



FOR IMMEDIATE RELEASE

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**CITY OF NEWPORT  
HOLDING PUBLIC HEARING ON A  
FIVE CENT PER GALLON YEAR-ROUND GASOLINE TAX**

Over the past three years, the City of Newport's elected and volunteer leadership has been looking for ways to address upcoming budget shortfalls and preserve the level of services that residents and visitors have become accustomed to receiving. One of the pieces in that puzzle is the possibility of a five cent per gallon tax on gasoline year round within the city limits. We are reaching out to inform you that the Newport City Council will be holding a public hearing to decide whether to put this matter on the November 2021 or May 2022 ballot.

**That hearing is scheduled for Monday, July 19, 2021, at 6:00 P.M., in the City Council Chambers of the Newport City Hall, 169 SW Coast Highway.** The agenda will be accessible on the City of Newport's website at [www.newportoregon.gov](http://www.newportoregon.gov) at the close of business on July 15.

The city's Finance Work Group spent three years developing a proposed system for protecting the city's long-range financial condition. This work included identifying options to address the structural deficit in the city's General Fund by reducing expenditures and/or increasing revenues; and developing a Five-Year Financial Plan for the city to achieve financial sustainability. That document was approved by the City Council on March 1, 2021, and this increased gasoline tax is a key part of that Plan, because it corrects a disparity that currently exists in our local system. Though the city serves around 10,000 residents, we have increased stress on our systems and facilities from a large influx of

visitors. Our city, which is established to provide services and facilities for 10,000, is stretched to meet the needs of 30,000 people inside the city limits at any given time during peak tourism season. This assessment will help ensure that visitors are shouldering a portion of the burden to preserve our city's quality of life, which they enjoy as much as our residents.

The city commissioned a pavement condition review and strategy report from NCE Engineering and Environmental Services. This report included the development of a pavement condition index and identified various means to maximize the investment of road resources to extend the life of the pavement and streets throughout the city. The city currently maintains 62.8 miles of paved streets and 10.7 miles of gravel roads. For purposes of this study, only the paved streets were included in the pavement condition index. NCE Engineering evaluated each segment of street throughout the city. As a result of this evaluation, it was determined that the pavement condition index overall of the city streets was rated at 66, with the arterial and collector streets being rated at 69, and residential streets at 64. The pavement condition scoring criteria considered any scores between 70 and 100 as good/very good, between 50 and 69 as fair, between 25 and 49 as poor, and 0 to 24 as failed. This report also showed the effect of various funding levels for surface maintenance in the city. Currently, the city has two primary sources of funding for street improvements. This includes the local gas tax, in which the city collects three cents per gallon for gasoline sold in the city for five months out of the year, and one cent per gallon for gasoline sold over the other seven months of the year. This generates about \$160,000 a year in taxes dedicated to the city's street resurfacing program. In addition, the city receives State Shared Revenues from the State of Oregon each year in the approximate amount of \$788,000. These funds are designated for operations, street resurfacing, reconstruction, and bicycle trails. Based on the current level of reinvestment in the street system, the city's street overall index would fall to poor by 2030. In order to maintain a condition index of 69, the report indicates the city needs to invest an amount of \$2 million per year in the street system.

The Finance Work Group reviewed options to address the necessary street maintenance. After reviewing cost-saving opportunities, the work group turned its focus to revenue options that would distribute the burden more fairly between visitors and residents using city services. Instead of resorting to special tax levies, public safety fees,

and other charges on utility bills to meet needs, the work group recommended focusing on ways to draw revenues from those using the infrastructure. The increased gasoline tax, if approved by the voters, would take effect in July 2022.

The city instituted a series of budget cuts designed to improve efficiency and maximize the city's ability to do more with less. Part of that effort included eliminating 22 full-time-equivalent positions, effective July 1, 2020, as well as a mandatory furlough of 12 days for all non-represented employees.

We encourage your participation in the process, and you can do so either in person or in writing. Council meetings are now in-person. Additionally, all meetings are livestreamed and televised on Charter Channel 190. To access the livestream, visit the City of Newport website at [www.newportoregon.gov](http://www.newportoregon.gov). Once there, click on "City Government" and then on "City Council." Click the "In Progress" note if the meeting is underway.

To submit written testimony, it must be received *by noon on July 19*, at [publiccomment@newportoregon.gov](mailto:publiccomment@newportoregon.gov). Written material received before noon on July 19 will be included in the meeting materials and acknowledged, at the appropriate time, by the Mayor. If a specific request is made to read written public comment into the record during the meeting, the City Recorder, or a designee, will be given a maximum of 3 minutes to read the comment during the meeting.

The Finance Work Group report can be found through the following link: [https://newportoregon.gov/dept/fin/documents/3-10-2021\\_Final\\_Combined\\_Finance\\_Work\\_Group\\_Report.pdf](https://newportoregon.gov/dept/fin/documents/3-10-2021_Final_Combined_Finance_Work_Group_Report.pdf).

We encourage your participation in this public hearing, and look forward to your input.

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