. Overall, it is a truly exciting project that will be the first building built as a tsunami evacuation site on the Oregon Coast. Furthermore, it is going to continue growing Newport's Marine Science Research Community.

We appreciate Bob Cowen, Cinamon Moffitt and Jim Lewis for giving us the tour of this facility.

- Participated in a work session to discuss building maintenance codes, and City Manager and City Attorney evaluation processes.
- Held bi-monthly meetings with Jason Malloy, Rob Murphy and Lance Vanderbeck.
- Met with Jeff Herman and Ryan Bancroft regarding Nautical Hills. You may recall there was discussion with the development Nautical Hills, which is east of 70<sup>th</sup> Street, for potential housing and resort housing development. In addition, the developers have placed a conservation easement over a large segment of the property to keep that property available for trails, and other passive recreation activities. It is the goal of the developers to consider the development of both work force housing and resort housing. With our new restrictions on short-term rentals, the only option the developers would have is to proceed with centrally- managed

resort housing. This is something that was acceptable to Mr. Herman. The most significant issue needing to be addressed, is the possibility of acquiring property outside the City's Urban Growth boundary and bringing that property within the boundary. Ultimately, it would be annexed to the City of Newport to make these developments feasible. This is a lengthy process and it sounds like they are willing to move forward on this property. Again, this will be a lengthy effort, however, it could provide for additional planned work force housing, and some additional commercial tourism housing for the community.

- Participated in the monthly lunch meeting of the Lincoln County Managers. We discussed the opioid litigation settlements. Wayne Belmont is doing some research on this issue. Based on what he knows now, he is suggesting that local governments should not opt out of the settlement. They are exploring some of the other litigation that is going on with opioid issues, and if his opinion changes he will let us know. In addition, the Council of Governments will be serving as a regional Complete Count Committee for the 2020 census. They are looking for contact individuals that may be willing to assist with their committee that would have unique knowledge of their communities to create an outreach campaign of hard-to-count populations. This would include groups such as adults older than 65, children younger than 5, renters, transient individuals, students, immigrants, and non-native English speakers. The COG is requesting local units of government identify representatives that could serve on this outreach effort. The COG is targeting their first meeting in November. Please let Peggy know if you know anyone who would be willing to assist the COG in the Census Outreach Program. It is anticipated that the group would be in place from November through August.
- Mike Murzynsky, Steve Baugher and I met to put together the agenda and compile the reports for the Finance Work Group meeting which took place on October 15.
- Met with Rob Murphy, Tim Gross, Derrick Tokos, and Joseph Lease regarding several issues needing to be wrapped up with the Fire Hall renovation.
- Participated in a meeting with the Yaquina Bay Managers. This is more of a social group to allow all of us to get to know each other better. It includes the community college, the two ports, two cities and Wayne Belmont.
- Met with Frank Geltner and Linda Neigebaur to discuss the Wayfinding Maps. The Wayfinding Committee is not meeting any longer, however, a number of the long-standing members have agreed to work as a group to directly advise me of any updates to this map.
- Participated in a Host Committee meeting for OCCMA by telephone.
- I attended the Lincoln County Economical Alliance's 25<sup>th</sup> Anniversary Celebration Dinner at the Spyglass Restaurant at the Inn at Otter Crest. They had a good turnout for this dinner, and we heard a lot about some of the efforts that came out of the Alliance over the last 25 years.
- Had several calls and internal meetings with Life Flight to address the security concerns at the airport, as well as, meeting with a tenant at the FBO building who has agreed to terminate their lease to address security issues at this building.
- Lance Vanderbeck, Tim Gross, Derrick Tokos and I met to discuss the possibility of relocating the County Animal Shelter on airport property. The County is willing to pay market value for property, or market value for a long-term lease for this facility. We've identified a small parcel that would be limited for other use at the airport that may work out for this purpose. We will be communicating back to the



County to see if they have an interest in pursuing this project. The County has offered to help assist in addressing the water issues to facilitate the construction of a new building on airport property. In the alternative, a lease would provide some additional cash flow to the airport.

- Met with new Chamber Executive Director, Judy Kuhl. Judy is starting this job this week and wanted to talk a bit about Destination Newport, and her transition into the new executive director's position for the Chamber of Commerce.
- Met with Ralph Breitenstein regarding the Vision 2040 grant application with the Ford Foundation. Things seem to be moving toward some completion of the application process. If it looks like it is a go, we will be bringing a report and recommendation to the Council for Council's consideration.
- Held a bi-monthly meeting with Mike Murzynsky.
- Met with homeless advocate Angeline Anselme regarding her ideas of how Newport should approach any group camping activity. Angeline has been a resident of several camps in the Eugene area.
- Had a second meeting with Frank Geltner and John Lavrakas to continue our efforts at cleaning up the policy annex for YBEF.
- Had a bi-monthly meeting with Richard Dutton to discuss IT issues.
- Participated in a meeting with Councilor Goebel, Tim Gross and Derrick Tokos on the potential of utilizing a forest service grant to acquire watershed property in Big Creek. There are a lot of issues that the City will have to look at to see how far we can go in this effort. There are regional and statewide groups that are willing to assist in evaluating the option of going after this funding. The limiting factor is coming up with the significant local funds to match the grant.
- Attended the Newport Aquarium's rollout of their major fundraising effort. They have secured about half of their goal in funding commitments of \$19 million dollars to dramatically upgrade the facility as part of their quiet campaign. The remaining funding is proposed to be raised by a public campaign. This is a significant effort, and I wish the aquarium well in their success in raising the remaining funds to help their vision in keeping the aquarium as one of the top in the nation.

### Upcoming Events:

- On Wednesday, October 10, the first meeting of the Policy Advisory Committee for the Newport Transportation System Plan update will be held at 6 PM in the Council Chamber.
- On Tuesday, October 15, the second meeting of the Finance Work Group will be held at City Hall from 4-6 PM.
- October 17 at 3 PM a meeting of the elected and appointed officials of Lincoln County will meet to continue discussions on regional housing issues at City Hall.
- I will be 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 couple of vacation days following the end of the conference (October 24 through October 25) before returning to Newport on Sunday.

City Recorder, Peggy Hawker, will be Acting City Manager during my absence. The City Council has previously excused me from attending the October 21 Council

meeting. I will, however, be preparing all of the City Manager reports for the agenda items before I leave for the conference.

- LISTOS Graduation will take place at the Newport Fire Department on Saturday, October 26 from 4-5 PM. If you are attending this event, please let Regina Martinez know. You can contact her at [r.martinez@newportoregon.gov](mailto:r.martinez@newportoregon.gov)
- I plan on attending both the OCCMA Board Retreat and Host Committee meeting with ICMA during the first week of November. I will be involved on Tuesday evening and Wednesday (November 5 & 6) in Portland. I will be meeting with the ICMA regarding hosting the 2021 ICMA Conference. The retreat will be on Thursday, November 7 and Friday, November 8 at the Silver Falls Lodge. This is the retreat in which we plan activities for the Association for the year. I will be President of the Oregon City/County Management Association.
- City Hall will be participation in the annual City Center Trick or Treat Festival from 5-7 PM on Thursday, October 31. If you would like to participate please let Gloria Tucker know.
- City Hall will be closed for Veteran's Day November 11.
- On November 12, the third meeting of the Finance Work Group will be held in City Hall from 4-6 PM.
- I have a doctor's appointment (ophthalmologist) in Eugene the afternoon of November 15.
- City Hall will be closed Thursday and Friday, November 28 and 29 in observation of the Thanksgiving Holiday.
- The only scheduled Council meeting in December will be December 2. There will be no meetings scheduled for December 16.
- The Employee Appreciation Dinner will take place Friday, December 13, at the Best Western. Please RSVP Melanie if you are able to attend.
- 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 and 25 for the Christmas Holiday.
- City Hall will be closed January 1, 2020 for the New Year's Holiday.

#### **Attachments:**

- ✚ Attached are the various letters thanking folks for their assistance that led to the Governor's reversal of her intent to veto funding for the Big Creek Dam Replacement Project.
- ✚ Attached is the communication to Department Heads on the process that we are utilizing for authorizing legal services. Cheryl Atkinson is maintaining a log of all requests. I will be sending out a summary of the Speer Hoyt billing for Council review in a separate e-mail. Cheryl is keeping a file on the detailed invoices, so if any Council members want to review a detailed invoice, please make arrangements to see Cheryl.
- ✚ Attached is an e-mail from Steve Leonard thanking Kay Keady for her efforts at assisting him through the new vacation rental licensing process.
- ✚ Attached is information that was provided to the City Council by OMSI at the breakfast. Please note, that OMSI engages 7,857 children from around the state

for over 26,000 days at one of their three science center locations. These include Camp Gray in Newport, the Hancock Field Station in Fossil, and Camp Meriwether in Tillamook. Camp Gray can house 156 students in their bunkhouses. It has both indoor and outdoor classrooms, and staff housing on site. A layout of Camp Gray is also attached for your review.

- ✚ Attached are working documents showing the Big Creek Watershed, as well as the land that is owned publically, the private industrial forest land, and other private property within the watershed. This is data that has been collected by Ecotrust for purposes of potentially securing funding for land acquisition, and other improvements within the watershed.

- ✚ Attached are budgeting tricks from Scott Lazenby's workshop on the "Human Side of Budgeting".

I hope everyone is enjoying the fall season!

Respectfully submitted:

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

Spencer R. Nebel  
City Manager

cc: Department Heads



Dean. H. Sawyer  
Mayor  
CITY OF NEWPORT  
169 S.W. Coast Hwy.  
Newport, OR 97365  
[d.sawyer@newportoregon.gov](mailto:d.sawyer@newportoregon.gov)

October 1, 2019

Senator Roblan  
Oregon State Capitol  
900 Court Street NE, RM 167  
Salem, OR 97301

Dear Senator Roblan:

On behalf of the City Council, City Administration and Citizens of Newport, thank you for your efforts for funding for permitting and design for the replacement of Big Creek Dams during the last legislative session, as well as your advocacy with the Governor's office that led to a reversal of the Governor's intent to veto this funding. During this process, your advice, support, and action were noticed and appreciated by the City Council and staff.

Funding from the State of Oregon is essential for the City of Newport to tackle a project of this scope. We hope that we can be a model for pursuing the replacement of structurally deficient dams on a statewide basis. We will continue to work closely with your office, state and federal agencies to develop funding mechanisms to assist local communities with infrastructure projects of this nature, both for the City of Newport, and for other communities in Oregon facing these challenges.

Thank you so much for all of your efforts in obtaining this critical funding for the City of Newport.

Sincerely,

A handwritten signature in black ink that reads "Dean H. Sawyer". The signature is written in a cursive style with a large, looped initial "D".

Dean H. Sawyer, Mayor  
City of Newport

cc: City Council  
City Manager, Spencer Nebel  
Public Works Director/City Engineer, Tim Gross



Dean. H. Sawyer  
Mayor  
CITY OF NEWPORT  
169 S.W. Coast Hwy.  
Newport, OR 97365  
[d.sawyer@newportoregon.gov](mailto:d.sawyer@newportoregon.gov)

October 1, 2019

Senator Wyden  
221 Dirksen Senate Office Building  
U.S. Senate  
Washington, D.C. 20510

Dear Senator Wyden:

On behalf of the City Council, City Administration and Citizens of Newport, thank you for your advocacy with the Governor's office that led to a reversal of the Governor's intent to veto funding for permitting and design for the replacement of the Big Creek Dams. We appreciated your involvement with the Big Creek Dam issue, and we thank the Governor for being open to additional information, leading to a reversal of her original intent to veto this critical funding.

As you are aware, funding from the State of Oregon is an essential part of the finance package for the City of Newport to tackle a project of this scope. We also appreciate your efforts to identify and advocate for federal funding to assist communities like Newport to address dams that were not built to the seismic standards that are now in place.

We hope that Newport can be a model for pursuing the replacement of structurally deficient dams on a statewide basis. We will continue to work closely with your office, state and federal agencies to develop funding mechanisms to assist local communities with infrastructure projects of this nature.

Thank you so much for all of your support of this critical funding for the City of Newport.

Sincerely,

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Dean H. Sawyer, Mayor  
City of Newport

cc: City Council  
City Manager, Spencer Nebel  
Public Works Director/City Engineer, Tim Gross



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Mayor  
CITY OF NEWPORT  
169 S.W. Coast Hwy.  
Newport, OR 97365  
[d.sawyer@newportoregon.gov](mailto:d.sawyer@newportoregon.gov)

October 1, 2019

Senator Merkley  
313 Hart Senate Office Building  
U.S. Senate  
Washington, D.C. 20510

Dear Senator Merkley:

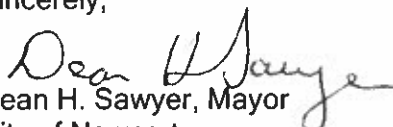
On behalf of the City Council, City Administration and Citizens of Newport, thank you for your advocacy with the Governor's office that led to a reversal of the Governor's intent to veto funding for permitting and design for the replacement of the Big Creek Dams. We appreciated your involvement with the Big Creek Dam issue, and we thank the Governor for being open to additional information, leading to a reversal of her original intent to veto this critical funding.

As you are aware, funding from the State of Oregon is an essential part of the finance package for the City of Newport to tackle a project of this scope. We also appreciate your efforts to identify and advocate for federal funding to assist communities like Newport to address dams that were not built to the seismic standards that are now in place.

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Thank you so much for all of your support of this critical funding for the City of Newport.

Sincerely,

  
Dean H. Sawyer, Mayor  
City of Newport

cc: City Council  
City Manager, Spencer Nebel  
Public Works Director/City Engineer, Tim Gross



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October 1, 2019

Congressman Schrader  
314 Cannon House Office Building  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Congressman Schrader:

On behalf of the City Council, City Administration and Citizens of Newport, thank you for your advocacy with the Governor's office that led to a reversal of the Governor's intent to veto funding for permitting and design for the replacement of the Big Creek Dams. We appreciated your involvement with the Big Creek Dam issue, and we thank the Governor for being open to additional information, leading to a reversal of her original intent to veto this critical funding.

As you are aware, funding from the State of Oregon is an essential part of the finance package for the City of Newport to tackle a project of this scope. We also appreciate your efforts to identify and advocate for federal funding to assist communities like Newport to address dams that were not built to the seismic standards that are now in place.

We hope that Newport can be a model for pursuing the replacement of structurally deficient dams on a statewide basis. We will continue to work closely with your office, state and federal agencies to develop funding mechanisms to assist local communities with infrastructure projects of this nature.

Thank you so much for all of your support of this critical funding for the City of Newport.

Sincerely,

A handwritten signature in black ink that reads "Dean H. Sawyer". The signature is written in a cursive style with a large, prominent initial "D".

Dean H. Sawyer, Mayor  
City of Newport

cc: City Council  
City Manager, Spencer Nebel  
Public Works Director/City Engineer, Tim Gross



Dean. H. Sawyer  
Mayor  
CITY OF NEWPORT  
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Newport, OR 97365  
[d.sawyer@newportoregon.gov](mailto:d.sawyer@newportoregon.gov)

October 1, 2019

Representative David Gomberg  
Oregon State Capitol  
900 Court Street NE, RM 167  
Salem, OR 97301


Dear Representative Gomberg:

On behalf of the City Council, City Administration and Citizens of Newport, thank you for your efforts for funding for permitting and design for the replacement of Big Creek Dams during the last legislative session, as well as your advocacy with the Governor's office that led to a reversal of the Governor's intent to veto this funding. During this process, your advice, support, and action were noticed and appreciated by the City Council and staff.

Funding from the State of Oregon is essential for the City of Newport to tackle a project of this scope. We hope that we can be a model for pursuing the replacement of structurally deficient dams on a statewide basis. We will continue to work closely with your office, state and federal agencies to develop funding mechanisms to assist local communities with infrastructure projects of this nature, both for the City of Newport, and for other communities in Oregon facing these challenges.

Thank you so much for all of your efforts in obtaining this critical funding for the City of Newport.

Sincerely,

  
Dean H. Sawyer, Mayor  
City of Newport

cc: City Council  
City Manager, Spencer Nebel  
Public Works Director/City Engineer, Tim Gross





Dean. H. Sawyer  
Mayor  
CITY OF NEWPORT  
169 S.W. Coast Hwy.  
Newport, OR 97365  
[d.sawyer@newportoregon.gov](mailto:d.sawyer@newportoregon.gov)

October 1, 2019

Jason Miner, Natural Resource Policy Director  
Office of the Governor  
900 Court Street, Suite 254  
Salem, OR 97301-4047

Dear Jason:

On behalf of the City Council, City Administration and Citizens of Newport, thank you for meeting with us to discuss the Governor's intent to veto funding for the design and permitting of the Big Creek Dam replacement project.

We appreciated having the opportunity to discuss the impact that a veto would have in securing additional funding for this project. We thank you for understanding and conveying the concerns to the Governor and are grateful that the Governor was open to consider information leading to a decision not to veto this funding.

We will continue to advocate for funding at all levels of government to address critical resiliency issues relating to the protection and preservation of drinking water resources for the benefit of Newport and other communities throughout the state. Thank you for your assistance that will allow the City of Newport to continue moving forward with creating a resilient dam and reservoir system for the benefit of the Central Oregon Coast.

Sincerely,

A handwritten signature in black ink, appearing to read "Dean H. Sawyer". The signature is fluid and cursive, written over a light blue horizontal line.

Dean H. Sawyer, Mayor  
City of Newport

cc: City Council  
City Manager, Spencer Nebel  
Public Works Director/City Engineer, Tim Gross



Dean. H. Sawyer  
Mayor  
CITY OF NEWPORT  
169 S.W. Coast Hwy.  
Newport, OR 97365  
[d.sawyer@newportoregon.gov](mailto:d.sawyer@newportoregon.gov)

October 1, 2019

Debbie Koreski, Budget Director  
Office of the Governor  
900 Court Street, Suite 254  
Salem, OR 97301-4047

Dear Debbie:

On behalf of the City Council, City Administration and Citizens of Newport, thank you for meeting with us to discuss the Governor's intent to veto funding for the design and permitting of the Big Creek Dam replacement project.

We appreciated having the opportunity to discuss the impact that a veto would have in securing additional funding for this project. We thank you for understanding and conveying the concerns to the Governor and are grateful that the Governor was open to consider information leading to a decision not to veto this funding.

We will continue to advocate for funding at all levels of government to address critical resiliency issues relating to the protection and preservation of drinking water resources for the benefit of Newport and other communities throughout the state. Thank you for your assistance that will allow the City of Newport to continue moving forward with creating a resilient dam and reservoir system for the benefit of the Central Oregon Coast.

Sincerely,

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Dean H. Sawyer, Mayor  
City of Newport

cc: City Council  
City Manager, Spencer Nebel  
Public Works Director/City Engineer, Tim Gross



Dean. H. Sawyer  
Mayor  
CITY OF NEWPORT  
169 S.W. Coast Hwy.  
Newport, OR 97365  
[d.sawyer@newportoregon.gov](mailto:d.sawyer@newportoregon.gov)

October 1, 2019

Governor Kate Brown  
Office of the Governor  
900 Court Street, Suite 254  
Salem, OR 97301-4047

Dear Governor Brown:

On behalf of the City Council, City Administration and Citizens of Newport, thank you for being open to considering additional information relating to your decision not to veto funding for the design and permitting for the Big Creek damn replacement.


We would also like to express our appreciation of Budget Director, Debbie Koreski and Natural Resource Policy Advisor, Jason Miner. They did a great job explaining the rationale behind the preliminary consideration of a veto, they listened carefully to the impact that a veto would have on this project, and they were able to convey this information to you.

Funding from the State of Oregon is essential for the City of Newport to tackle a project of this scope. We hope that we can be a model for pursuing the replacement of structurally deficient dams on a statewide basis. We will continue to work closely with your office, state and federal agencies to develop funding mechanisms to assist local communities with infrastructure projects of this nature, both for the City of Newport, and for other communities in Oregon facing these challenges. We are also committed to raising awareness on a statewide basis of the importance of financing for these types of projects.

Finally, I look forward to sharing Newport's experience for addressing deficient dam structures on a statewide basis, as a member of the task force that you will be creating for this purpose.

Thank you for your support of this very important project on the Central Coast of Oregon.

Sincerely,

  
Dean H. Sawyer, Mayor  
City of Newport

cc: City Council  
City Manager, Spencer Nebel  
Public Works Director/City Engineer, Tim Gross

## **Gloria Tucker**

---

**From:** Spencer Nebel  
**Sent:** Thursday, September 19, 2019 10:30 AM  
**To:** Department Heads  
**Cc:** Gloria Tucker; Cheryl Atkinson; Melanie Nelson  
**Subject:** City Attorney

To Department Heads:

As you are aware, City Attorney Steve Rich continues to be on Family Medical Leave at this time. Due to medical issues, Steve has indicated that he will be unable to return to his position as City Attorney for the City of Newport. Please communicate this information with any of your staff who directly works with Steve on city legal issues. Please keep Steve, Robin and their family in your thoughts during this difficult time.

Cheryl Atkinson will be coordinating any requests for outside legal services until further notice. When legal services are requested, a request should include the reason review is necessary and be sent via email to both me and Cheryl. Cheryl (or I) will notify you that legal services have been authorized via an email response. If staff members have dealt directly with Steve on issues in the past for legal review, please have your staff go through you to request legal services, then notify Cheryl of this need. All billings will be compiled by Cheryl for my authorization and payment. All legal bills will be forwarded to the City Council for their review as well during this interim period.

The City Council has not discussed any future steps for filling the role of City Attorney, since the Council just became aware that Steve will be unable to return to work.

If you have any questions, please let me know.

### **Spencer R. Nebel**

City Manager  
City of Newport, Oregon 97365  
541-574-0601  
s.nebel@newportoregon.gov

## Kay Keady

---

**From:** Steve Leonard <s.leonard@msn.com>  
**Sent:** Thursday, September 19, 2019 4:14 PM  
**To:** Kay Keady  
**Subject:** Thank You!

Dear Kay,

I received my VR License renewal today in the mail. I just want to take a moment to say: Thank You, Thank You for your guidance, patience and help in getting this accomplished. I am really grateful for the help and embarrassed for the stress I may have caused you. You are the Best.

Thanks Again, Steve 541-961-6250

Sent from [Mail](#) for Windows 10



# OUTREACH EDUCATION IMPACT



## MAKING A DIFFERENCE

The goal of OMSI Outreach Education is to increase access for underserved students across the region to participate in science education programs.

This past year, your support helped OMSI provide immersive, inquiry-based science learning experiences to **connect and captivate 274,770 students** from nine states and 5,600 schools across the Pacific Northwest. **45,214 students and families benefited with \$319,420 awarded** in financial aid.

## COLLABORATING WITH COMMUNITIES

Across the state, OMSI has developed a network of partners and school districts to best address the specific needs of rural communities through community programs, schools, and festivals. Partnerships with community-based organizations working with rural families, including **Lincoln County School District, Eastern Oregon Head Start, South Coast Early Learning Hub** and others, inform us on how best we can increase access to STEAM learning experiences and help staff create resources that are relevant and culturally specific.



We engaged **7,857** kids from around the state for **26,242** days outside at one of three OMSI Outdoor Science School locations: **Camp Gray** in Newport, **Hancock Field Station** in Fossil, and **Camp Meriwether** in Tillamook.

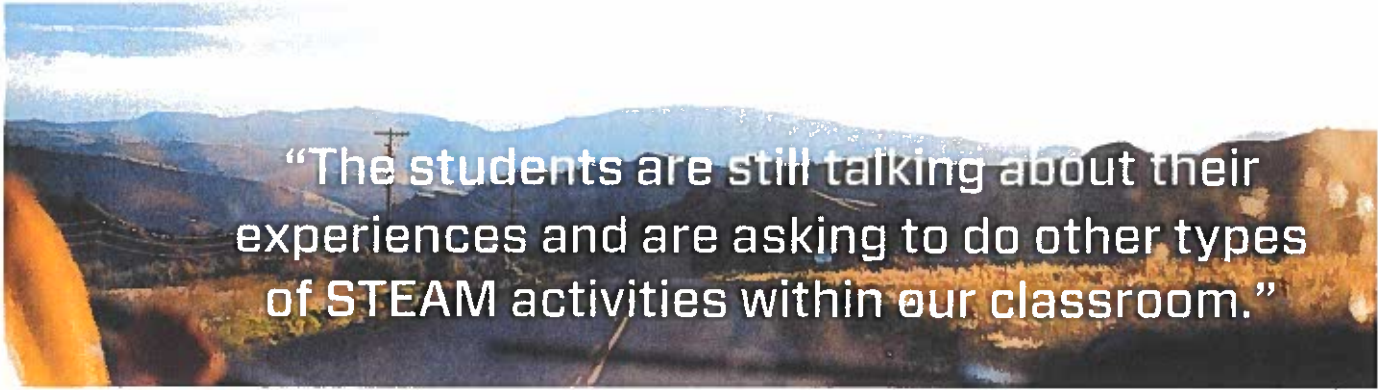


We partnered with **Statewide Early Learning Hubs, Oregon Parents Education Collaborative, Child Care Resource & Referral of Multnomah County**, and the **Longview Discovery Museum** to deliver Early Childhood professional development across the region.

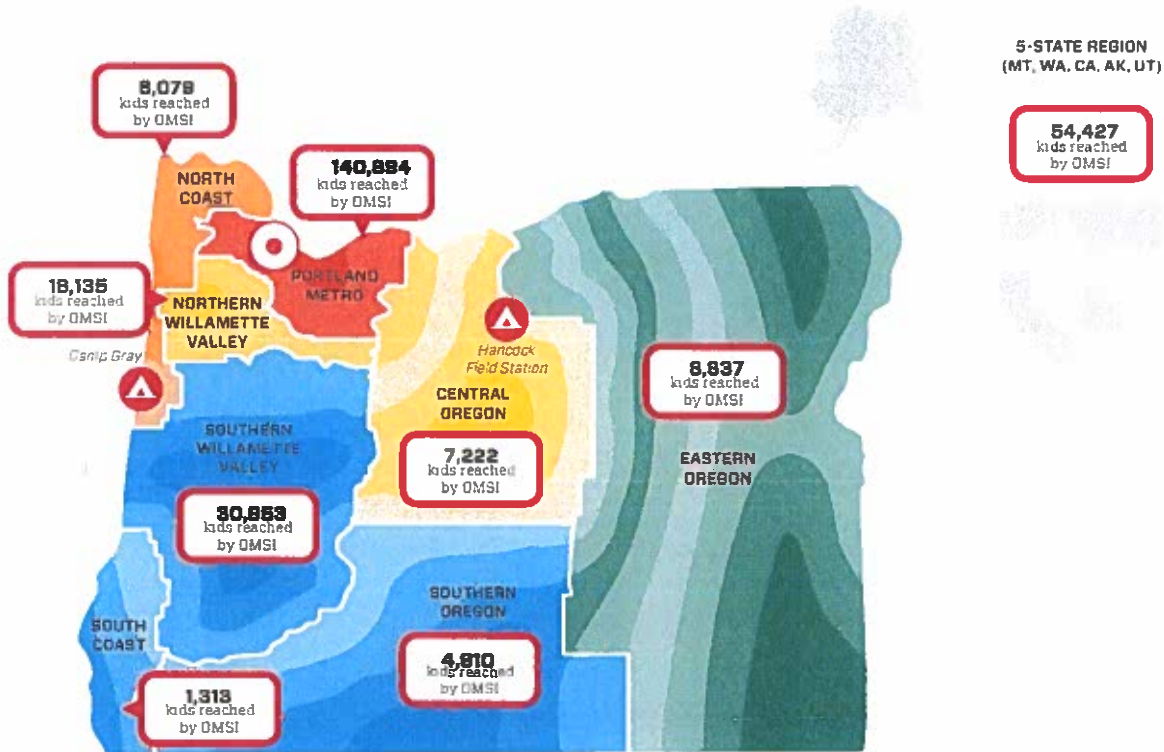


We hosted food science programming at county fairs including **Lincoln, Benton, Tillamook, Morrow, and Gilliam** to raise awareness about STEAM and CTE-related jobs.





FY19 OUTREACH IMPACT MAP



PARTNERS



THANK YOU

OMSI is honored to partner with you in providing crucial, relevant, and accessible science content to learners of all ages across the region. For more information about opportunities to invest in **OMSI Outreach Education**, contact Lorrie McCullough at 503-797-4595, or [lmccullough@omsi.edu](mailto:lmccullough@omsi.edu). Thank you!





**OMSI's Coastal Discovery Center at Camp Gray -**

**1. Welcome Area.**

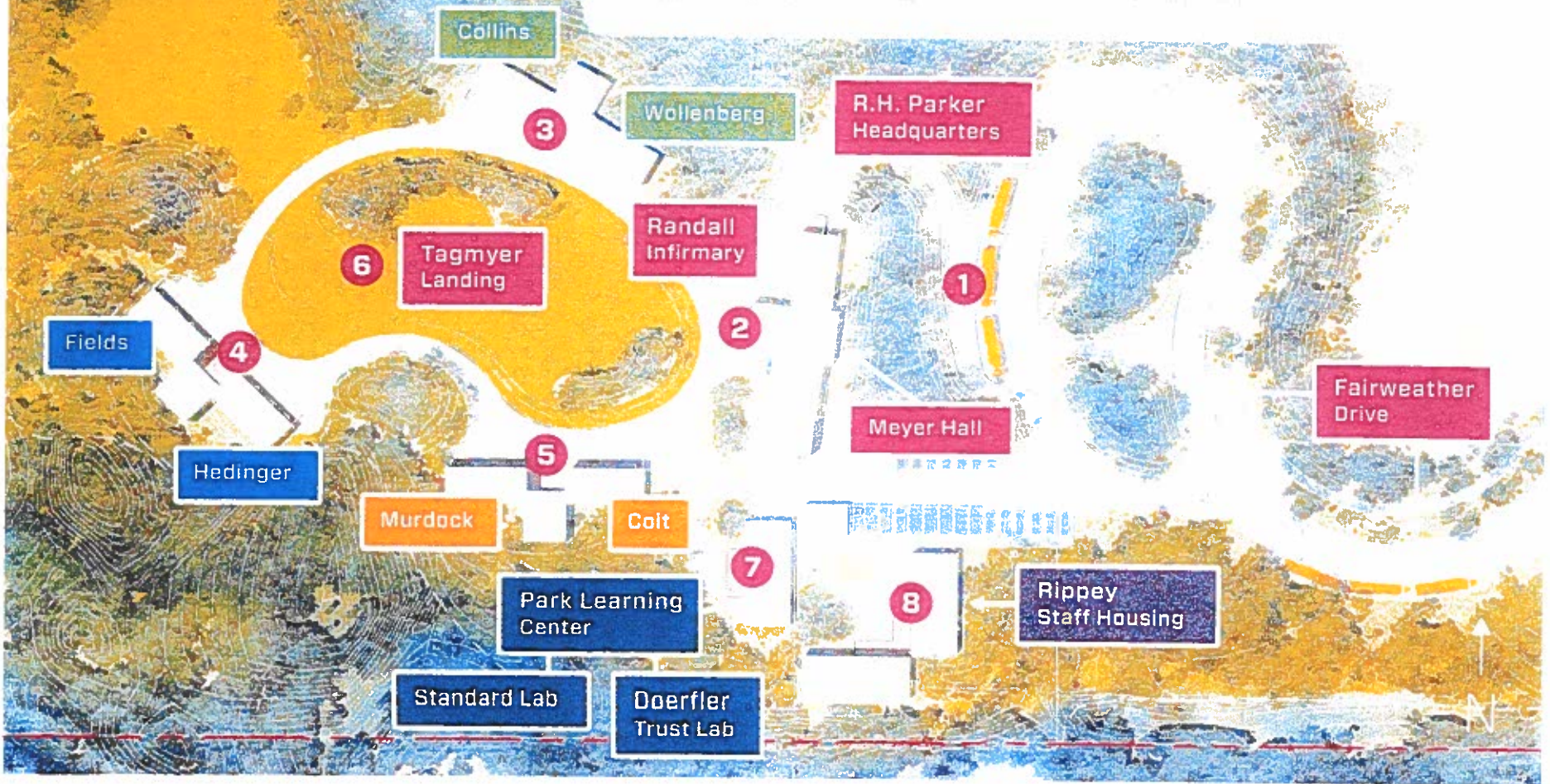
**2. Main Lodge:**

**3,4,& 5. The Bunkhouses:**

**6. Tagmyer Commons:**

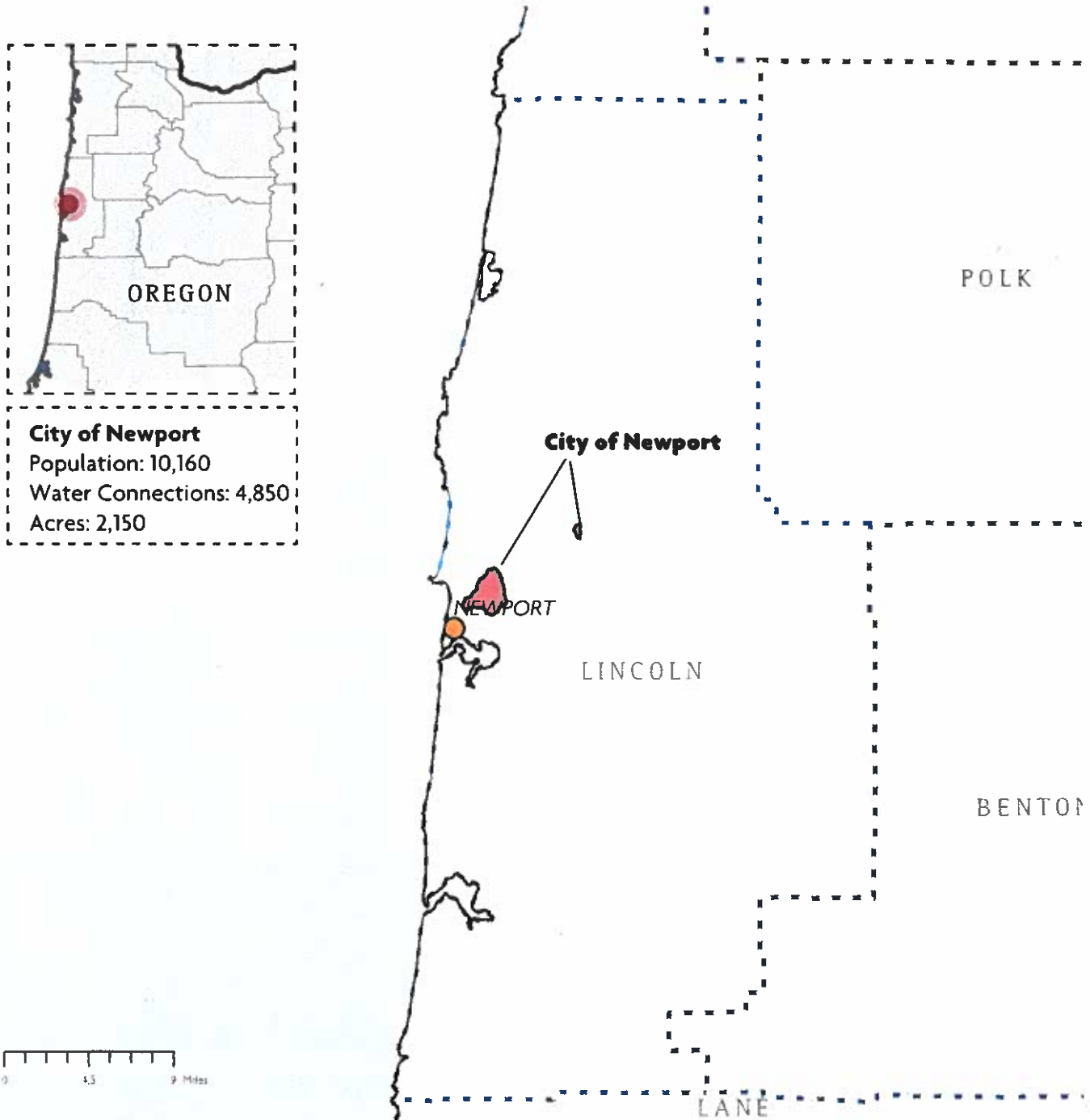
**7. Classrooms:**

**8. Staff housing:**

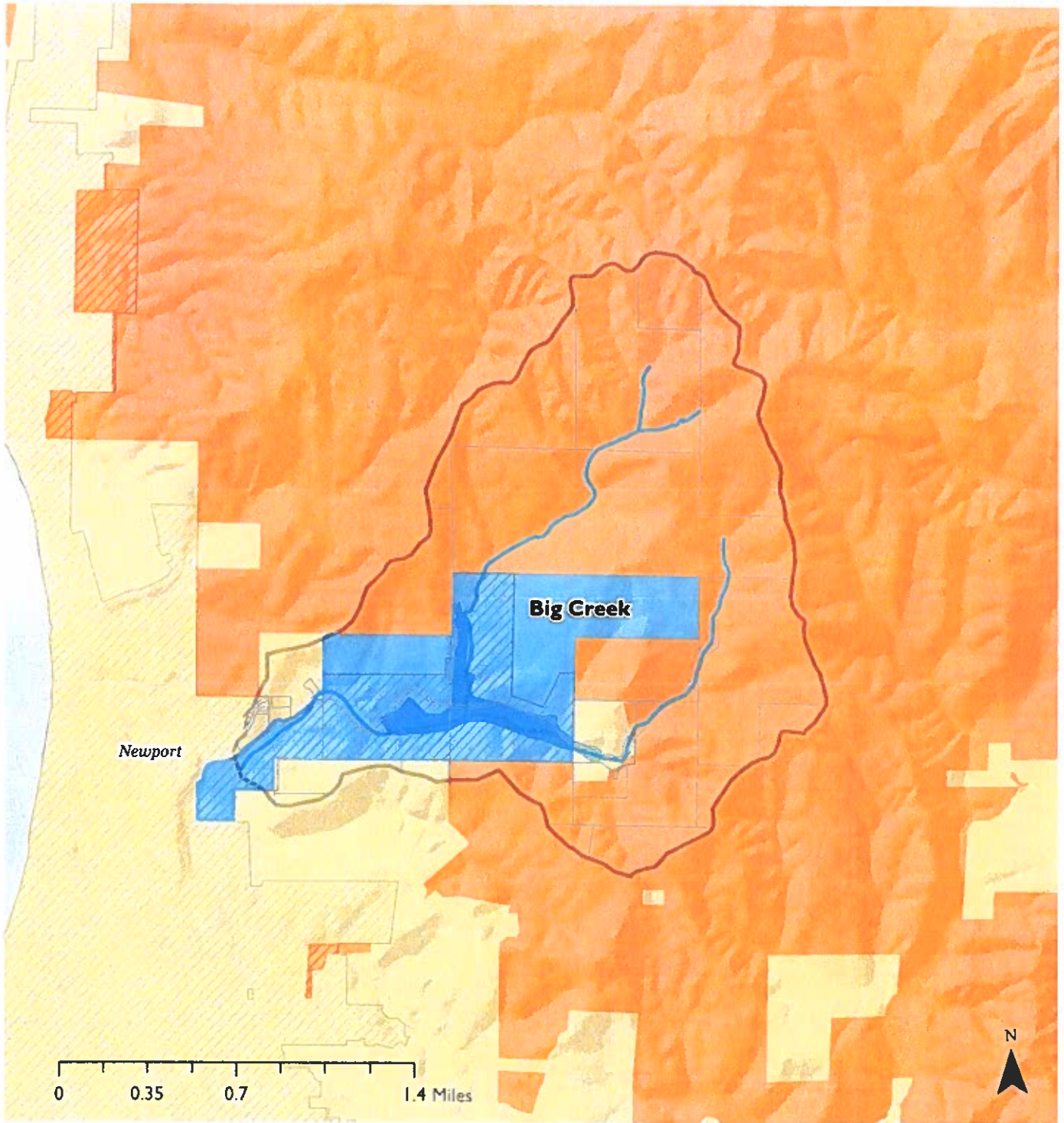




# Drinking Source Water Area: City of Newport



# Ownership



## Legend

### Privately-owned Land

Source DEQ



- Industrial Forest
- Other private

### Publicly-owned Land

Source DEQ



- Local Government

- Water



# Aerial Imagery

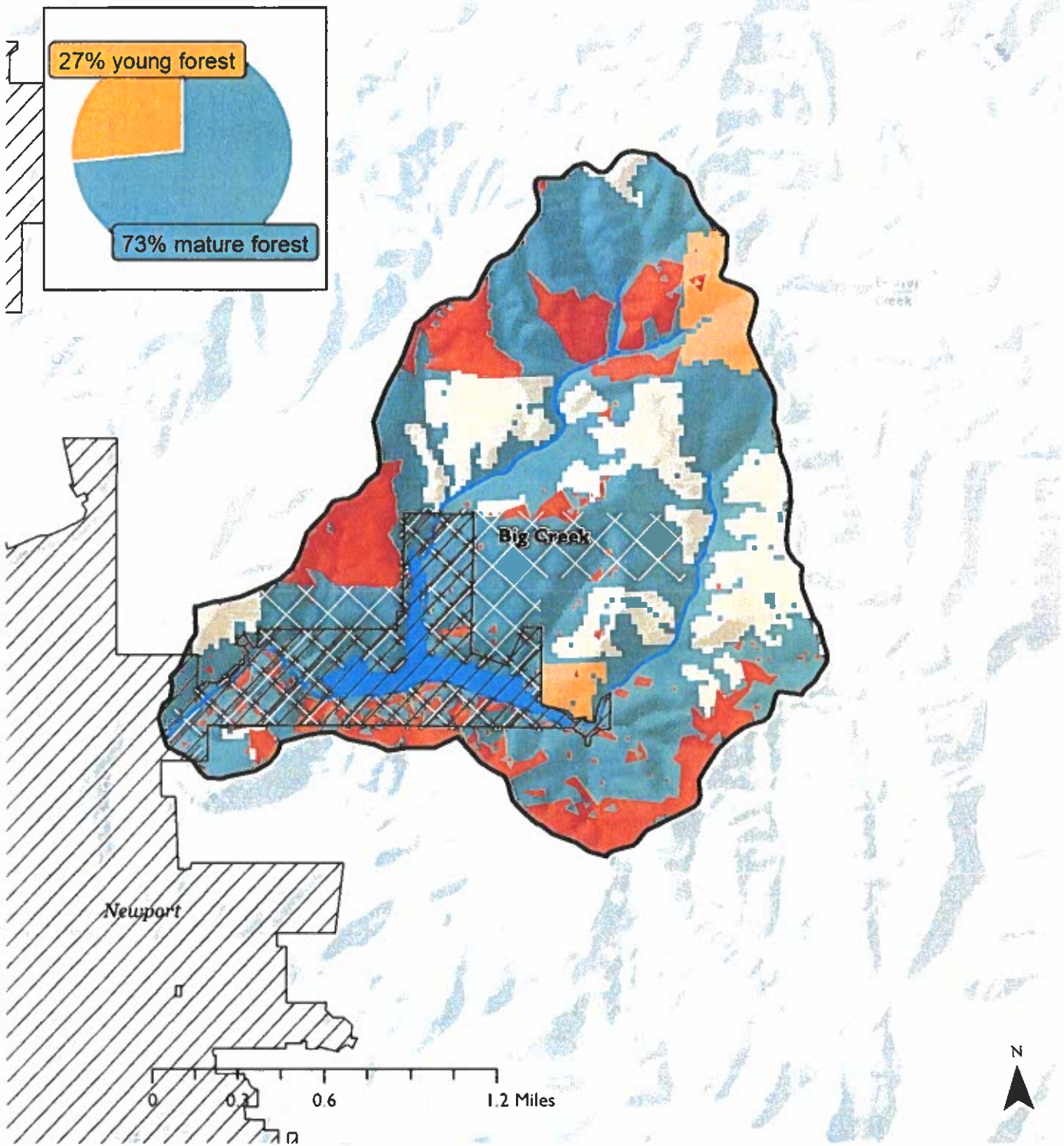


ce



# Forest Loss

**DRAFT**  
NOT FOR DISTRIBUTION



## Legend



### Young Forest

Estimated stand age:

- < 10
- ≥ 10 and < 20
- ≥ 20 and < 30



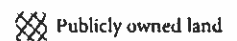
### Mature Forest

Estimated stand age > 30



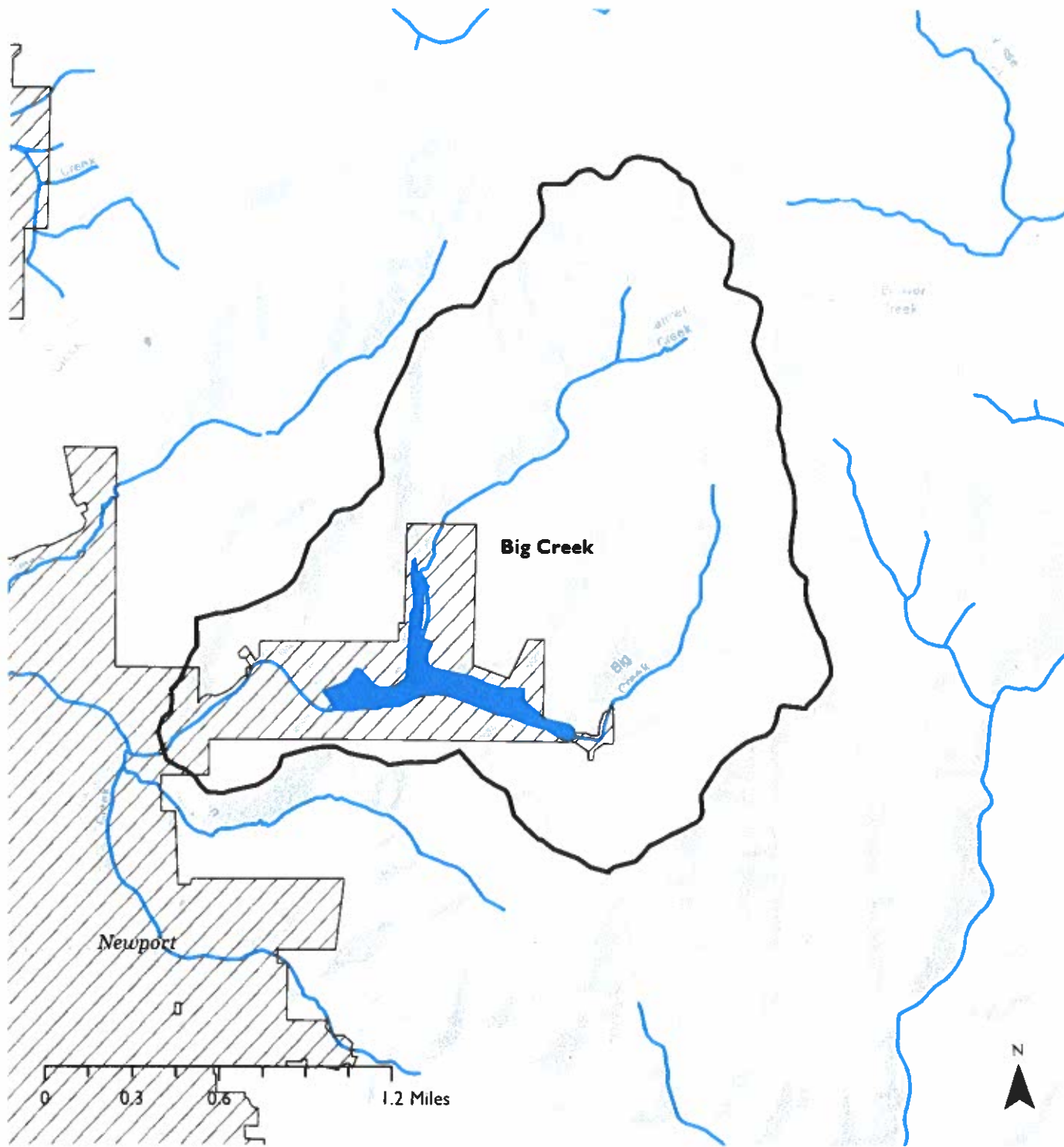
### Fish bearing stream

Source: ODF



# Ecological Indicators

**DRAFT**  
NOT FOR DISTRIBUTION



## Legend

 City Limits  Publicly owned land

 **Fish bearing stream**  
Source: ODF

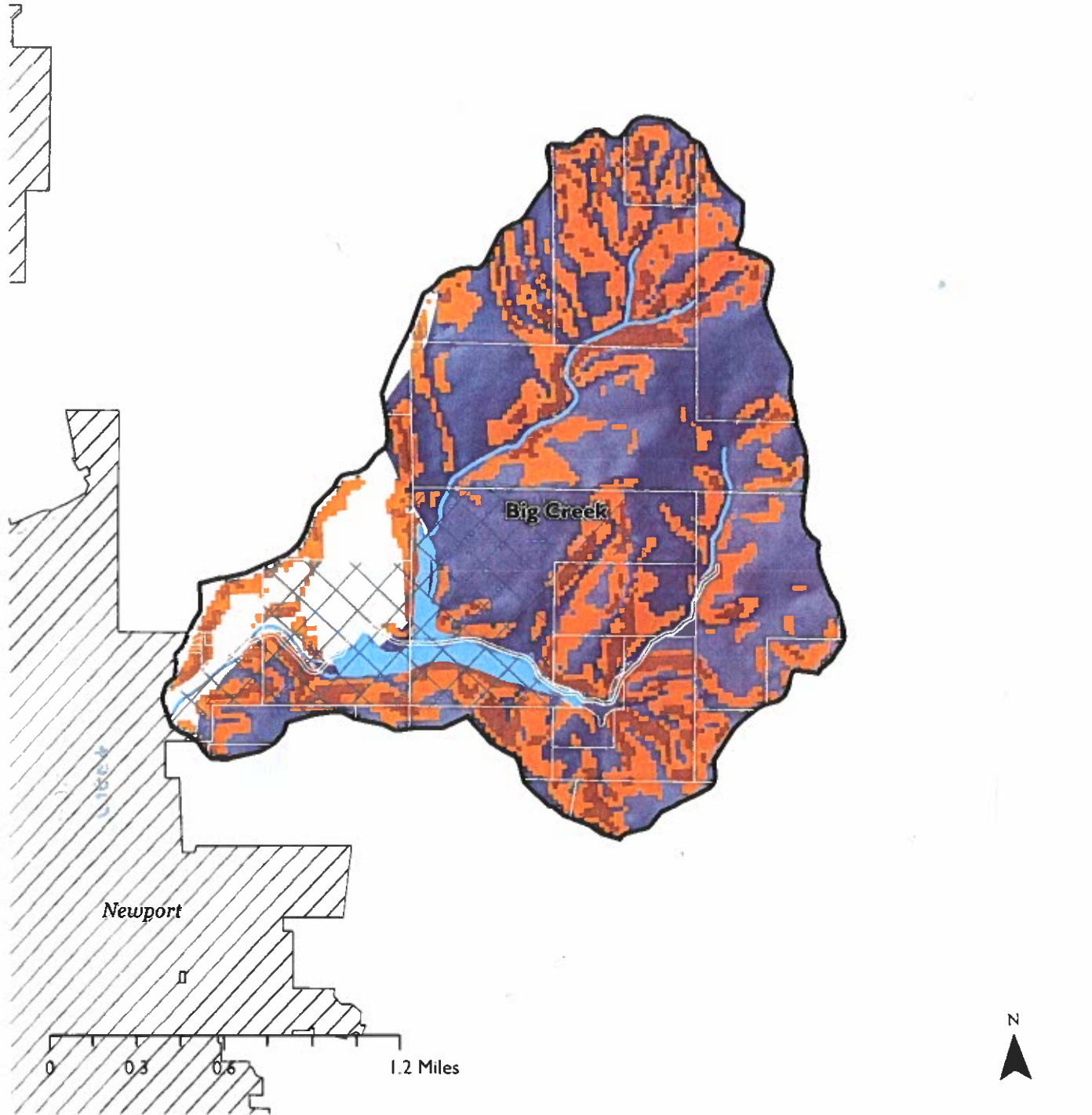
 **Critical habitat**  
Source: USFWS  
\*only delineated on federal land

 **Conservation Opportunity Area**  
Source: ODFW

 **Critical habitat & Conservation Opportunity Area**



# Landscape Characteristics



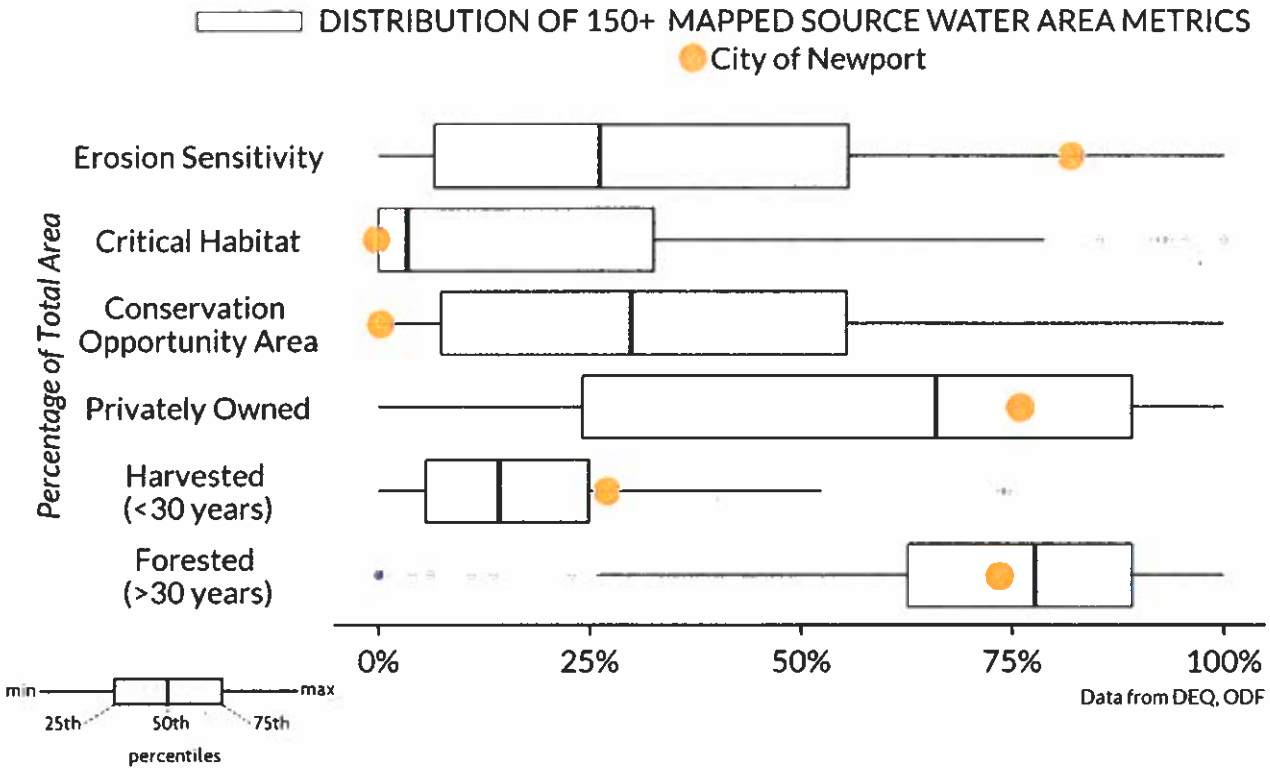
**Legend**

<p><b>Steep slopes</b> Source: DOGAMI</p> <ul style="list-style-type: none"> <li>&gt; 30 degrees</li> <li>&gt; 45 degrees</li> </ul>	<p><b>Impaired waterway</b> Source: DEQ</p>	<p><b>Impaired lake</b> Source: DEQ</p>	<p><b>Erosion sensitivity</b> Source: DEQ</p>
<p>City Limits</p>	<p>Publicly owned land</p>	<p>Boating Access Site</p>	<p>Water Quality Effluent Outfall</p>
<p>Potential Contaminant Source Source: DEQ</p>	<p>Major Route Stream Crossing</p>		

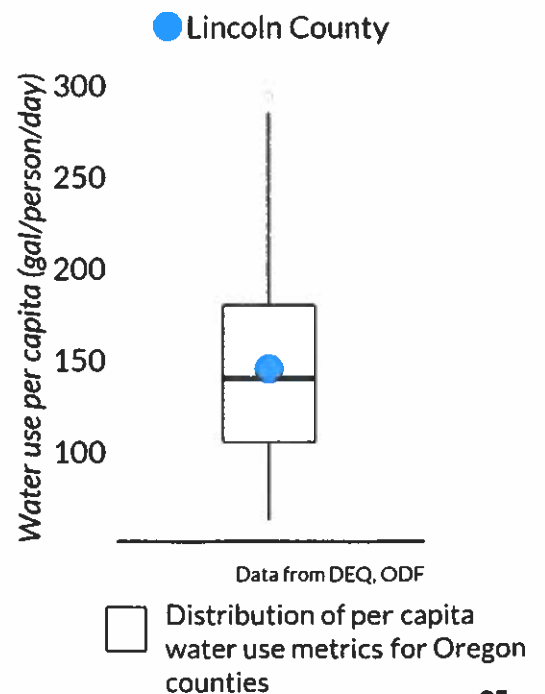
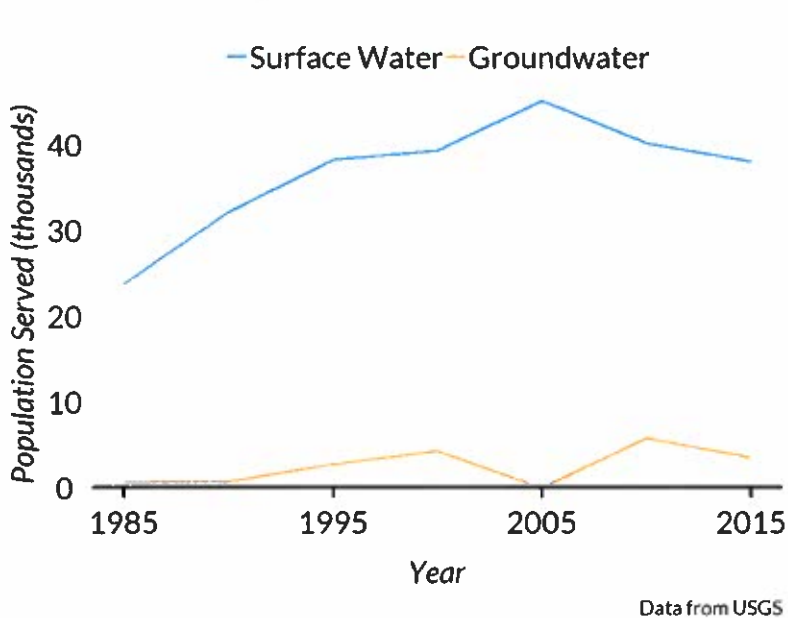
# Overview

## Drinking Source Water Area Summary:

Key watershed characteristics as a percentage of total area, compared to all source water areas in Oregon.



## Lincoln County Water Use:

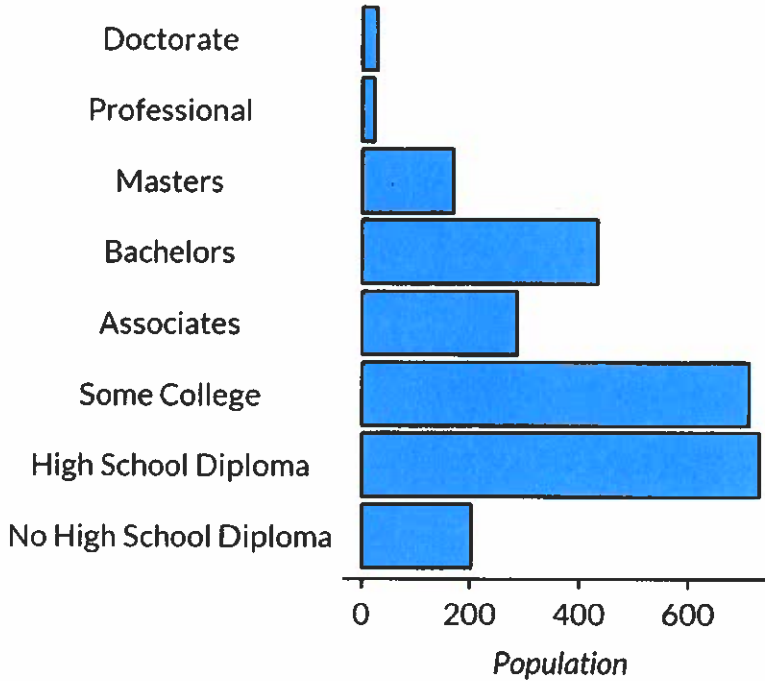


# Socioeconomics - Census Data

## Average Annual Family Income:

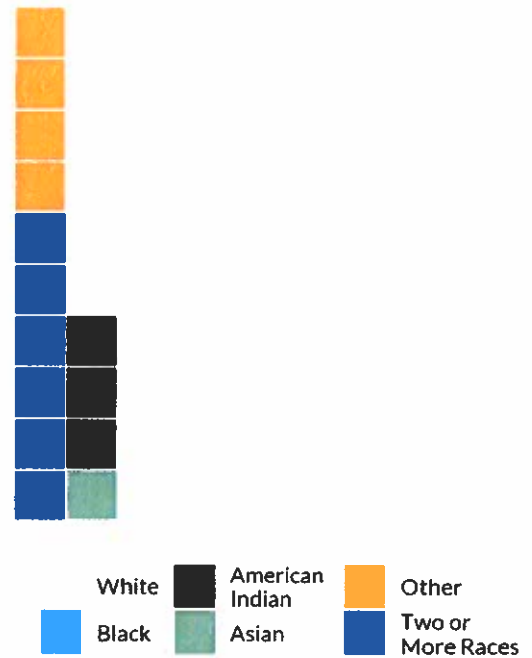
**\$45,148**

## Education Level:

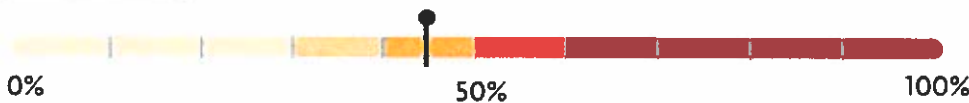


## Population by Race:

1 Square = 1% of Population

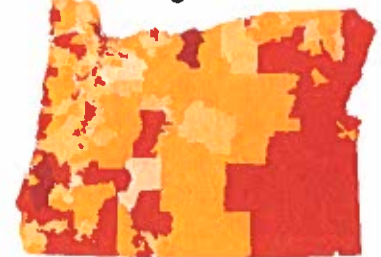


## Gini Index: 45%



The Gini index is a statistical measure of distribution often used as a gauge of economic inequality. A score of 0% represents perfect equality, with 100% representing perfect inequality. For example a region in which every resident has the same income would have a Gini index of 0%. A region in which one resident earned all the income, while everyone else earned nothing, would have an index of 100%.

## Gini Index distribution of Oregon State



## Health Insurance Coverage:

**11%** of the male and **10%** of the female population are uninsured.



Twenty-One Budget Tricks  
Scott Lazenby

1. **Magic disappearing revenue.** The budget just won't balance, but you don't want to cut spending. Just increase the revenue estimate to make it balance...and worry about it later.
2. **The sacrificial lamb.** The budget office asks for a list of programs that could be cut if spending reductions are necessary. The department head offers up the pet programs of the CEO or governing body (e.g., army base closures), knowing they will be held sacred. This is the oldest trick in the book, yet people keep doing it.
3. **Groundhog Day.** The police chief requests an additional traffic enforcement officer, promising that additional traffic tickets will pay for the position. Over the next few years, the position is shifted to other areas, and traffic enforcement drops off. The chief requests an additional patrol officer, promising that additional traffic tickets will pay for the position...
4. **It's only routine replacement.** The parks department scrounges some old surplus conference chairs and a table from another department. In the next budget cycle they include a request to replace the aging office equipment.
5. **Grants? What grants?** The department adds a plug in the budget in case a grant is received. The grant application is unsuccessful, but the spending authority remains in the budget (and the money gets spent).
6. **Spend it or lose it.** Another old trick, with many variants. The department has a goal of spending every penny in the budget, both to avoid losing it at the end of the fiscal year, and to prove to the pesky budget analysts that they really need every cent.
7. **Don't ask, it's technical.** The public works director slips in a request for a new riding lawn mower (for park maintenance), sandwiched between a twenty million dollar water plant upgrade and a ten million dollar sewer plant expansion. The city council spends most of the budget hearing talking about their personal experience with lawn mowers, and glosses over the treatment plant budgets.
8. **The myth of the "current services" budget.** The department increases next year's budget by a combination of inflation and population growth, conveniently ignoring economies of scale and the fact that not all costs follow the Consumer Price Index.
9. **The moving target.** Major capital improvement projects (e.g., roads, buildings) are done over several years. Few budget systems track total spending versus the original budget over multiple years, making it easy for the manager to hide the true cost of the project.
10. **Spending the savings.** New equipment is requested in the budget on the basis of future operating savings. Somehow the manager forgets to request a smaller budget in future years.

11. **Going to the well.** A senior employee retires, yielding an unexpected windfall in salary savings that the department manager shifts somewhere else. But when the air conditioning system goes out, she asks the Board of Commissioners for a transfer from the general fund contingency account.
12. **If it saves just one life.** This simple phrase has been used to justify all sorts of dubious spending on equipment and personnel by fire departments.
13. **The old switcheroo.** The department manager argues hard (and successfully) for the expensive piece of equipment they must have to do the job properly. When the ink is dry on the final budget, the manager buys the cheaper item that he knew all along would work, and spends the savings somewhere else.
14. **Look what we found.** In a variation of #13, the department gets budget approval to replace the motor pool car. They discover that they can, in fact, keep the old car running another year, and spend the appropriation elsewhere. Next year they request funds to replace the pool car.
15. **Poor me.** The department makes a show of its run-down equipment and office furniture, to prove to policy makers how under funded it is.
16. **The nose under the tent.** The manager budgets for a new position, starting in the last quarter of the fiscal year. The salary and fringe cost seems modest enough, but the full impact is hidden until the next fiscal year, at which time the program is up and running with a new group of clients.
17. **The gift that keeps on giving.** The police chief argues successfully for a new officer. The budget includes recurring salary and operating costs, and one-time costs for a car and radios. The one-time costs are magically rolled into the regular budget request the next year.
18. **The accountants made me do it.** Line items with obscure or unusual names (merchant fees, ODEQ regulatory fees) are padded, knowing that the simple ones (travel, office supplies) are the only ones that will be attacked.
19. **Whoops, where did it go?** A new program is proposed that will be supported by user fees. Near the end of the process, the manager “sacrifices” the program for a smaller expenditure (except that the smaller program generates no user fees).
20. **The long sunset.** A five-year lease purchase payment ends. Strangely, the amount stays in the budget for several more years.
21. **If it’s the private sector, it must be efficient.** High salaries and expensive equipment are hidden in a lump sum private contract payment; no one can see the line items.