



OFFICE OF THE CITY MANAGER
City of Newport, Oregon
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Newport, OR 97365
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s.nebel@newportoregon.gov

MEMO

DATE: March 31, 2021
TO: Mayor and City Council
FROM: Spencer Nebel, City Manager

SUBJECT: Status Report for the Four-Week Period Ending Friday, March 26, 2021

Over the next three weeks my time will be dominated by putting together a proposed budget for delivery to the Budget Committee on April 20. During this time period I will be splitting my time working at home on budget issues, and limiting my time in the office to work on issues that need immediate attention. I appreciate everyone's patience with my routine issues and responses being delayed until I can get through this critical annual process.

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

- Held a routine Department Head meeting.
- Participated in a Council work session that included an update on the Big Creek Dam reclassification by the Oregon state dam engineer, and review of an electric vehicle charging plan for the City of Newport, as well as an executive session to discuss labor negotiations consultations.
- Participated in the regular Council meeting on March 1.
- Participated with staff in a meeting preparing for resuming negotiations with the public utilities district on a new franchise agreement.
- Met with Mike Murzynsky and David Allen regarding the draft agreement from the State of Oregon to have the Department of Revenue collecting room tax on behalf of the City. There are a number of advantages in moving forward with the State doing the collection, including a consistency in collecting both state and local room taxes, and potentially limiting the need for transient room facilities to file separate monthly tax returns with the City and State. This would streamline tax reporting issues. The State would be involved with any auditing of accounts. We have a number of questions relating to specific provisions that are included in our vacation rental regulation code that we need to confirm with the State. There might be a need for an additional report to be filed by vacation rentals to collect data that is required for compliance with our local code. We developed a list of questions for the State, and will evaluate their responses and provide a future report to City Council about the State collecting room taxes. We currently have the State collect our local gas tax, as well as our local marijuana tax. These programs have worked

well for the City. This would provide much-needed relief in the Finance Department with the reduction of staff hours instituted last year.

- Barb James and I conducted hour-long phone screens of five candidates for City Engineer. We will be scheduling in-person interviews during the third week of April for the top candidates from the phone screens. Overall, we had a good field of candidates, and I am optimistic that we will find a city engineer due to this process.
- Held a bi-monthly meeting with Finance and Public Works on the implementation of our WaterSmart Program. This is the program that allows access by our water customers to monitor their own accounts. They can monitor leaks, running water, and other similar issues.
- Took two days of medical leave for surgery my right eye. Everything went well with this surgery. Combined with the earlier surgery on my left eye, my vision in both eyes has significantly improved.
- Took a vacation day on Friday, March 5, to catch up with a few things at home.
- Had a meeting with Ameresco to prepare for a joint meeting with the PUD regarding a comprehensive City Street-lighting program.
- Met with Gloria Tucker to discuss issues with the Destination Newport Committee. As a result, I prepared a report for the Committee regarding projections on room tax and the recommendation to increase the room tax in the coming fiscal year. This memo is attached for your review.
- Met with Mike Murzynsky, Kay Keady, and Barb James, regarding Kay's concerns of being able to keep up with the requirements of her job due to the reduction of hours that was imposed as part of our cost-cutting efforts for this current fiscal year. Kay indicated that the limited time has not allowed time for her to make sure everything is done correctly. I indicated that I appreciated Kay coming forward on this issue, and that we will review her current work load, and looking at alternatives to address this issue. If we move forward with the State collecting room tax, that will provide a significant amount of relief to Kay.
- Along with Councilors Jacobi and Parker, I participated in a meeting with the PUD, and Ameresco to discuss a comprehensive street re-lighting program. The City and PUD have no lighting plan for the City. Basically, street lighting has been put into place over the years based on specific requests for specific locations. As the PUD has been switching out lights with LEDs, we have, in some cases, had complaints about the level of light produced by the LED lights, and being significantly more than what is necessary.

Furthermore, with the Dark Sky Initiative, it is important to have directional lighting that cast light on needed areas, without providing flood lighting in the sky and surrounding buildings. PUD estimated that, as of this date, they have switched out about ten percent of the street lights to LEDs. Ameresco has evaluated the cost paid by the City to PUD, and noted that the amount paid by the City for street lighting is substantially higher than others they have evaluated. The PUD indicated that this is primarily because of the shorter life span of the fixtures used due to a corrosive coastal environment, requiring a significant amount of additional work.

Ameresco would provide a turnkey operation in which street lights would be replaced as part of an overall street-lighting design for Newport with dark-sky friendly fixtures, and a portion of the replacement costs being offset by lower energy bills. The primary difference needing to be evaluated, is the significantly



higher charges assessed on the lights, based on the required maintenance necessary due to this environment. We will be meeting with PUD on this issue to follow-up.

- David Allen, Clare Paul, Andrew Grant, Stephanie Kerns, and I met to discuss Rogue and non-compliance of pretreatment standards at the wastewater treatment plant. While Rogue has made significant investment to be compliant, there is still an unacceptable level of wastewater exceeding the discharge limits, which is not compliant with the industrial permit Rogue has with the City. As a result, we have issued citations for each event that has occurred following the original consent agreement. We are negotiating a follow-up consent agreement, replacing the fines with a recovery fee that would cover the City's expenses, as they continue to make efforts to modify their pretreatment processes to fully comply.
- Barb James, Bob Fuller, and I met to discuss the DRC/senior responsibilities in water distribution in Public Works, due to the employee with these responsibilities being on administrative leave. We do have two other qualified employees to fill this position. We will be meeting with them to discuss handling this on a temporary basis.
- Peggy Hawker, Barb James, and I met to discuss the filling of the half-time executive assistant position in my office. This position provides support to the City Attorney, Human Resources, and myself. The position will be set up to provide primary support for Human Resources, with secondary support for me, which is the role that Cheryl Atkinson primarily played.
- Conducted about five hours of phone screens for the Public Works Director's position. We will be bringing three candidates back for full interviews during the third week in April.
- Participated in a meeting with the PUD on a new franchise agreement. These discussions were initiated with City Attorney, Steve Rich. When Steve became ill, we held off on proceeding with these negotiations. This was followed by the PUD general manager having health issues. The COVID-19 emergency directly impacted both PUD and the City, so we opted not to pursue negotiations of a new franchise during this time. We have re-initiated discussions on a new agreement. We have generally agreed on a series of meeting dates, and have also agreed to utilize a more-detailed franchise agreement than what was entered into previously, which provides very little detail as to the relationship. We will be meeting with Council, at some point, in the negotiations to get further direction as to any issues or concerns Council may have.
- Met with Barb James and Jason Malloy on the PERS Retire/Rehire Program. Barb was obtaining legal review from CIS on this draft policy.
- Held an internal meeting with Mark Wolf from Local Government Law Group to prepare for Police negotiations.
- Barb James, Clare Paul, and I met to discuss a personnel issue in Public Works.
- Barb James, Clare Paul, and I met to review the new Per Diem Reimbursement Program that was negotiated in the last Newport Employees Association agreement. It is our intent to roll out a new reimbursement policy for all employees, which provides a per diem payment to employees, Council members, and committee members who are out-of-town conducting City business or training. Under the new program, a payment for each meal period not included in a conference or other activity, will be provided to employees travelling out of town. Employees would then not be obligated to file receipts for those meals occurring

during their City business travel. This is consistent with what a number of organizations do. The program will be consistent with IRS regulations to avoid tax consequences. We want to speak with organizations utilizing this system, and discuss items like the provision for 75 percent of the per diem amount. This provision would be for the first and last days of business travel. We want to see how this is administered by other entities who utilize language consistent with the IRS regulations.

- Held a bi-monthly Emergency Coordinating Committee meeting. We are planning to continue to expand accessibility to the library and to the recreation center, based on the limits allowed under the state guidelines for COVID-19. We are continuing hybrid meetings and keeping City Hall open from 8 AM-2 PM Monday through Thursday for the public. This has worked very well with limited pushback from the public. We are continuing to staff the entry to City Hall to obtain temperatures and to ensure that folks coming into the building have a business need to be in City Hall.
- Met with Barb James, Jason Malloy and Brent Gainer regarding required modifications to our criminal history checks on staff and volunteers.
- Met with Keven Shreeve, Principal, and Marlin Gochnour, President of Civil West, as part of a courtesy visit. Civil West is very happy to have Tim Gross on staff, and wants to make sure that the City is fully aware of the services they can provide to our organization.
- Met with the Mayor to discuss various issues.
- Took a medical leave day on March 11 to attend a doctor's follow-up appointment on my eye surgery.
- Held bi-monthly meetings with Mike Murzynsky and Peggy Hawker.
- Participated in a kick-off meeting with WaterSmart on the implementation of the WaterSmart Program for the City. This meeting included Finance and Public Works. WaterSmart will work with Invoice Cloud on the interface that will occur to facilitate the ease of our water customers accessing information from WaterSmart, and then provide a seamless transition, if they choose to pay their bills through Invoice Cloud.
- Peggy Hawker, Jason Malloy, Mike Cavanaugh, Derrick Tokos, and I met regarding options to address homeless camping in the City of Newport. We discussed potential locations for organized camping, and issues regarding clean-up of camps. This continues to be a very challenging problem. Until the City can identify reasonable camping locations, we are limited in regulating camping in public right-of-ways and on public lands within the city. We will be holding a work session with Council to discuss strategies on how to proceed with these very challenging issues.
- Mayor Sawyer, Jason Malloy, Derrick Tokos, and I participated in a conference call with Darrin Murphy and Michael Sellers regarding the Surf View Village complaints that have been handled by the Police Department. The Council and the Police Department have received complaints from residents in Surf View regarding noise, vandalism, and harassment of some of the tenants in Surf View by other tenants. Surf View has indicated that they have been somewhat handicapped by the moratorium on evictions in dealing with some of these issues. That being said, they have initiated eviction proceedings on two families in Surf View who are involved in a majority of the issues. The Police Department has been frustrated by lack of tenant information regarding the complaints received. Surf View indicated that they

are dealing with restrictions on the type of information they can provide about tenants living within their units. They have agreed to work with the department to address these complaints by the tenants, as well as reducing the overall complaints city-wide. Both Jason Malloy and Darrin Murphy indicated it is not uncommon to have these types of shakedown issues occur with new projects. There is a lengthy waiting list to get into Surf View, which indicates there is need for additional housing of this type in the Newport area.

- Derrick Tokos and I met with Brett Fox regarding concerns over the vacation of the orphaned-end of 2nd Street, adjacent to the Antique Mall parking lot and the County Planning offices. The Planning Commission ultimately approved a recommendation to Council to proceed with the vacation. I indicated that I would be recommending the Council proceed with the vacation for several reasons. The first, is that the proposed project can be completed without the vacation, which would lead to a less organized way of accessing that end of the parking area. These orphaned-end streets are problematic in other areas, and quite frankly, somewhat unsightly. That being said, we will need to consider the concerns that were expressed by a County employee who subsequently heard that the County Commission may take a position on this matter, as well. This will be coming to the Council at a future Council meeting for discussion and action.
- Prepared agenda items for the March 15 work session and City Council meeting.
- Held a routine Department Head meeting.
- Participated in a work session which included review of Council Rules, discussion on strategies and proceeding with the Finance Work Group recommendations and outreach, and an executive session to discuss real property transactions.
- Participated in the regular City Council meeting on March 15.
- Along with Barb James, Jason Malloy, and Mark Wolf, I participated in negotiations with the Newport Police Association. I will schedule a meeting with City Council to discuss the status of negotiations at a future meeting.
- Participated in retirement photos for Kathy Crews who worked for the City in excess of two decades. Kathy is retiring from the Aquatic Center. I want to congratulate Kathy on her service for the City for almost 21 years. 
- Participated in a retirement photo for Jim Guenther who is retiring from Parks Maintenance after 45 years with the City. Jim is anticipating the City's Award Banquet at the end of the year which recognizes both active employees and those who retired during the course of the year. Unfortunately, with COVID-19, we have not done any parties for retirees at City Hall, as has been our past practice. I want to congratulate Jim for serving the City for 45 years, and we all wish him well in the future. During the transition time, Jim has agreed to work 20 hours a week until we can fill his position in Parks Maintenance. 
- Held bi-monthly meetings with Barb James, Derrick Tokos, Clare Paul, and Chris Janigo.
- Held a bi-monthly meeting with Richard Dutton, Mike Murzynsky, and Clare Paul on the WaterSmart Program and Invoice Cloud.
- Reviewed information from Mark Wolf of Local Government Law Group, regarding a request for a payout of an employee who wishes to retire from the Fire Department. This request is not consistent with the policy.
- Took pre-budget vacation days on Wednesday, March 17 and Thursday, March 18, to get projects done around the house.
- Participated in bi-monthly meetings with Richard Dutton and Mike Cavanaugh.

- Participated in an OCCMA Board meeting as Past President. This is much easier than participating as President.
- Met with Mike Murzynsky, David Allen, and Clare Paul to discuss resolution of the overbilling issues with Pacific Seafood at their location at 209 SW Bay Boulevard. The primary billing issue is over a period of almost six years. A 3/4" meter was being read as a 3" meter at Pacific Seafood's facility. Our billing system read an additional digit on larger meters, which had the impact of increasing the billings ten-fold on this account. Finance had to recoup data in storage to determine the total amount of the overbilling, since the meter was changed out in 2015. Pacific Seafood was billed over \$1.2 million dollars for industrial water used at this location. The actual amount that should have been billed during this time period, was \$571,000. We are proposing to split the difference with Pacific Seafood, because we believe they had some obligation to notify us earlier regarding these charges. This would result in an adjustment to their billings of about \$350,000, if they agree to this settlement. We will be meeting with Pacific Seafood to review the overbilling with them and propose a settlement of these charges.
- Barb James and I met to identify the City Engineer and Public Works Director applicants who will be moving forward to the panel interview process. As we do with all department head positions, we will utilize an internal panel, a technical panel, and a panel of customers for the purposes of evaluating the candidates. We will also provide a tour. We may do a virtual event that will allow the public to hear from the candidates, as well. We will not do a public meet-and-greet due to COVID-19 regulations. I am hopeful that we will end up with good candidates to fill both of these positions to serve the citizens of Newport.
- Met with Clare Paul, Steve Stewart, and Chris Janigo to discuss reservoir operations due to the State's reclassification of the upper dam as "unsafe". Under the potential resolution of the immediate needs, the State has indicated that during the winter months, they may require us to lower the elevation of the water in the upper reservoir. This will ultimately be determined by the review that will be done this summer by HDR, to ascertain how much structural damage was done due to the leaking drainage pipes in the dam. We will need to develop contingency plans based on the outcome of the review, which will be conducted sometime this year.
- David Allen, Clare Paul, Mike Murzynsky, and I met with Tony Dal Ponte and Elizabeth Bingold, attorneys for Pacific Seafood, regarding the water overbilling issue. Tony indicated that he understands and appreciates the City's need to reinvest in the water utility. They seem amicable to the resolution of the billing issue as outlined, and as a corporate citizen of Newport, want to play a proactive role in addressing the long-term water needs that they depend on. Knowing the investment, the City is making in the water plant, will go a long way toward them considering this resolution on the billing issue. We appreciated the constructive nature of these discussions, and I sent a letter to Pacific Seafood outlining this resolution.
- Met with Dharma Tamm and Matt Merritt of Rogue Brewing regarding addressing the compliance violations with a new consent agreement. As I outlined earlier in this report, a proposed settlement was made to Rogue which would provide that Rogue compensate the City for the additional costs incurred, due to Rogue not meeting pre-treatment standards and resolving the violations of non-compliance. A draft agreement will be sent to Rogue for their review and a follow-up meeting.

- During the week of March 22, Mike Murzynsky, Steve Baugher, and I met individually with each department head, for a total of about 20 hours of meetings, to review Council goals impacting their departments, fee schedule, equipment needs, personnel requests, and operating budgets during the week of March 22. I appreciate the efforts that department heads put into providing information to help me develop a proposed budget for review by the Budget Committee. The proposed budget is slated to be available to the Committee on April 20. I have a lot of work to do between now and April 20 to pull a proposed budget together, after reviewing the requests from all City departments.
- Met with Barb James and Mike Cavanaugh regarding interim staffing for the vacant positions that will occur in the Parks and Recreation Department. In Parks Maintenance, I have authorized Jim Guenther to work half-time until that position is filled. Jim is agreeable to that. In the 60+ Center, we will be rehiring Dee Keczy to fill in after Peggy O'Callaghan retires in April. Kathy Crews' position will be filled on an acting basis with Keeley Naughton, Assistant Aquatic Supervisor. We are in the process of recruiting candidates for the Aquatic Center and Parks Maintenance. We are holding off on recruiting candidates for the 60+ Center since that facility will likely remain closed for the immediate future. This is going to be a significant change in Parks and Recreation. We appreciate Judy Mayhew's willingness to continue on. Judy would like to retire before the end of the year, but has agreed to stay until we can get the other positions filled.
- Participated in the bi-monthly Emergency Coordination Center meeting. Again, the City's operational levels will continue for the foreseeable future. We are meeting all standards for moderate risk.
- Met with Peggy Hawker and Barb James to review our next steps in filling Cheryl Atkinson's half-time position. We will be re-posting this position and continuing the recruitment process.
- Met with representatives from Sustainable Northwest Oregon regarding the development of a grant application for developing a long-term plan for the acquisition of land within the Big Creek watershed. Derrick Tokos, Leslie Palotas, and I discussed whether there is a need to conduct the stakeholder identification process since we have already been working with Hancock Forest, and others, regarding potential acquisition. There will be a follow-up meeting regarding making an application through OWEB for either the stakeholder assistance, or technical assistance, that would help make us eligible to participate in the grants that would be available in 2022 for potential acquisition.
- Chaired the March meeting for YBEF. We utilized this time for a roundtable discussion of each of the stakeholders regarding activities currently happening within the Yaquina Bay region.
- Conducted a follow-up meeting with David Allen, Clare Paul, Stephanie Kerns, and Andrew Grant with regard to providing a draft consent agreement to Rogue relating to the discharge issues at the plant. A draft agreement has gone out to initiate discussions with Rogue.
- Held bi-monthly meetings with Mike Murzynsky and Peggy Hawker.
- Reviewed the Vision 2040 grant from the Ford Family Foundation. We are going to request that the Ford funds committed for this project be stretched to a third year with the City committing to an additional \$25,000 for that third year to continue this program. This is important since COVID-19 had a significant impact on some of

the outreach that was anticipated as part of the original grant. Peggy Hawker will be discussing this with the Ford Family Foundation to get their concurrence.

- Chris Janigo, Richard Dutton, and I met to discuss several work flow processes that could be addressed electronically instead of circulating paper forms. This included purchase orders and the contract approval sheets. I indicated that we are looking at proceeding with Caselle for electronic approval of purchase orders. This is a component we have in the Caselle package that we are looking at implementing. I want to see what Caselle can do for us to create an internal work flow program for purchase orders.

The second area we want to explore is on our contract approval cover sheets. This would be very handy to do electronically with various contract approvals. This would allow for tracking the process of where a specific contract request is. Whether it is in my office, David Allen's office, Peggy Hawker's office, or the original department's office. This would replace a paper form that we currently use for contract approvals. Richard indicated that he will play around with this and set an internal meeting to further discuss utilizing this electronic system for contract approvals.

- Along with Mayor Sawyer, Clare Paul, and Chris Janigo, I participated in a meeting with Senator Merkley's staff regarding funding for dam projects. Currently, on a nationwide basis, there is only twelve million dollars appropriated for critical dam projects. This would allow approximately \$7,000 for each dam project in the country, which is meaningless. We are working to have Congress fund this program at a sustainable level that would make funds available for projects such as Big Creek Dam. We received a good reception from Senator Merkley's staff, who indicated their commitment to work toward adequate funding for this program.
- Participated in a meeting with ICMA regarding hosting the annual ICMA Conference in October in Portland, Oregon. The ICMA Board of Directors is still evaluating whether the Portland conference will be held in person or not. The plans at this time are to go forward with an in-person conference. We are looking forward to that, although it will mean more work for the Association to prepare for this ICMA conference.
- Met with Wayne Belmont on several joint issues with the County. Wayne has offered technical support to take advantage of FEMA funds for housing wildfire evacuees over the Labor Day weekend. We covered a number of other issues, as well.
- Reviewed the final draft for an RFP for the business plan for Parks and Recreation. Mike Cavanaugh is planning to get that out by the beginning of next week.

Upcoming Events:

- The first Budget Committee meeting is April 27 at 5 PM.
- I plan to take May 4,5 and 6 as vacation days.
- The second Budget Committee meeting is set for May 18 at 5 PM.
- The third Budget Committee meeting is May 25 at 6 PM.
- July 6-9, I plan to attend the OCCMA Summer Conference in Bend (in -person or virtually)
- October 3-6, I plan to attend the ICMA Annual Conference in Portland, OR.
- October 21-23 is the 96th League of Oregon Cities Annual Conference in Bend.

Attachments:

- Attached is a report that I provided to the Destination Newport Committee regarding the 2021-2022 budget and the room tax increase being considered by Council.
- Attached is a communication from Home Serve USA regarding the service line warranty program. They are willing with us to address future communications in an appropriate way.
- Attached is a communication from the Tillamook County Board of Commissioners thanking Richard Dutton and Travis Reeves for their efforts at helping them recover from the cyber attack that was experienced by Tillamook County last year. I recently ran across this letter and thought Council should be aware of Tillamook County's appreciation for assistance.

I hope everyone has a great spring!

Respectfully submitted,



Spencer R. Nebel, City Manager

cc: Department Heads



Spencer R. Nebel
City Manager
CITY OF NEWPORT
169 S.W. Coast Hwy.
Newport, OR 97365
s.nebel@newportoregon.gov

DATE: March 16, 2021

TO: Destination Newport Committee

FROM: Spencer Nebel

RE: Budget Planning for the Destination Newport Committee

The City collects a transient room tax of 9.5% from visitors staying in hotels, motels, and vacation rentals for periods of 30 days or less to fund various activities. Of the taxes collected, 54% goes to the General Fund (Fund 101) and 46% goes to the Room Tax Fund (Fund 230). The Room Tax Fund consists of revenues restricted for various tourism activities and facilities, including advertising, tourism promotion activities, tourism programming, community beautification, the visitors' center operations, public arts, Sister City expenses, as well as things such as holiday decorations, the fireworks display, and other similar events. In addition, the Room Tax Fund helps support the facilities that are tourism-related or partially tourism-related, such as public restrooms, part of the expenditures for facilities such as the Performing Arts Center, Visual Arts Center, the Recreation Center, and other facilities that provide services to the visitors to Newport. Even prior to COVID-19, it should be noted that the Room Tax Fund was not able to fully finance the portion of facilities related to tourism in the City of Newport.

In the year prior to the COVID-19 pandemic, Destination Newport had a budget of \$425,000 for activities, and \$25,000 for local event marketing.

BUDGET 2020-2021

The City's fiscal year begins July 1 of each year. As the City Council was planning the budget for the current fiscal year beginning July 1, 2020, the projections utilized by the City Council in April, when the budget was prepared, was that occupancy would be reduced by 30% over the current year, which would also result in a reduction of room rates of 30%. The combined impact of these reductions would equate to a 50% reduction in room tax collections from what was budgeted in the previous year. The current year budget projected receiving \$998,823 in the Room Tax Fund based on these assumptions.

I am pleased to report that actual revenues have far exceeded this projection which were made during the heart of the pandemic. The City Council has recognized an additional \$460,000 in revenue in the Room Tax Fund for the fiscal year ending June 30, to reflect actual rates of room tax collection, so far, this fiscal year. This additional funding has been placed in contingency which is now carrying a balance of \$517,866.

As part of the financial planning, during April of last year a budget of \$200,000 was set up for Destination Newport, with the local event marketing zeroed out for that fiscal year. Destination Newport could make a request for additional funding for the current fiscal year, if additional funds would assist in the marketing program. If the Committee is interested in requesting additional funds, it is appropriate to request additional funding for activities occurring prior to June 30, 2021.

BUDGET FOR THE FISCAL YEAR 2021-2022

We are currently developing a budget for the fiscal year that will begin July 1, 2021. I will be using the revenues received in the last complete fiscal year (pre-COVID) of \$2,025,000 as the basis for the tax revenues collected by the Room Tax Fund for the coming fiscal year. This would facilitate restoration of the budget of the Destination Newport Committee to \$425,000 and could restore the local event marketing to the tune of \$25,000 should DNC request it.

In addition, the Committee needs to discuss the advertising and marketing services contract that is currently held by the Newport News-Times. The Committee will need to determine whether RFPs should be solicited for services for this coming year, or could recommend to the City Council that a contract be extended with the Newport News-Times. This agreement ends on June 30, so if solicitation of proposals is what the Committee wishes to do, it will be important to make that determination at this meeting to provide time to solicit proposals and make a recommendation.

FINANCE WORK GROUP FINANCIAL SUSTAINABILITY REPORT

The City Council has accepted a report from the Finance Work Group for a five-year plan to assure financial sustainability for the City of Newport. This plan also focuses on the need for reinvestment in various City facilities, and the overall general maintenance of facilities, parks, and various amenities that are utilized by both visitors and residents in this community. One of the recommendations made by the Finance Work Group, is for the City Council to consider increasing the Transient Room Tax from 9.5% to 12% beginning this next fiscal year. With expenses rising at a faster rate than revenues, and a need for the City to make significant reinvestments in a number of key facilities serving both tourists and residents, several recommendations were made to the City Council to address operating expenses and facilitate this much-needed reinvestment in facilities, while assuring we can provide adequate services to both residents and visitors. One of the recommendations that was made by the Finance Work Group is to increase the room tax from 9.5% to 12%. If this increase is enacted by the City Council, the new revenues on the additional 2.5% of taxes would be divided 70% to the Room Tax Fund, and 30% to

the General Fund. This would provide a much-needed boost to help support key infrastructure critical for facilities and parks used by both visitors and residents, while allowing us to increase a level of maintenance for our public spaces in this community. It would also provide a significant boost to our efforts at marketing the community for visitors. During the next few months, the City Council will be soliciting input on this proposed change, and further outlining of what this would mean for current activities funded by Destination Newport. It may also allow an opportunity to restructure the way that the Room Tax dollars are being utilized for marketing this community and events that are occurring in this community in the future.

I am unable to meet with the Committee at this meeting, but I wanted to provide this information for your review. I will plan to attend your next committee meeting to gain further input on the possibility of increasing the Room Tax and how that would benefit the marketing efforts for the City of Newport.

I appreciate everyone's participation in Destination Newport. COVID-19 has made this a very difficult year for all of us, but it also is a great opportunity to evaluate what has worked or not in the past, and to build back better as we move ahead.

Sincerely,

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

Spencer R. Nebel,
City Manager

Michael Murzynsky

From: Steve Bieranowski <Steve.Bieranowski@homeserveusa.com>
Sent: Monday, March 15, 2021 2:07 PM
To: Michael Murzynsky
Cc: Michael Oravitz; Myles Meehan; Dennis Lyon
Subject: RE: Use of City Logo on Insurance Letter

Hey Mike,

SERVICE LINE WARRANTIES
UPDATE 3/15/21

It is not problem as all. This is what we are here for!

We typically mail 2 or 3 times a year but we would never mail without the approval of the city. I will also work with the city on each letter before it goes out to make sure it is up to the expectations of the city.

As of last week, we had 49 residents enrolled in a total of 92 policies. Also it may be worth noting that from Feb 29th through March 10th, 17 residents enrolled in 32 policies. That just goes to show that residents are still enrolling months after the letters went out.

Let us know if there is anything additional we can do to assist.
Steve



Tillamook County Board of Commissioners

201 Laurel Avenue, Tillamook, OR 97141

Phone: 503-842-3403

TTY Oregon Relay Service

Bill Baertlein, Chair

Mary Faith Bell, Vice-Chair

David Yamamoto, Commissioner

February 26, 2020

Spencer Nebel
City Manager
City of Newport
169 SW Coast Hwy
Newport, OR 97365

Dear Mr. Nebel:

We would like to take this opportunity to share our appreciation for the outstanding contribution and support the City of Newport, Richard Dutton, and Travis Reeves recently provided to Tillamook County. After learning of the recent cyber-attack against Tillamook County, Richard quickly reached out to our Tillamook Information Services (IS) Director, Damian Laviolette, to extend an offer of support, time, and resources.

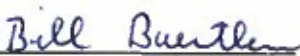
The City of Newport's Information Technology Department is a team of two and the offer to send one staff member to Tillamook County for several days was exceedingly generous. With the skilled onsite support and guidance of Travis Reeves, Tillamook County's IS technical resources we were able bring several key systems back online and restore services faster to County staff and residents. Richard and Travis' expertise were instrumental in saving the County at least two additional weeks of work and significant additional financial costs.

In addition to extending the initial offer of support of a highly skilled technical resource such as Travis onsite for two days, Richard also extended the offer of a key technology infrastructure component to help keep Tillamook County's data safe until a more permanent solution can be implemented.

The City of Newport should be incredibly proud of their professional and generous technical professionals supporting their environment and securing their data and systems. On behalf of Tillamook County, we are very appreciative for the City of Newport's support in this very difficult and trying time.

Sincerely,

BOARD OF COMMISSIONERS FOR TILLAMOOK COUNTY, OREGON


Bill Baertlein, Chair


Mary Faith Bell, Vice-Chair


David Yamamoto, Commissioner