



CITY COUNCIL REGULAR SESSION AGENDA
Tuesday, January 02, 2024 - 6:00 PM
City Council Chambers

All public meetings of the City of Newport will be held in the City Council Chambers of the Newport City Hall, 169 SW Coast Highway, Newport. The meeting location is accessible to persons with disabilities. A request for an interpreter, or for other accommodations, should be made at least 48 hours in advance of the meeting to Erik Glover, City Recorder at 541.574.0613, or e.glover@newportoregon.gov.

All meetings are live-streamed at <https://newportoregon.gov>, and broadcast on Charter Channel 190. Anyone wishing to provide written public comment should send the comment to publiccomment@newportoregon.gov. Public comment must be received four hours prior to a scheduled meeting. For example, if a meeting is to be held at 3:00 P.M., the deadline to submit written comment is 11:00 A.M. If a meeting is scheduled to occur before noon, the written comment must be submitted by 5:00 P.M. the previous day. To provide virtual public comment during a city meeting, a request must be made to the meeting staff at least 24 hours prior to the start of the meeting. This provision applies only to public comment and presenters outside the area and/or unable to physically attend an in person meeting.

The agenda may be amended during the meeting to add or delete items, change the order of agenda items, or discuss any other business deemed necessary at the time of the meeting.

1. CALL TO ORDER AND ROLL CALL

2. PLEDGE OF ALLEGIANCE

3. PUBLIC COMMENT

This is an opportunity for members of the audience to bring to the Council's attention any item not listed on the agenda. Comments will be limited to three (3) minutes per person with a maximum of 15 minutes for all items. Speakers may not yield their time to others

3.A Public Comment Trisha Geer

[Comment from Geer .pdf](#)

4. ELECTION OF COUNCIL PRESIDENT FOR 2024

4.A Election of Council President

[City Manager's Report](#)

[CITY COUNCIL President BALLOT January 02, 2024.pdf](#)

5. CONSENT CALENDAR

The consent calendar consists of items of a repeating or routine nature considered under a single action. Any Councilor may have an item on the consent agenda removed and considered separately on request.

5.A Acknowledge Receipt of Links to Video/Audio Files for Minutes

[Video Links for Minutes to be approved 1-02-2024.pdf](#)

5.B Approve Minutes of the Work Session and Regular Session of December 4, 2023.

[12-04-2023 City Council Work Session Minutes- Final.pdf](#)

[12-04-2023 City Council Minutes-Final.pdf](#)

5.C Approve Minutes of the Executive Session of December 04, 2023.

5.D Reappointments to Various Committees

[CITY_MANAGER_Report_Reappointments_01-02-2024 \(1\).pdf](#)

5.E Ratify the Mayor's Reappointment of Bryn McCornack, Terrie Murphy, Ann Way, and Shelly Thompson to the 60+ Advisory Committee for Terms Expiring December 31, 2025.

5.F Ratify the Mayor's Reappointment of Jeff Bertuleit, Ralph Busby, and Mark Watkins to the Airport Committee for Terms Expiring December 31, 2025.

5.G Ratify the Mayor's Reappointment of Michael Rioux to the Bicycle and

Pedestrian Advisory Committee for Term Expiring December 31, 2025

- 5.H Ratify the Mayor's Reappointment of Arjen Sundman to the Budget Committee for Term Expiring December 31, 2026**

- 5.I Ratify the Mayor's Reappointment of Ian Clayman, Camille Fournier, Janell Goplen, Eric Seil, and Joshua Conrad to the Destination Newport Committee for Terms Expiring December 31, 2024**

- 5.J Ratify the Mayor's Reappointment of Karen Apland and Gianna Martella to the Library Board for Terms Expiring December 31, 2027**

- 5.K Ratify the Mayor's Reappointment of Bill Branigan, Janell Goplen, Doretta Smith to the Parking Advisory Committee for Terms Expiring December 31, 2025**

- 5.L Ratify the Mayor's Reappointment of Charles Brown, Eva Gonzalez-Muñoz, Charles Mitchell, Shelley Moore, and Nancy Steinberg to the Parks and Recreation Advisory Committee for Terms Expiring December 31, 2025.**

- 5.M Ratify the Mayor's Reappointment of Gary East, and Braulio Escobar to the Planning Commission for Terms Expiring December 31, 2026.**

- 5.N Ratify the Mayor's Reappointment of Esmeralda Hernandez to the Police Advisory Committee for Term Expiring December 31, 2025**

- 5.O Ratify the Mayor's Reappointment of Anita Albrecht, Chasse Davidson, Mary Peterson, and Catherine Rickbone to the Public Arts Committee for Terms Expiring December 31, 2027**

- 5.P Ratify the Mayor's Reappointment of Braulio Escobar to the Retirement Board of Trustees for Term Expiring December 31, 2027**

5.Q Ratify the Mayor's Reappointment of Paula Miranda to the Vision 2040 Advisory Committee for Term Expiring December 31, 2028

5.R Receipt of Approved Committee Minutes

[11-15-2023_Parking_Advisory_Comm_Minutes-Approved 12-20-2023.pdf](#)

[PC_Work_Session_11-13-23_Approved_12-11-23.pdf](#)

[PC_Reg_Session_11-13-23_Approved_12-11-23.pdf](#)

6. PUBLIC HEARING

This is an opportunity for members of the audience to provide testimony/comments on the specific issue being considered by the City Council. Comments will be limited to three (3) minutes per person.

6.A Public Hearing an Ordinance Amending No. 2218, an Ordinance Amending Section 8.20.020 of the Newport Municipal Code Related to Prohibiting the Sale and Use of Fireworks in the City of Newport.

[City Manager's Report](#)

[Council Staff Report Fireworks Ban Report.pdf](#)

[Ord. No. 2218 - Fireworks - amending NMC 8.20.020 - final draft -clean copy.pdf](#)

[Ord. No. 2218 - Fireworks - amending NMC 8.20.020 - final draft -track changes.pdf](#)

[Fireworks - Sales & Use - by Jurisdiction \(12.22.23\).pdf](#)

[Ordinance 532 \(DRAFT\) Lincoln County - Fireworks.pdf](#)

[Public Comment - Gary Lahman.pdf](#)

6.B Public Hearing and Potential Adoption of Ordinance No. 2216, an Ordinance Amending Title XIV of the Newport Municipal Code to Implement Land Use Mandates from the 2023 Oregon Legislative Session

[City Manager's Report](#)

[Staff Report.pdf](#)

[Ordinance No. 2216 - rev. draft.pdf](#)

[HB2898.pdf](#)

[HB3167.pdf](#)

[HB3395.pdf](#)

[Draft Planning Commission Minutes 12-11-2023.pdf](#)

[Public Hearing Notice.pdf](#)

[File 1-Z-23 CC Public Hearing Notice.pdf](#)

6.C Public Hearing and Possible Action to Consider a Purchase and Sale Agreement for Tideland Property to the Yakona Nature Preserve and Placed in Conservancy.

[City Manager's Report](#)

[Staff Report.pdf](#)
[Draft Purchase and Sale Agreement.pdf](#)
[City Vesting Deed.pdf](#)
[Tidelands Map.pdf](#)
[Yakona Backgrounder.pdf](#)
[Public Hearing Notice.pdf](#)
[Comments from Mark Arnold.pdf](#)

7. COMMUNICATIONS

Any agenda items requested by Mayor, City Council Members, City Attorney, or any presentations by boards or commissions, other government agencies, and general public will be placed on this part of the agenda.

- 7.A From the Lincoln County Homeless Advisory Board - Resolution No. 4006 A Resolution Supporting the Recommendation for Addressing Homelessness in Lincoln County and Continuation of Lincoln County Homeless Response Advisory Board**
[City Manager's Report](#)
[Final Administrative Draft - LCHAB - Where We Call Home.pdf](#)
[Res. No. 4006 Homeless Strategic Plan_DRAFT_Jan_2_2024.pdf](#)
- 7.B From the Audit Committee - Acceptance of the Independent Auditors Report from Aldrich CPA's + Advisors, LLP of the Comprehensive Financial Report for the Year Ended June 30, 2023, and adoption of Resolution No. 4002, a Resolution Providing for a Corrective Action Plan From the Fiscal Year 2022-2023 Audit.**
[City Manager's Report](#)
[Staff Report - Res. No. 4002 - Audit Action Plan.pdf](#)
[6-30-23 City of Newport Financial Statements with Supp.pdf](#)
[Resolution No. 4002 Corrective Action Plan for 2022-23 FY.pdf](#)
[Attachment A - Corrective Action Plan.pdf](#)
- 7.C From the Government Finance Officers Association (GFOA) Announcing that the City of Newport has been Awarded the GFOA Certificate of Achievement Which is the Highest Form of Recognition in the Area of Governmental Accounting and Financial Reporting for the Fiscal Year Ended June 30, 2022.**
[City Manager's Report](#)
[6 - Press Release.pdf](#)
[5 - Certificate.pdf](#)
- 7.D From the Quality Review Team (Mayor and Council President) - Evaluation of the City Manager and City Attorney**
[City Manager's Report](#)

[City Attorney evaluation summary - final.pdf](#)
[City Manager Evaluation Summary.pdf](#)

7.E From the Quality Review Team (Mayor and Council President) - Compensation for the City Manager and City Attorney.

[City Manager's Reports](#)
[City Manager and City Attorney Evaluation Compensation Recommendations to City Council from Quality Review Team - final.pdf](#)

7.F From Spencer Nebel - Request to Carry Over 40 Hours of Vacation Time.

[City Manager's Report](#)
[VACATION CARRYOVER EXCEPTION REQUEST.pdf](#)

8. CITY MANAGER'S REPORT

All matters requiring approval of the City Council originating from the City Manager and departments will be included in this section. This section will also include any status reports for the City Council's information.

8.A 2023 Annual Report

[City Manager's Report](#)
[12.19.23 DRAFT 2023 Year End Report.pdf](#)

8.B Consideration and Potential Approval of an Intergovernmental Partnership Agreement with the Oregon Building Codes Division for use of the e-Permit System

[City Manager's Report](#)
[Staff Report.pdf](#)
[Draft IGA - PO-44000-00027501 City of Newport ePermitting.pdf](#)
[Existing Intergovernmental Partnership Agreement.pdf](#)
[HB 2415 \(2021\).pdf](#)

8.C Report on Referring to the Voters an Ordinance for a Street Improvement measure to Increase the Vehicle Fuel Tax to Five Cents per Gallon Year-Round.

[City Manager's Report](#)
[Ord. No. 2217 - Motor Vehicle Fuel Tax - draft 12-27-23 -clean copy.pdf](#)
[Res. No. 4005 - Referral of Ord. No. 2217 - draft 12-28-23 -clean copy.pdf](#)

8.D Report on the Status of Repairs for the Oceanview Drive Slide as Completed Under Limited Emergency 2023 - 2.

[City Manager's Report](#)
[Staff Report \(1-2-24\).pdf](#)
[Photo - Preparation for Final Paving.pdf](#)

8.E Report on the Annual Goals Process.

[City Manager's Report](#)

8.F Report of Council Committee/Liaison Assignments

[City Manager's Report](#)

[council liason list 2023.pdf](#)

9. REPORT FROM MAYOR AND COUNCIL

This section of the agenda is where the Mayor and Council can report any activities or discuss issues of concern.

9.A Mayor and Council Report

[Hall Council Report.pdf](#)

10. PUBLIC COMMENT

This is an additional opportunity for members of the audience to provide public comment.

Comments will be limited to three (3) minutes per person with a maximum of 15 minutes for all items. Speakers may not yield their time to others.

11. ADJOURNMENT

[WARNING] This message comes from an external organization. Be careful of embedded links.

City of Newport, OR :: Contact Us - Web Form

The following information was submitted on 12/30/2023 at 6:24:54 PM

To: Public Comment

Name: Trisha Geer

Email: [REDACTED]

Phone: [REDACTED]

Subject: Bay-front Parking Lot airgarage

Message: Hello,

this weekend my family and I went to the coffee house on the bay front. We parked in the first parking space behind Rippley's, not in the parking area for Rippleys but what we thought was public parking. We were excited to go have breakfast, we parked and walked there. When we came back to the car there was a parking violation on the window, we had not realized we entered a space we had to pay for, there is no sign signaling that you are entering a parking lot that charges. As we looked around we did see that in individual spaces there were signs saying something to the effect I suppose, the space we had parked in had no sign. We were literally caught off guard. We promptly went and paid the \$54.00 violation but not happily. There should be a sign notifying the public they are entering a parking area they are going to have to pay for.

Thank you

CITY MANAGER REPORT AND RECOMMENDATIONS



Meeting Date: January 2, 2024

Agenda Item:

Election of Council President.

Background:

Chapter 3, Section 9, of the City Charter provides that:

at its first meeting each year, the Council shall elect a president from its membership. The president presides in the absence of the Mayor and acts as Mayor when the Mayor is unable to perform duties.

The City of Newport Council Rules further provide in Section 1.6 B:

- A. *The term of the Council President is for one year and the intent is for this position to rotate on an annual basis to different members of the Council.*
- B. *The Mayor will ask each member for a nomination of Council members to serve as Council President. The Mayor is allowed to nominate a member to serve in this capacity as well and Council Members can nominate themselves to serve as Council President. Once the nominations are closed, the Council members will write a name of a nominated Council member, and sign their own name on a written ballot. The Mayor will ask each Councilor to show their ballots on screen during the Zoom meeting. The City Recorder will count the ballots, and the member of the Council receiving the most votes will become the Council President for that year. The City Recorder will include how each Councilor voted for Council President, in the meeting minutes.*

If there is only one nomination for Council President, Council can proceed with a voice vote instead of using ballots to appoint the Council President.

Recommended Action:

I recommend that the Mayor ask Council members for nominations of Council members to serve as Council President for the 2024 calendar year.

Following nominations, the Mayor will ask the City Recorder to distribute ballots for Council members to select the next Council President. The candidate receiving the most votes will become Council President.

Fiscal Effects:

None.

Alternatives:

If there is one nominee, the Council may choose to make the following motion:

I move to waive the ballot process and cast a unanimous vote for [the nominated candidate] to serve as Council President for 2024.

I have provided a list of past Council Presidents for your information:

August 2023	Dietmar Goebel
January 2023	Jan Kaplan (resigned after appointed Mayor)
January 2022	Cynthia Jacobi
January 2021	CM Hall
January 2020	Ryan Parker
January 2019	David Allen
January 2018	Dietmar Goebel

Respectfully submitted,



Spencer R. Nebel
City Manager

CITY COUNCIL BALLOT

Voting Round: _____

Regular Meeting January 02, 2024

Ballot for Nomination of Council President

- Robert Emond
- Beatriz Botello
- Dietmar Goebel
- CM Hall
- Ryan Parker
- Cynthia Jacobi

Councilor Name Print

: _____

Councilor Signature:

CITY COUNCIL BALLOT

Voting Round: _____

Regular Meeting January 02, 2024

Ballot for Nomination of Council President

- Robert Emond
- Beatriz Botello
- Dietmar Goebel
- CM Hall
- Ryan Parker
- Cynthia Jacobi

Councilor Name Print

: _____

Councilor Signature:

Links to Video/Audio Files for Minutes

December 4, 2023 City Council Work Session

<https://thecityofnewport.granicus.com/player/clip/1161>

December 4, 2023 City Council

<https://thecityofnewport.granicus.com/player/clip/1163>

November 15, 2023 Parking Advisory Committee

<https://thecityofnewport.granicus.com/player/clip/1152>

November 13, 2023 Planning Commission Work Session

<https://thecityofnewport.granicus.com/player/clip/1148>

November 13, 2023 Planning Commission Regular Session

<https://thecityofnewport.granicus.com/player/clip/1149>

**City of Newport
City Council Work Session Minutes
December 04, 2023**

LOCATION: CITY COUNCIL CHAMBERS, NEWPORT CITY HALL 169 SW COAST HIGHWAY NEWPORT	
Time Start: 4:05 P.M.	Time End: 4:07 P.M.

MEETING ATTENDANCE LOG

COUNCIL/BOARD MEMBER	STAFF
Mayor Kaplan	Spencer Nebel, City Manager
Councilor Botello	Erik Glover, Assistant City Manager/City Recorder
Councilor Goebel	David Allen, City Attorney
Councilor Emond	
Councilor Hall	
Councilor Jacobi	
Councilor Parker	

AGENDA TITLE	ACTIONS
Work Session	
City Manager's Report	Nebel presented the written City Manager Report.
Scheduling an Executive Session Pursuant to ORS 192.660(2)(i) to evaluate the City Attorney and City Manager	MOTION was made by Emond, seconded by Botello to move to schedule an executive session pursuant to ORS 192.660(2)(i) to evaluate the City Attorney and City Manager immediately following the close of the December 04, 2023 work session. MOTION carried unanimously in a voice vote.

**City of Newport
City Council Minutes
December 04, 2023**

LOCATION: CITY COUNCIL CHAMBERS, NEWPORT CITY HALL 169 SW COAST HIGHWAY NEWPORT
Time Start: 6:17 P.M. Time End: 8:30 P.M.

ATTENDANCE LOG/ROLLCALL

COUNCIL/BOARD MEMBER	STAFF
Mayor Kaplan	Spencer Nebel, City Manager
Councilor Emond	Erik Glover, Assistant City Manager/City Recorder
Councilor Botello	David Allen, City Attorney
Councilor Goebel	Jason Malloy, Police Chief
Councilor Hall	Mike Cavanaugh, Parks and Recreation Director
Councilor Parker	Steve Baugher, Finance Director
Councilor Jacobi	Derrick Tokos, Community Development Director

AGENDA ITEM	ACTIONS
REGULAR MEETING	
CALL TO ORDER AND ROLL CALL	
a. Roll Call	None.
b. Pledge of Allegiance.	Council, staff and the audience participated in the pledge of allegiance.
PUBLIC COMMENT	
	None was heard.
PROCLAMATION, PRESENTATIONS AND SPECIAL RECOGNITIONS	
a. Oath of Office Police Sergeant Steve Hallmark	Glover conducted the oath of office for Hallmark, following promotion.
CONSENT CALENDAR	
a. <u>Receipt of Links for Video/Audio Files for All Meeting Minutes Received/Approved by City Council</u>	Glover read the consent calendar. Glover reported that item 5A is pertaining to a Council request for video files links with a conversion to action minutes.
b. <u>Approval of City Council Regular and Work Session Minutes Consisting of:</u> 11-06-2023 City Council Work Session Minutes 11-06-2023 City Council Minutes 11-20-2023 City Council Work Session Minutes 11-20-2023 City Council Minutes	Question was referenced about phrasing on item 5A, general consensus to hold/remove 5A approval from consent calendar for discussion.
c. <u>Receipt of Approved Committee Minutes Consisting of:</u> 60+ Advisory Committee Minutes of 01-23-23 60+ Advisory Committee Minutes of 02-27-23	Hall advised under public comment in the City Council Minutes of November 20, 2023, the correct name was Martin Desmond, not Robert Desmond.

60+ Advisory Committee Minutes of 03-27-23
 60+ Advisory Committee Minutes of 05-22-23
 60+ Advisory Committee Minutes of 06-26-23
 60+ Advisory Committee Minutes of 08-28-23
 60+ Advisory Committee Minutes of 09-25-23
 10-17-2023 Water Supply Conservation and Management workgroup Minutes

MOTION was made by Hall, seconded by Emond to approve the consent calendar, items 5B/5C, and hold item 5A for discussion. MOTION carried unanimously in a voice vote.

Brief discussion was held on 5A if Council is approving the links, or the minutes. Nebel reported Council request was to have links to the video/audio files, with the November 1, 2023 conversion to action minutes. Nebel noted it was designed to be a clean process to show all the links. Goebel inquired if by approving the links, Council is approving the minutes. Allen reported it was done as a matter of convenience for folks watching, and it is a part/component of the minutes, but the Council is not approving the link itself. Further discussion was held on the links, and the process of acknowledging receipt of the video files. Allen advised this is simply acknowledging receipt, much the same as acknowledging receipt of approved committee minutes.

Brief discussion on why some of the minutes are not action minutes format. It was referenced these were previous to November 1, 2023 approved transition date for action minutes.

MOTION made by Hall, seconded by Emond to approve 5A, to approve/acknowledge receipt of links for these proceedings. MOTION carried unanimously in a voice vote.

PUBLIC HEARING
Public Hearing and Possible Consideration of a Purchase and Sale Agreement for the Abbey Street Pier Building Located at 669 SW Bay Boulevard

- a. CITY MANAGER REPORT - Spencer Nebel
- b. Public Hearing open
- c. Public Comment
- d. Public Hearing closed
- e. Council Decision

Nebel presented the written City Manager report.

Kaplan opened the public hearing at 06:34 P.M.

None was heard.

Kaplan closed the public hearing at 06:34P.M

Freddy Saxton Broker with Advantage Real Estate reported the city received two quality offers, one was all cash and one was included owner carry(city/note) financing. The \$710,000 all cash figure was accepted.

MOTION was made by Jacobi, seconded by Parker to move to approve the commercial real estate sales agreement for the Abbey Street Pier

Public Hearing and Possible Action to Determine Certain City-Owned Parcels of Tideland are Surplus to the City's Needs and Should Be Sold to the Yakona Nature Preserve and Placed in Conservancy

- a. CITY MANAGER REPORT - Spencer Nebel
- b. Public Hearing open
- c. Public Comment
- d. Public Hearing closed
- e. Council Decision

building at 669 SW Bay Boulevard and authorize the City Manager to execute the necessary documents to complete the transaction, including execution of necessary easements, subject to review and approval by the City Attorney. MOTION carried unanimously in a voice vote.

Nebel presented the written City Manager report.

Kaplan opened the public hearing at 06:40 P.M.

Mark Arnold spoke saying that he lived outside the City, on property adjacent to King Slough for oyster production. He spoke to access constraints with tidelands. He reported that one consideration to review was that issues with conflicting deeds have been resolved to ensure compliance with state law.

Kaplan closed the public hearing at 06:44P.M

Council reported that these issues are ones which can be investigated ahead of the January 2, 2024 potential public hearing. Tokos reported the information was provided to staff ahead of the meeting, and are resolvable. Arnold reported he did not object to the transfer, but was just sharing historical knowledge.

MOTION was made by Parker, seconded by Goebel to move to determine that four tideland parcels, identified as tax lots 11 - 11 - 21 - 00 - 01190 - 00; 11 - 11 - 22 - CO - 04200 - 00; 11 - 11 - 27 - 00 - 03100 - 00; and, 11 - 11 - 28 - 00 - 00201 - 00 which are collectively 9.23 acres located outside the urban growth boundaries of the city, in the proximity of the Yakona Nature Preserve, are no longer needed for public use and that it is in the public interest to sell the property.. MOTION carried unanimously in a voice vote.

MOTION was made by Hall, seconded by Botello to move to direct the City Manager to coordinate the preparation of land conveyance documents with the Yakona Nature Preserve, and schedule a public hearing on these documents for Tuesday, January 2, 2024. MOTION carried unanimously in a voice vote.

COMMUNICATIONS

From Erik Jensen, Jensen Strategies - Discussion of Schedule for Executive Recruitment of the City Manager

Nebel presented the written City Manager Report.

Jensen spoke via Zoom regarding dates and times for the process, and the public engagement process.

Council held discussion and exchanged commentary, including referencing some scheduling conflicts, and date changes. It was referenced Spanish language sessions/documents/surveys would be good to have.

MOTION by Hall seconded by Emond to move to confirm the schedule as presented by Jensen Strategies for the city manager executive search, with the understanding that the interview week schedule is still to be determined/finalized. MOTION carried unanimously in a voice vote.

Jensen reported as a cautionary remark, it was important to not have too much time between interviews and appointments because candidates often secure other jobs.

Nebel reported that he would have a schedule and report on the January 2, 2024 meeting.

Communication from the Parks and Recreation Advisory Committee -- Annual Progress Report on the Parks System Master Plan

Nebel presented the written City Manager report.

Mike Cavanaugh, Park and Recreation Director was present to speak, along with Nancy Steinberg, Chair of the Committee. Steinberg delivered the annual report. Council held brief discussion, and some questions on the item.

MOTION was made by Hall, seconded by Botello to move to accept the annual report of the Newport Parks and Recreation Advisory Committee on the status of the Parks Master Plan projects for 2023. MOTION carried unanimously in a voice vote.

Communication from the City Attorney -- Request for Payment of up to 40 Hours of Accrued Vacation Time

Nebel presented the written City Manager report, it was noted 240 hours was the max vacation carryover.

Kaplan reported the quality assurance team was recommending approval of this item.

MOTION was made by Kaplan, seconded by Goebel to move to authorize payment of up to 40 hours of accrued vacation time in excess of the 240 hours allowed to be carried over one calendar year to the next for city attorney David

Allen subject to completion of the vacation carryover exception request form. MOTION carried unanimously in a voice vote.

Council inquired what the monthly accrual was. Allen noted he had options to obtain more than 14 hours per month, as many other City Attorneys had done in their contract negotiations, but he felt it was important to get the same accrual as department heads based upon years of service so he receives the same as department heads.

CITY MANAGER'S REPORT

Consideration of Resolution No. 4001, Relating to the Application of SDC Charges to the Conversion of Commercial Buildings for Residential Use

Nebel presented the City Manager report.

Discussion was held, questions regarding the positive and negative SDC amounts were heard. Tokos spoke to the calculation methodology.

MOTION was made by Hall, seconded by Jacobi move to adopt Resolution No. 4001, a resolution relating to the application of SDCs to the conversion of commercial property to residential use. MOTION carried unanimously in a voice vote.

Consideration of Adoption of Order Number 2023-2, an Order Acknowledging the Withdrawal of Conditional Use Permit Application No. 7CUP-21 for the Lincoln County Animal Shelter

Nebel presented the City Manager Report.

MOTION was made by Parker, seconded by Goebel to move to adopt order number 2023-2, an order acknowledging the withdrawal of Lincoln County's conditional use permit application to construct an animal shelter at the Newport Municipal Airport, and that no further action will be taken on this matter. MOTION carried unanimously in a voice vote.

Report and Appropriation of Funding for Repairs for the Oceanview Drive Slide Under Limited Emergency 2023 - 2

Nebel presented the City Manager report.

Council held discussion on the item, and inquired about the projects having appropriated funds.

MOTION was made by Parker, seconded by Emond to move to re-appropriate \$147,000 from the Big Creek Bridge Abutment project (17009) and \$158,000 from the Street Repair and Improvement Program (25-23010) to address necessary repairs to Oceanview Drive under limited emergency declaration 2023-2 and authorize the use of contingency funds in the Street Fund if additional funding is necessary to complete this work. I authorize the City Manager

Report and Possible Action on SAIF Dividend for Workers Compensation

to proceed with the necessary contracts to complete these repairs. MOTION carried unanimously in a voice vote.

Nebel presented the City Manager report, advised the Aquarium and other employers returned their dividend back to employees as appreciation for being safe and focusing on workplace safety which results in a better workplace, and reduced expense/premium for worker's compensation coverage. He advised this would be delivered as a surprise.

General discussion about the dates of effect, and prorations between full time and part time was heard.

MOTION was made by Jacobi, seconded by Emond to move to allocate the 2023 dividend from SAIF of \$35,419 by providing equal shares to all full-time employees, with part-time employees receiving 50% of that share, provided that all employees were continuously employed by the City from January 1 through December 4, 2023. MOTION carried unanimously in a voice vote.

Report and Possible Action for Conversion to a Four-Day, Ten-Hour Work Week for General Office and Other Departmental Work

Nebel presented the City Manager report, noting public hours of access would be expanded from current 8am-5pm, to 8am-6pm.

Council held discussion on this item, referencing flexibility in schedules should be considered. Nebel advised flexibility doesn't work in all cases with open hours of public operation/access. It was referenced by Council, increasing work life balance for employees, reducing commuting time/ climate impact, energy savings and flexibility in schedule to benefit employees who have to commute long distances from affordable housing are all positives for the change, and would likely assist recruitment efforts of the city.

Nebel advised this could certainly be reevaluated after a trial, if it is not working, but January 1, 2024 was the targeted transition date.

MOTION by Emond seconded by Botello to move to authorize the City Manager to establish a four-day ten-hour work week in certain offices with City Hall offices being open to the public from 8 AM to 6 PM Monday through Thursday effective the first of the year. MOTION carried unanimously in a voice vote.

Report on Per -- and Polyfluoroalkyl Substances (PFAS) Litigation

Nebel presented the City Manager report.

Allen spoke to the class action lawsuit, noting PFAS is common in firefighting foams and has been detected around the country, but not in Newport.

Council held brief discussion on the item, and heard a summary of testing Newport has performed.

Report on the Budget Calendar for the Fiscal Year Beginning July 1, 2024 and Ending June 30, 2025

Nebel presented the City Manager report.

Hall noted scheduling conflicts with some of the meetings and referenced she would need Zoom attendance option.

<p>REPORT FROM MAYOR AND COUNCIL</p> <p><i>a. Mayor and Council Reports</i></p>	<p>Kaplan shared that the Council has been discussing fireworks issues recently. He reached out to other Mayors in Lincoln County. Lincoln City, and Depoe Bay banned the sale and use of fireworks. Kaplan reported that Waldport is waiting to see what Lincoln County does on an ordinance, and Lincoln County is considering a ban of sales and use.</p> <p>Emond reported that he attended a broadband meeting recently, of the Broadband Action Taskforce, who is working towards efforts to obtain funds for rural broadband. He shared that the Siletz Tribe is working on broadband items as well, and he felt it would be good to strengthen the partnership with the Siletz Tribe. Emond shared he would be leading that effort.</p> <p>Hall reported she was in Washington D.C. recently, and noted QR codes were everywhere. She suggested the City looking into it, to be environmentally conscious and to reduce paper waste for things like agendas. Hall added a number of city staff and volunteers had birthdays, and cake at the January meeting was warranted, for Beatriz, Ryan and Spencer.</p> <p>Nebel shared setting a time for the January 8, 2024 work session was needed, to develop a profile for City Manager search. General consensus of 4 P.M, max of 2 hours.</p>
<p>PUBLIC COMMENT</p>	<p>None was heard.</p>



CITY MANAGER'S REPORT AND RECOMMENDATIONS

Date: January 2, 2024

Agenda Item:
Reappointments to Various Committees

Background:

In December of 2023, letters were sent to members of various city standing committees whose terms were expiring on December 31, 2023, asking whether they wished to be reappointed.

Mayor Kaplan has reviewed this list and appoints the following committee members subject to council ratification.

Member	Committee	Term Expiration Date
Bryn McCornack	60+ Committee	12/31/2025
Terrie Murphy	60+ Committee	12/31/2025
Ann Way	60+ Committee	12/31/2025
Shelly Thompson	60+ Committee	12/31/2025
Jeff Bertuleit	Airport Committee	12/31/2025
Ralph Busby	Airport Committee	12/31/2025
Mark Watkins	Airport Committee	12/31/2025
Michael Rioux	Bicycle and Pedestrian Advisory Committee	12/31/2025
Arjen Sundman	Budget Committee	12/31/2026
Ian Clayman	Discover Newport Committee	12/31/2024
Camille Fournier	Discover Newport Committee	12/31/2024
Janell Goplen	Discover Newport Committee	12/31/2024
Eric Seil	Discover Newport Committee	12/31/2024
Joshua Conrad	Discover Newport Committee	12/31/2024
Karen Apland	Library Board	12/31/2027
Gianna Martella	Library Board	12/31/2027
Bill Branigan	Parking Advisory Committee	12/31/2025
Janell Goplen	Parking Advisory committee	12/31/2025
Doretta Smith	Parking Advisory Committee	12/31/2025
Charles Brown	Parks and Recreation	12/31/2025
Eva Glonzalez-Muñoz	Parks and Recreation	12/31/2025
Charles Mitchell	Parks and Recreation	12/31/2025
Shelley Moore	Parks and Recreation	12/31/2025
Nancy Steinberg	Parks and Recreation	12/31/2025
Gary East	Planning Commission	12/31/2026
Braulio Escobar	Planning Commission	12/31/2026
Esmeralda Hernandez	Police Advisory Committee	12/31/2025
Anita Albrecht	Public Arts Committee	12/31/2027
Chasse Davidson	Public Arts Committee	12/31/2027
Mary Peterson	Public Arts Committee	12/31/2027
Catherine Rickbone	Public Arts Committee	12/31/2027
Braulio Escobar	Retirement Trustees	12/31/2027
Paula Miranda	Vision 2040 Advisory	12/31/2028

Recommended Action:

I recommend that the City Council ratify the Mayor’s appointments, as noted above, and included individually, as a part of the consent calendar.

Fiscal Effects:

None.

Alternatives:

None recommended.

Respectfully submitted,

Erik Glover

Erik Glover, Assistant City Manager/City Recorder on behalf of:
Spencer R. Nebel, City Manager

**City of Newport
Draft Parking Advisory Committee Minutes
November 15, 2023**

LOCATION: CITY COUNCIL CHAMBERS, NEWPORT CITY HALL, 169 SW COAST HIGHWAY, NEWPORT	Time End: 7:26 P.M.
Time Start: 6:00 P.M.	Time End: 7:26 P.M.

ATTENDANCE LOG/ROLLCALL

COMMITTEE MEMBER	STAFF
Chair Janell Goplen (by video)	Derrick Tokos, Community Development Director
Aracelly Guevara (absent, excused)	Sherrri Marineau, Community Development Dept.
Aaron Bretz	Donald Valentine, Community Service Officer
Gary Ripka (absent)	
Bill Branigan	
Doretta Smith (by video)	
Robert Emond	
Jan Kaplan (absent)	

AGENDA ITEM	ACTIONS
CALL TO ORDER AND ROLL CALL a. Roll Call	None.
APPROVAL OF THE MINUTES a. Meeting minutes of October 18, 2023	Motion by Bill Branigan, seconded by Doretta Smith, to approve the minutes of October 18, 2023 with minor corrections. Motion carried unanimously in a voice vote.
NEW FORMAT FOR MEETING MINUTES	Mr. Tokos reviewed the changes to the Committee meeting minutes. Ms. Marineau further elaborated on the changes.
REVIEW DRAFT RESOLUTION NO. 4000 SETTING FEES AND TERMS OF USE OF CERTAIN PUBLIC PARKING AREAS (ACTION ITEM) a. Discussion on draft resolution b. Discussion on establishing a meter citation fee	Mr. Tokos reviewed draft resolution No. 4000. Discussion on solutions for parking time limits for vehicles that park during off-hours, and design of parking signs. The Committee was in general agreement that the maximum stay should be set at 16 hours. The Committee reviewed meter citation fees and whether the occurrence of a violation should be called out on citations.

<p>c. Discussion on how convenience fee are charged</p> <p>d. Discussion regarding Parking Time Limits During Off-Hours</p> <p>e. Discussion on frequency of fee adjustments</p>	<p>Discussion on if convenience fees should be charged and how much the fees should be. The Committee was in general agreement to omit Section 7 for convenience fees.</p> <p>Discussion concerning temporary courtesy permits and offering coupons.</p> <p>Committee discussion on the frequency of when periodic fee adjustments should be reviewed.</p> <p>Motion by Doretta Smith, seconded by Aaron Bretz to allow flexibility to clean up the code for off-hour timeframes in the length of stay section, and keep all of the regulatory text for the length of stay section as discussed; to keep Section 6 for citations as outlined; to remove Section 7 for convenience fees; and to further elaborate in Section 10 that fees must be evaluated and may be adjusted annually, and add that an inflationary review will be done every five years. Motion carried unanimously in a voice vote.</p>
<p>FINALIZE BAYFRONT PARKING MANAGEMENT FAQ</p> <p>a. Review of updates to the FAQ document.</p>	<p>Mr. Tokos reviewed amendments to the FAQ document based on feedback over the course of the outreach.</p> <p>Motion by Aaron Bretz, seconded by Bill Branigan to finalize the FAQ document with additional language stating that persons who had ADA placards were exempt from paying in metered spots. Motion carried unanimously in a voice vote.</p>
<p>IMPLEMENTATION UPDATE</p> <p>a. Report on the implementation schedule</p>	<p>Mr. Tokos reviewed the implementation schedule with the Committee.</p> <p>Brief discussion concerning how notifications would be sent to Bayfront owners and businesses. Janell Goplen volunteered to create videos utilizing the document that the city could share with the public.</p>
<p>PROPOSAL FOR PARKING TICKET COLLECTIONS</p>	<p>Mr. Tokos reviewed the proposal on the parking ticket collections.</p>

<p>DEMONSTRATION OF THE E-PERMITTING USER PORTAL</p>	<p>None. Committee agreed to move agenda item to the next meeting.</p>
<p>CITIZEN/PUBLIC COMMENT</p> <ul style="list-style-type: none"> a. Jim Kline- Newport b. Robert Hoefs- Newport 	<p>Jim Kline (Newport) asked for clarification on if the maximum stay would be 16 hours for permits, which was confirmed.</p> <p>Robert Hoefs (Newport) expressed concerns on where his employees would park on the Bayfront. He noted parking fees the City collected were minimal and they would be decreased by the 3% charged for credit cards fees. Hoefs expressed concerns about parking not being enforced and the city missing out on collecting funds.</p>

Submitted by: _____

Sherri Marineau, Executive Assistant

**City of Newport
Planning Commission Work Session Minutes
November 13, 2023**

LOCATION: CITY COUNCIL CHAMBERS, NEWPORT CITY HALL, 169 SW COAST HIGHWAY, NEWPORT	Time End: 7:11 P.M.
Time Start: 6:00 P.M.	

ATTENDANCE LOG/ROLLCALL

COMMISSIONER/ ADVISORY MEMBER	STAFF
Chair Bill Branigan	Derrick Tokos, Community Development Director
Commissioner Bob Berman	Sherri Marineau, Community Development Dept.
Commissioner Jim Hanselman (by video)	
Commissioner Gary East	
Commissioner Braulio Escobar	
Commissioner John Updike	
Commissioner Marjorie Blom (excused)	
Citizen Advisory Member Dustin Capri	
Citizen Advisory Member Greg Sutton (absent)	

AGENDA ITEM	ACTIONS
WORK SESSION MEETING	
CALL TO ORDER AND ROLL CALL	
a. Roll Call	None.
REVIEW DRAFT AFFORDABLE HOUSING CET CODE AMENDMENTS.	
a. Staff report	Mr. Tokos provided an overview of the amendments to NMC Chapter 3.20 pertaining to the affordable housing construction excise tax and the residential construction excise taxes being required to fund development incentives for affordable housing.
b. Discussion on amendments	Commission held discussions on changes pertaining to exemptions for construction excise taxes; the percent of area median income levels for affordable housing projects; sample impact fee assessments for residential development; net construction excise tax revenue from residential improvements offsetting fees for multifamily developments; upcoming multifamily projects in Newport; and affordable housing grant funds submitted to the State that are available for the public in Newport.
c. Commission feedback on amendments	Tokos received input from the Commission on edits to the document. Commissioners raised concerns that funds would go toward market rates that were 80 percent over median area income, and questioned the possibility of subsidizing rental payments with funds.

<p>ESTABLISHING A CUSTOM CREATIVE WORK LIGHT-INDUSTRIAL USE CATEGORY.</p> <p>a. Staff report</p> <p>b. Discussion on amendments</p> <p>c. Consideration of public comment</p>	<p>Mr. Tokos reviewed the draft amendments to NMC Chapter 14.03 to establish "Custom Creative Work" as a subgroup of the manufacturing and production industrial use category. Written public comments were attached to the packet prior to the meeting.</p> <p>Commission held discussions on creating a custom creative work light-industrial use category; examples of uses that would be allowed within commercial zones; application of use categories; changes to the use table for permitted and conditional use requirements for commercial, industrial, and public zones; and limiting the use to a maximum of 2,000 square feet of gross floor area.</p> <p>Carol Shenk (Newport), Vice Chair of the Coastal Arts Guild gave a background of the need for the amendments to support the cottage industry. She was in general support of the changes but expressed confusion on how the rules would apply to. Shenk suggested they replace "canning and brewing" with "food and beverage production" to keep it more generic.</p> <p>Tokos to incorporate the changes Shenk suggested.</p>
<p>HB 2984- COMMERCIAL TO RESIDENTIAL CONVERSIONS.</p> <p>a. Staff report</p> <p>b. Discussion on SDC credits</p>	<p>Mr. Tokos reviewed HB 2984 Section 6(c) prohibiting SDC charges for commercial to residential conversions.</p> <p>Discussion on the structure of the current SDC credit language; how SDC credits for prior uses worked; and the need for discussions for a resolution adoption with the City Council to confirm SDC credits would be applied for commercial to residential conversions.</p> <p>The Commission was in general agreement that discussions be held with the City Council on the topic.</p>
<p>PLANNING COMMISSION WORK PROGRAM UPDATE.</p>	<p>None.</p>

Submitted by: _____

Sherri Marineau, Executive Assistant

**City of Newport
Planning Commission Regular Session Minutes
November 13, 2023**

LOCATION: CITY COUNCIL CHAMBERS, NEWPORT CITY HALL 169 SW COAST HIGHWAY NEWPORT	Time End: 7:30 P.M.
Time Start: 7:12 P.M.	

ATTENDANCE LOG/ROLLCALL

COMMISSIONER/ ADVISORY MEMBER	STAFF
Chair Bill Branigan	Derrick Tokos, Community Development Director
Commissioner Bob Berman	Sherrri Marineau, Community Development Dept.
Commissioner Jim Hanselman (by video)	
Commissioner Gary East	
Commissioner Braulio Escobar	
Commissioner John Updike	
Commissioner Marjorie Blom (excused)	

AGENDA ITEM	ACTIONS
REGULAR MEETING	
CALL TO ORDER AND ROLL CALL	
a. Roll Call	None.
APPROVAL OF THE MINUTES	
a. Meeting minutes of Work Session Meeting on October 23, 2023	Motion by Commissioner Berman, seconded by Commissioner East to approve the work session meeting minutes of October 23, 2023 with minor corrections. Motion carried unanimously in a voice vote.
b. Meeting minutes of Regular Session Meeting on October 23, 2023	Motion by Commissioner Berman, seconded by Commissioner East to approve the regular session meeting minutes of October 23, 2023 with minor corrections. Motion carried unanimously in a voice vote.
CITIZEN/PUBLIC COMMENT	
None were heard.	
ACTION ITEMS	
a. Recommendation to the City Council to Pursue the Draft Affordable Housing CET Code Amendments.	Motion by Commissioner Berman, seconded by Commissioner East to forward a favorable recommendation to the City Council on the draft Affordable Housing CET code amendments. Motion carried in a voice vote. Escobar abstained.
b. Initiate the Legislative Process for Amendments to NMC Chapter 14.03 to Establish "Custom Creative Work" as a Subgroup of the Manufacturing and Production Industrial Use Category.	Motion by Commissioner Escobar, seconded by Commissioner Berman to initiate the Legislative Process for Amendments to NMC Chapter 14.03 to establish "Custom Creative Work" as a subgroup of the Manufacturing and Production Industrial Use Category, and include comments from Carol Shenk,

	Jan Kaplan, and Janet Webster. Motion carried unanimously in a voice vote.
DIRECTOR COMMENTS	
a. Discussion on work program.	Tokos confirmed a quorum for the November 27th meeting. Brief discussion of upcoming legislative hearings and future meeting discussion topics.
b. Update on TSP projects.	Commissioner Berman requested status report on Transportation System Plan projects. Tokos discussed TSP projects and locations with current funding in Newport.

Submitted by: _____

Sherri Marineau, Executive Assistant

CITY MANAGER REPORT AND RECOMMENDATIONS



Meeting Date: January 2, 2024

Agenda Item:

Public Hearing an Ordinance Amending No. 2218, an Ordinance Amending section 8.20.020 of the Newport Municipal Code related to Prohibiting the Sale and Use of Fireworks in the City of Newport.

Background:

City Council has scheduled a public hearing to get public comment on a possible ordinance that would ban the sale and use of fireworks within the City of Newport. This ordinance would modify the Council's current code provisions that were adopted January 3, 2022, that authorizes Council, by resolution, to restrict the use of fireworks for a specific duration, based on certain weather-related conditions. A restriction was done by resolution over the summer of 2022 due to dry conditions in the City of Newport. The code did not prohibit the sale of fireworks. The reason Council did not restrict the sales were two-fold; including that the sale of fireworks as a fundraiser for both local and nonlocal nonprofits; and, the decision not to sell fireworks has to be made well before conditions are known as to whether fireworks could be used during the July 4 weekend, or at other times through the course of the summer. Council wanted to give an opportunity for the public to comment on a year-round restriction on both the sale and use of fireworks in the city.

The Lincoln County Board of Commissioners is considering a similar ordinance for unincorporated parts of the county. The County has proposed an ordinance that would prohibit the possession, sale and/or use of consumer fireworks to ensure the safety of the public from the danger of fire hazards. This ordinance is being considered by the County Commission at their first meeting in 2024.

Recommendation:

I recommend that the Mayor conduct a public hearing on an ordinance that would prohibit the sale and use of fireworks within the City of Newport.

Following the public hearing, and considering any comments made, I would recommend the City Council consider the following motion:

I move to direct staff to finalize an ordinance prohibiting the sale and use of fireworks in the City of Newport, and schedule a public hearing and possible adoption of that ordinance for the City Council meeting to be held on Tuesday, January 16, 2024.

Fiscal Effects:

No material impacts.

Alternatives:

Leave the existing code provisions in place to allow Council to restrict the use of fireworks if fire conditions are present, modify the ordinance to prohibit possession of fireworks as well as use in sales, or as suggested by the City Council.

Respectfully submitted,

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

Spencer Nebel
City Manager



Agenda Item # 6A

Meeting Date 1-2-24

CITY COUNCIL AGENDA ITEM SUMMARY
City Of Newport, Oregon

Issue/Agenda Title Ordinance banning sale or use of Fireworks
Prepared By: RMM Dept Head Approval: RM City Mgr Approval: _____

Issue Before the Council:

SHOULD THE COUNCIL, AFTER A PUBLIC HEARING, ADOPT ORDINANCE XXX, AN ORDINANCE AMENDING NMC 8.20.020 ON FIREWORKS RESTRICTIONS?

Staff Recommendation:

STAFF RECOMMENDS HOLDING A PUBLIC HEARING THE PROPOSED ORDINANCE AND POSSIBLE ADOPTION.

Proposed Motion:

I move to adopt Ordinance Number XXXX, an ordinance amending NMC 8.20.020 restricting the use and sale of fireworks in the City of Newport.

Key Facts and Information Summary:

On January 3, 2022 the City Council passed Ordinance 2190. This ordinance created Newport Municipal Code (NMC) 8.20.020 which authorized the City Council to restrict the use of consumer fireworks on a year by year basis “for a specified duration based on certain weather or weather-related conditions.”

Earlier this year, the Council indicated a desire to revisit the ordinance and consider broadening the restrictions set forth in NMC 8.20.020. In revisiting this ordinance, the Council has two main things to consider. First, whether to regulate fireworks year-round or only during times of high fire danger. Second, whether to ban sales along with use. While regulating only during certain conditions is appealing, and gives greater flexibility, there is a problem with doing it this way. Retail sales Firework permits are processed by OSFM in February through April of each year. Typically, we do not know what fire conditions are going to be on July 4th till late till mid to late June. There would be understandable frustration from applicants who have obtained a permit, and ordered their product, only to be told later they cannot sell it. Remember some of the organizations who sell fireworks in our community are non-profit and do this as a fundraiser. With current NMC language we have to inform applicants of the potential of

not being able to sell if Council, through resolution, bans fireworks for the season. Staff has done this by sending a letter to the permit holders in January.

At the November 6th Regular Council meeting, Council indicated they wanted to view a draft ordinance that would prohibit sales and use of retail fireworks. A draft ordinance has been attached.

The Lincoln County Board of Commissioners, is currently considering an ordinance prohibiting the sales and use of fireworks in all unincorporated areas of Lincoln County. This draft ordinance (#532) had its first reading at a Board of Commissioners Meeting in late December of 2023. I have included their draft ordinance along with a chart showing the cities in Lincoln County and whether they have any restrictions on fireworks.

Other Alternatives Considered:

The Council could keep the current Ordinance as written. The Council could also choose to restrict only sales or use year-round. The Council could also restrict both sales and use but keep the provision “for a specified duration based on certain weather or weather related conditions”.

City Council Goals:

Attachment List:

Draft Ordinance
Ordinance 8.20.020
Draft Lincoln County Ordinance 532
Fireworks Sales and Use by City in Lincoln County

Fiscal Notes:

There are no financial impacts to the City with this ordinance.

CITY OF NEWPORT

ORDINANCE NO. 2218

AN ORDINANCE AMENDING SECTION 8.20.020 OF THE
NEWPORT MUNICIPAL CODE RELATED TO FIREWORKS

WHEREAS, the City of Newport is committed to protecting life and property from the dangers of wildfire; and

WHEREAS, the City determined the use of consumer fireworks during certain weather or weather-related conditions can increase the risk of wildfire, and adopted Ordinance No. 2190 on January 3, 2022, adding a new section 8.20.020 to the Newport Municipal Code related to fireworks; and

WHEREAS, the City has determined prohibiting both the use and sale of consumer fireworks year-round would further reduce the risk of wildfire.

THE CITY OF NEWPORT ORDAINS AS FOLLOWS:

Section 1. The above findings are adopted in support of amending Section 8.20.020 of the Newport Municipal Code.

Section 2. Section 8.20.020 is amended as set forth below (deleted language shown in ~~strikethrough~~ and language to be added is depicted with underline):

8.20.020 FIREWORKS

A. ~~By resolution of the City Council, the use and sale of consumer fireworks, as defined at ORS 480.111 (Definitions for ORS 480.111 to 480.165), which shall include using, discharging, or exploding, or selling consumer fireworks, may be is prohibited within the city limits of Newport for a specified duration based on certain weather or weather-related conditions.~~ The use and sale of consumer fireworks, as defined at ORS 480.111 (Definitions for ORS 480.111 to 480.165), which shall include using, discharging, or exploding, or selling consumer fireworks, may be is prohibited within the city limits of Newport for a specified duration based on certain weather or weather-related conditions.

B. Subsection A. does not apply to a fireworks display that is issued a public display permit under ORS 480.130 to 480.150.

Section 3. This ordinance shall take effect 30 days from the date of adoption by the City Council.

Adopted by the Newport City Council on _____, 2024.

Signed by the Mayor on _____, 2024.

Jan Kaplan, Mayor

ATTEST:

Erik Glover, City Recorder

CITY OF NEWPORT

ORDINANCE NO. ~~2190~~ 2218

AN ORDINANCE AMENDING ~~CHAPTER~~SECTION 8.20.020
OF THE NEWPORT MUNICIPAL CODE ADDING
~~NEW SECTION 8.20.020~~RELATED TO FIREWORKS

WHEREAS, the City of Newport is committed to protecting life and property from the dangers of wildfire; and

WHEREAS, the City ~~has~~ determined the use of consumer fireworks during certain weather or weather-related conditions can increase the risk of wildfire, and adopted Ordinance No. 2190 on January 3, 2022, adding a new section 8.20.020 to the Newport Municipal Code related to fireworks; and

WHEREAS, the City has determined prohibiting both the use and sale of consumer fireworks year-round would further reduce the risk of wildfire.

THE CITY OF NEWPORT ORDAINS AS FOLLOWS:

Section 1. The above findings are adopted in support of adding new ~~amending~~ Section 8.20.020 ~~to Chapter 8.20 (Offenses)~~ of the Newport Municipal Code.

Section 2. Section 8.20.020 ~~will read~~ is amended as ~~follows~~ set forth below (deleted language shown in strikethrough and language to be added is depicted with underline):

8.20.020 FIREWORKS

A. ~~By resolution of the City Council, the~~ use and sale of consumer fireworks, as defined at ORS 480.111 (Definitions for ORS 480.111 to 480.165), which shall include using, discharging, ~~or~~ exploding, or selling consumer fireworks, ~~may be~~ is prohibited within the city limits of Newport ~~for a specified duration based on certain weather or weather-related conditions.~~

B. Subsection A. does not apply to a fireworks display that is issued a public display permit under ORS 480.130 to 480.150.

Section 3. This ordinance shall take effect 30 days from the date of adoption by the City Council.

~~Date a~~ Adopted by the Newport City Council: on _____, 20224.

Signed by the Mayor on _____, 20224.

~~Dean H. Sawyer~~ Jan Kaplan, Mayor

ATTEST:

~~Margaret M. Hawker~~ Erik Glover, City Recorder

Fireworks Sale & Use – by Jurisdiction – 12.22.23

Jurisdiction	Ordinance	Sales	Use
Unincorporated Lincoln County	#532 (First reading 12.20.22)	Sales, *possession, & use prohibited	Sales, possession, & use prohibited
* “Lincoln County may confiscate, destroy, remove, or have removed at the owner’s expense all fireworks in violation of this section, when necessary for the preservation of public safety.”			
Lincoln City	#2022-21*	Sales permanently prohibited	Use permanently prohibited on public property
* Ordinance #2022-21 “Considering all of the above, the Lincoln City Council finds that the prohibiting the use and sale of fireworks has benefits to the community, including through less risk of fire in an increasingly dry environment, and less disruption to humans and animals. The Council also finds that allowing for permitted public displays can serve to recognize and continue the traditions associated with fireworks, especially around holidays such as the Fourth of July. The Council finds that, on balance, this approach is the best way to reconcile both the current concerns and the historical traditions around fireworks.			
Depoe Bay	#331-21	Allowed	permanently prohibited*
*” <i>The city acknowledges that the use of consumer fireworks during particular weather or weather-related conditions can increase the risk of wildfire and potentially create traumatizing and harmful situations for children, adults, and animals.</i>			
Newport	#2190	Allowed	Resolution required to prohibit – *weather related events
* <i>Resolution #3981 – “Forecasts for moisture and temperature levels for the 2023 summer season are extreme heat and dry conditions; dangerous conditions for the use of fireworks; and significant likelihood of fire damage from the use of fireworks.”</i>			
Toledo	No ordinance	Allowed	Allowed
Siletz	No ordinance	Allowed	Allowed
Waldport	#781	Allowed	No public property – resolution for private
Yachats*	No ordinance	Allowed	Allowed
#185 (1996) – Prohibits wholesale/manufacturing of fireworks			

BEFORE THE BOARD OF COMMISSIONERS
FOR LINCOLN COUNTY, OREGON
ORDINANCE # 532

1
2 **Amendments relating to FIREWORKS in unincorporated Lincoln County and declaring an**
3 **emergency.**
4

5
6 The Lincoln County Board of Commissioners ordains as follows:
7

8
9 **SECTION 1.**

10 Section 2 of this Ordinance are added to and made a part of LCC Chapter 2, as indicated.

11 **SECTION 2.**

12 **FIREWORKS**

13
14 2.6000 Purpose

15 (1) LCC 2.6000 through 2.6010 shall be known as the “Lincoln County Fireworks
16 Ordinance,” and is adopted pursuant to the authority provided the county in ORS chapter 480
17 and ORS 203.035.

18 (2) The purpose of the Lincoln County Fireworks Ordinance is to:

19 Establish a procedure for prohibiting the **possession**, sale and/or use of consumer fireworks
20 to ensure the safety of the public from the danger of fire hazards.
21

22 2.6005 Definitions

23 (1) The words and phrases in LCC 2.6000 to 2.6010 shall have the meaning provided in
24 ORS chapter 480.
25

26 2.6010 Fireworks Prohibition

27 (1) *[By resolution of the Board of Commissioners,]* **The possession and/or** use of
28 consumer fireworks, as defined at ORS 480.111 (Definitions for ORS 480.111 to 480.165),
29 which shall include using, discharging, or exploding consumer fireworks, *[may be]* **is** prohibited
30 within the unincorporated limits of Lincoln County. *[for a specified duration based on certain*
31 *weather or weather-related conditions.]*

PAGE 1 - ORDINANCE # 532

Note: Matter in **boldfaced** type in an amended section is new; matter in *[italic and bracketed]* is existing ordinance to be omitted. New sections are in **boldfaced** type.

Office of Lincoln County Legal Counsel
225 West Olive Street, Room 110
Newport, Oregon 97365
(541) 265-4108

1 (2) *[By resolution of the Board of Commissioners,]* The sale of consumer fireworks, as
2 authorized by ORS 480.160, *[may be]* **is** prohibited within the unincorporated limits of Lincoln
3 County. *[for a specified duration based on certain weather or weather-related conditions.]*

4 (3) Subsection 1 or 2 does not apply to a fireworks display that is issued a public display
5 permit under ORS 480.130 to 480.150.

6 (4) **Lincoln County may confiscate, destroy, remove, or have removed at the owner's**
7 **expense all fireworks in violation of this section, when necessary for the preservation of**
8 **public safety.**

9
10 2.6015 Penalties

11 (1) Violation of any provision of LCC 2.6000 to 2.6010 is punishable pursuant to LCC
12 Chapter 10.

13 **SECTION 3.**

14 This Ordinance being necessary for the immediate preservation of the public peace,
15 health and safety, an emergency is declared to exist and this Ordinance shall take effect
16 upon its passage.
17
18

Dated this ____ day of January, 2024.

Claire Hall, Chair

Kaety Jacobson, Commissioner

Casey Miller, Commissioner

ATTESTED TO:

APPROVED AS TO FORM:

, Recorder

Kristin Yuille, County Counsel

PAGE 2 - ORDINANCE # 532

Note: Matter in **boldfaced** type in an amended section is new; matter in *[italic and bracketed]* is existing ordinance to be omitted. New sections are in **boldfaced** type.

Office of Lincoln County Legal Counsel
225 West Olive Street, Room 110
Newport, Oregon 97365
(541) 265-4108

Message: The city contracts with professionals to provide a fireworks display between 9 p.m. and 11 p.m. on the evening of July 4th. I support a total prohibition on the private sale and use of all fireworks within the city. Recent studies have shown the rate of fireworks injuries is increasing. Around July 4th fireworks are used indiscriminately. Visitors to our city consider the beach a "free fireworks zone. Plastic parts and paper remaining from fireworks litter the beach and contribute to ocean pollution. Unexpected explosive noise and the smell of gunpowder can and does cause post traumatic stress in Veterans. For these reasons and due to the risk of fire and property damage there is no reason for private use of fireworks. Please enact a ban on the private use of all fire works. The displays of city sponsored fireworks are enough celebration.

Gary Lahman
Newport Resident

CITY MANAGER REPORT AND RECOMMENDATIONS



Meeting Date: January 2, 2024

Agenda Item:

Public Hearing and Potential Adoption of Ordinance No. 2216, an Ordinance Amending Title XIV of the Newport Municipal Code to Implement Land-Use Mandates from the 2023 Oregon Legislative Session.

Background:

During the 2023 legislative session, a number of land-use issues were addressed by the legislature to facilitate housing alternatives in the state of Oregon. As a result, City staff has reviewed current code provisions to be certain modifications keep our code in compliance with the new state requirements. On December 11, 2023, the Newport Planning Commission held a public hearing to consider testimony and comment on the draft amendments. At the conclusion of the hearing, the Planning Commission passed a motion recommending the City Council adopt the amendment. Please review the attached report from Community Development Director, Derrick Tokos, on the details of these changes. A few of the substantive changes include allowing single room occupancy and emergency shelters as permitted uses in residential areas, subject to certain conditions. These requirements will provide for a public hearing held by City Council to confirm that the statutory criteria is satisfied with respect to emergency shelters. The same would be true of emergency shelters located in C-2 and I-2 zone districts. Staff would perform the review in C-1, C-3, and I-1 zones. Shelters would be prohibited in I -3 zones. The code allows for individuals to reside in a recreational vehicle on the lot or parcel for 60 months when the residence was destroyed by a natural disaster. An additional change is allowing residential uses in nonresidential zoning districts, including allowing affordable housing at street grade in commercial areas irrespective of the form of ownership. There is also a provision that allows an affordable housing developer to enter into an agreement to defer required public improvements. These deferrals would require a financial guarantee to assure performance. Finally, there is a provision to allow legal notices to be published digitally. The intent of the City is to continue to use the printed News-Times format as long as the paper continues to be published at least once a week.

Recommendation:

I recommend that the Mayor conduct a public hearing on Ordinance No. 2216, an ordinance amending chapters 14.01, 14.03, 14.09, 14.15, 14.44, 14.48 and 14.52 of Title XIV of the Newport Municipal Code to implement land-use mandates from the 2023 Oregon legislative session.

I further recommend after considering any comments made at the public hearing, the City Council consider the following motion:

I move to place for final passage and read by title only, Ordinance No. 2216, an ordinance amending chapters 14.01, 14.03, 14.09, 14.15, 14.44, 14.48 and 14.52 of Title XIV of the Newport Municipal Code to implement land-use mandates from the 2023 Oregon legislative session.

Fiscal Effects:

None directly by adopting the ordinance.

Alternatives:

As suggested by the City Council.

Respectfully submitted,

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

Spencer Nebel
City Manager



STAFF REPORT
CITY COUNCIL AGENDA ITEM

Date: January 2, 2024

Title: Public Hearing and Possible Adoption of Ordinance No. 2216, Amending Title XIV of the Newport Municipal Code to Implement Land Use Mandates from the 2023 Oregon Legislative Session

Prepared by: Derrick I. Tokos, AICP, Community Development Director

Recommended Motion: I move to place for final passage, and read by title only, Ordinance No. 2216, an ordinance amending Chapters 14.01, 14.03, 14.09, 14.15, 14.44, 14.48 and 14.52 of Title XIV of the Newport Municipal Code to Implement Land Use Mandates from the 2023 Oregon Legislative Session.

Background Information: Draft Ordinance No. 2216 amends the Newport Zoning Ordinance, codified as Title XIV of the Newport Municipal Code, to implement new land use related state laws. The nature of the proposed amendments is more specifically described as follows:

Newport Municipal Code (NMC) Chapter 14.01, Definitions, is being amended to include definitions for the terms “emergency shelter” and “single room occupancy” both of which are prescribed by statute and implement Sections 7 and 17 of House Bill 3395.

NMC Chapter 14.03, Zoning Districts, is being amended to add single room occupancy and emergency shelters to the table under Section 14.03.050 that lists permitted uses in residential areas. A single room occupancy use is permitted in all zones subject to the limitations noted in new footnote 4, which align with language contained in Sections 16 and 17 of House Bill 3395. With respect to emergency shelters, the City will allow them in all residential zones subject to a City Council public hearing to confirm that statutory criteria listed in ORS 197.782 are satisfied. Those criteria are also contained in Section 7 of House Bill 3395, and the bill makes it clear that the resulting determination is not a land use decision. The hearing requirement is addressed in the table under new footnote 5. Section 14.03.060 is amended to include emergency shelters under ORS 197.782 as a type of “community service” use and the table in Section 14.03.070 that lists permitted uses in commercial and industrial areas is amended to include a new footnote 7 that requires a Council hearing for emergency shelters to confirm that they meet statutory standards when proposed in C-2 and I-2 zone districts. Staff would perform the review in C-1, C-3, and I-1 zones and shelters would be prohibited in I-3 zones.

NMC Chapter 14.09, Temporary Uses, is being amended to extend the period of time persons can reside in a recreational vehicle on a lot or parcel where the residence was destroyed by natural disaster. The existing limit of 24-months is being revised to 60-months to comply with requirements of HB 2898.

NMC Chapter 14.15, Residential Uses in Nonresidential Zoning Districts, is being amended to allow affordable housing at street grade in commercial areas irrespective of the form of ownership. This change implements Section 2 of House Bill 3395.

NMC Chapter 14.44, Transportation Standards, and NMC Chapter 14.48, Land Divisions, are being amended to include an additional type of financial guarantee that can be used to assure performance when an affordable housing developer elects to enter into an agreement to defer required public improvements. The change implements Section 15 of House Bill 3395. A cross-reference is also being added to Section 14.44.050 clarifying that improvement agreements for public improvements that are not associated with a land division are subject to the same requirements as those that are related to a partition or subdivision.

Lastly, NMC Chapter 14.52, Procedural Requirements, has been updated to allow legal notices to be published digitally, as allowed by House Bill 3167, and the decision time limits have been amended to provide an additional seven days for land use decisions to be finalized where they involve the approval of residential structures. That change implements Section 4 of House Bill 3395.

The Newport Planning Commission held a public hearing on December 11, 2023 to consider public testimony and comment on the draft amendments and, at the conclusion of the hearing, passed a motion recommending the City Council adopt the amendments.

Fiscal Notes: There are no fiscal impacts associated with these amendment.

Alternatives: Adopt the ordinance, request changes, forgo adoption, or as suggested by Council.

Attachments:

Draft Ordinance No. 2216

HB 2898

HB 3167

HB 3395

Draft Minutes from the 12/11/23 Planning Commission Hearing

Notice for the 1/2/24 Public Hearing

CITY OF NEWPORT

ORDINANCE NO. 2216

AN ORDINANCE AMENDING CHAPTERS 14.01, 14.03, 14.09, 14.15, 14.44, 14.48 AND 14.52 OF TITLE XIV OF THE NEWPORT MUNICIPAL CODE TO IMPLEMENT LAND USE MANDATES FROM THE 2023 OREGON LEGISLATIVE SESSION

(Newport File No. 1-Z-23)

Findings:

1. On October 23, 2023, the Newport Planning Commission initiated amendments to the Newport Zoning Ordinance, codified as Title XIV of the Newport Municipal Code, to implement land use mandates contained in HB 2898, HB 3167, and HB 3395 adopted during the 2023 Oregon legislative session.
2. The Planning Commission reviewed the bills at an August 14, 2023 work session, and worked with staff on a package of amendments to implement the new laws at a work session on October 23, 2023. The nature of the proposed amendments is more specifically described as follows:
 - a. Newport Municipal Code (NMC) Chapter 14.01, Definitions, is being amended to include definitions for the terms “emergency shelter” and “single room occupancy” both of which are prescribed by statute and implement Sections 7 and 17 of House Bill 3395.
 - b. NMC Chapter 14.03, Zoning Districts, is being amended to add single room occupancy and emergency shelters to the table under Section 14.03.050 that lists permitted uses in residential areas. A single room occupancy use is permitted in all zones subject to the limitations noted in new footnote 4, which align with language contained in Sections 16 and 17 of House Bill 3395. With respect to emergency shelters, the City will allow them in all residential zones subject to a City Council public hearing to confirm that statutory criteria listed in ORS 197.782 are satisfied. Those criteria are also contained in Section 7 of House Bill 3395, and the bill makes it clear that the resulting determination is not a land use decision. The hearing requirement is addressed in the table under new footnote 5. Section 14.03.060 is amended to include emergency shelters under ORS 197.782 as a type of “community service” use and the table in Section 14.03.070 that lists permitted uses in commercial and industrial areas is amended to include a new footnote 7 that requires a Council hearing for emergency shelters to confirm that they meet statutory standards when proposed in C-2 and I-2 zone districts. Staff would perform the review in C-1, C-3, and I-1 zones and shelters would be prohibited in I-3 zones.
 - c. NMC Chapter 14.09, Temporary Uses, is being amended to extend the period of time persons can reside in a recreational vehicle on a lot or parcel where the residence was destroyed by natural disaster. The existing limit of 24-months is being revised to 60-months to comply with requirements of HB 2898.

d. NMC Chapter 14.15, Residential Uses in Nonresidential Zoning Districts, is being amended to allow affordable housing at street grade in commercial areas irrespective of the form of ownership. This change implements Section 2 of House Bill 3395.

e. NMC Chapter 14.44, Transportation Standards, and NMC Chapter 14.48, Land Divisions, are being amended to include an additional type of financial guarantee that can be used to assure performance when an affordable housing developer elects to enter into an agreement to defer required public improvements. The change implements Section 15 of House Bill 3395. A cross-reference is also being added to Section 14.44.050 clarifying that improvement agreements for public improvements that are not associated with a land division are subject to the same requirements as those that are related to a partition or subdivision.

f. Lastly, NMC Chapter 14.52, Procedural Requirements, has been updated to allow legal notices to be published digitally, as allowed by House Bill 3167, and the decision time limits have been amended to provide an additional seven days for land use decisions to be finalized where they involve the approval of residential structures. That change implements Section 4 of House Bill 3395.

3. The Newport Planning Commission held a public hearing on December 11, 2023 to consider public testimony and comment on the draft amendments and, at the conclusion of the hearing, passed a motion recommending the City Council adopt the changes. In making its recommendation, the Commission concluded that the amendments satisfy the City's requirement that legislative amendments be necessary and further the general welfare of the community because they ensure that the Municipal Code provisions that the City enforces align with new state law.

4. The City Council held a public hearing on [REDACTED] regarding the question of the proposed amendments, and, after considering the recommendation of the Planning Commission and evidence and argument in the record, adopted the ordinance, concluding that it is necessary and furthers the general welfare of the community.

5. Information in the record, including affidavits of mailing and publication, demonstrate that appropriate public notification was provided for both the Planning Commission and City Council public hearings.

THE CITY OF NEWPORT ORDAINS AS FOLLOWS:

Section 1. Findings. The findings set forth above are hereby adopted in support of the amendments to Title XIV of the Newport Municipal Code adopted by Section 2 of this Ordinance.

Section 2. Municipal Code Amendment. Chapters 14.01, 14.03, 14.09, 14.15, 14.44, 14.48 and 14.52 of Title XIV of the Newport Municipal Code are hereby amended as set forth in Exhibit "A".

Section 3. Effective Date. This ordinance shall take effect 30 days after passage.

Date adopted and read by title only: _____

Signed by the Mayor on _____, 2023.

Jan Kaplan, Mayor

ATTEST:

Erik Glover, Asst. City Manager/City Recorder

DRAFT

(Unless otherwise specified, new language is shown in double underline, and text to be removed is depicted with ~~striketrough~~. Staff comments, in *italics*, are for context and are not a part of the revisions.)

(Unless otherwise specified, new language is shown in double underline, and text to be removed is depicted with ~~striketrough~~. Staff comments, in *italics*, are for context and are not a part of the revisions.)

CHAPTER 14.01 PURPOSE, APPLICABILITY, AND DEFINITIONS**

14.01.020 Definitions

As used in this ordinance, the masculine includes the feminine and neuter, and the singular includes the plural. The following words and phrases, unless the context otherwise requires, shall mean:

Emergency Shelter. A building or cluster of buildings that provides shelter on a temporary basis for individuals and families who lack permanent housing.

Single Room Occupancy. A residential development with no fewer than four attached units that are independently rented and lockable and providing living and sleeping space for the exclusive use of an occupant, but require that the occupant share sanitary or food preparation facilities with other units in the occupancy.

Staff: Definitions added as drafted or referenced in Sections 7 and 17 of House Bill 3395. The City did not previously have a definition for a single room occupancy use.

CHAPTER 14.03 ZONING DISTRICTS

14.03.050 Residential Uses.

The following list sets forth the uses allowed within the residential land use classification. Uses not identified herein are not allowed. Short-

term rentals are permitted uses in the City of Newport's R-1, R-2, R-3 and R-4 zone districts subject to requirements of [Section 14.25](#).

"P" = Permitted uses.

"C" = Conditional uses; permitted subject to the approval of a conditional use permit.

"X" = Not allowed.

A.	Residential	R-1	R-2	R-3	R-4
	1. Single-Family	P	P	P	P
	2. Two-family	P	P	P	P
	3. Townhouse	X	P	P	P
	4. Single Room Occupancy ⁴	P	P	P	P
	5. Cottage Cluster	X	X	P	P
	6. Multi-family	X	X	P	P
	7. Manufactured Homes ¹	P	P	P	P
	8. Manufactured Dwelling Park	X	P	P	P
B.	Accessory Dwelling Units	P	P	P	P
	(B. was added on the adoption of Ordinance No 2055 on June 17, 2013; and subsequent sections relettered accordingly. Effective July 17, 2013.)				
C.	Accessory Uses	P	P	P	P
D.	Home Occupations	P	P	P	P
E.	Community Services				
	1. Parks	P	P	P	P
	2. Publicly Owned Recreation Facilities	C	C	C	C
	3. Libraries	C	C	C	C
	4. Utility Substations	C	C	C	C
	5. Public or Private Schools	C	C	C	P
	6. Family Child Care Home	P	P	P	P
	7. Child Care Center	C	C	C	C
	8. Religious Institutions/Places of Worship	C	C	C	C
	9. Emergency Shelter ⁵	P	P	P	P
F.	Residential Care Homes	P	P	P	P
G.	Nursing Homes	X	X	C	P
H.	Motels and Hotels ³ .	X	X	X	C
I.	Professional Offices	X	X	X	C
J.	Rooming and Boarding Houses	X	X	C	P
K.	Beauty and Barber Shops	X	X	X	C
L.	Colleges and Universities	C	C	C	C
M.	Hospitals	X	X	X	P
N.	Membership Organizations	X	X	X	p
O.	Museums	X	X	X	P

P.	Condominiums ²	X	P	P	P
Q.	Hostels	X	X	X	C
R.	Golf Courses	C	C	C	X
S.	Recreational Vehicle Parks	X	X	X	C
T.	Necessary Public Utilities and Public Service Uses or Structures	C	C	C	C
U.	Residential Facility*	X	X	P	P
V.	Movies Theaters**	X	X	X	C
W.	Assisted Living Facilities***	X	C	P	P
X.	Bicycle Shop****	X	X	X	C
Y.	Short-Term Rentals (subject to requirements of Chapter 14.25)	P	P	P	P
Z.	Transportation Facilities	P	P	P	P

¹ Manufactured homes may be located on lots, parcels or tracts outside of a manufactured dwelling park subject to the provisions listed in NMC 14.06.020.

² Condominiums are a form of ownership allowed in all zones within dwelling types otherwise permitted pursuant to subsection (A).

³ Hotels/motels units may be converted to affordable housing provided they are outside of the Tsunami Hazard Overlay Zone.

⁴ A building with four to six units on a lot or parcel in an R-1 or R-2 zone district, or a combination of buildings of at least four units each subject to the density limitations of an R-3 or R-4 zone district.

⁵ Subject to a public hearing before the Newport City Council to establish compliance with the requirements of ORS 197.782.

Staff: Implements Sections 16 and 17, House Bill 3395, which requires local governments allow single room occupancy development in this manner.

Provisions related to emergency shelters implement Section 7, House Bill 3395, which allows emergency shelters irrespective of zoning subject to specific standards set forth in the statute. At least a couple of the standards are discretionary, such as adequate access to commercial and medical services and whether or not it poses an unreasonable risk to public health or safety. A public hearing is optional and the law makes it clear that any resulting decision is not a land use decision. At its 10/23/23 work session, the Commission elected to require a public hearing before the Council to establish compliance with statutory approval standards. Land use notice

standards in NMC Chapter 14.52 will not apply, since the City's determination is not a land use decision.

14.03.060 Commercial and Industrial Districts.

The uses allowed within each commercial and industrial zoning district are classified into use categories on the basis of common functional, product, or physical characteristics.

E. Institutional and Civic Use Categories

3. Community Services

- a. Characteristics. Public, non-profit or charitable organizations that provide local service to people of the community. Generally, they provide the service on-site or have employees at the site on a regular basis. Services are ongoing, not just for special events. Community centers or facilities that have membership provisions are open to the general public to join. Uses may include shelter or housing for periods of less than one month when operated by a public or non-profit agency or emergency shelters pursuant to ORS 197.782. Uses may also provide special counseling, education, or training of a public, nonprofit or charitable nature.
- b. Examples. Examples include libraries, museums, senior centers, community centers, publicly owned swimming pools, youth club facilities, hospices, police stations, religious institutions/places of worship, fire and ambulance stations, drug and alcohol centers, social service facilities, mass shelters or short term housing when operated by a public or non-profit agency, soup kitchens, and surplus food distribution centers.
- c. Exceptions.
 - i. Private lodges, clubs, and private commercial athletic or health clubs are classified as Entertainment and Recreation. Commercial museums (such as a wax museum) are in Retail Sales and Service.

Staff: All types of emergency shelters might not fall under the existing language, so this change clarifies that there is an alternate path forward for shelters under ORS 197.782.

14.03.070 Commercial and Industrial Uses.

The following list sets forth the uses allowed within the commercial and industrial land use categories.

“P” = Permitted uses.

“C” = Conditional uses; allowed only after the issuance of a conditional use permit.

“X” = Not allowed.

		C-1	C-2 ¹	C-3	I-1	I-2	I-3
1.	Office	P	X	P	P	P	X
2.	Retails Sales and Service						
	a. Sales-oriented, general retail	P	P	P	P	P	C
	b. Sales-oriented, bulk retail	C	X	P	P	P	C
	c. Personal Services	P	C	P	P	C	X
	d. Entertainment	P	P ²	P	P	C	X
	e. Repair-oriented	P	X	P	P	P	X
3.	Major Event Entertainment	C	C	P	P	C	X
4.	Vehicle Repair	C	X	P	P	P	X
5.	Self-Service Storage ⁶	X	X	P	P	P	X
6.	Parking Facility	P	P	P	P	P	P
7.	Contractors and Industrial Service ⁶	X	X	P	P	P	P
8.	Manufacturing and Production						
	a. Light Manufacturing	X	X	C	P	P	P
	b. Heavy Manufacturing	X	X	X	X	C	P
9.	Warehouse, Freight Movement, & Distribution	X	X	P	P	P	P
10.	Wholesale Sales	X	X	P	P	P	P
11.	Waste and Recycling Related	C	C	C	C	C	C
12.	Basic Utilities ³	P	P	P	P	P	P
13.	Utility Corridors	C	C	C	C	C	C
14.	Community Service ⁷	P	C	P	P	C	X
15.	Family Child Care Home	P	P	P	X	X	X
16.	Child Care Center	P	P	P	P	P	X
17.	Educational Institutions						
	a. Elementary & Secondary Schools	C	C	C	X	X	X
	b. College & Universities	P	X	P	X	X	X

	c. Trade/Vocational Schools/Other	P	X	P	P	P	P
18.	Hospitals	C	C	C	X	X	X
19.	Courts, Jails, and Detention Facilities	X	X	P	C	X	X
20.	Mining						
	a. Sand & Gravel	X	X	X	X	C	P
	b. Crushed Rock	X	X	X	X	X	P
	c. Non-Metallic Minerals	X	X	X	X	C	P
	d. All Others	X	X	X	X	X	X
21.	Communication Facilities ⁴	P	X	P	P	P	P
22.	Residences on Floors Other than Street Grade	P	P	P	X	X	X
23.	Affordable Housing ⁵	P	P	P	P	X	X
24.	Transportation Facilities	P	P	P	P	P	P

1. Any new or expanded outright permitted commercial use in the C-2 zone district that exceeds 2,000 square feet of gross floor area. New or expanded uses in excess of 2,000 square feet of gross floor area may be permitted in accordance with the provisions of Chapter 14.34, Conditional Uses. Residential uses within the C-2 zone are subject to special zoning standards as set forth in Section 14.30.100.

2. Recreational Vehicle Parks are prohibited on C-2 zoned property within the Historic Nye Beach Design Review District.

3. Small wireless facilities shall be subject to design standards as adopted by City Council resolution.

4. Communication facilities located on historic buildings or sites, as defined in Section 14.23, shall be subject to conditional use review for compliance with criteria outlined in Sections 14.23 and 14.34.

5. Permitted as outlined in Chapter 14.15 or, in the case of hotels/motels, the units may be converted to affordable housing provided they are outside of the Tsunami Hazard Overlay Zone defined in NMC Chapter 14.50.

6. Self-service storage use; salvage or wrecking of heavy machinery, metal and building materials; towing and vehicle storage; and auto and truck salvage and wrecking are prohibited within the South Beach Transportation Overlay Zone, as defined in Section 14.43.020.

7. For emergency shelters subject to ORS 197.782, city staff shall determine if standards listed under ORS 197.782 have been satisfied when the shelter is located in a zone where community service uses

are listed as permitted. In those zones where community service uses are listed as conditional, a public hearing shall be held by the Newport City Council to establish compliance with statutory requirements.

Staff: Like the R-1, R-2, and R-3 zones, a shelter in a C-2 or I-2 might have a difficult time satisfying discretionary standards listed in the statute and the Commission might want to have a policymaking body like the City Council determine whether or not the standards are met (as opposed to staff).

CHAPTER 14.09 TEMPORARY USES

14.09.010 Purpose

The purpose of this section is to provide some allowance for short-term uses that are temporary in nature, where no permanent improvements are made to the site, and the use can be terminated and removed immediately. Temporary activities include special events as defined in [9.80.010](#) of the Newport Municipal Code, temporary living quarters, construction trailers, leasing offices, mobile food units, kiosks, storage buildings, and similar structures.

14.09.030 Temporary Living Quarters

A. Notwithstanding any other restrictions and prohibitions in this code, a recreational vehicle may be used as a temporary living quarters subject to the following conditions:

1. The individual(s) occupying the recreational vehicle are actively engaged in the construction or repair of a building on the premises; and
2. Any required building permits have been obtained; and
3. The recreational vehicle is used as a place of habitation for no more than 24-months, or the date that occupancy is granted, whichever is sooner; and
4. The recreational vehicle used as the temporary living quarters is self-contained for sanitary sewer; and

5. The location of the temporary living quarters on the site satisfies the vision clearance requirements as set forth in [Section 14.17](#).
- B. Temporary living situations for non-residential projects may use a job shack or other such structure instead of a recreational vehicle as the living quarters and may have a portable toilet instead of a self-contained unit.
- C. A permit is not required to utilize a recreational vehicle as a temporary living quarters as provided in this subsection.
- D. Notwithstanding the occupancy limit set forth in 14.09.030(A)(3), a recreational vehicle may be used as a place of habitation for up to 60-months in circumstances where the construction or repair of a building is in response to damage from a natural disaster, such as a wildfire, earthquake, flood, or severe storm.

Staff: Implements HB 2898, which extended the period of time a recreational vehicle can be occupied while a dwelling is being repaired or rebuilt from 24-months to 60-months. The legislation is limited to circumstances where construction is related to a dwelling that is rendered uninhabitable as a result of a natural disaster. The City's language is more permissive in that it is not limited to repair or replacement of uninhabitable dwellings.

CHAPTER 14.15 RESIDENTIAL USES IN NONRESIDENTIAL ZONING DISTRICTS

14.15.010 Purpose

It is the intent of this section to regulate the placement of residences in nonresidential zoning districts.

14.15.020 Residential Uses in Nonresidential Zoning Districts

Residences shall be allowed in nonresidential zones as follows:

- A. **C-1 zones:** Residences are prohibited at street grade. For floors other than street grade, residences are allowed as an outright permitted use.
- B. **C-2 zones:** For areas outside of the Historic Nye Beach Design Review District, residences are prohibited at street grade. For

floors other than street grade, residences are allowed as an outright permitted use. On lands zoned C-2 that are within the Historic Nye Beach Design Review District, residential uses shall be allowed as specified in Chapter 14.30, Design Review Standards.

- C. **C-3 zones:** Same as the C-1 zone.
- D. **For all I zones:** One residence for a caretaker or watchman as an accessory use is allowed as a permitted use.
- E. **W-2 zones:** Residences are prohibited at street grade. For floors other than street grade, residences are allowed subject to the issuance of a conditional use permit in accordance with the provisions of [Section 14.34](#), Conditional Uses, and [Section 14.52](#), [Procedural Requirements](#).
- F. **For all other nonresidential zones:** Residences are prohibited.
- G. **Affordable Housing:** Notwithstanding other provisions of this section, Affordable Housing shall be permitted at street grade provided:
 - 1. It is situated outside of the Tsunami Hazards Overlay Zone; and
 - a. The property is zoned for commercial or public use, as outlined in Section 14.03.020; or
 - b. The property is zoned I-1, is publicly owned, and is adjacent to land zoned for residential use or a school.
 - 2. Development standards for Affordable Housing under this subsection shall be the same as those that apply to the adjacent residentially zoned property. If there is no adjacent land zoned for residential use, then the development standards of the R-4 zone shall apply.
 - 3. Affordable Housing on property within the Historic Nye Beach Design Review District, shall satisfy the development standards specified in Chapter 14.30, Design Review Standards.

Staff: Implements Section 2, HB 3395, which stipulates that affordable housing is to be allowed at street grade in commercial zones irrespective of whether or not the property is owned by a public body or non-profit.

CHAPTER 14.44 TRANSPORTATION STANDARDS

14.44.020 When Standards Apply

The standards of this section apply to land divisions and new development or redevelopment for which a building permit is required that place demands on public or private transportation facilities and related city utilities. Unless otherwise provided, all construction, reconstruction, or repair of transportation facilities and related utilities shall comply with the standards of this Chapter.

This Chapter applies to the vacation of streets only to the extent that new lots created, consolidated, or modified as a result of such a vacation shall have at least 25 feet of frontage or approved access to a public street.

14.44.050 Transportation Standards

- A. Street Improvement Requirements. Streets within or adjacent to a land division, development of new streets, and planned improvements to existing streets shall satisfy the requirements of Section 14.44.060, and public streets shall be dedicated to the applicable road authority.
- B. Substandard streets. Substandard streets adjacent to existing lots or parcels shall be brought into conformance with the standards of [Section 14.44.060](#) when new development or redevelopment of the lots or parcels will place additional demands on the streets and related city utilities.
- C. Neighborhood Traffic Management. Traffic calming measures such as speed tables, curb bulb outs, traffic circles, and other solutions may be identified as required on-site or off-site improvements for development along Neighborhood Collector or Local Streets.

D. Guarantee. The city may accept a future improvement guarantee in the form of an improvement agreement as outlined in 14.48.060(B) through (G) or non-remonstrance agreement, in lieu of street improvements, if it determines that one or more of the following conditions exist:

1. A partial improvement may create a potential safety hazard to motorists or pedestrians;
2. Due to the developed condition of adjacent properties it is unlikely that street improvements would be extended in the foreseeable future and the improvement associated with the project under review does not, by itself, provide increased street safety or capacity, or improved pedestrian circulation;
3. The improvement is being carried out prior to certificate of occupancy or it is funded and programmed for construction in an adopted capital improvement plan; or
4. The improvement is associated with an approved land partition or minor replat and the proposed land partition does not create any new streets.

Staff: There is a new form of financial assurance cities are required to accept per Section 15 of House Bill 3395. This impacts Chapters 14.44 and 14.48. The latter describes the substantive requirements for an improvement agreement and guarantee in greater detail, so the new financial assurance language is being added to NMC Chapter 14.48, and a cross-reference is being added to this section. The change to (D)(3) aligns with the City's practice, which is to allow improvements to be deferred via an improvement agreement between the time a building permit is issued and occupancy is sought. This is in addition to deferral of improvements because the City has them programmed in its capital improvement plan.

CHAPTER 14.48 LAND DIVISIONS

14.48.060 Final Plat Requirements

- B. Provision of Improvements. It shall be the responsibility of the developer to install all required improvements and to repair any existing improvements damaged in the development of the property. The installation of improvements and repair of damage shall be completed prior to final plat approval. Except as provided in Subsection C., or where payment in lieu of constructing a required improvement is allowed by the city and has been paid by the developer per Chapter 14.44, the final plat will not be approved until improvements are installed to the specifications of the city and “as constructed” drawings are given to the city and approved by the city engineer. The developer shall warrant the materials and workmanship of all required public improvements for a period of one year from the date the city accepts the public improvements.
- C. Improvement Agreements. If all the required improvements have not been satisfactorily completed before the final plat is submitted for approval, the city may, at its discretion, allow final approval of the plat if the developer enters into a written agreement with the city to provide the required improvements secured by a cash deposit, bond, or letter of credit. The agreement must provide for completion within one year of the approval of the final plat. The agreement shall be acceptable to the city attorney and include provisions that:
1. Authorize the city to complete the required improvements and recover their full cost and expense from the developer if the developer fails to complete the improvements as required.
 2. Authorize the inspection of all improvements by the city engineer and provide for reimbursement to the city of all costs of inspection.
 3. Indemnify of the city, its officials, employees and agents, from and against all claims of any nature arising or resulting from the failure of the developer to comply with any requirement of such agreement.
 4. Ensure compliance with conditions required by the city in approving the final plat prior to completion of all required improvements.
- D. Financial Assurances. A developer that enters into an improvement agreement shall provide financial assurances in the form of one or more of the following:

1. A surety bond executed by a surety company authorized to transact business in the State of Oregon and in a form satisfactory to the city attorney, or
2. An irrevocable letter in a form satisfactory to the city attorney, or
3. A cashier's check or money order from a bank or other reputable lending institution, or
4. Certification by a bank or other reputable lending institution that funds are being held, or a line of credit has been established, to cover the cost of required improvements.
5. One or more award letters from public funding sources made to a subdivider who is subdividing property to develop affordable housing, that is or will be subject to an affordability restriction as defined in ORS 456.250 or an affordable housing covenant as defined in ORS 456.270.

Staff: This is an additional form of financial assurance cities are required to accept per Section 15 of House Bill 3395.

- E. Amount of Security. The financial assurances shall be in an amount equal to 110% of the amount determined by the city engineer as sufficient to cover the cost of the improvements, engineering, inspection, and incidental expenses. The financial assurances may provide for reduction of the amount in increments as improvements are completed and approved by the city engineer. However, the number of reductions or disbursements and the amount of retainage required shall be at the discretion of the city engineer.
- F. Post Completion Financial Assurances. On acceptance of all improvements by the city, a financial assurance, as provided in Subsection (D), shall be provided in an amount equivalent to 10% of the construction cost. Such financial assurance shall remain in effect for a period of one year. All deficiencies in construction and maintenance discovered and brought to the attention of the developer within one year of acceptance must be corrected to the satisfaction of the city engineer.
- G. Acceptance of Improvements by City, Guarantee. The city will accept public improvements only if they have received final inspection approval by the city engineer and "as constructed" engineering plans have been received and accepted by the city engineer. The developer

shall warrant all public improvements and repairs for a period of one year after acceptance by the city.

CHAPTER 14.52 PROCEDURAL REQUIREMENTS

14.52.060 Notice

The notification requirements in general for the various types of land use actions are identified below. The applicant shall provide city staff with the required names and addresses for notice. Notice of hearings to individual property owners is not required for Type IV legislative actions unless required by state law, such as ORS 227.186 (notice to owners whose property is rezoned). These notification requirements are in addition to any other notice requirements imposed by state law or city ordinance.

F. Published Notice. Notice of each Type III and Type IV hearing shall be published at least once in a print format or digital newspaper of general circulation in the city at least 5 days, and no more than 14 days, prior to the date set for public hearing. For the purpose of this subsection, a digital newspaper is an online newspaper delivered in an electronic form that is formatted similarly to a printed newspaper and produced in an archivable format.

Staff: Implements HB 3167, which allows publication of legal notices in digital newspapers. It is the City's intent to continue to use the printed News-Times format as long as the paper continues to be published at least once a week.

14.52.110 Decision Time

Once a complete application is received by the City of Newport, the city shall take final action, including resolution of all local appeals, on applications subject to ORS 227.178 within 100 or 120 days, as applicable, unless otherwise waived by the applicant in accordance

with state requirements. In circumstances where a land use action involving the development of residential structures has been tentatively approved, the 100 or 120 day time limits shall be extended up to seven additional days to allow for the adoption of a final order affirming the tentative decision.

Staff: Implements a land use procedural change listed in Section 4 of House Bill 3395.

DRAFT

Enrolled House Bill 2898

Sponsored by Representative CATE, Senator SMITH DB; Representatives BOSHART DAVIS, EVANS, GOMBERG, GRAYBER, HIEB, KROPF, LEVY B, LEWIS, MARSH (Presession filed.)

CHAPTER

AN ACT

Relating to use of recreational vehicles while abating natural disaster damages; amending ORS 197.493 and section 2, chapter 217, Oregon Laws 2021.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 197.493 is amended to read:

197.493. (1) A state agency or local government may not prohibit the placement or occupancy of a recreational vehicle, or impose any limit on the length of occupancy of a recreational vehicle as a residential dwelling, solely on the grounds that the occupancy is in a recreational vehicle, if the recreational vehicle is:

- (a)(A) Located in a manufactured dwelling park, mobile home park or recreational vehicle park;
- (B) Occupied as a residential dwelling; and
- (C) Lawfully connected to water and electrical supply systems and a sewage disposal system;

or

(b) On a lot or parcel with a manufactured dwelling or single-family dwelling that is uninhabitable due to damages from a natural [*disasters*] **disaster**, including wildfires, earthquakes, flooding or storms, until no later than the date:

- (A) The dwelling has been repaired or replaced and an occupancy permit has been issued;
- (B) The local government makes a determination that the owner of the dwelling is unreasonably delaying in completing repairs or replacing the dwelling; or
- (C) [*Twenty-four months*] **Five years** after the date the dwelling first became uninhabitable.

(2) Subsection (1) of this section does not limit the authority of a state agency or local government to impose other special conditions on the placement or occupancy of a recreational vehicle.

SECTION 2. Section 2, chapter 217, Oregon Laws 2021, as amended by section 3, chapter 520, Oregon Laws 2021, is amended to read:

Sec. 2. (1) This section applies only to owners of properties on which structures or uses were destroyed or interrupted by a wildfire that was identified in an executive order issued by the Governor in accordance with the Emergency Conflagration Act under ORS 476.510 to 476.610 between August 1 and September 30, 2020. The local government may alter, restore or replace such a use as provided in this section in lieu of another process.

(2) Except as provided in subsection (4) of this section, a property owner may alter, restore or replace a nonresidential use without further application with the local government if:

- (a) The use was allowed outright as an accessory use, without regard to whether the primary use was destroyed or was or will be restored;
- (b)(A) The use was subject to a land use process; and

(B) A permit, including a conditional permit, was issued for the use notwithstanding any expiration of the permit or any subsequent changes to the law or process; or

(c)(A) The use was established before a requirement that the use be subject to a land use process; and

(B) The replacement use conforms as nearly as practicable to records of the use with the county assessor, building permit information or other reliable records.

(3) The local government shall approve an application to alter, restore or replace a dwelling if the local government determines that the evidence in the record establishes that:

(a) The former dwelling:

(A) Had intact exterior walls and roof structure;

(B) Had indoor plumbing consisting of a kitchen sink, toilet and bathing facilities connected to a sanitary waste disposal system;

(C) Had interior wiring for interior lights;

(D) Had a heating system; and

(E)(i) Was authorized by building permits or other regulatory approval process by the appropriate authority; or

(ii) Was assessed as a residential dwelling for purposes of ad valorem taxation for the tax year beginning July 1, 2001, and is not subject to unresolved enforcement proceedings questioning the lawfulness of the dwelling; and

(b) The proposed dwelling will:

(A) Not exceed the floor area of the destroyed dwelling by more than 10 percent;

(B) Be adequately served by water, sanitation and roads;

(C) Be located wholly or partially within the footprint of the destroyed dwelling unless the applicant chooses a different location within the same lot or parcel to comply with local flood regulations or to avoid a natural hazard area; and

(D) Comply with applicable building codes that were in effect on the later of:

(i) January 1, 2008; or

(ii) The date of the former dwelling's construction.

(4) A local government may not add conditions to the approval or siting of a dwelling under subsection (3) of this section except as necessary to maintain participation in the National Flood Insurance Program under 42 U.S.C. 4001 et seq. A local government may require that the property owner submit an application for a permit for the approval or siting of a nonresidential use only for the purpose of establishing such conditions that are necessary to maintain participation in the National Flood Insurance Program.

(5) A local government may delegate the approval of an application under subsection (3) of this section to:

(a) A hearings officer, as defined in ORS 215.402 or 227.160;

(b) A planning commission, as described in ORS 215.020; or

(c) A building official, as defined in ORS 455.715.

(6) The findings of the local government or its designee in approving an application under subsection (3) of this section is not a land use decision. The local government may not require an applicant give notice to any nonparty. The findings and conclusions of the local government are entitled to deference if there is any evidence to support the findings and are subject to review only under ORS 34.010 to 34.100.

(7) If a local government determines based on the evidence in the record that the use legally existed, the local government may, through a land use decision, approve an application to alter, restore or replace a use for which a land use application, building permit or other regulatory approval was required but record of the approval is unavailable for:

(a) A dwelling built after January 1, 2001, that complies with subsection (3)(a)(A) to (D) and (b) of this section; or

(b) A nonresidential use or structure.

(8) An application under this section must be filed on or before September 30, 2025.

(9) For applications described in subsection (3) of this section, the amount of time during which an applicant is permitted to occupy a recreational vehicle under ORS 197.493 (1)(b)(C) is extended to December 30, 2030.

[9] **(10)** An approval of an application under this section expires only if the property owner has not commenced development of the structure or use on or before December 30, 2030.

Passed by House March 7, 2023

.....
Timothy G. Sekerak, Chief Clerk of House

.....
Dan Rayfield, Speaker of House

Passed by Senate June 21, 2023

.....
Rob Wagner, President of Senate

Received by Governor:

.....M,....., 2023

Approved:

.....M,....., 2023

.....
Tina Kotek, Governor

Filed in Office of Secretary of State:

.....M,....., 2023

.....
Secretary of State

Enrolled House Bill 3167

Sponsored by Representatives MARSH, SMITH G, Senators KNOPP, PATTERSON

CHAPTER

AN ACT

Relating to publication of legal notices; amending ORS 193.010; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 193.010 is amended to read:

193.010. As used in this section and [in] ORS 193.020:

(1) “Bona fide subscriber” means a person who has been a paid subscriber **to a print format or a digital newspaper format of a newspaper** for an uninterrupted period of 12 months, such subscription in no case to be over six months in arrears.

(2) “**Digital newspaper**” means an online newspaper delivered in an electronic form that is formatted similarly to a printed newspaper and produced in an archivable format.

[(2)] (3) “Newspaper” means a newspaper of general circulation[,] **that meets all of the following requirements:**

(a) **Is circulated in a print format or a digital newspaper format.**

(b) **Conducts consistent, regular coverage of local news and in which at least 25 percent of the total news content is locally and originally composed by the newspaper, regardless of whether the newspaper is produced or printed in the local area.**

(c) **Is published in the English language for the dissemination of local or transmitted news or for the dissemination of legal news[.].**

(d) **Is made up of at least four pages of at least five columns each, with type matter of a depth of at least 14 inches, or, if smaller pages, then comprising an equivalent amount of type matter[, which].**

(e)(A) **Except as provided in subparagraph (B) of this paragraph,** has bona fide subscribers representing more than half of the total distribution of [*copies circulated, or distribution verified by an independent circulation auditing firm, and which*] **printed newspapers and paid-for digital newspapers.**

(B) **Subparagraph (A) of this paragraph does not apply during a period, not to exceed 12 months, after a newspaper that has been generally recognized as best suited for publication of public notices in a jurisdiction ceases operation and no other suitable newspaper is published which affords a reasonable alternative for publication of public notices.**

(f)(A) **Except as provided in subparagraph (B) of this paragraph,** has been established and regularly and uninterruptedly published at least once a week during a period of at least 12 consecutive months immediately preceding the first publication of the public notice. Interrupted publication because of labor-management disputes, fire, flood or the elements for a period not to exceed 120 days, either before or after a newspaper is qualified for publication of public notices, shall not affect such qualification.

(B) Subparagraph (A) of this paragraph does not apply during a period, not to exceed 12 months, after a newspaper that has been generally recognized as best suited for publication of public notices in a jurisdiction ceases operation and no other suitable newspaper is published which affords a reasonable alternative for publication of public notices.

SECTION 2. This 2023 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2023 Act takes effect on its passage.

Passed by House April 3, 2023

.....
Timothy G. Sekerak, Chief Clerk of House

.....
Dan Rayfield, Speaker of House

Passed by Senate June 22, 2023

.....
Rob Wagner, President of Senate

Received by Governor:

.....M.,....., 2023

Approved:

.....M.,....., 2023

.....
Tina Kotek, Governor

Filed in Office of Secretary of State:

.....M.,....., 2023

.....
Secretary of State

Enrolled
House Bill 3395

Sponsored by Representatives RAYFIELD, DEXTER, GOMBERG, Senator JAMA; Representatives ANDERSEN, NELSON, Senators ANDERSON, PATTERSON

CHAPTER

AN ACT

Relating to housing; creating new provisions; amending ORS 92.090, 94.550, 100.015, 100.022, 100.105, 100.110, 100.115, 197.303, 197.758, 197.830, 215.427, 227.178 and 458.650 and sections 3 and 4, chapter 639, Oregon Laws 2019, section 3, chapter 18, Oregon Laws 2021, sections 4 and 6, chapter 67, Oregon Laws 2021, and section 23, chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001); repealing section 4, chapter 18, Oregon Laws 2021; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

RESIDENTIAL USE OF COMMERCIAL LANDS

SECTION 1. Section 2 of this 2023 Act is added to and made a part of ORS 197.286 to 197.314.

SECTION 2. (1) Notwithstanding an acknowledged comprehensive plan or land use regulations, within an urban growth boundary a local government shall allow, on lands zoned to allow only commercial uses and not industrial uses, the siting and development of:

(a) Residential structures subject to an affordable housing covenant as provided in ORS 456.270 to 456.295 making each unit affordable to a household with income less than or equal to 60 percent of the area median income as defined in ORS 456.270; or

(b) Mixed use structures with ground floor commercial units and residential units subject to an affordable housing covenant as provided in ORS 456.270 to 456.295 making the properties affordable to moderate income households, as defined in ORS 456.270.

(2) The local government may only apply those approval standards, conditions and procedures under ORS 197.307, that would be applicable to the residential zone of the local government that is most comparable in density to the allowed commercial uses.

(3) Development under this section does not:

(a) Trigger any requirement that a local government consider or update an analysis as required by a statewide planning goal relating to economic development.

(b) Apply on lands where the local government determines that:

(A) The development on the property cannot be adequately served by water, sewer, storm water drainage or streets, or will not be adequately served at the time that development on the lot is complete;

(B) The property contains a slope of 25 percent or greater;

(C) The property is within a 100-year floodplain; or

(D) The development of the property is constrained by land use regulations based on statewide land use planning goals relating to:

(i) Natural disasters and hazards; or

(ii) Natural resources, including air, water, land or natural areas, but not including open spaces.

(c) Apply on lands that are vacant or that were added to the urban growth boundary within the last 15 years.

RESIDENTIAL APPROVAL PROCEDURES

SECTION 3. ORS 215.427 is amended to read:

215.427. (1) Except as provided in subsections (3), (5) and (10) of this section, for land within an urban growth boundary and applications for mineral aggregate extraction, the governing body of a county or its designee shall take final action on an application for a permit, limited land use decision or zone change, including resolution of all appeals under ORS 215.422, within 120 days after the application is deemed complete. The governing body of a county or its designee shall take final action on all other applications for a permit, limited land use decision or zone change, including resolution of all appeals under ORS 215.422, within 150 days after the application is deemed complete, except as provided in subsections (3), (5) and (10) of this section.

(2) If an application for a permit, limited land use decision or zone change is incomplete, the governing body or its designee shall notify the applicant in writing of exactly what information is missing within 30 days of receipt of the application and allow the applicant to submit the missing information. The application shall be deemed complete for the purpose of subsection (1) of this section and ORS 197.311 upon receipt by the governing body or its designee of:

(a) All of the missing information;

(b) Some of the missing information and written notice from the applicant that no other information will be provided; or

(c) Written notice from the applicant that none of the missing information will be provided.

(3)(a) If the application was complete when first submitted or the applicant submits additional information, as described in subsection (2) of this section, within 180 days of the date the application was first submitted and the county has a comprehensive plan and land use regulations acknowledged under ORS 197.251, approval or denial of the application shall be based upon the standards and criteria that were applicable at the time the application was first submitted.

(b) If the application is for industrial or traded sector development of a site identified under section 12, chapter 800, Oregon Laws 2003, and proposes an amendment to the comprehensive plan, approval or denial of the application must be based upon the standards and criteria that were applicable at the time the application was first submitted, provided the application complies with paragraph (a) of this subsection.

(4) On the 181st day after first being submitted, the application is void if the applicant has been notified of the missing information as required under subsection (2) of this section and has not submitted:

(a) All of the missing information;

(b) Some of the missing information and written notice that no other information will be provided; or

(c) Written notice that none of the missing information will be provided.

(5) The period set in subsection (1) of this section or the 100-day period set in ORS 197.311 may be extended for a specified period of time at the written request of the applicant. The total of all extensions, except as provided in subsection (10) of this section for mediation, may not exceed 215 days.

(6) The period set in subsection (1) of this section applies:

(a) Only to decisions wholly within the authority and control of the governing body of the county; and

(b) Unless the parties have agreed to mediation as described in subsection (10) of this section or ORS 197.319 (2)(b).

(7) Notwithstanding subsection (6) of this section, the period set in subsection (1) of this section and the 100-day period set in ORS 197.311 do not apply to:

(a) A decision of the county making a change to an acknowledged comprehensive plan or a land use regulation that is submitted to the Director of the Department of Land Conservation and Development under ORS 197.610[.]; or

(b) A decision of a county involving an application for the development of residential structures within an urban growth boundary, where the county has tentatively approved the application and extends these periods by no more than seven days in order to assure the sufficiency of its final order.

(8) Except when an applicant requests an extension under subsection (5) of this section, if the governing body of the county or its designee does not take final action on an application for a permit, limited land use decision or zone change within 120 days or 150 days, as applicable, after the application is deemed complete, the county shall refund to the applicant either the unexpended portion of any application fees or deposits previously paid or 50 percent of the total amount of such fees or deposits, whichever is greater. The applicant is not liable for additional governmental fees incurred subsequent to the payment of such fees or deposits. However, the applicant is responsible for the costs of providing sufficient additional information to address relevant issues identified in the consideration of the application.

(9) A county may not compel an applicant to waive the period set in subsection (1) of this section or to waive the provisions of subsection (8) of this section or ORS 197.311 or 215.429 as a condition for taking any action on an application for a permit, limited land use decision or zone change except when such applications are filed concurrently and considered jointly with a plan amendment.

(10) The periods set forth in subsections (1) and (5) of this section and ORS 197.311 may be extended by up to 90 additional days, if the applicant and the county agree that a dispute concerning the application will be mediated.

SECTION 4. ORS 227.178 is amended to read:

227.178. (1) Except as provided in subsections (3), (5) and (11) of this section, the governing body of a city or its designee shall take final action on an application for a permit, limited land use decision or zone change, including resolution of all appeals under ORS 227.180, within 120 days after the application is deemed complete.

(2) If an application for a permit, limited land use decision or zone change is incomplete, the governing body or its designee shall notify the applicant in writing of exactly what information is missing within 30 days of receipt of the application and allow the applicant to submit the missing information. The application shall be deemed complete for the purpose of subsection (1) of this section or ORS 197.311 upon receipt by the governing body or its designee of:

(a) All of the missing information;

(b) Some of the missing information and written notice from the applicant that no other information will be provided; or

(c) Written notice from the applicant that none of the missing information will be provided.

(3)(a) If the application was complete when first submitted or the applicant submits the requested additional information within 180 days of the date the application was first submitted and the city has a comprehensive plan and land use regulations acknowledged under ORS 197.251, approval or denial of the application shall be based upon the standards and criteria that were applicable at the time the application was first submitted.

(b) If the application is for industrial or traded sector development of a site identified under section 12, chapter 800, Oregon Laws 2003, and proposes an amendment to the comprehensive plan, approval or denial of the application must be based upon the standards and criteria that were applicable at the time the application was first submitted, provided the application complies with paragraph (a) of this subsection.

(4) On the 181st day after first being submitted, the application is void if the applicant has been notified of the missing information as required under subsection (2) of this section and has not submitted:

(a) All of the missing information;

(b) Some of the missing information and written notice that no other information will be provided; or

(c) Written notice that none of the missing information will be provided.

(5) The 120-day period set in subsection (1) of this section or the 100-day period set in ORS 197.311 may be extended for a specified period of time at the written request of the applicant. The total of all extensions, except as provided in subsection (11) of this section for mediation, may not exceed 245 days.

(6) The 120-day period set in subsection (1) of this section applies:

(a) Only to decisions wholly within the authority and control of the governing body of the city; and

(b) Unless the parties have agreed to mediation as described in subsection (11) of this section or ORS 197.319 (2)(b).

(7) Notwithstanding subsection (6) of this section, the 120-day period set in subsection (1) of this section and the 100-day period set in ORS 197.311 do not apply to:

(a) A decision of the city making a change to an acknowledged comprehensive plan or a land use regulation that is submitted to the Director of the Department of Land Conservation and Development under ORS 197.610[.]; or

(b) A decision of a city involving an application for the development of residential structures within an urban growth boundary, where the city has tentatively approved the application and extends these periods by no more than seven days in order to assure the sufficiency of its final order.

(8) Except when an applicant requests an extension under subsection (5) of this section, if the governing body of the city or its designee does not take final action on an application for a permit, limited land use decision or zone change within 120 days after the application is deemed complete, the city shall refund to the applicant, subject to the provisions of subsection (9) of this section, either the unexpended portion of any application fees or deposits previously paid or 50 percent of the total amount of such fees or deposits, whichever is greater. The applicant is not liable for additional governmental fees incurred subsequent to the payment of such fees or deposits. However, the applicant is responsible for the costs of providing sufficient additional information to address relevant issues identified in the consideration of the application.

(9)(a) To obtain a refund under subsection (8) of this section, the applicant may either:

(A) Submit a written request for payment, either by mail or in person, to the city or its designee; or

(B) Include the amount claimed in a mandamus petition filed under ORS 227.179. The court shall award an amount owed under this section in its final order on the petition.

(b) Within seven calendar days of receiving a request for a refund, the city or its designee shall determine the amount of any refund owed. Payment, or notice that no payment is due, shall be made to the applicant within 30 calendar days of receiving the request. Any amount due and not paid within 30 calendar days of receipt of the request shall be subject to interest charges at the rate of one percent per month, or a portion thereof.

(c) If payment due under paragraph (b) of this subsection is not paid within 120 days after the city or its designee receives the refund request, the applicant may file an action for recovery of the unpaid refund. In an action brought by a person under this paragraph, the court shall award to a prevailing applicant, in addition to the relief provided in this section, reasonable attorney fees and costs at trial and on appeal. If the city or its designee prevails, the court shall award reasonable attorney fees and costs at trial and on appeal if the court finds the petition to be frivolous.

(10) A city may not compel an applicant to waive the 120-day period set in subsection (1) of this section or to waive the provisions of subsection (8) of this section or ORS 197.311 or 227.179 as a

condition for taking any action on an application for a permit, limited land use decision or zone change except when such applications are filed concurrently and considered jointly with a plan amendment.

(11) The periods set forth in subsections (1) and (5) of this section and ORS 197.311 may be extended by up to 90 additional days, if the applicant and the city agree that a dispute concerning the application will be mediated.

SECTION 5. ORS 197.830 is amended to read:

197.830. (1) Review of land use decisions or limited land use decisions under ORS 197.830 to 197.845 shall be commenced by filing a notice of intent to appeal with the Land Use Board of Appeals.

(2) Except as provided in ORS 197.620, a person may petition the board for review of a land use decision or limited land use decision if the person:

(a) Filed a notice of intent to appeal the decision as provided in subsection (1) of this section; and

(b) Appeared before the local government, special district or state agency orally or in writing.

(3) If a local government makes a land use decision without providing a hearing, except as provided under ORS 215.416 (11) or 227.175 (10), or the local government makes a land use decision that is different from the proposal described in the notice of hearing to such a degree that the notice of the proposed action did not reasonably describe the local government's final actions, a person adversely affected by the decision may appeal the decision to the board under this section:

(a) Within 21 days of actual notice where notice is required; or

(b) Within 21 days of the date a person knew or should have known of the decision where no notice is required.

(4) If a local government makes a land use decision without a hearing pursuant to ORS 215.416 (11) or 227.175 (10):

(a) A person who was not provided notice of the decision as required under ORS 215.416 (11)(c) or 227.175 (10)(c) may appeal the decision to the board under this section within 21 days of receiving actual notice of the decision.

(b) A person who is not entitled to notice under ORS 215.416 (11)(c) or 227.175 (10)(c) but who is adversely affected or aggrieved by the decision may appeal the decision to the board under this section within 21 days after the expiration of the period for filing a local appeal of the decision established by the local government under ORS 215.416 (11)(a) or 227.175 (10)(a).

(c) A person who receives notice of a decision made without a hearing under ORS 215.416 (11) or 227.175 (10) may appeal the decision to the board under this section within 21 days of receiving actual notice of the nature of the decision, if the notice of the decision did not reasonably describe the nature of the decision.

(d) Except as provided in paragraph (c) of this subsection, a person who receives notice of a decision made without a hearing under ORS 215.416 (11) or 227.175 (10) may not appeal the decision to the board under this section.

(5) If a local government makes a limited land use decision which is different from the proposal described in the notice to such a degree that the notice of the proposed action did not reasonably describe the local government's final actions, a person adversely affected by the decision may appeal the decision to the board under this section:

(a) Within 21 days of actual notice where notice is required; or

(b) Within 21 days of the date a person knew or should have known of the decision where no notice is required.

(6) The appeal periods described in subsections (3), (4) and (5) of this section:

(a) May not exceed three years after the date of the decision, except as provided in paragraph (b) of this subsection.

(b) May not exceed 10 years after the date of the decision if notice of a hearing or an administrative decision made pursuant to ORS 197.195 or 197.797 is required but has not been provided.

(7)(a) Within 21 days after a notice of intent to appeal has been filed with the board under subsection (1) of this section, any person described in paragraph (b) of this subsection may intervene in and be made a party to the review proceeding by filing a motion to intervene and by paying a filing fee of \$100.

(b) Persons who may intervene in and be made a party to the review proceedings, as set forth in subsection (1) of this section, are:

(A) The applicant who initiated the action before the local government, special district or state agency; or

(B) Persons who appeared before the local government, special district or state agency, orally or in writing.

(c) Failure to comply with the deadline or to pay the filing fee set forth in paragraph (a) of this subsection shall result in denial of a motion to intervene.

(8) If a state agency whose order, rule, ruling, policy or other action is at issue is not a party to the proceeding, it may file a brief with the board as if it were a party. The brief shall be due on the same date the respondent's brief is due and shall be accompanied by a filing fee of \$100.

(9) A notice of intent to appeal a land use decision or limited land use decision shall be filed not later than 21 days after the date the decision sought to be reviewed becomes final. A notice of intent to appeal plan and land use regulation amendments processed pursuant to ORS 197.610 to 197.625 shall be filed not later than 21 days after notice of the decision sought to be reviewed is mailed or otherwise submitted to parties entitled to notice under ORS 197.615. Failure to include a statement identifying when, how and to whom notice was provided under ORS 197.615 does not render the notice defective. Copies of the notice of intent to appeal shall be served upon the local government, special district or state agency and the applicant of record, if any, in the local government, special district or state agency proceeding. The notice shall be served and filed in the form and manner prescribed by rule of the board and shall be accompanied by a filing fee of \$300. If a petition for review is not filed with the board as required in subsections (10) and (11) of this section, the board shall award the filing fee to the local government, special district or state agency.

(10)(a) Within 21 days after service of the notice of intent to appeal, the local government, special district or state agency shall transmit to the board the original or a certified copy of the entire record of the proceeding under review. By stipulation of all parties to the review proceeding the record may be shortened. The board may require or permit subsequent corrections to the record; however, the board shall issue an order on a motion objecting to the record within 60 days of receiving the motion. If the board denies a petitioner's objection to the record, the board may establish a new deadline for the petition for review to be filed that may not be less than 14 days from the later of the original deadline for the brief or the date of denial of the petitioner's record objection.

(b) Within 10 days after service of a notice of intent to appeal, the board shall provide notice to the petitioner and the respondent of their option to enter into mediation pursuant to ORS 197.860. Any person moving to intervene shall be provided such notice within seven days after a motion to intervene is filed. The notice required by this paragraph shall be accompanied by a statement that mediation information or assistance may be obtained from the Department of Land Conservation and Development.

(11) A petition for review of the land use decision or limited land use decision and supporting brief shall be filed with the board as required by the board under subsection (13) of this section.

(12) The petition shall include a copy of the decision sought to be reviewed and shall state:

(a) The facts that establish that the petitioner has standing.

(b) The date of the decision.

(c) The issues the petitioner seeks to have reviewed.

(13)(a) The board shall adopt rules establishing deadlines for filing petitions and briefs and for oral argument.

(b) **The local government or state agency may withdraw its decision for purposes of reconsideration** at any time:

(A) Subsequent to the filing of a notice of intent; and

(B) Prior to:

(i) The date set for filing the record[,]; or[,]

(ii) On appeal of a decision under ORS 197.610 to 197.625 **or relating to the development of a residential structure**, [prior to] the filing of the respondent's brief[, the local government or state agency may withdraw its decision for purposes of reconsideration].

(c) If a local government or state agency withdraws an order for purposes of reconsideration, it shall, within such time as the board may allow, affirm, modify or reverse its decision. If the petitioner is dissatisfied with the local government or agency action after withdrawal for purposes of reconsideration, the petitioner may refile the notice of intent and the review shall proceed upon the revised order. An amended notice of intent is not required if the local government or state agency, on reconsideration, affirms the order or modifies the order with only minor changes.

(14) The board shall issue a final order within 77 days after the date of transmittal of the record. If the order is not issued within 77 days the applicant may apply in Marion County or the circuit court of the county where the application was filed for a writ of mandamus to compel the board to issue a final order.

(15) Upon entry of its final order, the board:

(a) May, in its discretion, award costs to the prevailing party including the cost of preparation of the record if the prevailing party is the local government, special district or state agency whose decision is under review.

(b) Shall award reasonable attorney fees and expenses to the prevailing party against any other party who the board finds presented a position or filed any motion without probable cause to believe the position or motion was well-founded in law or on factually supported information.

(c) Shall award costs and attorney fees to a party as provided in ORS 197.843.

(16) Orders issued under this section may be enforced in appropriate judicial proceedings.

(17)(a) The board shall provide for the publication of its orders that are of general public interest in the form it deems best adapted for public convenience. The publications shall constitute the official reports of the board.

(b) Any moneys collected or received from sales by the board shall be paid into the Board Publications Account established by ORS 197.832.

(18) Except for any sums collected for publication of board opinions, all fees collected by the board under this section that are not awarded as costs shall be paid over to the State Treasurer to be credited to the General Fund.

(19) The board shall track and report on its website:

(a) The number of reviews commenced, as described in subsection (1) of this section, the number of reviews commenced for which a petition is filed under subsection (2) of this section and, in relation to each of those numbers, the rate at which the reviews result in a decision of the board to uphold, reverse or remand the land use decision or limited land use decision. The board shall track and report reviews under this paragraph in categories established by the board.

(b) A list of petitioners, the number of reviews commenced and the rate at which the petitioner's reviews have resulted in decisions of the board to uphold, reverse or remand the land use decision or limited land use decision.

(c) A list of respondents, the number of reviews involving each respondent and the rate at which reviews involving the respondent have resulted in decisions of the board to uphold, reverse or remand the land use decision or limited land use decision. Additionally, when a respondent is the local government that made the land use decision or limited land use decision, the board shall track whether the local government appears before the board.

(d) A list of reviews, and a brief summary of the circumstances in each review, under which the board exercises its discretion to require a losing party to pay the attorney fees of the prevailing party.

EMERGENCY SHELTER SITING

SECTION 6. Section 4, chapter 18, Oregon Laws 2021, as amended by section 3, chapter 47, Oregon Laws 2022, is repealed.

SECTION 7. Section 3, chapter 18, Oregon Laws 2021, is amended to read:

Sec. 3. (1) A local government shall approve an application for the development or use of land for an emergency shelter, as defined in [section 2 of this 2021 Act] **ORS 197.782**, on any property, notwithstanding **this chapter or** ORS chapter 195, [197,] 197A, 215 or 227 or any statewide [plan] **land use planning goal**, rule of the Land Conservation and Development Commission or local land use regulation, zoning ordinance, regional framework plan, functional plan or comprehensive plan, if the emergency shelter:

(a) Includes sleeping and restroom facilities for clients;

(b) Will comply with applicable building codes;

(c) Is located inside an urban growth boundary or in an area zoned for rural residential use as defined in ORS 215.501;

(d) Will not result in the development of a new building that is sited within an area designated under a statewide planning goal relating to natural disasters and hazards, including flood plains or mapped environmental health hazards, unless the development complies with regulations directly related to the hazard;

(e) Has adequate transportation access to commercial and medical services; and

(f) Will not pose any unreasonable risk to public health or safety.

(2) An emergency shelter allowed under this section must be operated by:

(a) A local government as defined in ORS 174.116;

(b) An organization with at least two years' experience operating an emergency shelter using best practices that is:

(A) A local housing authority as defined in ORS 456.375;

(B) A religious corporation as defined in ORS 65.001; or

(C) A public benefit corporation, as defined in ORS 65.001, whose charitable purpose includes the support of homeless individuals, that has been recognized as exempt from income tax under section 501(a) of the Internal Revenue Code [on or before January 1, 2018] **for at least three years before the date of the application for a shelter**; or

(c) A nonprofit corporation partnering with any other entity described in this subsection.

(3) An emergency shelter approved under this section:

(a) May provide on-site for its clients and at no cost to the clients:

(A) Showering or bathing;

(B) Storage for personal property;

(C) Laundry facilities;

(D) Service of food prepared on-site or off-site;

(E) Recreation areas for children and pets;

(F) Case management services for housing, financial, vocational, educational or physical or behavioral health care services; or

(G) Any other services incidental to shelter.

(b) May include youth shelters, winter or warming shelters, day shelters and family violence shelter homes as defined in ORS 409.290.

(4) An emergency shelter approved under this section may also provide additional services not described in subsection (3) of this section to individuals who are transitioning from unsheltered homeless status. An organization providing services under this subsection may charge a fee of no more than \$300 per month per client and only to clients who are financially able to pay the fee and who request the services.

(5)(a) The approval **or denial** of an emergency shelter under this section **may be made without a hearing. Whether or not a hearing is held, the approval or denial** is not a land use decision and is subject to review only under ORS 34.010 to 34.100.

(b) **A reviewing court shall award attorney fees to:**

(A) A local government, and any intervening applicant, that prevails on the appeal of a local government's approval; and

(B) An applicant that prevails on an appeal of a local government's denial.

(6) An application for an emergency shelter is not subject to approval under this section if, at the time of filing, the most recently completed point-in-time count, as reported to the United States Department of Housing and Urban Development under 24 C.F.R. part 578, indicated that the total sheltered and unsheltered homeless population was less than 0.18 percent of the state population, based on the latest estimate from the Portland State University Population Research Center.

SINGLE EXIT MULTIFAMILY DWELLINGS

SECTION 8. On or before October 1, 2025, the Department of Consumer and Business Services shall review and consider updates to the State of Oregon Structural Specialty Code through the Building Codes Structures Board established under ORS 455.132, to allow a residential occupancy to be served by a single exit, consistent with the following policies of this state:

(1) The reduction, to the extent practicable, of costs and barriers to the construction of midsize multifamily dwellings, including those offering family-size housing with sprinklers on smaller lots, while maintaining safety, public health and the general welfare with respect to construction and occupancy.

(2) Encouraging a variety of less expensive housing types that allow single-exit residential buildings under certain circumstances consistent with other adopted building codes.

(3) In adopting or considering updates to the building code under this section, the department shall consider regional variation in firefighting capacity and equipment and may make amendments to the code contingent upon a certification by a local fire official that the municipality has sufficient firefighting capacity and equipment.

PLANNED COMMUNITY ACT EXEMPTIONS

SECTION 9. ORS 94.550 is amended to read:

94.550. As used in ORS 94.550 to 94.783:

(1) "Assessment" means any charge imposed or levied by a homeowners association on or against an owner or lot pursuant to the provisions of the declaration or the bylaws of the planned community or provisions of ORS 94.550 to 94.783.

(2) "Blanket encumbrance" means a trust deed or mortgage or any other lien or encumbrance, mechanic's lien or otherwise, securing or evidencing the payment of money and affecting more than one lot in a planned community, or an agreement affecting more than one lot by which the developer holds such planned community under an option, contract to sell or trust agreement.

(3) "Class I planned community" means a planned community that:

(a) Contains at least 13 lots or in which the declarant has reserved the right to increase the total number of lots beyond 12; and

(b) Has an estimated annual assessment, including an amount required for reserves under ORS 94.595, exceeding \$10,000 for all lots or \$100 per lot based on:

(A) For a planned community created on or after January 1, 2002, the initial estimated annual assessment, including a constructive assessment based on a subsidy of the association through a contribution of funds, goods or services by the declarant; or

(B) For a planned community created before January 1, 2002, a reasonable estimate of the cost of fulfilling existing obligations imposed by the declaration, bylaws or other governing document as of January 1, 2002.

(4) "Class II planned community" means a planned community that:

(a) Is not a Class I planned community;

- (b) Contains at least five lots; and
- (c) Has an estimated annual assessment exceeding \$1,000 for all lots based on:
 - (A) For a planned community created on or after January 1, 2002, the initial estimated annual assessment, including a constructive assessment based on a subsidy of the association through a contribution of funds, goods or services by the declarant; or
 - (B) For a planned community created before January 1, 2002, a reasonable estimate of the cost of fulfilling existing obligations imposed by the declaration, bylaws or other governing document as of January 1, 2002.
- (5) "Class III planned community" means a planned community that is not a Class I or II planned community.
- (6) "Common expenses" means expenditures made by or financial liabilities incurred by the homeowners association and includes any allocations to the reserve account under ORS 94.595.
- (7) "Common property" means any real property or interest in real property within a planned community which is owned, held or leased by the homeowners association or owned as tenants in common by the lot owners, or designated in the declaration or the plat for transfer to the association.
- (8) "Condominium" means property submitted to the provisions of ORS chapter 100.
- (9) "Declarant" means any person who creates a planned community under ORS 94.550 to 94.783.
- (10) "Declarant control" means any special declarant right relating to administrative control of a homeowners association, including but not limited to:
 - (a) The right of the declarant or person designated by the declarant to appoint or remove an officer or a member of the board of directors;
 - (b) Any weighted vote or special voting right granted to a declarant or to units owned by the declarant so that the declarant will hold a majority of the voting rights in the association by virtue of such weighted vote or special voting right; and
 - (c) The right of the declarant to exercise powers and responsibilities otherwise assigned by the declaration or bylaws or by the provisions of ORS 94.550 to 94.783 to the association, officers of the association or board of directors of the association.
- (11) "Declaration" means the instrument described in ORS 94.580 which establishes a planned community, and any amendments to the instrument.
- (12) "Electric vehicle charging station" or "charging station" means a facility designed to deliver electrical current for the purpose of charging one or more electric motor vehicles.
- (13) "Electronic meeting" means a meeting that is conducted through telephone, teleconference, video conference, web conference or any other live electronic means where at least one participant is not physically present.
- (14) "Governing document" means articles of incorporation, bylaws, a declaration or a rule, regulation or resolution that was properly adopted by the homeowners association or any other instrument or plat relating to common ownership or common maintenance of a portion of a planned community that is binding upon lots within the planned community.
- (15) "Governing entity" means an incorporated or unincorporated association, committee, person or any other entity that has authority under a governing document to maintain commonly maintained property, to impose assessments on lots or to act on matters of common concern on behalf of lot owners within the planned community.
- (16) "Homeowners association" or "association" means the organization of owners of lots in a planned community, created under ORS 94.625, required by a governing document or formed under ORS 94.574.
- (17) "Majority" or "majority of votes" or "majority of owners" means more than 50 percent of the votes in the planned community.
- (18) "Mortgagee" means any person who is:
 - (a) A mortgagee under a mortgage;
 - (b) A beneficiary under a trust deed; or
 - (c) The vendor under a land sale contract.

(19) "Owner" means the owner of any lot in a planned community, unless otherwise specified, but does not include a person holding only a security interest in a lot.

(20) "Percent of owners" or "percentage of owners" means the owners representing the specified voting rights as determined under ORS 94.658.

(21)(a) "Planned community" means any subdivision under ORS 92.010 to 92.192 that results in a pattern of ownership of real property and all the buildings, improvements and rights located on or belonging to the real property, in which the owners collectively are responsible for the maintenance, operation, insurance or other expenses relating to any property within the planned community, including common property, if any, or for the exterior maintenance of any property that is individually owned.

(b) "Planned community" does not mean:

(A) A condominium under ORS chapter 100;

(B) A subdivision that is exclusively commercial or industrial; [or]

(C) A timeshare plan under ORS 94.803 to 94.945[.]; or

(D) A development established on or after January 1, 2024, in which each residential unit is either:

(i) Subject to an affordability restriction, including an affordable housing covenant, as defined in ORS 456.270; or

(ii) Owned by a public benefit or religious nonprofit corporation.

(22) "Purchaser" means any person other than a declarant who, by means of a voluntary transfer, acquires a legal or equitable interest in a lot, other than as security for an obligation.

(23) "Purchaser for resale" means any person who purchases from the declarant more than two lots for the purpose of resale whether or not the purchaser for resale makes improvements to the lots before reselling them.

(24) "Recorded declaration" means an instrument recorded with the recording officer of the county in which the planned community is located that contains covenants, conditions and restrictions that are binding upon lots in the planned community or that impose servitudes on the real property.

(25) "Special declarant rights" means any rights, in addition to the rights of the declarant as a lot owner, reserved for the benefit of the declarant under the declaration or ORS 94.550 to 94.783, including but not limited to:

(a) Constructing or completing construction of improvements in the planned community which are described in the declaration;

(b) Expanding the planned community or withdrawing property from the planned community under ORS 94.580 (3) and (4);

(c) Converting lots into common property;

(d) Making the planned community subject to a master association under ORS 94.695; or

(e) Exercising any right of declarant control reserved under ORS 94.600.

(26) "Successor declarant" means the transferee of any special declarant right.

(27) "Turn over" means the act of turning over administrative responsibility pursuant to ORS 94.609 and 94.616.

(28) "Unit" means a building or portion of a building located upon a lot in a planned community and designated for separate occupancy or ownership, but does not include any building or portion of a building located on common property.

(29) "Votes" means the votes allocated to lots in the declaration under ORS 94.580 (2).

REGULATION OF CONDOMINIUMS

SECTION 10. ORS 100.015 is amended to read:

100.015. The Real Estate Commissioner **has the exclusive right to regulate the submission of property to the provisions of this chapter and** may adopt such rules as are necessary for the administration of this chapter.

SECTION 11. ORS 100.022 is amended to read:

100.022. *[(1)]* **Except as provided under ORS 100.015 or explicitly required or allowed under this chapter,** a zoning, subdivision, building code or other *[real property law,]* **regulation by a public body, agency rule or local ordinance or regulation may not *[prohibit]*:**

(1) **Have the effect of prohibiting or restricting** the condominium form of ownership; or

(2) Impose any **restriction or requirement** upon a structure, **property** or development **that is submitted or proposed to be submitted** to the condominium form of ownership under this chapter that it would not impose upon a structure or development under a different form of ownership~~],~~ **including:**

(a) **Any charge, tax or fee;**

(b) **A review or approval process by any person of a declaration, bylaw, plat, articles of incorporation, regulation, resolution or any other document relating to the condominium or the submission of the property or development to the condominium form of ownership;**

(c) **Any additional permitting requirements or conditions of approval of the property or development; or**

(d) **Any other requirements.**

[(2) Except as set forth in this section, no provision of this chapter invalidates or modifies any provision of any zoning, subdivision, building code or other real property use law, ordinance or regulation.]

[(3) Subsection (1) of This section does not prohibit any governmental approval required under this chapter.]

SECTION 12. ORS 100.110 is amended to read:

100.110. (1)(a) Before a declaration, supplemental declaration or an amendment thereto may be recorded, it must be approved as provided in this section by the county assessor of the county in which the property is located and the Real Estate Commissioner.

(b) Before a declaration, supplemental declaration or, if required under subsection (3) of this section, an amendment thereto may be recorded, it must be approved by the tax collector of the county in which the property is located.

(c) A declaration, supplemental declaration or amendment thereto may not be approved unless the requirements of subsections (2) to (7) of this section are met. Approval must be evidenced by execution of the declaration or amendment or by a written approval attached thereto.

(d) If the requirements of subsections (2) to (7) of this section are met, the commissioner, county assessor and tax collector, if applicable,[:]

[(A)] shall approve the declaration, supplemental declaration or amendment~~]; and]~~

[(B) May not impose additional requirements not specified in subsections (2) to (7) of this section].

(2) The county assessor of the county in which the property is located shall approve a declaration, supplemental declaration or amendment thereto if:

(a) The name complies with ORS 100.105 (5) and (6); and

(b) The plat complies with the requirements of ORS 100.115 or the plat amendment complies with ORS 100.116.

(3) The tax collector of the county in which the property is located shall approve the declaration or supplemental declaration, or an amendment that adds property to the condominium, changes the boundary of a unit or creates an additional unit from all or parts of other units or from all or parts of other units and common elements for which a plat amendment is required under ORS 100.116, if:

(a) All ad valorem taxes, special assessments, fees, or other charges required by law to be placed upon the tax roll for the affected units that have or will become a lien upon the property during the tax year have been paid;

(b) Advance payment of ad valorem taxes, special assessments, fees or other charges for the affected units that are not on the tax roll and for which payment is required under paragraph (a) of this subsection has been made to the tax collector utilizing the procedures contained in ORS 92.095 and 311.370; and

(c) The additional taxes, penalty, and any interest attributable thereto, required because of disqualification of the affected units from any special assessment have been paid.

(4) Subject to subsection (6) of this section, the commissioner shall approve the declaration or amendment thereto if:

(a) The declaration or the amendment thereto complies with the requirements of ORS 100.105 and 100.135 and other provisions of this chapter;

(b) The bylaws adopted under ORS 100.410 comply with the requirements of ORS 100.410 and 100.415 and other provisions of this chapter;

(c) The plat complies with the requirements of ORS 100.115 or the plat amendment complies with ORS 100.116 and other provisions of this chapter;

(d) The declaration is for a conversion condominium and the declarant has submitted:

(A) An affidavit that the notice of conversion was given in accordance with ORS 100.305 and that the notice period has expired;

(B) An affidavit that the notice of conversion was given in accordance with ORS 100.305 and copies of the written consent of any tenants as provided in ORS 100.305 (6) or a signed statement that no tenants were entitled to notice under ORS 100.305; or

(C) Any applicable combination of the requirements of subparagraphs (A) and (B) of this paragraph;

(e) A copy of the plat executed by the declarant and prepared in conformance with ORS 100.115 or plat amendment prepared in conformance with ORS 100.116 is submitted;

(f) A certification of plat execution, on a form prescribed and furnished by the commissioner, is:

(A) Executed by the declarant, the professional land surveyor who signed the surveyor's certificate on the plat, the attorney for the declarant, a representative of the title insurance company that issued the information required under ORS 100.640 (1)(e) or 100.668 (2)(d) or another person authorized by the declarant in writing to execute the certification; and

(B) Submitted stating that the copy is a true copy of the plat signed by the declarant; and

(g) A copy of a reserve study has been submitted, if a disclosure statement was issued under ORS 100.655 and the reserve study was not included pursuant to ORS 100.640 (1)(g).

(5) The commissioner shall approve a supplemental declaration if:

(a) The supplemental declaration complies with the requirements of ORS 100.120 and other provisions of this chapter;

(b) The supplemental plat complies with the requirements of ORS 100.115;

(c) The supplemental declaration is for a conversion condominium and the declarant has complied with the requirements of subsection (4)(d) of this section; and

(d) A copy of the supplemental plat and a certification of plat execution described in subsection (4)(e) and (f) of this section have been submitted.

(6) Approval by the commissioner is not required for an amendment to a declaration transferring the right of use of a limited common element pursuant to ORS 100.515 (5).

(7) Before the commissioner approves the declaration, supplemental declaration or amendment thereto under this section:

(a) The declarant or other person requesting approval shall pay to the commissioner a fee determined by the commissioner under ORS 100.670; and

(b) For an amendment or supplemental declaration, the Condominium Information Report and the Annual Report described in ORS 100.260 must be designated current by the Real Estate Agency as provided in ORS 100.255 and the fee required under ORS 100.670 must be paid.

(8) If the declaration, supplemental declaration or amendment thereto approved by the commissioner under subsection (4) or (5) of this section is not recorded in accordance with ORS 100.115 within one year from the date of approval by the commissioner, the approval automatically expires and the declaration, supplemental declaration or amendment thereto must be resubmitted for approval in accordance with this section. The commissioner's approval must set forth the date on which the approval expires.

SECTION 13. ORS 100.115 is amended to read:

100.115. (1) A plat of the land described in the declaration or a supplemental plat described in a supplemental declaration, complying with ORS 92.050, 92.060 (1) and (2), 92.080 and 92.120, shall be recorded simultaneously with the declaration or supplemental declaration. The plat or supplemental plat shall be titled in accordance with subsection (3) of this section and shall:

(a) Show the location of:

(A) All buildings and public roads. The location shall be referenced to a point on the boundary of the property; and

(B) For a condominium containing units described in ORS 100.020 (3)(b)(C) or (D), the moorage space or floating structure. The location shall be referenced to a point on the boundary of the up-land property regardless of a change in the location resulting from a fluctuation in the water level or flow.

(b) Show the designation, location, dimensions and area in square feet of each unit including:

(A) For units in a building described in ORS 100.020 (3)(b)(A), the horizontal and vertical boundaries of each unit and the common elements to which each unit has access. The vertical boundaries shall be referenced to a known benchmark elevation or other reference point as approved by the city or county surveyor;

(B) For a space described in ORS 100.020 (3)(b)(B), the horizontal boundaries of each unit and the common elements to which each unit has access. If the space is located within a structure, the vertical boundaries also shall be shown and referenced to a known benchmark elevation or other reference point as approved by the city or county surveyor;

(C) For a moorage space described in ORS 100.020 (3)(b)(C), the horizontal boundaries of each unit and the common elements to which each unit has access; and

(D) For a floating structure described in ORS 100.020 (3)(b)(D), the horizontal and vertical boundaries of each unit and the common elements to which each unit has access. The vertical boundaries shall be referenced to an assumed elevation of an identified point on the floating structure even though the assumed elevation may change with the fluctuation of the water level where the floating structure is moored.

(c) Identify and show, to the extent feasible, the location and dimensions of all limited common elements described in the declaration. The plat may not include any statement indicating to which unit the use of any noncontiguous limited common element is reserved.

(d) Include a statement, including signature and official seal, of a registered architect, registered professional land surveyor or registered professional engineer certifying that the plat fully and accurately depicts the boundaries of the units of the building and that construction of the units and buildings as depicted on the plat has been completed, except that the professional land surveyor who prepared the plat need not affix a seal to the statement.

(e) Include a surveyor's certificate, complying with ORS 92.070, that includes information in the declaration in accordance with ORS 100.105 (1)(a) and a metes and bounds description or other description approved by the city or county surveyor.

(f) Include a statement by the declarant that the property and improvements described and depicted on the plat are subject to the provisions of ORS 100.005 to 100.627.

[(g) Include such signatures of approval as may be required by local ordinance or regulation.]

[(h)] (g) Include any other information or data not inconsistent with the declaration that the declarant desires to include.

[(i)] (h) If the condominium is a flexible condominium, show the location and dimensions of all variable property identified in the declaration and label the variable property as "WITHDRAWABLE VARIABLE PROPERTY" or "NONWITHDRAWABLE VARIABLE PROPERTY," with a letter different from those designating a unit, building or other tract of variable property. If there is more than one tract, each tract shall be labeled in the same manner.

(2) The supplemental plat required under ORS 100.150 (1) shall be recorded simultaneously with the supplemental declaration. The supplemental plat shall be titled in accordance with subsection (3) of this section and shall:

(a) Comply with ORS 92.050, 92.060 (1), (2) and (4), 92.080, 92.120 and subsection (3) of this section.

(b) If any property is withdrawn:

(A) Show the resulting perimeter boundaries of the condominium after the withdrawal; and

(B) Show the information required under subsection [(1)(i)] (1)(h) of this section as it relates to any remaining variable property.

(c) If any property is reclassified, show the information required under subsection (1)(a) to (d) of this section.

(d) Include a “Declarant’s Statement” that the property described on the supplemental plat is reclassified or withdrawn from the condominium and that the condominium exists as described and depicted on the plat.

(e) Include a surveyor’s certificate complying with ORS 92.070.

(3) The title of each supplemental plat described in ORS 100.120 shall include the complete name of the condominium, followed by the additional language specified in this subsection and the appropriate reference to the stage being annexed or tract of variable property being reclassified. Each supplemental plat for a condominium recorded on or after January 1, 2002, shall be numbered sequentially and shall:

(a) If property is annexed under ORS 100.125, include the words “Supplemental Plat No. _____: Annexation of Stage _____”; or

(b) If property is reclassified under ORS 100.150, include the words “Supplemental Plat No. _____: Reclassification of Variable Property, Tract _____.”

(4) Upon request of the county surveyor or assessor, the person offering a plat or supplemental plat for recording shall also file an exact copy, certified by the surveyor who made the plat to be an exact copy of the plat, with the county assessor and the county surveyor. The exact copy shall be made on suitable drafting material having the characteristics of strength, stability and transparency required by the county surveyor.

(5) Before a plat or a supplemental plat may be recorded, it must be approved by the city or county surveyor as provided in ORS 92.100. Before approving the plat as required by this section, the city or county surveyor shall:

(a) Check the boundaries of the plat and units and take measurements and make computations necessary to determine that the plat complies with this section.

(b) Determine that the name complies with ORS 100.105 (5) and (6).

(c) Determine that the following are consistent:

(A) The designation and area in square feet of each unit shown on the plat and the unit designations and areas contained in the declaration in accordance with ORS 100.105 (1)(d);

(B) Limited common elements identified on the plat and the information contained in the declaration in accordance with ORS 100.105 (1)(h);

(C) The description of the property in the surveyor’s certificate included on the plat and the description contained in the declaration in accordance with ORS 100.105 (1)(a); and

(D) For a flexible condominium, the variable property depicted on the plat and the identification of the property contained in the declaration in accordance with ORS 100.105 (7)(c).

(6) The person offering the plat or supplemental plat for approval shall:

(a) Submit a copy of the proposed declaration and bylaws or applicable supplemental declaration at the time the plat is submitted; and

(b) Submit the original or a copy of the executed declaration and bylaws or the applicable supplemental declaration approved by the commissioner if required by law prior to approval.

(7) For performing the services described in subsection (5)(a) to (c) of this section, the city surveyor or county surveyor shall collect from the person offering the plat for approval a fee of \$150 plus \$25 per building. The governing body of a city or county may establish a higher fee by resolution or order.

SECTION 14. ORS 100.105 is amended to read:

100.105. (1) A declaration must contain:

(a) A description of the property, including property on which a unit or a limited common element is located, whether held in fee simple, leasehold, easement or other interest or combination thereof, that is being submitted to the condominium form of ownership and that conforms to the description in the surveyor's certificate provided under ORS 100.115 (1).

(b) Subject to subsection (11) of this section, a statement of the interest in the property being submitted to the condominium form of ownership, whether fee simple, leasehold, easement or other interest or combination thereof.

(c) Subject to subsections (5) and (6) of this section, the name by which the property is known and a general description of each unit and the building or buildings, including the number of stories and basements of each building, the total number of units and the principal materials of which they are constructed.

(d) The unit designation, a statement that the location of each unit is shown on the plat, a description of the boundaries and area in square feet of each unit and any other data necessary for proper identification. The area of a unit must be the same as shown for that unit on the plat described in ORS 100.115 (1).

(e) A notice in substantially the following form in at least 12-point type in all capitals or bold-face:

NOTICE

THE SQUARE FOOTAGE AREAS STATED IN THIS DECLARATION AND THE PLAT ARE BASED ON THE BOUNDARIES OF THE UNITS AS DESCRIBED IN THIS DECLARATION AND MAY VARY FROM THE AREA OF UNITS CALCULATED FOR OTHER PURPOSES.

(f) A description of the general common elements.

(g) An allocation to each unit of an undivided interest in the common elements in accordance with ORS 100.515 and the method used to establish the allocation.

(h) The designation of any limited common elements including:

(A) A general statement of the nature of the limited common element;

(B) A statement of the unit to which the use of each limited common element is reserved, provided the statement is not a reference to an assignment of use specified on the plat; and

(C) The allocation of use of any limited common element appertaining to more than one unit.

(i) The method of determining liability for common expenses and right to common profits in accordance with ORS 100.530.

(j) The voting rights allocated to each unit in accordance with ORS 100.525 or, in the case of condominium units committed as property in a timeshare plan defined in ORS 94.803, the voting rights allocated in the timeshare instrument.

(k) A statement of the general nature of use, residential or otherwise, for which the building or buildings and each of the units is intended.

(L) A statement that the designated agent to receive service of process in cases provided in ORS 100.550 (1) is named in the Condominium Information Report which will be filed with the Real Estate Agency in accordance with ORS 100.250 (1)(a).

(m) The method of amending the declaration and the percentage of voting rights required to approve an amendment of the declaration in accordance with ORS 100.135.

(n) A statement as to whether or not the association of unit owners pursuant to ORS 100.405 (5) and (8) has authority to grant leases, easements, rights of way, licenses and other similar interests affecting the general and limited common elements of the condominium and consent to vacation of roadways within and adjacent to the condominium.

(o) If the condominium contains a floating structure described in ORS 100.020 (3), a statement regarding the authority of the board of directors of the association, subject to ORS 100.410, to temporarily relocate the floating structure without a majority vote of affected unit owners.

(p) Any restrictions on alienation of units. Any such restrictions created by documents other than the declaration may be incorporated by reference in the declaration to the official records of the county in which the property is located.

(q) Any other details regarding the property that the person executing the declaration considers desirable. However, if a provision required to be in the bylaws under ORS 100.415 is included in the declaration, the voting requirements for amending the bylaws also govern the amendment of the provision in the declaration.

(2) In the event the declarant proposes to annex additional property to the condominium under ORS 100.125, the declaration also must contain a general description of the plan of development, including:

(a) The maximum number of units to be included in the condominium.

(b) The date after which any right to annex additional property will terminate.

(c) A general description of the nature and proposed use of any additional common elements which declarant proposes to annex to the condominium, if such common elements might substantially increase the proportionate amount of the common expenses payable by existing unit owners.

(d) A statement that the method used to establish the allocation of undivided interest in the common elements, the method used to determine liability for common expenses and right to common profits and the method used to allocate voting rights for each unit annexed is as stated in the declaration in accordance with subsection (1)(g), (i) and (j) of this section.

(e) Such other information as the Real Estate Commissioner requires in order to carry out the purposes of this chapter.

(3) Unless expressly prohibited by the declaration and subject to the requirements of ORS 100.135 (2) and subsections (9) and (10) of this section:

(a) Not later than two years following the termination date specified in subsection (2)(b) of this section, the termination date may be extended for a period not exceeding five years.

(b) Before the termination date specified in the declaration or supplemental declaration under subsection (7)(d) of this section, the termination date may be extended for a period not exceeding five years.

(c) The general description under subsection (2)(c) of this section and the information included in the declaration or supplemental declaration in accordance with subsection (7)(c), (g) and (h) of this section may be changed by an amendment to the declaration or supplemental declaration and plat or supplemental plat.

(4) The information included in the declaration or supplemental declaration in accordance with subsection (2)(a) and (d) of this section and subsection (7)(a), (b), (e), (f) and (k) of this section may not be changed unless all owners agree to the change and an amendment to the declaration or supplemental declaration and, if applicable, the plat or supplemental plat are recorded in accordance with this chapter.

(5) The name of the property shall include the word “condominium” or “condominiums” or the words “a condominium.”

(6) A condominium may not bear a name which is the same as or deceptively similar to the name of any other, **different** condominium located in the same county.

(7) If the condominium is a flexible condominium containing variable property, the declaration shall also contain a general description of the plan of development, including:

(a) A statement that the rights provided for under ORS 100.150 (1) are being reserved.

(b) A statement:

(A) Of any limitations on rights reserved under ORS 100.150 (1), including whether the consent of any unit owner is required, and if so, a statement of the method by which the consent is ascertained; or

(B) That there are no limitations on rights reserved under ORS 100.150 (1).

(c) A statement of the total number of tracts of variable property within the condominium, including:

(A) A designation of each tract as withdrawable variable property or nonwithdrawable variable property;

(B) Identification of each variable tract by a label in accordance with ORS 100.115 [(1)(i)] (1)(h);

(C) A statement of the method of labeling each tract depicted on the plat in accordance with ORS 100.115 [(1)(i)] (1)(h); and

(D) A statement of the total number of tracts of each type of variable property.

(d) The termination date, which is the date after which any right reserved under ORS 100.150 (1) will terminate, and a statement of the circumstances, if any, that will terminate any right on or before the date specified. Subject to ORS 100.120, the termination date from the date of recording of the conveyance of the first unit in the condominium to a person other than the declarant may not exceed:

(A) Twenty years, only if a condominium consists, or may consist if the condominium is a flexible condominium, exclusively of units to be used for nonresidential purposes; or

(B) Seven years.

(e) The maximum number of units that may be created.

(f) A statement that the method used to establish the allocations of undivided interest in the common elements, the method used to determine liability for common expenses and right to common profits and the method used to allocate voting rights as additional units are created is the same as stated in the declaration in accordance with subsection (1)(g), (i) and (j) of this section.

(g) A general description of all existing improvements and the nature and proposed use of any improvements that may be made on variable property if the improvements might substantially increase the proportionate amount of the common expenses payable by existing unit owners.

(h) A statement of whether or not the declarant reserves the right to create limited common elements within any variable property, and if so, a general description of the types that may be created.

(i) A statement that the plat shows the location and dimensions of all withdrawable variable property that is labeled "WITHDRAWABLE VARIABLE PROPERTY."

(j) A statement that if by the termination date all or a portion of the withdrawable variable property has not been withdrawn or reclassified, the withdrawable variable property is automatically withdrawn from the condominium as of the termination date.

(k) A statement of the rights of the association under ORS 100.155 (2).

(L) A statement of whether or not all or any portion of the variable property may not be withdrawn from the condominium and, if so, with respect to the nonwithdrawable variable property:

(A) A statement that the plat shows the location and dimensions of all nonwithdrawable variable property that is labeled "NONWITHDRAWABLE VARIABLE PROPERTY."

(B) A description of all improvements that may be made and a statement of the intended use of each improvement.

(C) A statement that, if by the termination date all or a portion of the variable property designated as "nonwithdrawable variable property" has not been reclassified, the property is automatically reclassified as of the termination date as a general common element of the condominium and any interest in the property held for security purposes is automatically extinguished by the classification.

(D) A statement of the rights of the association under ORS 100.155 (3).

(m) A statement by the local governing body or appropriate department thereof that the withdrawal of any variable property designated as "withdrawable variable property" in the declaration in accordance with paragraph (L) of this subsection, will not violate any applicable planning or zoning regulation or ordinance. The statement may be attached as an exhibit to the declaration.

(8) The plan of development for any variable property included in the declaration or any supplemental declaration of any stage in accordance with subsection (7) of this section is subject to any

plan of development included in the declaration in accordance with subsection (2) of this section, except that the time limitation specified in subsection (7)(d) of this section governs any right reserved under ORS 100.150 (1) with respect to any variable property.

(9) The information included in the declaration in accordance with subsection (7)(j), (k) and (m) of this section may not be deleted by amendment.

(10)(a) Approval by the unit owners is not required for a declarant to redesignate withdrawable variable property as “nonwithdrawable variable property” under ORS 100.150 (1) by supplemental declaration and supplemental plat, for any reason, including if the redesignation is required by the local governing body to comply with any planning or zoning regulation or ordinance.

(b) If as a result of a redesignation under paragraph (a) of this subsection, the information required to be included in the supplemental declaration under subsection (7)(L)(B) of this section is inconsistent with the information included in the declaration or supplemental declaration in accordance with subsection (7)(g) of this section, an amendment to the declaration or supplemental declaration and plat or supplemental plat approved by at least 75 percent of owners is required.

(11) The statement of an interest in property other than fee simple submitted to the condominium form of ownership and any easements, rights or appurtenances belonging to property submitted to the condominium form of ownership, whether leasehold or fee simple, must include:

(a) A reference to the recording index numbers and date of recording of the instrument creating the interest; or

(b) A reference to the law, administrative rule, ordinance or regulation that creates the interest if the interest is created under law, administrative rule, ordinance or regulation and not recorded in the office of the recording officer of the county in which the property is located.

SUBDIVIDING FOR DEVELOPMENT OF AFFORDABLE HOUSING

SECTION 15. ORS 92.090 is amended to read:

92.090. (1) Subdivision plat names shall be subject to the approval of the county surveyor or, in the case where there is no county surveyor, the county assessor. No tentative subdivision plan or subdivision plat of a subdivision shall be approved which bears a name similar to or pronounced the same as the name of any other subdivision in the same county, unless the land platted is contiguous to and platted by the same party that platted the subdivision bearing that name or unless the party files and records the consent of the party that platted the contiguous subdivision bearing that name. All subdivision plats must continue the lot numbers and, if used, the block numbers of the subdivision plat of the same name last filed. On or after January 1, 1992, any subdivision submitted for final approval shall not use block numbers or letters unless such subdivision is a continued phase of a previously recorded subdivision, bearing the same name, that has previously used block numbers or letters.

(2) No tentative plan for a proposed subdivision and no tentative plan for a proposed partition shall be approved unless:

(a) The streets and roads are laid out so as to conform to the plats of subdivisions and partitions already approved for adjoining property as to width, general direction and in all other respects unless the city or county determines it is in the public interest to modify the street or road pattern.

(b) Streets and roads held for private use are clearly indicated on the tentative plan and all reservations or restrictions relating to such private roads and streets are set forth thereon.

(c) The tentative plan complies with the applicable zoning ordinances and regulations and the ordinances or regulations adopted under ORS 92.044 that are then in effect for the city or county within which the land described in the plan is situated.

(3) No plat of a proposed subdivision or partition shall be approved unless:

(a) Streets and roads for public use are dedicated without any reservation or restriction other than reversionary rights upon vacation of any such street or road and easements for public or private utilities.

(b) Streets and roads held for private use and indicated on the tentative plan of such subdivision or partition have been approved by the city or county.

(c) The subdivision or partition plat complies with any applicable zoning ordinances and regulations and any ordinance or regulation adopted under ORS 92.044 that are then in effect for the city or county within which the land described in the subdivision or partition plat is situated.

(d) The subdivision or partition plat is in substantial conformity with the provisions of the tentative plan for the subdivision or partition, as approved.

(e) The subdivision or partition plat contains a donation to the public of all common improvements, including but not limited to streets, roads, parks, sewage disposal and water supply systems, the donation of which was made a condition of the approval of the tentative plan for the subdivision or partition.

(f) Explanations of all common improvements required as conditions of approval of the tentative plan of the subdivision or partition have been recorded and referenced on the subdivision or partition plat.

(4) Subject to any standards and procedures adopted pursuant to ORS 92.044, no plat of a subdivision shall be approved by a city or county unless the city or county has received and accepted:

(a) A certification by a city-owned domestic water supply system or by the owner of a privately owned domestic water supply system, subject to regulation by the Public Utility Commission of Oregon, that water will be available to the lot line of each and every lot depicted in the proposed subdivision plat;

(b) A bond, irrevocable letter of credit, contract or other assurance by the subdivider to the city or county that a domestic water supply system will be installed by or on behalf of the subdivider to the lot line of each and every lot depicted in the proposed subdivision plat; *and the amount of any such bond, irrevocable letter of credit, contract or other assurance by the subdivider shall be* **in an amount** determined by a registered professional engineer, subject to any change in such amount as determined necessary by the city or county; or

(c) *[In lieu of paragraphs (a) and (b) of this subsection,]* A statement that no domestic water supply facility will be provided to the purchaser of any lot depicted in the proposed subdivision plat, even though a domestic water supply source may exist. A copy of any such statement, signed by the subdivider and indorsed by the city or county, shall be filed by the subdivider with the Real Estate Commissioner and shall be included by the commissioner in any public report made for the subdivision under ORS 92.385. If the making of a public report has been waived or the subdivision is otherwise exempt under the Oregon Subdivision Control Law, the subdivider shall deliver a copy of the statement to each prospective purchaser of a lot in the subdivision at or prior to the signing by the purchaser of the first written agreement for the sale of the lot. The subdivider shall take a signed receipt from the purchaser upon delivery of such a statement, shall immediately send a copy of the receipt to the commissioner and shall keep any such receipt on file in this state, subject to inspection by the commissioner, for a period of three years after the date the receipt is taken.

(5) Subject to any standards and procedures adopted pursuant to ORS 92.044, no plat of a subdivision shall be approved by a city or county unless the city or county has received and accepted:

(a) A certification by a city-owned sewage disposal system or by the owner of a privately owned sewage disposal system that is subject to regulation by the Public Utility Commission of Oregon that a sewage disposal system will be available to the lot line of each and every lot depicted in the proposed subdivision plat;

(b) A bond, irrevocable letter of credit, contract or other assurance by the subdivider to the city or county that a sewage disposal system will be installed by or on behalf of the subdivider to the lot line of each and every lot depicted on the proposed subdivision plat; *and the amount of such bond, irrevocable letter of credit, contract or other assurance shall be* **in an amount** determined by a registered professional engineer, subject to any change in such amount as the city or county considers necessary; or

(c) *[In lieu of paragraphs (a) and (b) of this subsection,]* A statement that no sewage disposal facility will be provided to the purchaser of any lot depicted in the proposed subdivision plat, where

the Department of Environmental Quality has approved the proposed method or an alternative method of sewage disposal for the subdivision in its evaluation report described in ORS 454.755 (1)(b). A copy of any such statement, signed by the subdivider and indorsed by the city or county shall be filed by the subdivider with the Real Estate Commissioner and shall be included by the commissioner in the public report made for the subdivision under ORS 92.385. If the making of a public report has been waived or the subdivision is otherwise exempt under the Oregon Subdivision Control Law, the subdivider shall deliver a copy of the statement to each prospective purchaser of a lot in the subdivision at or prior to the signing by the purchaser of the first written agreement for the sale of the lot. The subdivider shall take a signed receipt from the purchaser upon delivery of such a statement, shall immediately send a copy of the receipt to the commissioner and shall keep any such receipt on file in this state, subject to inspection by the commissioner, for a period of three years after the date the receipt is taken.

(6) A city or county shall accept as other assurance, as used in subsections (4)(b) and (5)(b) of this section, one or more award letters from public funding sources made to a subdivider who is subdividing the property to develop affordable housing, that is or will be subject to an affordability restriction as defined in ORS 456.250 or an affordable housing covenant as defined in ORS 456.270, if the awards total an amount greater than the project cost.

[6] (7) Subject to any standards and procedures adopted pursuant to ORS 92.044, no plat of a subdivision or partition located within the boundaries of an irrigation district, drainage district, water control district, water improvement district or district improvement company shall be approved by a city or county unless the city or county has received and accepted a certification from the district or company that the subdivision or partition is either entirely excluded from the district or company or is included within the district or company for purposes of receiving services and subjecting the subdivision or partition to the fees and other charges of the district or company.

SINGLE ROOM OCCUPANCIES

SECTION 16. Section 17 of this 2023 Act and ORS 197.758 are added to and made a part of ORS 197.286 to 197.314.

SECTION 17. (1) As used in this section “single room occupancy” means a residential development with no fewer than four attached units that are independently rented and lockable and provide living and sleeping space for the exclusive use of an occupant, but require that the occupant share sanitary or food preparation facilities with other units in the occupancy.

(2) Within an urban growth boundary, each local government shall allow the development of a single room occupancy:

(a) With up to six units on each lot or parcel zoned to allow for the development of a detached single-family dwelling; and

(b) With the number of units consistent with the density standards of a lot or parcel zoned to allow for the development of residential dwellings with five or more units.

SECTION 18. ORS 197.303, as amended by section 27, chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001), is amended to read:

197.303. (1) As used in ORS 197.296 and this section, “needed housing” means all housing on land zoned for residential use or mixed residential and commercial use that is determined to meet the need shown for housing within an urban growth boundary at price ranges and rent levels that are affordable to households within the county with a variety of incomes, including but not limited to households with low incomes, very low incomes and extremely low incomes, as those terms are defined by the United States Department of Housing and Urban Development under 42 U.S.C. 1437a. “Needed housing” includes the following housing types:

(a) Attached and detached single-family housing, middle housing types as described in ORS 197.758 and multiple family housing for both owner and renter occupancy;

- (b) Government assisted housing;
 - (c) Mobile home or manufactured dwelling parks as provided in ORS 197.475 to 197.490;
 - (d) Manufactured homes on individual lots planned and zoned for single-family residential use that are in addition to lots within designated manufactured dwelling subdivisions;
 - (e) Agriculture workforce housing;
 - (f) Housing for individuals with a variety of disabilities related to mobility or communications that require accessibility features;
 - (g) Housing for older persons, as defined in ORS 659A.421; *[and]*
 - (h) Housing for college or university students, if relevant to the region[.]; **and**
 - (i) Single room occupancies as defined in section 17 of this 2023 Act.**
- (2) For the purpose of estimating housing needs, as described in ORS 197.296 (3)(b), Metro shall adopt findings and perform an analysis that estimates each of the following factors:
- (a) Projected needed housing units over the next 20 years;
 - (b) Current housing underproduction;
 - (c) Housing units needed for people experiencing homelessness; and
 - (d) Housing units projected to be converted into vacation homes or second homes during the next 20 years.
- (3) At the time Metro performs the analysis under subsection (2) of this section, Metro shall allocate a housing need for each city within Metro.
- (4) In making an allocation under subsection (3) of this section, Metro shall consider:
- (a) The forecasted population growth under ORS 195.033 or 195.036;
 - (b) The forecasted regional job growth;
 - (c) An equitable statewide distribution of housing for income levels described in section 2 (4), **chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001)** *[of this 2023 Act]*.
 - (d) The estimates made under subsection (2) of this section; and
 - (e) The purpose of the Oregon Housing Needs Analysis under section 1 (1), **chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001)** *[of this 2023 Act]*.
- (5) Metro shall make the estimate described in subsection (2) of this section using a shorter time period than since the last review under ORS 197.296 (2)(a)(B) if Metro finds that the shorter time period will provide more accurate and reliable data related to housing need. The shorter time period may not be less than three years.
- (6) Metro shall use data from a wider geographic area or use a time period longer than the time period described in subsection (2) of this section if the analysis of a wider geographic area or the use of a longer time period will provide more accurate, complete and reliable data relating to trends affecting housing need than an analysis performed pursuant to subsection (2) of this section. Metro must clearly describe the geographic area, time frame and source of data used in an estimate performed under this subsection.
- (7) Subsection (1)(a) and (d) of this section does not apply to a city with a population of less than 2,500.
- (8) Metro may take an exception under ORS 197.732 to the definition of “needed housing” in subsection (1) of this section in the same manner that an exception may be taken under the goals.
- SECTION 18a. If House Bill 2889 becomes law, section 18 of this 2023 Act (amending ORS 197.303) is repealed and ORS 197.303, as amended by section 27, chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001), and section 14, chapter __, Oregon Laws 2023 (Enrolled House Bill 2889), is amended to read:**
- 197.303. (1) As used in ORS 197.296 and this section, “needed housing” means all housing on land zoned for residential use or mixed residential and commercial use that is determined to meet the need shown for housing within an urban growth boundary at price ranges and rent levels that are affordable to households within the county with a variety of incomes, including but not limited to households with low incomes, very low incomes and extremely low incomes, as those terms are defined by the United States Department of Housing and Urban Development under 42 U.S.C. 1437a. “Needed housing” includes the following housing types:

(a) Attached and detached single-family housing, middle housing types as described in ORS 197.758 and multiple family housing for both owner and renter occupancy;

(b) Government assisted housing;

(c) Mobile home or manufactured dwelling parks as provided in ORS 197.475 to 197.490;

(d) Manufactured homes on individual lots planned and zoned for single-family residential use that are in addition to lots within designated manufactured dwelling subdivisions; [and]

(e) Agriculture workforce housing[.]; **and**

(f) Single room occupancies as defined in section 17 of this 2023 Act.

(2) For the purpose of estimating housing needs, as described in ORS 197.296 (3)(b), Metro shall adopt findings and perform an analysis that estimates each of the following factors:

(a) Projected needed housing units over the next 20 years;

(b) Current housing underproduction;

(c) Housing units needed for people experiencing homelessness; and

(d) Housing units projected to be converted into vacation homes or second homes during the next 20 years.

(3) Metro shall make the estimate described in subsection (2) of this section using a shorter time period than since the last review under ORS 197.296 (2)(a)(B) if Metro finds that the shorter time period will provide more accurate and reliable data related to housing need. The shorter time period may not be less than three years.

(4) Metro shall use data from a wider geographic area or use a time period longer than the time period described in subsection (2) of this section if the analysis of a wider geographic area or the use of a longer time period will provide more accurate, complete and reliable data relating to trends affecting housing need than an analysis performed pursuant to subsection (2) of this section. Metro must clearly describe the geographic area, time frame and source of data used in an estimate performed under this subsection.

(5) Subsection (1)(a) and (d) of this section does not apply to a city with a population of less than 2,500.

(6) Metro may take an exception under ORS 197.732 to the definition of “needed housing” in subsection (1) of this section in the same manner that an exception may be taken under the goals.

SECTION 19. Section 23, chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001), is amended to read:

Sec. 23. (1) As used in ORS 197.286 to 197.314, and except as provided in subsection (2) of this section:

(a) “Needed housing” means housing by affordability level, as described in section 2 (4), **chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001)** [of this 2023 Act], type, characteristics and location that is necessary to accommodate the city’s allocated housing need over the 20-year planning period in effect when the city’s housing capacity is determined.

(b) “Needed housing” includes the following housing types:

(A) Detached single-family housing, middle housing types as described in ORS 197.758 and multifamily housing that is owned or rented;

(B) Government assisted housing;

(C) Mobile home or manufactured dwelling parks as provided in ORS 197.475 to 197.490;

(D) Manufactured homes on individual lots planned and zoned for single-family residential use that are in addition to lots within designated manufactured dwelling subdivisions;

(E) Housing for agricultural workers;

(F) Housing for individuals with a variety of disabilities, related to mobility or communications that require accessibility features;

(G) Housing for older persons, as defined in ORS 659A.421; [and]

(H) Housing for college or university students, if relevant to the region[.]; **and**

(I) Single room occupancies as defined in section 17 of this 2023 Act.

(2) Subsection (1)(b)(A) and (D) of this section does not apply to:

(a) A city with a population of less than 2,500.

- (b) A county with a population of less than 15,000.
- (3) At the time that a city is required to inventory its buildable lands under ORS 197.297 (1) or section 21 or 22, **chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001)** [of this 2023 Act], the city shall determine its needed housing under this section.
- (4) In determining needed housing the city must demonstrate that the projected housing types, characteristics and locations are:
 - (a) Attainable for the allocated housing need by income, including consideration of publicly supported housing;
 - (b) Appropriately responsive to current and projected market trends; and
 - (c) Responsive to the factors in ORS 197.290 (2)(b) to (d).

SITING DUPLEXES

SECTION 20. ORS 197.758 is amended to read:

197.758. (1) As used in this section:

- (a) “Cottage clusters” means groupings of no fewer than four detached housing units per acre with a footprint of less than 900 square feet each and that include a common courtyard.
- (b) “Middle housing” means:
 - (A) Duplexes;
 - (B) Triplexes;
 - (C) Quadplexes;
 - (D) Cottage clusters; and
 - (E) Townhouses.
- (c) “Townhouses” means a dwelling unit constructed in a row of two or more attached units, where each dwelling unit is located on an individual lot or parcel and shares at least one common wall with an adjacent unit.
- (2) Except as provided in subsection (4) of this section, each city with a population of 25,000 or more and each county or city within a metropolitan service district shall allow the development of:
 - (a) All middle housing types in areas zoned for residential use that allow for the development of detached single-family dwellings; and
 - (b) A duplex on each lot or parcel zoned for residential use that allows for the development of detached single-family dwellings.
- (3) Except as provided in subsection (4) of this section, each city not within a metropolitan service district with a population of [more than 10,000] **2,500 or greater** and less than 25,000 shall allow the development of a duplex on each lot or parcel zoned for residential use that allows for the development of detached single-family dwellings. Nothing in this subsection prohibits a local government from allowing middle housing types in addition to duplexes.
- (4) This section does not apply to:
 - (a) Cities with a population of 1,000 or fewer;
 - (b) Lands not within an urban growth boundary;
 - (c) Lands that are not incorporated and also lack sufficient urban services, as defined in ORS 195.065;
 - (d) Lands that are not zoned for residential use, including lands zoned primarily for commercial, industrial, agricultural or public uses; or
 - (e) Lands that are not incorporated and are zoned under an interim zoning designation that maintains the land’s potential for planned urban development.
- (5) Local governments may regulate siting and design of middle housing required to be permitted under this section, provided that the regulations do not, individually or cumulatively, discourage the development of all middle housing types permitted in the area through unreasonable costs or delay. Local governments may regulate middle housing to comply with protective measures adopted pursuant to statewide land use planning goals.
- (6) This section does not prohibit local governments from permitting:

- (a) Single-family dwellings in areas zoned to allow for single-family dwellings; or
- (b) Middle housing in areas not required under this section.

(7) A local government that amends its comprehensive plan or land use regulations relating to allowing additional middle housing is not required to consider whether the amendments significantly affect an existing or planned transportation facility.

SECTION 21. Section 3, chapter 639, Oregon Laws 2019, is amended to read:

Sec. 3. (1) Notwithstanding ORS 197.646, a local government shall adopt land use regulations or amend its comprehensive plan to implement [section 2 of this 2019 Act] **ORS 197.758** no later than:

(a) June 30, 2021, for each city subject to [section 2 (3) of this 2019 Act; or] **ORS 197.758 (3) (2021 Edition);**

(b) June 30, 2022, for each local government subject to [section 2 (2) of this 2019 Act.] **ORS 197.758 (2); or**

(c) June 30, 2025, for each city subject to ORS 197.758 (3), as amended by section 20 of this 2023 Act.

(2) The Land Conservation and Development Commission, with the assistance of the Building Codes Division of the Department of Consumer and Business Services, shall develop a model middle housing ordinance no later than December 31, 2020.

(3) A local government that has not acted within the time provided under subsection (1) of this section shall directly apply the model ordinance developed by the commission under subsection (2) of this section under ORS 197.646 (3) until the local government acts as described in subsection (1) of this section.

(4) In adopting regulations or amending a comprehensive plan under this section, a local government shall consider ways to increase the affordability of middle housing by considering ordinances and policies that include but are not limited to:

(a) Waiving or deferring system development charges;

(b) Adopting or amending criteria for property tax exemptions under ORS 307.515 to 307.523, 307.540 to 307.548 or 307.651 to 307.687 or property tax freezes under ORS 308.450 to 308.481; and

(c) Assessing a construction tax under ORS 320.192 and 320.195.

[*(5) When a local government makes a legislative decision to amend its comprehensive plan or land use regulations to allow middle housing in areas zoned for residential use that allow for detached single-family dwellings, the local government is not required to consider whether the amendments significantly affect an existing or planned transportation facility.*]

SECTION 22. Section 4, chapter 639, Oregon Laws 2019, is amended to read:

Sec. 4. (1) [Notwithstanding section 3 (1) or (3) of this 2019 Act,] The Department of Land Conservation and Development may grant to a local government that is subject to [section 2 of this 2019 Act] **ORS 197.758** an extension of the time allowed to adopt land use regulations or amend its comprehensive plan under section 3, **chapter 639, Oregon Laws 2019** [of this 2019 Act].

(2) An extension under this section may be applied only to specific areas where the local government has identified water, sewer, storm drainage or transportation services that are [either] significantly deficient [or are expected to be significantly deficient before December 31, 2023,] and for which the local government has established a plan of actions that will remedy the deficiency in those services that is approved by the department. The extension may not extend beyond the date that the local government intends to correct the deficiency under the plan.

(3) In areas where the extension under this section does not apply, the local government shall apply its own land use regulations consistent with section 3 (1), **chapter 639, Oregon Laws 2019**, [of this 2019 Act] or the model ordinance developed under section 3 (2), **chapter 639, Oregon Laws 2019** [of this 2019 Act].

(4) A request for an extension by a local government must be filed with the department no later than:

(a) December 31, 2020, for a city subject to [section 2 (3) of this 2019 Act.] **ORS 197.758 (3) (2021 Edition).**

(b) June 30, 2021, for a local government subject to [section 2 (2) of this 2019 Act.] **ORS 197.758 (2)**.

(c) **June 30, 2024, for each city subject to ORS 197.758 (3), as amended by section 20 of this 2023 Act.**

(5) The department shall grant or deny a request for an extension under this section:

(a) Within 90 days of receipt of a complete request from a city subject to [section 2 (3) of this 2019 Act.] **ORS 197.758 (3)**.

(b) Within 120 days of receipt of a complete request from a local government subject to [section 2 (2) of this 2019 Act.] **ORS 197.758 (2)**.

(6) The department shall adopt rules regarding the form and substance of a local government's application for an extension under this section. The department may include rules regarding:

(a) Defining the affected areas;

(b) Calculating deficiencies of water, sewer, storm drainage or transportation services;

(c) Service deficiency levels required to qualify for the extension;

(d) The components and timing of a remediation plan necessary to qualify for an extension;

(e) Standards for evaluating applications; and

(f) Establishing deadlines and components for the approval of a plan of action.

SECTION 23. In addition to and not in lieu of any other appropriation, there is appropriated to the Department of Land Conservation and Development, for the biennium beginning July 1, 2023, out of the General Fund, the amount of \$1,250,000, to provide grants to local governments to assist them in amending their comprehensive plans as required under section 3 (1)(c), chapter 639, Oregon Laws 2019.

REMOVING RECORDED DISCRIMINATORY PROVISIONS

SECTION 24. Section 25 of this 2023 Act is added to and made a part of ORS chapter 93.

SECTION 25. (1) Notwithstanding ORS 94.590, 94.625, 100.110, 100.135, 100.411 or 100.413 or any requirement of the declaration or bylaws, an amendment to the declaration or bylaws of a planned community or condominium is effective and may be made and recorded in the county clerk's office of a county in which any portion of the property is situated without the vote of the owners or the board members and without the prior approval of the Real Estate Commissioner, county assessor or any other person if:

(a) The amendment is made to conform the declarations or bylaws to the requirements of ORS 93.270 (2); and

(b) The amendment is signed by the president and secretary of the homeowners association.

(2) The first page or cover sheet of an instrument amending the declaration or bylaws must comply with the recording requirements of ORS chapter 205 and must be in substantially the following form:

AMENDMENT OF [DECLARATION/BYLAWS] TO COMPLY WITH ORS 93.270 (2).

Pursuant to this section, the undersigned states:

1. The undersigned are the president and secretary for the [homeowners/condominium owners] association _____ (name) in _____ County.

2. This document amends the [declaration/bylaws] of the association.

3. The [declaration was/bylaws were] first recorded under instrument number (or book and page number) _____ recorded on _____.

4. The [declaration was/bylaws were] most recently amended or restated, if ever, under instrument number (or book and page number) _____ recorded on _____.

5. The undersigned have determined that the current [declarations/bylaws] of the [planned community/condominium], as last amended or revised, may fail to comply with ORS 93.270. The following amendments to the [declaration/bylaws] remove provisions that are not allowed and are unenforceable under ORS 93.270 (2). No other changes to the document are being made except as may be necessary to correct scriveners' errors or to conform format and style.

6. Under this section, a vote of the association is not required.

7. The description of the real property in _____ County affected by this document is:

Dated this _____ day of _____ 20____.

Name: _____
President, _____ (association name)
Address: _____

Phone No.: _____

Dated this _____ day of _____ 20____.

Name: _____
Secretary, _____ (association name)
Address: _____

Phone No.: _____

STATE OF OREGON)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this ____ day of _____ 20____ by _____ and _____.

Notary Public for Oregon
My commission expires: _____

(3) If an instrument recorded under this section affects a condominium, the condominium association shall file a copy of the recorded instrument with the Real Estate Commissioner.

SECTION 26. Section 4, chapter 67, Oregon Laws 2021, as amended by section 5b, chapter 367, Oregon Laws 2021, is amended to read:

Sec. 4. (1) On or before December 31, [2022] **2024**, each homeowners association **of a planned community first established before September 1, 2021**, shall review [each governing document currently binding on the planned community, or the lots or the lot owners within] **the declaration and bylaws of the planned community** and shall:

(a) Amend [*or restate*] each document as necessary to remove all restrictions against the use of the community or the lots not allowed under ORS 93.270 (2) **as provided under section 25 of this 2023 Act**; or

(b) Execute and record a [*declaration*] **certification** that the homeowners association has reviewed the [*governing documents binding on*] **declaration and bylaws** of the planned community and that the documents do not contain any restriction, rule or regulation against the use of the community or the lots by a person or group of persons because of race, color, religion, sex, sexual orientation, gender identity, national origin, marital status, familial status, source of income, disability or the number of individuals, including family members, persons of close affinity or unrelated persons, who are simultaneously occupying a dwelling unit within occupancy limits.

(2) [*Notwithstanding ORS 94.590 or 94.625 or any requirement of the declaration or bylaws, an amendment to or a restatement of the declaration or bylaws under subsection (1)(a) of this section is effective and*] **A certification under subsection (1)(b) of this section:**

(a) May be recorded without the vote of the owners or the board members [*if the amendment or restatement includes a certification signed by the president and secretary of the homeowners association that the amended or restated declaration or bylaws does not change that document except as required under this section and as may be necessary to correct scrivener's errors or to conform format and style.*]; **and**

(b) **Must be in substantially the following form:**

CERTIFICATION OF COMPLIANCE WITH ORS 93.270 (2).

Pursuant to section 4, chapter 67, Oregon Laws 2021, the undersigned states:

1. The undersigned are the president and secretary for the homeowners association _____ (name) in _____ County.

2. The declaration was first recorded under instrument number (or book and page number) _____ recorded on _____. The declaration was most recently amended or restated, if ever, under instrument number _____ recorded on _____.

3. The bylaws were first recorded, if ever, under instrument number (or book and page number) _____ recorded on _____. The bylaws were most recently amended or restated, if ever, under instrument number _____ recorded on _____.

4. The undersigned have determined that the current declarations and bylaws of the planned community, as last amended or revised, conform with ORS 93.270 (2) and that there are no provisions that would restrict the use of the community or the lots or units of the community because of race, color, religion, sex, sexual orientation, gender identity, national origin, marital status, familial status, source of income, disability or the number of individuals, including family members, persons of close affinity or unrelated persons, who are simultaneously occupying a dwelling unit within occupancy limits. Any such provision that may inadvertently remain is void and unenforceable.

5. Under this section, a vote of the association is not required.

6. The description of the real property in _____ County affected by this document is:

Dated this _____ day of _____ 20_____.

Name: _____

President, _____ (association name)

Dated this _____ day of _____ 20_____.

Name: _____
Secretary, _____ (association name)

STATE OF OREGON)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this ____ day of _____
20____ by _____ and _____.

Notary Public for Oregon
My commission expires: _____

SECTION 27. Section 6, chapter 67, Oregon Laws 2021, as amended by section 5c, chapter 367, Oregon Laws 2021, is amended to read:

Sec. 6. (1) On or before December 31, [2022] **2024**, each association of a condominium **first established before September 1, 2021**, that includes units used for residential purposes shall review [each governing document currently binding on the condominium or the units or unit owners within] **the declaration and bylaws of the condominium and shall:**

(a) Amend [or restate] each document as necessary to remove all restrictions against the use of the condominium or the units not allowed under ORS 93.270 (2) **as provided under section 25 of this 2023 Act;** or

(b) Execute and record a [declaration] **certification** that the association has reviewed the [governing documents binding on] **declaration and bylaws of the condominium** and that the documents do not contain any restriction, rule or regulation against the use of the condominium or the units by a person or group of persons because of race, color, religion, sex, sexual orientation, gender identity, national origin, marital status, familial status, source of income, disability or the number of individuals, including family members, persons of close affinity or unrelated persons, who are simultaneously occupying a dwelling unit within occupancy limits.

(2) [Notwithstanding ORS 100.110, 100.135, 100.413 or any requirement of the declaration or bylaws, an amendment to or a restatement of the declaration or bylaws under this section, upon submission and approval of the Real Estate Commissioner under ORS 100.123, 100.125, 100.668 and 100.675, is effective and] **A certification under subsection (1)(b) of this section:**

(a) May be recorded without the vote of the owners or the board members [if the amended or restated declaration or bylaws includes a certification signed by the president and secretary of the association that the amended or restated declaration or bylaws does not change that document except as required under this section and as may be necessary to correct scrivener's errors or to conform format and style.]; **and**

(b) **Must be in substantially the following form:**

CERTIFICATION OF COMPLIANCE WITH ORS 93.270 (2).

Pursuant to section 6, chapter 67, Oregon Laws 2021, the undersigned states:

1. The undersigned are the president and secretary for the condominium owners association _____ (name) in _____ County.

2. The declaration was first recorded under instrument number (or book and page number) _____ recorded on _____. The declaration was most recently amended or restated, if ever, under instrument number _____ recorded on _____.

3. The bylaws were first recorded, if ever, under instrument number (or book and page number) _____ recorded on _____. The bylaws were most recently amended or restated, if ever, under instrument number _____ recorded on _____.

4. The undersigned have determined that the current declarations and bylaws of the condominium, as last amended or revised, conform with ORS 93.270 (2) and that there are no provisions that would restrict the use of the community or the lots or units of the community because of race, color, religion, sex, sexual orientation, gender identity, national origin, marital status, familial status, source of income, disability or the number of individuals, including family members, persons of close affinity or unrelated persons, who are simultaneously occupying a dwelling unit within occupancy limits. Any such provision that may inadvertently remain is void and unenforceable.

5. Under this section, a vote of the association is not required.

6. The description of the real property in _____ County affected by this document is:

Dated this _____ day of _____ 20_____.

Name: _____
President, _____ (association name)
Dated this _____ day of _____ 20_____.

Name: _____
Secretary, _____ (association name)

STATE OF OREGON)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this ____ day of _____ 20____ by _____ and _____.

Notary Public for Oregon
My commission expires: _____

SECTION 28. (1) The amendments to sections 4 and 6, chapter 67, Oregon Laws 2021, by sections 26 and 27 of this 2023 Act are intended to extend the deadline for compliance with those sections and to clarify the process by which associations may comply with those sections.

(2) Sections 4 and 6, chapter 67, Oregon Laws 2021, as amended by sections 26 and 27 of this 2023 Act, do not apply to a planned community or condominium that:

(a) Was established on or after September 1, 2021; or

(b) Complied with the requirements of section 4 or 6, chapter 67, Oregon Laws 2021, that were in effect before the effective date of this 2023 Act, notwithstanding the former deadline for compliance of December 31, 2022.

AFFORDABLE HOUSING ON PUBLIC UTILITY LANDS

SECTION 29. (1) As used in this section, “affordable housing” means affordable housing as defined in ORS 197.308 or publicly supported housing as defined in ORS 456.250.

(2)(a) To facilitate the development of affordable housing in this state, the Public Utility Commission may allow a public utility to sell, or to convey at below market price or as a gift, the public utility's interest in real property for the purpose of the real property being used for the development of affordable housing.

(b) The instrument that conveys, or contracts to convey, the public utility's interest in the real property must include an affordable housing covenant as provided in ORS 456.270 to 456.295.

(3) A public utility may not recover costs from customers for selling, or conveying at below market price or as a gift, the public utility's interest in real property under this section.

HOUSING SUPPORT FOR LOW-INCOME COLLEGE STUDENTS

SECTION 30. The Department of Human Services shall provide financial support to nonprofit organizations providing affordable housing support to low-income college students across this state in accordance with the department's self-sufficiency programs.

SECTION 31. Section 30 of this 2023 Act is repealed on January 2, 2026.

SECTION 32. In addition to and not in lieu of any other appropriation, there is appropriated to the Department of Human Services, for the biennium beginning July 1, 2023, out of the General Fund, the amount of \$4,000,000 to provide financial support to nonprofit organizations under section 30 of this 2023 Act.

SECTION 32a. Notwithstanding any other provision of law, the General Fund appropriation made to the Department of Human Services by section 1 (3), chapter __, Oregon Laws 2023 (Enrolled House Bill 5026), for the biennium beginning July 1, 2023, for self-sufficiency programs, is increased by \$244,963 to administer financial support to nonprofit organizations pursuant to the provisions of section 30 of this 2023 Act.

COMMUNITY HOUSING SUPPORTING AGRICULTURAL EMPLOYEES

SECTION 33. Section 34 of this 2023 Act is added to and made a part of ORS 456.548 to 456.725.

SECTION 34. (1) As used in this section, "community housing supporting agricultural employees" means a housing development that:

- (a) Is within an urban growth boundary;
- (b) Is within 20 miles of significant agricultural employment as identified by the Housing and Community Services Department;
- (c) Is promoted for residential use by agricultural employees and developed with amenities suitable for agricultural employees and their families;
- (d) Consists of a multifamily dwelling or a cluster of buildings, including manufactured, prefabricated or modular housing, housing produced through a three-dimensional printing process or other housing developed using innovative construction types; and
- (e)(A) Is subject to an affordable housing covenant requiring that the units are maintained for a period of no less than 60 years as affordable to rent for low income households, as described in ORS 456.270 to 456.295;

(B) Is operated as a consumer housing cooperative; or

(C) Is operated under a model approved by the department designed to preserve affordability or control of the property by its residents.

(2) The Housing and Community Services Department shall provide one or more grants to qualified housing sponsors for the purposes of developing community housing supporting agricultural employees.

(3) In awarding grants under this section, the department shall prioritize applications:

(a) From a developer that is a nonprofit housing corporation that serves agricultural workers;

(b) From a developer that is a nonprofit that promotes housing for agricultural employees or other needs of agricultural employees, or from a developer that has entered into a partnership with a nonprofit housing corporation that serves agricultural workers for the purposes of developing the community housing;

(c) Where other funding for the housing development has been dedicated or can be leveraged by the grant;

(d) Where the housing development will be located close to significant agricultural employment; or

(e) Where the housing development will include or will be near specific characteristics or amenities designed to support or attract agricultural employees and their families.

(4) Grants awarded under this section may be used for any project costs for the development or predevelopment of the community housing supporting agricultural employees.

(5) A qualified housing sponsor receiving grants under this section shall agree to provide information to the department to report to an appropriate interim committee of the Legislative Assembly, in the manner provided in ORS 192.245, on the use of the grant on or before September 15, 2027.

SECTION 35. Section 34 of this 2023 Act is repealed on January 2, 2028.

SECTION 36. In addition to and not in lieu of any other appropriation, there is appropriated to the Housing and Community Services Department, for the biennium beginning July 1, 2023, out of the General Fund, the amount of \$10,000,000, to award and administer grants under section 34 of this 2023 Act.

LOCAL GOVERNMENT HOUSING SUPPORT

SECTION 37. (1) The Oregon Department of Administrative Services, in consultation with the Department of Land Conservation and Development and the Housing and Community Services Department, shall provide grants to councils of governments, as defined in ORS 294.900, and economic development districts to support housing and community development capacity within cities and counties in this state and within the nine federally recognized Indian tribes in this state.

(2) Councils of governments and economic development districts receiving grants under this section shall partner and consult with local governments, developers, financiers, the Department of Land Conservation and Development, the Housing and Community Services Department, other relevant state agencies and other interested public and private partners to enable local governments throughout the region to encourage community development and the development of infrastructure and needed housing, as defined in section 23, chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001), by:

(a) Bridging any information gaps;

(b) Identifying and securing needed resources, including infrastructure and community facilities;

(c) Connecting producers of needed housing with consumers of needed housing; and

(d) Working with representatives of historically underrepresented groups to overcome community-specific barriers to obtaining housing.

SECTION 38. Section 37 of this 2023 Act is repealed on January 2, 2034.

SECTION 39. In addition to and not in lieu of any other appropriation, there is appropriated to the Oregon Department of Administrative Services, for the biennium beginning July 1, 2023, out of the General Fund, the amount of \$5,000,000, to provide grants under section 37 of this 2023 Act.

AFFORDABLE HOMEOWNERSHIP REVOLVING LOAN FUND

SECTION 40. (1) The Housing and Community Services Department shall make a grant to the Network for Oregon Affordable Housing (NOAH) to establish a revolving loan fund that will allow a first-time home buyer who is purchasing a home, including a share of a cooperative or a condominium unit, in which the purchaser's equity will be limited, to establish equity at a faster rate while making monthly payments similar to those described in subsection (3)(a)(A) of this subsection. The department may not make a grant under this section until NOAH has demonstrated that it has dedicated to a loan fund described in this section no less than \$7,500,000 of additional private moneys.

(2) Loans made from the loan fund must be used for the purchase of a dwelling that is subject to an affordability restriction, such as a restriction as described in ORS 456.270 to 456.295, that:

(a) Has the effect of limiting the purchaser's ability to gain equity from the appreciation of the dwelling's value; and

(b) Requires that the purchaser be a low income household as defined in ORS 456.270.

(3) Loans made from the loan fund must:

(a) Be made only to applicants that have met with an approved or certified housing counseling agency, as described in 24 C.F.R. 214 subpart B, and have a first-time home buyer program offered by the agency;

(b) Have a term of 20 years or less; and

(c) Have a fixed interest rate that is not more than the greater of:

(A) The rate that would allow monthly amortized principal and interest payments under the term of the loan to be the amount that would result from a 30-year fixed-rate amortized mortgage at the national current average rate as published by a reputable financial source; or

(B) 0.5 percent.

SECTION 41. Section 40 of this 2023 Act is repealed on January 2, 2026.

SECTION 42. In addition to and not in lieu of any other appropriation, there is appropriated to the Housing and Community Services Department, for the biennium beginning July 1, 2023, out of the General Fund, the amount of \$7,500,000, to make a grant under section 40 of this 2023 Act.

SECTION 43. On or before September 15, 2025, and on or before September 15, 2027, the Housing and Community Services Department shall provide a report to an appropriate interim committee of the Legislative Assembly, in the manner provided in ORS 192.245, on the use of the loan funds described in section 40 of this 2023 Act, as reported to the department by the Network for Oregon Affordable Housing (NOAH).

AFFORDABLE HOUSING LOAN GUARANTEE FUND

SECTION 44. Section 45 of this 2023 Act is added to and made a part of ORS chapter 458.

SECTION 45. (1) The Housing and Community Services Department shall provide grants to one or more nonprofit corporations to develop a fund.

(2) The moneys in the fund may be used only to guarantee the repayment of loans to finance the construction of housing subject to an affordable housing covenant for low or moderate income households, as described in ORS 456.270 to 456.295 and as further defined by the Housing and Community Services Department by rule.

(3) The term of a loan guaranteed under this section may not exceed five years.

(4) The department and the state are not guarantors of any loan guaranteed by a nonprofit corporation under this section.

(5) To be eligible for a grant under this section, a nonprofit corporation must:

(a) Be exempt from income taxes under section 501(c)(3) or (4) of the Internal Revenue Code; and

(b) Demonstrate to the satisfaction of the department that the corporation is a community development financial institution that operates statewide to support investment in the construction of affordable housing.

SECTION 46. Section 45 of this 2023 Act is repealed on January 2, 2026.

SECTION 47. In addition to and not in lieu of any other appropriation, there is appropriated to the Housing and Community Services Department, for the biennium beginning July 1, 2023, out of the General Fund, the amount of \$20,000,000 to provide grants under section 45 of this 2023 Act.

HOUSING AND COMMUNITY SERVICES DEPARTMENT ADMINISTRATION

SECTION 47a. Notwithstanding any other provision of law, the General Fund appropriation made to the Housing and Community Services Department by section 1, chapter ___, Oregon Laws 2023 (Enrolled Senate Bill 5511), for the biennium beginning July 1, 2023, is increased by \$529,802, for purposes of administering sections 34, 37, 40, 43 and 45 of this 2023 Act.

EMERGENCY HOUSING ASSISTANCE FOR COMPANION ANIMALS

SECTION 48. ORS 458.650 is amended to read:

458.650. (1) The Housing and Community Services Department shall administer the Emergency Housing Account to assist homeless individuals and individuals who are at risk of becoming homeless, through means including the emergency housing assistance program and the state homeless assistance program. Notwithstanding subsection (3)(a) of this section, the state homeless assistance program shall serve individuals experiencing homelessness, especially unsheltered homelessness, without respect to income.

(2) The Oregon Housing Stability Council shall develop a policy for the use of program funds with the advice of:

- (a) Persons who have experienced housing instability;
- (b) Tribes;
- (c) The Community Action Partnership of Oregon;
- (d) Continuums of care, as defined in 24 C.F.R. part 578;
- (e) Local governments;
- (f) Nonprofit organizations;
- (g) Homeless services providers;
- (h) Culturally specific organizations;
- (i) Housing providers;
- (j) Veterans' services organizations; and
- (k) Other entities identified by the department by rule.

(3) The policy under subsection (2) of this section shall direct that program funds shall be used:

(a) To provide to low and very low income individuals, including but not limited to individuals more than 65 years of age, persons with disabilities, agricultural workers and Native Americans:

(A) Emergency shelters and attendant services;

(B) Transitional housing services designed to assist individuals to make the transition from homelessness to permanent housing and economic independence;

(C) Supportive housing services to enable individuals to continue living in their own homes or to provide in-home services for such individuals for whom suitable programs do not exist in their geographic area;

(D) Programs that provide emergency payment of home payments, rents or utilities; [or]

(E) Support for individuals with companion animals, as defined in ORS 401.977, that includes:

- (i) Food for both companion animals and their owners;**

- (ii) Crates or kennels on-site or off-site that are easily accessible to the companion animal owners;
 - (iii) Basic veterinary services, including behavioral services; and
 - (iv) Rules of conduct and responsibility regarding companion animals and their owners;
- or

[(E)] (F) Some or all of the needs described in subparagraphs (A) to [(D)] (E) of this paragraph.

(b) To align with federal strategies and resources that are available to prevent and end homelessness, including the requirement of providing culturally responsive services and using evidence-based and emerging practices effective in ending homelessness, including practices unique to rural communities.

(4)(a) The council shall require as a condition of awarding a grant that the organization demonstrate to the satisfaction of the council that the organization:

(A) Has the capacity to deliver any service proposed by the organization;

(B) Is a culturally responsive organization or is engaged in a process to become a culturally responsive organization;

(C) Engages with culturally specific organizations; and

(D) Supports local homelessness system planning efforts.

(b) Any funds granted under this section may not be used to replace existing funds. Funds granted under this section may be used to supplement existing funds. An organization may use funds to support existing programs or to establish new programs.

(5) The department may expend funds from the account for:

(a) The administration of the account as provided for in the legislatively approved budget, as that term is defined in ORS 291.002, for the department in support of directing a statewide policy on homelessness that ensures use of evidence-based and emerging practices, service equity in funding and local planning processes.

(b) The development of technical assistance and training resources for organizations developing and operating emergency shelters as defined in ORS 197.782 and transitional housing accommodations as described in ORS 197.746.

(6) The department shall utilize outcome-oriented contracting processes and evidence-based and emerging practices for account program funds, including evidence-based and emerging practices for serving rural communities.

(7) Twenty-five percent of moneys deposited in the account pursuant to ORS 294.187 are dedicated to the emergency housing assistance program for assistance to veterans who are homeless or at risk of becoming homeless.

UNIT CAPTIONS

SECTION 49. The unit captions used in this 2023 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any legislative intent in the enactment of this 2023 Act.

OPERATIVE AND EFFECTIVE DATES

SECTION 50. Sections 2, 17, 29 and 30 of this 2023 Act and the amendments to ORS 92.090, 94.550, 100.015, 100.022, 100.105, 100.110, 100.115, 197.303, 197.830, 215.427 and 227.178 and section 23, chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001), by sections 3 to 5, 9 to 15, 18 and 19 of this 2023 Act become operative on January 1, 2024.

SECTION 50a. If House Bill 2889 becomes law, section 50 of this 2023 Act is amended to read:

Sec. 50. Sections 2, 17, 29 and 30 of this 2023 Act and the amendments to ORS 92.090, 94.550, 100.015, 100.022, 100.105, 100.110, 100.115, 197.303, 197.830, 215.427 and 227.178 and section 23, chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001), by sections 3 to 5, 9 to 15, [18] **18a** and 19 of this 2023 Act become operative on January 1, 2024.

SECTION 51. This 2023 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2023 Act takes effect on its passage.

Passed by House June 14, 2023

Received by Governor:

Repassed by House June 25, 2023

.....M,....., 2023

Approved:

.....
Timothy G. Sekerak, Chief Clerk of House

.....M,....., 2023

.....
Dan Rayfield, Speaker of House

.....
Tina Kotek, Governor

Passed by Senate June 24, 2023

Filed in Office of Secretary of State:

.....M,....., 2023

.....
Rob Wagner, President of Senate

.....
Secretary of State

City of Newport
 Draft Planning Commission Regular Session Minutes
 December 11, 2023

LOCATION: CITY COUNCIL CHAMBERS, NEWPORT CITY HALL 169 SW COAST HIGHWAY NEWPORT
Time Start: 7:23 P.M. Time End: 7:51 P.M.

ATTENDANCE LOG/ROLLCALL

COMMISSIONER/ ADVISORY MEMBER	STAFF
Chair Bill Branigan (by video)	Derrick Tokos, Community Development Director
Commissioner Bob Berman	Sherri Marineau, Community Development Dept.
Commissioner Jim Hanselman	
Commissioner Gary East	
Commissioner Braulio Escobar	
Commissioner John Updike	
Commissioner Marjorie Blom	

AGENDA ITEM	ACTIONS
REGULAR MEETING	
CALL TO ORDER AND ROLL CALL	
a. Roll Call	None.
APPROVAL OF THE MINUTES	
a. Meeting minutes of Work Session Meeting on November 13, 2023	Motion by Commissioner Updike, seconded by Commissioner East to approve the work session meeting minutes of November 13, 2023 with minor corrections. Motion carried in a voice vote. Commissioner Blom abstained.
b. Meeting minutes of Regular Session Meeting on November 13, 2023	Motion by Commissioner Updike, seconded by Commissioner East to approve the regular session meeting minutes of November 13, 2023 with minor corrections. Motion carried in a voice vote. Commissioner Blom abstained.
CITIZEN/PUBLIC COMMENT	
None.	
PUBLIC HEARING	
File 1-Z-23: Land Use Amendments to Implement 2023 State of Oregon Legislative Mandates.	
a. PUBLIC HEARING OPEN	7:26 pm
b. STAFF REPORT - DERRICK TOKOS	Tokos presented the written staff report and reviewed code amendments to implement the 2023 State of Oregon legislative mandates.
c. PUBLIC COMMENT	None.

<p>d. PUBLIC HEARING CLOSED</p> <p>e. COMMISSION DECISION</p>	<p>7:38 pm</p> <p>Motion was made by Commissioner Escobar, seconded by Commissioner East, to forward a favorable recommendation to the City Council for the land use amendments to implement 2023 State of Oregon legislative mandates. Motion carried unanimously in a voice vote.</p>
<p>DIRECTOR COMMENTS</p>	<p>Tokos reported on the delay of the funding agreement with ODOT for the start of the City Center Project committee work; outreach for parking meters on the Bayfront; January 2024 City Council review of the redevelopment agreement for the South Beach property; and status of the Public Works Engineering Department staffing.</p>

Submitted by: _____

Sherri Marineau, Executive Assistant

DRAFT

CITY OF NEWPORT
NOTICE OF A PUBLIC HEARING

The Newport City Council will hold a public hearing on Tuesday, January 2, 2024 at 6:00 p.m. in the City Hall Council Chambers to consider File No. 1-Z-23, amending Newport Municipal Code (NMC) Chapter 14.01, Purpose, Applicability, and Definitions; Chapter 14.03, Zoning Districts; Chapter 14.09, Temporary Uses; Chapter 14.15, Residential Uses in Nonresidential Zoning Districts; Chapter 14.44, Transportation Standards; 14.48, Land Divisions; and 14.52, Procedural Requirements, related to the implementation of 2022-2023 State of Oregon land use related statutory amendments. Pursuant to Newport Municipal Code (NMC) Section 14.36.010, the City Council must find that the change is required by public necessity and the general welfare of the community in order for the amendments to be adopted. Testimony and evidence must be directed toward the request above or other criteria, including criteria within the Comprehensive Plan and its implementing ordinances, which the person believes to apply to the decision. Failure to raise an issue with sufficient specificity to afford the city and the parties an opportunity to respond to that issue precludes an appeal, including to the Land Use Board of Appeals, based on that issue. Testimony may be submitted in written or oral form. Oral testimony and written testimony will be taken during the course of the public hearing. The hearing may include a report by staff, testimony from the applicant and proponents, testimony from opponents, rebuttal by the applicant, and questions and deliberation by the City Council. Written testimony sent to the Community Development (Planning) Department, City Hall, 169 SW Coast Hwy, Newport, OR 97365, must be received by 2:00 p.m. the day of the hearing to be included as part of the hearing or must be personally presented during testimony at the public hearing. The proposed code amendments, additional material for the amendments, and any other material in the file may be reviewed or a copy purchased at the Newport Community Development Department (address above). Contact Derrick Tokos, Community Development Director, d.tokos@newportoregon.gov, (541) 574-0626 (address above).

(FOR PUBLICATION ONCE ON Wednesday, December 27, 2023)

On July 10, amid a wave of incensed responses to his posts to social media, Dean Sawyer submitted his resignation as mayor of Newport.

A story published July 7 by Oregon Public Broadcasting asserted Sawyer, a former career police officer, shared inappropriate, racist and homophobic memes on a private Facebook page for retired law enforcement officers. According to the report, Sawyer shared memes mocking trans athletes, immigrants and others on a Facebook page called LEO (Law Enforcement Officers) Only. According to the report, some posts dated back to 2016.

Sawyer told OPB he developed a sense of humor that some officers share, and he got caught up in a site where such expressions are common.

The Lincoln County Board of Commissioners filed a statement, signed by all three members, which began, "As elected officials representing a richly diverse community, we are disturbed and saddened by Friday's news report that Mayor Dean Sawyer of Newport has for years posted hateful, racist, homophobic, transphobic and violent 'jokes' to a private Facebook page. We unequivocally condemn those posts, which belittled and dehumanized the most vulnerable of our friends and neighbors."

The statement continued, "We also reject the notion that the difficult circumstances encountered in a career in law enforcement contribute

Compare our CD Rates

Bank-issued, FDIC-insured

3-Month

5.35% APY*

6-Month

5.35% APY*

1-Year

4.90% APY*

Call or visit your local financial advisor today



Tammy Green
Financial Advisor

Po Box 761
Newport, OR 97365
541-265-4528

*Annual Percentage Yield (APY) effective 12/18/23. CDs offered by Edward Jones are bank-issued and FDIC-insured up to \$250,000 (principal and interest accrued but not yet paid) per depositor, per insured depository institution, for each account ownership category. Please visit www.fdic.gov or contact your financial advisor for additional information. Subject to availability and price change. CD values are subject to interest rate risk such that when interest rates rise, the prices of CDs can decrease. If CDs are sold prior to maturity, the investor can lose principal value. FDIC insurance does not cover losses in market value. Early withdrawal may not be permitted. Yields quoted are net of all commissions. CDs require the distribution of interest and do not allow interest to compound. CDs offered through Edward Jones are issued by banks and thrifts nationwide. All CDs sold by Edward Jones are registered with the Depository Trust Corp. (DTC).

12/27/2023

FDI-1867M-A AEC SPAD 0000022

PUBLIC NOTICES

PUBLIC MEETING
AGENCY: USDA Natural Resources Conservation Service; Lincoln County Local Work Group Meeting
Date: Wednesday, January 17, 2024 Time: 10:00 -11:30 AM Location: OSU Extension Service Office, 1211 SE Bay Blvd., Newport, OR 97365 and Zoom Online Meeting
<https://www.zoomgov.com/j/1600350174?pwd=T3FSNURHYytIb2FSVnlvR1hmUm1lZz09>
Meeting ID: 160 035 0174
Passcode: 028988 To join by phone dial (669) 254-5252
Purpose: Make your voice heard. NRCS is seeking input from farmers, ranchers, small woodland owners, tribes, agency staff, and agriculture and conservation organizations regarding natural resource conservation priorities and opportunities in Lincoln County. The USDA is an equal opportunity provider, employer, and lender. A request for accommodations for persons with disabilities should be made 48 hours before the meeting. For questions or concerns, please contact Annie Marion at 541-563-5627 or anna.marion@usda.gov. D27 25-27

CITY OF NEWPORT NOTICE OF A PUBLIC HEARING
The Newport City Council will hold a public hearing on Tuesday, January 2, 2024 at 6:00 p.m. in the City Hall Council Chambers to consider File No. 1-2-23, amending Newport Municipal Code (NMC) Chapter 14.01, Purpose, Applicability, and Definitions; Chapter 14.03, Zoning Districts; Chapter 14.09, Temporary Uses; Chapter 14.15, Residential Uses in Nonresidential Zoning Districts; Chapter 14.44, Transportation Standards; 14.48, Land Divisions; and 14.52, Procedural Requirements, related to the implementation of 2022-2023 State of Oregon land use related statutory amendments. Pursuant to Newport Municipal Code (NMC) Section 14.36.010, the City Council must find that the change is required by public necessity and the general welfare of the community in order for the amendments to be adopted. Testimony and evidence must be directed toward the request above or other criteria, including criteria within the Comprehensive Plan and its implementing ordinances,

which the person believes to apply to the decision. Failure to raise an issue with sufficient specificity to afford the city and the parties an opportunity to respond to that issue precludes an appeal, including to the Land Use Board of Appeals, based on that issue. Testimony may be submitted in written or oral form. Oral testimony and written testimony will be taken during the course of the public hearing. The hearing may include a report by staff, testimony from the applicant and proponents, testimony from opponents, rebuttal by the applicant, and questions and deliberation by the City Council. Written testimony sent to the Community Development (Planning) Department, City Hall, 169 SW Coast Hwy, Newport, OR 97365, must be received by 2:00 p.m. the day of the hearing to be included as part of the hearing or must be personally presented during testimony at the public hearing. The proposed code amendments, additional material for the amendments, and any other material in the file may be reviewed or a copy purchased at the Newport Community

Development Department (address above). Contact Derrick Tokos, Community Development Director, d.tokos@newportoregon.gov, (541) 574-0626 (address above). D27 23-27

NOTICE OF SHERIFF'S SALE #23-1135
On January 23rd, 2024, at the hour of 10:00 a.m., at the Lincoln County Courthouse, 225 W Olive St, Room 203, in the City of Newport, Oregon, the defendant's interest will be sold, subject to redemption, in the real property commonly known as: 4634 SE Lee Avenue, Lincoln City, OR 97367. The court case number is 23CV13263, PENNYMAC LOAN SERVICES, LLC, plaintiff(s) vs. UNKNOWN HEIRS AND DEVISEES OF JAMES ALBERT DERHAM; JOSEPH DEWESE; DONNA OLSON; PARTIES IN POSSESSION defendant(s). This is a public auction to the highest bidder for cash or cashier's check in hand. For more details go to <http://www.oregon-sheriffssales.org/county/lincoln/> D13, D20, D27, J3 13-03

108

NATUR

Your l

SALAD

Self
Servi

9:00-2

Al
sandwich
cook

OCEANA

Open
Mon

Menu at

159 SE 2nd

NEV

		9
	5	
7		
		8
1		
	2	
		7
5	4	
9		

DIFFIC

SUDO

数

CITY MANAGER REPORT AND RECOMMENDATIONS



Meeting Date: January 2, 2024

Agenda Item:

Public Hearing and Possible Action to Consider a Purchase and Sale Agreement for Tideland Property to the Yakona Nature Preserve and Placed in Conservancy.

Background:

At the December 4, 2023 City Council meeting, a public hearing was held to determine whether certain tidelands were no longer needed for public use and outlined the possible sale of those properties to the Yakona Nature Preserve. Following the public hearing, Council determined that the property was surplus and directed staff to prepare land conveyance documents with Yakona Nature Preserve that would be subject to a second public hearing prior to approving the sale of this property

Bill Barton, on behalf of the Yakona Nature Preserve, initiated an interest in purchasing the City-owned tidelands that are located in the vicinity of the Yakona Nature Preserve, for incorporation into the preserve. Newport Municipal Code chapter 2.25 sets out the processes the City must follow for the sale of property. Under this provision the tidelands qualify as “substandard undeveloped property” which are defined as “lots or parcels without structures that are not of minimal buildable size for the zone in which they are located and cannot be developed for other reasons.”

Following this determination, the City Council scheduled a hearing to consider potential terms of sale at the January 2, 2024 City Council meeting.

The property proposed to be conveyed, are the parcels that are submerged at high tides located near Poole Slew and Yaquina Bar outside of the city limits and the city's urban growth boundary. These properties were donated by Jack and Lily Stocker who donated five parcels to the City of Newport in 1995. The Council accepted these parcels with the thought that they may have potential mitigation value, or value as future inventory land that the City could trade. In 2008, one of the parcels was conveyed to the Central Coast Land Conservancy as a match for North American Wetlands Conservation funds. The remaining four parcels still remain in city ownership. If the properties are conveyed, the properties would be placed in a Conservancy and deed restricted.

Since the December 4 public hearing, a purchase and sale agreement has been drafted setting out the terms of the sale of these lands. The property has nominal value with the Lincoln County assessor's office placing a value of \$5,870 on the four parcels consisting of 9.23 acres in total size. Notice of the second hearing has been provided in the same manner as was provided for the first hearing.

Recommendations:

I recommend that the Mayor conduct a public hearing to determine if four parcels of city-owned tidelands consisting of a total of 9.23 acres located outside the city's urban boundary should be deemed surplus to the city's needs and sold to the Yakona Nature Preserve and placed in conservancy for an amount of \$5,870. Following the public hearing, and considering any comments made, I recommend the City Council consider the following motion:

I move to approve the terms of the purchase and sale agreement to sell four tideland parcels which are collectively 9.23 acres described in a warranty deed recorded in Book 311, Page 119 of the Lincoln County Book of Records for \$5,870 to the Yakona Nature Preserve and placed into conservancy, subject to the review and approval of final documents by the City Attorney

Fiscal Effects:

The proceeds received from the sale of land (\$5,870) will go into the City's Land Reserve Fund.

Alternatives:

If public comment is received as part of this hearing, those comments should be considered prior to recommending either motion above.

Respectfully submitted,



Spencer Nebel
City Manager



**STAFF REPORT
CITY COUNCIL AGENDA ITEM**

Date: January 2, 2024

Title: Public Hearing to Consider a Purchase and Sale Agreement Setting Out the Terms of Sale of Certain City-Owned Tidelands to the Yakona Nature Preserve

Prepared by: Derrick I. Tokos, AICP, Community Development Director

Recommended Motions: I move to approve the purchase and sale agreement with the Yakona Nature Preserve for city-owned tidelands described in a warranty deed recorded in Book 311, at Page 119 of the Lincoln County Book of Records, and authorize the City Manager to execute the necessary documents to complete the transaction, subject to review and approval by the City Attorney.

Background Information: At its December 4, 2023 meeting, the City Council determined that the subject tidelands, totaling 9.23 acres, are no longer needed for public use and that it is in the public interest to sell the property. Further, the Council directed the City Manager to coordinate the preparation of land conveyance documents with the Yakona Nature Preserve, and schedule a public hearing for Council consideration of the documents.

Enclosed is a draft purchase and sale agreement that includes a draft form of the deed that would be used to convey the property and a draft conservation easement with the McKenzie River Trust to preserve the tidelands in a natural state. If approved, the purchase and sale agreement will be provided to Western Title and Escrow to facilitate the transaction. The sales price is \$5,870, which is equivalent to the real market that the Lincoln County Assessor's Office has established for the property. Mr. Barton has indicated that the Yakona Nature Preserve is comfortable with that figure, and has further indicated that they are prepared to cover the closing costs and escrow fees.

The City acquired the tideland property from Jack and Lily Stocker, who donated them in December of 1995 (ref: Warranty Deed, Book 311, Page 119, Lincoln County Book of Records). The City Council at the time viewed the tidelands as having potential mitigation value, or value as future inventory land that the City could trade. In 2008 the City conveyed one of the parcels to the Central Coast Land Conservancy (Ref: Deed Instrument #200803360). The property is adjacent to other land owned by the Conservancy and was provided as match for North American Wetlands Conservation Fund funds pursuant to a grant agreement between the Conservancy and U.S. Fish and Wildlife Service. A deed restriction was placed on the conveyed parcel requiring that it be conserved in order to protect the ecological values of the salt marsh and fish and wildlife species that depend upon it. Bill Barton, on behalf of the Yakona Nature Preserve, approached the City to acquire the remaining four parcels with the intent of placing them into a conservancy similar to what was done in 2008.

Newport Municipal Code (NMC) Chapter 2.25 sets out the process the City must follow for the potential sale of the property. The tidelands qualify as "substandard undeveloped property," which are defined as lots or parcels without structures that are not of minimum buildable size for

the zone in which they are located or that cannot be developed for other reasons (NMC 2.25.020(A)). The City Council held the first of two required hearings on December 4, 2023, determining that the tidelands are surplus to the public need and should be sold to the Yakona Nature Preserve so that they can be placed into a conservancy. This second public hearing is required so that the public can review and provide comment on the negotiated purchase and sale agreement (NMC 2.25.030(C)).

The four tideland parcels are identified as Tax Lots 11-11-21-00-01190-00, 11-11-22-C0-04200-00, 11-11-27-00-03100-00, and 11-11-28-00-00201-00. Tax Lot 1190 is rectangular in shape on the west side of the Yakona Nature Preserve, extending into King Slough. The other three parcels are located immediately east of the Preserve along the Yaquina River. These tideland properties are situated along the bank of the river between the mean low and mean high water lines.

Fiscal Notes: There are no fiscal impacts associated with this agenda item. If the property is sold, then the proceeds would be directed to the City land account for future land purchases, unless an alternative use of the funds is identified by Council.

Alternatives: Move forward with the potential sale, seek changes to the sales agreement, hold off on pursuing a potential sale, or as suggested by Council.

Attachments:

Draft Purchase and Sale Agreement

Vesting Deed

Tidelands Map

Yakona Backgrounder

Hearing Notice

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made as of _____ (the "Effective Date") by and between the Yakona Nature Preserve, an Oregon nonprofit corporation ("Buyer"), and the City of Newport, an Oregon municipal corporation ("Seller").

A. Seller owns fee title to certain undeveloped tideland properties identified as Tax Lot 1190 on Lincoln County Assessor Tax Map 11-11-21-00, Tax Lot 200 on Lincoln County Assessor Tax Map 11-11-22-C0, Tax Lot 3100 on Lincoln County Assessor Tax Map 11-11-27-00, and Tax Lot 201 on Lincoln County Assessor Tax Map 11-11-28-00 in Lincoln County, Oregon, and more particularly described in **Exhibit A** which is incorporated by reference herein (the "Property").

B. Buyer desires to acquire the Property from Seller so that they may be incorporated into the adjacent Yakona Nature Preserve.

C. Seller desires to sell the Property to Buyer, and Buyer desires to purchase the Property from Seller, for this purpose, subject to the terms and conditions contained in this Agreement.

D. Capitalized terms shall have the meanings ascribed to them herein.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and conditions contained in this Agreement, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Purchase and Sale. Buyer shall purchase the real property described in **Exhibit A** (the "Property") from Seller and Seller shall sell the Property to Buyer for the sum of \$5,870.00 (the "Purchase Price"). No earnest money is required for the purchase. Buyer shall pay the entire Purchase Price at Closing.

2. Preliminary Title Report. Within 15 days after full execution of this Agreement, Seller shall furnish to Buyer a preliminary title report from Western Title and Escrow showing the condition of title to the Property (the "Report"), together with copies of all exceptions listed in the Report. Buyer will have 15 days following receipt of the Report to review the Report and to notify Seller, in writing, of Buyer's disapproval of any exceptions shown in the Report. If Buyer notifies Seller of disapproval of any exceptions, then within 15 days after receiving the disapproval notice Seller shall either: (a) remove the exceptions; or (b) provide Buyer with reasonable assurances of the manner in which the exceptions will be removed before the transaction closes; or (c) inform Buyer that the exceptions, or one or more of them, will not be removed. If Seller does not remove the exceptions or provide Buyer with such assurances, Buyer may terminate this agreement by written notice to Seller given within five days after expiration of the 15 day period, in which event this Agreement will terminate. If Buyer does not terminate this Agreement, any exceptions remaining will be "Permitted Exceptions." Zoning ordinances, building restrictions, taxes due and payable for the current tax year, and reservations in federal patents and state deeds are deemed Permitted Exceptions.

3. Conditions.

3.1 Buyer's Conditions. Buyer's obligation to purchase the Property is contingent on satisfaction or waiver of each of the following conditions on or before the Closing Date ("Buyer's Conditions"):

3.1.1 Seller's performance of all of its obligations under this Agreement.

3.1.2 Buyer and its agents shall have full access to the Property for the purpose of conducting Buyer's inspections. If Buyer is not satisfied, in its sole discretion, with the result of Buyer's inspection, Buyer may terminate this Agreement by written notice to Seller given at least one week prior to the Closing Date. If Buyer fails to provide any such notice of termination within the applicable time period, the respective condition will be deemed satisfied or waived.

3.2 Seller's Conditions. Seller's obligation to sell the Property is contingent on satisfaction or waiver of each of the following conditions on or before the Closing Date ("Seller's Conditions"):

3.2.1 The willingness of a title company to issue to Buyer, at Closing and without charges in excess of its standard fees, an ALTA owner's standard coverage policy of title insurance in the amount of the Purchase Price showing title to the Property vested in Buyer, subject only to exceptions deemed acceptable to Buyer pursuant to Section 2; and

3.2.2 Buyer's performance of all of its obligations under this Agreement.

4. Deed. On the Closing Date, Seller shall execute and deliver to Buyer a statutory bargain and sale deed, substantially in the form attached to this agreement as **Exhibit B**, conveying the Property.

5. Title Insurance. Within 15 days after closing, Seller must furnish Buyer with an owner's policy of title insurance in the amount of the Purchase Price, standard form, insuring Buyer as the owner of the Property, subject only to the usual printed exceptions and the Permitted Exceptions.

6. Possession. Buyer is entitled to possession of the Property upon successful completion of Closing (the "Possession Date").

7. Property Included. No personal property is included in the sale of the Property.

8. Condition of the Property; Seller's Disclaimer of Representations. Contingent upon Section 3.1, above, regarding Buyer's conditions, Buyer acknowledges that Buyer has examined the Property to its own satisfaction and has formed its own opinion as to its condition (including environmental condition) and value.

8.1 Buyer has not relied on any statements or representations from Seller or any person acting on behalf of Seller concerning any of the following:

8.1.1 the size or area of the Property;

8.1.2 the location of corners or boundaries of the Property;

8.1.3 the condition of the Property, including but not limited to, environmental condition above or below the surface of the Property or compliance with environmental laws and other governmental requirements;

8.1.4 the availability of services to the Property;

8.1.5 the ability of Buyer to use the Property or any portion of it for any intended purpose; or

8.1.6 any other matter affecting or relating to the Property or any portion of it.

8.2 Buyer is acquiring the Property, both above surface and below surface, in the condition existing at the time of Closing, AS IS, with all defects, if any. Effective on the Possession Date, Buyer waives, releases and forever discharges Seller and Seller's officers and employees, of and from all claims, actions, causes of action, fines, penalties, damages, costs (including the cost of complying with any judicial or governmental order), and expenses (including attorney fees), which may arise on account of or in any way growing out of or in connection with any physical characteristic or condition of the Property, including any surface or subsurface condition, or any law, rule or regulation applicable to the Property. This waiver and release will appear in the Deed and is intended by the parties to be binding on the Buyer and Buyer's successors and assigns.

9. Nonforeign Status. Seller is not a "foreign person" as that term is defined in IRC § 1445. If required, Seller will execute and deliver to Buyer at Closing a certification of nonforeign status using a form approved by the Internal Revenue Service.

10. Closing.

10.1 Escrow Instructions. Upon execution of this Agreement, the parties shall deposit an executed counterpart of this Agreement with Western Title and Escrow, (the "Escrow Agent"). Seller and Buyer shall execute such reasonable additional and supplemental escrow instructions as may be appropriate to enable the Escrow Agent to comply with the terms of and to close the transaction described in this Agreement (the "Closing"); however, in the event of any conflict between this Agreement and any standard escrow instructions, this Agreement will control.

10.2 Closing Date. The closing of the sale and purchase of the Property (the "Closing",) and delivery of all items to be delivered to the Escrow Agent under the terms of this Agreement, must be made at the offices of Escrow Agent on or before February 3, 2024, or such other date and time as Buyer and Seller may mutually agree upon in writing (the "Closing Date").

10.3 Taxes; Prorates. Seller represents that the Property is currently exempt from real property taxes. If any real property taxes are assessed for the current or for future tax years, then such taxes will be the responsibility of Buyer.

10.4 Escrow Fees. Buyer shall be responsible for escrow fees.

10.5 Recording Fees. Buyer shall pay all recording fees associated with the transaction.

10.6 Title Insurance Premiums. Buyer shall pay all premiums for title insurance, if any.

10.7 Other. Buyer shall pay all other costs of Closing.

10.8 Seller's Closing Documents. On or before the Closing Date, Seller shall deposit into escrow the following items:

10.8.1 the duly executed and acknowledged Deed; and

10.8.2 such documents as Buyer or the Title Company may require to evidence the authority of Seller to consummate this transaction.

10.8.3 such additional documents as are necessary to close this transaction.

10.9 Buyer's Closing Documents. On or before the Closing Date, Buyer shall deposit into escrow the following items:

10.9.1 the Purchase Price; and

10.9.2 a duly executed and acknowledged conservation easement substantially in the form attached to this agreement as **Exhibit C**; and

10.9.3 such additional documents or funds as are necessary to close this transaction.

11. Notices. Any notices that are required by this agreement must be given in writing and are effective when received by the party to which the notice is directed, at the following addresses or any other address subsequently provided:

Seller: Derrick Tokos, Director
Community Development Department
City of Newport
169 SW Coast Hwy
Newport, OR 97365
Email: d.tokos@newportoregon.gov

Buyer: Yakona Nature Preserve
214 SW Coast Hwy
Newport, OR 97365
Attn: Bill Barton, Secretary
Email: [REDACTED]

12. Brokerage. Seller and Buyer each represent to each other that it did not employ any broker or finder to arrange or bring about this transaction and that there are no claims or rights for brokerage commissions or finders fees in connection with the transactions contemplated by this Agreement.

13. Entire Agreement. This Agreement embodies the entire agreement between the parties hereto with respect to the subject matter hereof, and no representations or agreements have been made by either of such parties that are not embodied herein.

14. Amendments. Any modifications, changes, additions or deletions to this Agreement must first be approved by Seller and Buyer in writing.

15. Interpretation. If any provision of this Agreement is unenforceable as written, the Parties desire that the provision be enforced to the fullest extent allowed by law, and that the balance of this Agreement remain fully enforceable.

16. Counterparts. This Agreement may be executed in one or more counterparts, all of which are considered the same agreement. This Agreement is effective only when one or more counterparts have been signed and delivered by each of the Parties.

17. Survival of Representations. All representations, warranties and obligations contained in this Agreement are intended to survive Closing and the conveyance of the Property to Buyer.

18. Binding Effect/Assignment Restricted. This Agreement is binding on and will inure to the benefit of Seller, Buyer, and their respective heirs, legal representatives, successors, and assigns.

19. Attorney Fees. If an action is instituted to enforce or interpret any term of this Agreement, the prevailing party will recover from the losing party reasonable attorney fees incurred in the action as set by the trial court.

20. Governing Law; Venue. The laws of the state of Oregon shall govern the validity, enforcement, and interpretation of this Agreement, without regard to conflict of law principles. Any dispute or cause of action under this Agreement shall be resolved in a court of competent jurisdiction in Lincoln County, Oregon.

21. Facsimile/Email Transmission. Signatures delivered by facsimile transmission or scanned email attachment shall be as valid and binding as original signatures personally delivered to the parties themselves. At the request of either party, the parties will confirm facsimile transmitted signatures by signing an original document.

22. Statutory Disclaimer ORS 93.040(2). THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO VERIFY THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

BUYER:

Yakona Nature Preserve,
an Oregon nonprofit corporation

SELLER:

City of Newport,
an Oregon municipal corporation

By: Bill Barton
Its: Secretary

By: Spencer Nebel
Its: City Manager

EXHIBIT A
LEGAL DESCRIPTION

PARCEL I:

Tidelands in front of and adjacent to U.S. Lot 5, Section 22, Township 11 South, Range 11 West, Willamette Meridian, in Lincoln County, Oregon.

PARCEL II:

Tidelands adjacent to U.S. Lot 8, Section 27, Township 11 South, Range 11 West, Willamette Meridian, in Lincoln County, Oregon.

PARCEL III:

Tidelands adjacent to U.S. Lots 1 and 2, Section 28, Township 11 South, Range 11 West, Willamette Meridian, in Lincoln County, Oregon.

EXCEPTING therefrom any portion, if any, lying within that tract conveyed by Dennis S. Lund and Gary G. Gibson to Becker Industries, Inc., by instrument recorded June 4, 1975, in Book 56, page 1977, Microfilm Records for Lincoln County, Oregon.

PARCEL IV:

Tidelands lying within the northwest quarter of the southeast quarter in Section 21, Township 11 South, Range 11 West, Willamette Meridian, in Lincoln County, Oregon, being adjacent to that tract described by instrument recorded June 14, 1995, in Book 301, page 884. Film Records to Alan S. Crandall, et ux, and adjacent to that portion of the northwest quarter of the southeast quarter described in instrument recorded February 23, 1967, in Book 275, page 264. Deed Records to William E. Rowe, et ux.

EXHIBIT B
FORM OF BARGAIN AND SALE DEED

Space above this line for Recorder's use.

After recording, return to:

STATUTORY BARGAIN AND SALE DEED

City of Newport, an Oregon municipal corporation, Grantor, conveys to Yakona Nature Preserve, an Oregon nonprofit corporation, Grantee, subject to the reservations set forth below, the following described real property (the "Property"):

PARCEL I:

Tidelands in front of and adjacent to U.S. Lot 5, Section 22, Township 11 South, Range 11 West, Willamette Meridian, in Lincoln County, Oregon.

PARCEL II:

Tidelands adjacent to U.S. Lot 8, Section 27, Township 11 South, Range 11 West, Willamette Meridian, in Lincoln County, Oregon.

PARCEL III:

Tidelands adjacent to U.S. Lots 1 and 2, Section 28, Township 11 South, Range 11 West, Willamette Meridian, in Lincoln County, Oregon.

EXCEPTING therefrom any portion, if any, lying within that tract conveyed by Dennis S. Lund and Gary G. Gibson to Becker Industries, Inc., by instrument recorded June 4, 1975, in Book 56, page 1977, Microfilm Records for Lincoln County, Oregon.

PARCEL IV:

Tidelands lying within the northwest quarter of the southeast quarter in Section 21, Township 11 South, Range 11 West, Willamette Meridian, in Lincoln County, Oregon, being adjacent to that tract described by instrument recorded June 14, 1995, in Book 301, page 884. Film Records to Alan S. Crandall, et ux, and adjacent to that portion of the northwest quarter of the southeast quarter described in instrument recorded February 23, 1967, in Book 275, page 264. Deed Records to William E. Rowe, et ux.

RELEASE AND WAIVER OF CLAIMS: Grantee acknowledges that it has examined the Property to its own satisfaction and has formed its own opinion as to its condition (including environmental condition) and value. Grantee has not relied on any statements or representations from Grantor or any person acting on behalf of Grantor concerning any of the following:

- (i) the size or area of the Property;
- (ii) the location of corners or boundaries of the Property;
- (iii) the condition of the Property, including but not limited to, environmental condition above or below the surface of the Property or compliance with environmental laws and other governmental requirements;

- (iv) the availability of services to the Property;
- (v) the ability of Grantee to use the Property or any portion of it for any intended purpose; or
- (vi) any other matter affecting or relating to the Property or any portion of it.

Grantee is acquiring the Property, both above surface and below surface, in the condition existing at the time of conveyance, AS IS, with all defects, if any. Effective on delivery, Grantee waives, releases and forever discharges Grantor and Grantor's officers and employees, of and from all claims, actions, causes of action, fines, penalties, damages, costs (including the cost of complying with any judicial or governmental order), and expenses (including attorney fees), which may arise on account of or in any way growing out of or in connection with any physical characteristic or condition of the Property, including any surface or subsurface condition, or any law, rule or regulation applicable to the Property. This waiver and release is intended by Grantor and Grantee to run with the land as to the Property and to be binding on Grantee and Grantee successors and assigns.

The true and actual consideration for this conveyance is \$5,870.00.

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301, AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

Dated _____, 20____.

The City of Newport,
an Oregon municipal organization

By: _____

as its: City Manager

STATE OF OREGON)
) SS.
County of Lincoln)

On this _____ day of 2024, before me personally appeared Spencer Nebel, who being duly sworn stated that he is the City Manager of the City of Newport, and acknowledged the foregoing instrument to be the voluntary act, and that he executed the foregoing instrument on behalf of the City of Newport, acting under authority granted to him by the Newport City Council.

NOTARY PUBLIC FOR OREGON
My Commission Expires: _____

EXHIBIT C
CONSERVATION EASEMENT TEMPLATE

When recorded return to:
McKenzie River Trust
120 Shelton McMurphey Blvd.
Suite 270
Eugene OR 97401

CONSERVATION EASEMENT
for the
Yakona Nature Preserve
Lincoln County, Oregon

This CONSERVATION EASEMENT ("Easement") is made this [day] day of [Month Year] by the Yakona Nature Preserve, an Oregon 501(c)(3) private operating foundation, (hereinafter together with heirs, personal representatives, successors, and assigns collectively referred to in this Easement as "Grantor"), having an address at 214 SW Coast Highway, Newport, OR 97365 to McKenzie River Trust, an Oregon nonprofit public benefit corporation (hereinafter together with its successors and assigns collectively referred to in this Easement as the "Land Trust"), having an office address at 120 Shelton McMurphey Blvd. Suite 270, Eugene OR 97401. Grantor and Land Trust are referred to herein as the "Parties."

This Easement will ensure that the Easement Property, as defined below, remains in a relatively natural and open space condition in perpetuity, by precluding development inconsistent with natural and open space protection. This Easement will also protect unique wildlife habitat consistent with natural and open space protection values in the region.

The Effective Date of this Easement shall be the date on which it is recorded in the official records of Lincoln County, Oregon (the "Effective Date").

RECITALS

- A. **THE EASEMENT PROPERTY** Grantor is the owner in fee simple of approximately 430 acres of real property, situated on the peninsula bounded by King Slough and the Yaquina River, 2.7 mi. south of Newport, Lincoln County, Oregon. The property is legally described in Exhibit A and depicted in Exhibits B and C, which exhibits are attached hereto and incorporated by reference herein ("Easement Property").

The Easement Property is divided into the following designated land use areas under this Conservation Easement as shown on Exhibit B and described in Exhibit B-1, attached hereto and incorporated herein by this reference: (a) a Structures Area, of approximately [] acres; and (b) a Resource Protection Area, approximately [] acres, consisting of the remainder of the Easement Property.

1. **Resource Protection Area.** This Conservation Easement seeks to protect natural resources within the Resource Protection Area so as to keep them in an undisturbed state except as required to promote and maintain a diverse community of predominantly native species and allow for sustainable recreational and educational activities.
2. **Structures Area.** This Conservation Easement seeks to promote compatible land use and development within the Structures Area so that it will be available for a wide variety of activities, uses and improvements subject to minimal constraints necessary to achieve the conservation purposes of this Easement.

B. **CONSERVATION VALUES** The Easement Property, in its current state, is a relatively undeveloped area that possesses significant natural resources, plant and wildlife habitat, important open space, cultural and historic, public education, and recreational values of great importance to the Grantor, to the Land Trust, to the people of Lincoln County, to the citizens of the State of Oregon and to the nation. The Easement Property serves as a “relatively natural habitat of fish, wildlife or plants or similar ecosystem,” as that phrase is used in Section 170(h)(4)(A)(ii) of the Internal Revenue Code, and as open space (including forestland) pursuant to a clearly delineated federal, state, or local governmental conservation policy and yielding a significant public benefit, as those phrases are used in Section 170(h)(4)(A)(iii) of the Internal Revenue Code, and preserves land areas for outdoor recreation by, or education of, the general public, as those phrases are used in Section 170(h)(4)(A)(i) of the Internal Revenue Code; and has natural, scenic and open space values as those terms are used in Oregon Revised Statute (ORS) 271.715] (collectively, “Conservation Values”).

Specific Conservation Values of the Easement Property include:

1. Late successional coastal conifer forest habitat
- 2.
3. Rare Sitka spruce tidal swamp habitat
4. Tidal Estuary habitat
5. Identifying, maintaining, and enhancing culturally and ecologically significant native plant species.
6. Provide for research and educational opportunities
7. Conserving Oregon Conservation Strategy Priority Estuary and Late Successional Mixed Conifer Forest Habitats within the Yaquina Bay Conservation Opportunity Area
8. Yaquina Bay Important Bird Area (Audubon Society)

9. Conserving Wildlife habitat for OCS Species known to be present including:

- Pileated Woodpecker
- Brown Pelican
- Red-necked Grebe
- Pacific Harbor Seal

10. Protecting open space and scenic value by restricting development

Retaining and increasing sequestered carbon within late successional forest habitat

11. Increased recreational capacity for rural communities

12. Contribution to landscape-level conservation

The specific Conservation Values of the Easement Property are further documented in a baseline documentation report (BDR), dated [Month Date Year] (“Baseline Documentation Report”). This Baseline Documentation Report is on file at the Land Trust’s offices and is incorporated into this Easement by this reference. The Baseline Documentation Report, which has been reviewed and accepted by Grantor and Land Trust, and acknowledged in the signed statement attached to and incorporated herein as Exhibit D (Acknowledgment of Baseline Documentation) to this Easement, consists of reports, surveys, maps, photographs and other documentation that provide, collectively, an accurate representation of the Easement Property as of the Effective Date of this Easement. Grantor and Land Trust intend the Baseline Documentation Report to serve as an objective information baseline for monitoring compliance.

C. INTENTIONS

1. The Easement Property would be desirable for residential development because of its outstanding views, recreational opportunities, and proximity to the City of Newport. The absence of this Easement would place the Easement Property at great risk of being developed or altered in a manner that would impair, degrade or destroy its Conservation Values.
2. Grantor intends that the Conservation Values of the Easement Property be preserved and maintained by permitting only those uses on the Easement Property that are consistent with the Conservation Values of the Easement Property and do not materially impair such Conservation Values.
3. Grantor further intends, as owner of the Easement Property, to grant to Land Trust the right to preserve and protect the Conservation Values of the Easement Property in perpetuity.
4. Land Trust commits, by accepting this Easement, to preserve and protect in perpetuity the Conservation Values of the Easement Property for the benefit of this generation and the generations to come.

5. Grantor agrees to manage the Easement Property in a manner consistent with the Purposes of this Easement, as defined below, and shall not assist, encourage or give permission to any third party to violate the terms, conditions and restrictions of this Easement in any way not consistent with protection of the Easement Property's Conservation Values.
 6. Oregon Revised Statute 271.715-271.795 permit the creation of conservation easements for the purposes of retaining or protecting natural, scenic or open space values, and protecting natural resources.
- D. **EXISTING USES & IMPROVEMENTS** As of the Effective Date of this Easement, the Easement Property contains a network of graveled roads with graveled parking areas, a network of foot trails, the maintenance shop, several foot bridges, a pavilion, an educational facility, a plan nursery and multiple bathrooms, including pit toilets and porta potties.
- E. These improvements are generally depicted on Exhibit C. A more detailed documentation of the existing uses, improvements and conditions of the Easement Property is contained in the Baseline Documentation Report.
- F. **QUALIFIED ORGANIZATION** McKenzie River Trust is a nonprofit, tax-exempt, public benefit Oregon corporation qualified under Sections 501(c)(3) and 170(h) of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (the "Internal Revenue Code"). The Land Trust is an Oregon land conservancy qualified to hold this Easement under ORS 271.715(3)(c). The Land Trust was created to protect and conserve natural areas and working lands for agricultural, scientific, educational, charitable and aesthetic uses. The Land Trust's purposes include retaining the natural, scenic or open space values of real property, assuring the availability of real property for agricultural, forest, recreational or open space use, protecting natural resources, maintaining or enhancing air or water quality, and preserving the historical, architectural, archeological or cultural aspects of real property. The Land Trust is accredited as of the Effective Date of this Easement by the Land Trust Accreditation Commission, in recognition that the Land Trust currently meets national quality standards for protecting important natural places and working lands forever.

CONSERVATION EASEMENT

In consideration of the facts recited above, which are incorporated herein by this reference, and of the mutual covenants, terms, conditions and restrictions herein contained, and pursuant to the laws of the State of Oregon and in particular ORS 271.715-271.795, the Grantor, as grantor, hereby grants and conveys to the Land Trust and its successors and assigns, as grantee, by donation a perpetual conservation easement over the Easement Property consisting of the following terms and conditions:

- 1 **PURPOSES** It is the primary purpose of this Easement that the Easement Property be retained forever in a relatively natural state, with the goal of maintaining natural, healthy and ecologically sustainable characteristics of the coastal rainforest, estuary, and spruce-swamp on the Easement Property, and to ensure those habitats will be maintained for the benefit of coastal community members as well as the native plant and wildlife species dependent on the Easement Property for their existence. It is a secondary purpose of this Easement to maintain scenic, and forestland open space uses, indigenous cultural uses, as well as public education and recreation uses consistent with the protection of the natural resources of the Easement Property.

Grantor and the Land Trust intend that this Easement will prevent any use of the Easement Property that will significantly impair or interfere with the Conservation Values of the Easement Property, confining activities on the Easement Property to activities that are consistent with the purposes of this Easement as described in this paragraph (“Purposes”). Grantor and the Land Trust recognize that changes in economic conditions, in technologies, in accepted land management practices, and in the situation of Grantor may result in an evolution of land uses and practices related to the Easement Property provided that such uses and practices are and remain consistent with the Purposes of this Easement.

- 2 **PLANS** Numerous plans may be required under this Easement, for each of the areas of management, such as forest management, habitat management, and trail management. Such Management Plans must be approved in writing by the Grantor and the Land Trust and must be in place either as of the Effective Date of this Easement or before management activities subject to a Management Plan occur on the Property. The Land Trust and Grantor agree to update the Management Plans in the event the uses of the Easement Property change.
- 3 **RESTRICTIONS & PROHIBITED USES** Any activity on or use of the Easement Property inconsistent with the Purposes of this Easement is prohibited. Without limiting the generality of the foregoing, the activities and uses set forth below are expressly prohibited on the Easement Property as inconsistent with the Purposes of this Easement, except as provided in this Section 3 or otherwise permitted in Section 4 below:

- 3.1 Subdivision and Sale of Parcels The Easement Property may not be divided, partitioned or subdivided, and may not be conveyed except as a single property in its current configuration. Notwithstanding the existence of multiple underlying parcels, the Property, in its entirety, shall remain under common ownership, and Grantor shall not place or convey any portion of the Property into ownership separate from the whole of the Property. Grantor shall not further divide the Property, or any of its constituent parcels whether by subdivision, conveyance, lot line adjustment, or any other means. This prohibition shall not be interpreted to prevent Grantors from leasing the Easement Property provided any such leases are subordinated to the terms and Purposes of this Easement.

- 3.2 Structures No construction or placement of structures shall be allowed in any portion of the Resource Protection Area except for structures permitted in section 4.7 and temporary structures as described in an approved Plan. Without limiting the

generality of the foregoing, there shall be no construction of or placing of any building, house, manufactured or mobile home, garage, tennis or recreational court, swimming pool or other structure for residential development in any portion of the Resource Protection Area; nor shall there be construction of a landing strip, billboard or other advertising display for the purpose of advertising nonagricultural activities or products except in connection with the sale or lease of the Easement Property, or major paving of lands with asphalt, concrete or other impervious surface, or any other temporary or permanent structure or facility on the Resource Protection Area.

- 3.3 Density and Development Rights The use, exercise or transfer of development rights is prohibited, except as may be required by law for the uses permitted in Section 4. For purposes of this provision, neither the Easement Property nor any portion of it shall be included as part of the gross area of other property not subject to this Easement for the purposes of determining density, lot coverage, or open space requirements under otherwise applicable laws, regulations or ordinances controlling land use and building density. In addition, no development rights that have been encumbered or extinguished by this Easement shall be transferred to any other lands pursuant to a transferable development rights scheme, cluster development arrangement or otherwise.
- 3.4 Roads There shall be no construction of new roads, other rights-of-way or vehicle trails on the Easement Property, or the use of vehicles off of the existing roads in a manner that creates permanent tracks or trails or results in significant soil erosion, except as described in the approved Forest Master Plan or other approved Management Plan. Current roads, existing as of the Effective Date of this Easement, may be maintained on the Easement Property in their existing location and current condition, as depicted in Exhibit C and as further described in the Baseline Documentation Report. Such roads shall not be widened, nor surfaced with impervious materials.
- 3.5 Mining There shall be no mining, drilling, or exploring for minerals, natural gas or oil on the Easement Property. Removal of rock or gravel is prohibited.
- 3.6 Industrial and Commercial Activities There shall be no industrial activity undertaken on the Easement Property. In addition, and except as permitted in Section 4, the establishment or operation of any commercial uses or activities on the Easement Property is prohibited, including but not limited to guest ranching, outfitting, any small business, restaurant, night club, campground, trailer park, motel, hotel, commercial swimming pool, gas station, retail outlet, or facility for the manufacture or distribution of any product. The sale of marketable timber generated from forest restoration activities as described in the approved Forest Master Plan is permitted. All other commercial sale of timber sale is prohibited.
- 3.7 Water There shall be no manipulation or alteration of rivers, creeks, streams, surface and subsurface springs or other bodies of water or the shorelines thereof on the

Easement Property, except for permitted restoration activities on the Easement Property.

- 3.8 Agricultural Activities There shall be no ranching or other agricultural activities on the Easement Property excepting activities permitted in section 4.5. The establishment or maintenance of a commercial feedlot is prohibited on the Easement Property. For purposes of this Easement, a commercial feedlot is defined as a permanently constructed confined area or facility within which the land is not grazed or cropped annually, and that is used and maintained for purposes of engaging in the business of the reception and feeding of livestock (including without limitation hogs, cattle, or poultry).
- 3.9 Dumping There shall be no dumping or disposal of vehicles, trash, garbage, junk, hazardous or toxic substances, agricultural chemicals or other unsightly or offensive material on the Easement Property. This prohibition shall not be interpreted to prevent (a) composting of nonhazardous wastes generated by permitted residential operations within areas outside of the Resource Protection Area on the Easement Property or (b) storage within the Structures Area of fuel, lubricants, pesticides and similar chemicals used for permitted management purposes on the Easement Property.
- 3.10 Alteration of Land The topography of the land shall not be altered through the excavation or placing of soil, dredging spoils, or other material on the Easement Property, except as incidental to permitted uses and activities within the Structures Area and for permitted restoration activities within the Resource Protection Area in accordance with an approved Forest Management Plan.
- 3.11 Trees or Other Vegetation There shall be no removal, destruction, cutting, trimming or mowing of any trees or other vegetation on the Easement Property, except in conjunction with permitted uses and activities within the Structures Area, permitted activities in an approved Forest Master Plan, and for permitted restoration activities within the Resource Protection Area.
- 3.12 Impervious Surfaces Impervious surfaces, defined to include buildings (with and without flooring), and paved areas on the Easement Property (but not including public or county roads or other roads paved by easement holders who have rights that may be superior to the rights conveyed to the Land Trust by this Easement) are prohibited on the Easement Property, except for structures permitted in paragraph 4 and structures existing prior to the Effective Date as described in the Baseline Documentation Report.

4 GRANTOR'S RESERVED AND PERMITTED USES AND ACTIVITIES Grantor reserves for itself, its heirs, successors and assigns, all rights accruing from ownership of the Easement Property, including the right to engage in, or permit or invite others to engage in, any use of, or activity on, the Easement Property that is consistent with the Purposes of the Easement and that is not otherwise prohibited by this Easement. In carrying out activities on the Easement

Property, Grantor shall be responsible for compliance with all applicable state and federal laws and regulations, including laws and regulations pertaining to listed or otherwise protected plant or animal species; provided, however, that this Easement is not intended to place any additional requirements on Grantor pertaining to management of listed or protected species. Grantor hereby agrees to notify the Land Trust in writing before exercising any use or activity not expressly prohibited above or expressly permitted below that may have an adverse impact on the Conservation Values associated with the Easement Property.

Without limiting the generality of the foregoing, the following uses and practices are hereby deemed to be consistent with the terms and Purposes of this Easement and are expressly permitted within the following use areas in the manner provided below:

The following activities and uses are expressly permitted within the **Structures Area** in the manner provided for below.

The following activities and uses are expressly permitted within the Structures Area in the manner provided for below.

- 4.1 Structures Grantor may construct, use, maintain, repair, expand, reconstruct, remove, demolish or replace educational facilities and any accessory or appurtenant structures within the Structures Area of the Easement Property, including access driveways, landscaping, gardens, greenhouses, fences, utilities (including water and septic), renewable energy systems, and other structures reasonably accessory or appurtenant to the educational facilities. Grantor shall provide the Land Trust written notice prior to submitting any application or pre-application for construction of any structures within the Structures Area. The purpose of this notice requirement is for the Land Trust to ensure that such structures are not located outside of the Structures Area.
- 4.2 Other Uses and Activities If any question exists regarding whether historic, current, or new practices or activities are permitted or would be inconsistent with the Conservation Purposes or would diminish or impair the Conservation Values, Grantor shall notify the Land Trust in writing and obtain Land Trust's written approval for the practices or activities in question, prior to engaging in such practices or activities.

The following activities and uses are expressly permitted within the **Resource Protection Area** in the manner provided for below.

- 4.3 Habitat Management, Restoration and Enhancement Grantor may undertake habitat management, restoration and enhancement activities on both the land and water resources of the Easement Property to further the Purposes of this Easement, provided that such activities are conducted in accordance with a Habitat Restoration and Enhancement Plan that is mutually agreed to in writing by Grantor and the Land Trust before the habitat restoration or enhancement activities occur.

- 4.4 Forest Management Grantor may undertake forest management practices designed to address forest health, forest fire prevention, or to enhance or restore native wildlife habitat, including thinning or pruning of existing trees, provided that trees are not cut or removed from the Easement Property for commercial purposes. Trees cut or removed for the purpose of forest management designed to address forest health, forest fire prevention, or to enhance or restore native wildlife habitat, as described in an approved Forest Master Plan, may be sold to support continued management. Prior to such forest management activities within the Resource Protection Area, Grantor shall submit to the Land Trust for prior written approval a Forest Management Plan that describes the management objectives of the plan and the specific practices proposed.
- 4.5 Cultural Resource Protection and Use. Grantor may engage in activities to preserve and protect the cultural resources of the Property in accordance with sound, generally accepted conservation practices. Grantor may also, to the extent consistent with the terms of this Easement, allow use of the Property for tribal stewardship and cultural activities, including but not limited to tending, gathering, harvesting, and foraging of resources of cultural significance in coordination with the culturally affiliated tribe(s) to this area.
- 4.6 Trails Grantor may use, maintain, repair, reconstruct, and replace trails as described in the Baseline Documentation Report as existing on the Easement Property as of the Effective Date of the Easement for non-motorized trail use. In addition, Grantor may construct, use, maintain, repair, reconstruct, and replace one additional, barrier-free trail, and one connector trail, the approximate planned location of which is identified in the Baseline Documentation Report, not existing on the Easement Property as of the Effective Date of the Easement, subject to prior written notice to and approval by the Land Trust of the proposed Plan for any such trail location and construction within the Resource Protection Area. No trails will be paved with impervious surfaces.
- 4.7 Structures Grantor may construct small shelters and wildlife viewing structures approved in advance by the Land Trust.

The following activities and uses are expressly permitted **throughout the Easement Property** in the manner provided for below.]

- 4.8 Signs Grantor may post signage related to property use including, but not limited to, educational signs, resource identification signs, or directional signs on the Easement Property.
- 4.9 Fences Grantor may repair, replace, maintain or improve any fence on the Easement Property as of the Effective Date of this Easement, as well as construct new fences along the perimeter of the Easement Property and within the Structures Area.
- 4.10 Temporary Structures Grantor may place and use temporary structures such as, but not limited to, portable toilets, yurts, and canopies on the Easement Property provided

that the manner of use and intensity does not adversely and materially impact the Conservation Values of the Easement Property.

4.11 Weed Control Grantors may control noxious and invasive weeds by integrated control measures which include: manual, mechanical, chemical, and/or biological techniques. Use of pesticides or fertilizers are limited to only those amounts and to only that frequency of application necessary and recommended by the manufacturer and within federal, state and county guidelines. The control and management of weeds in the Structure Area shall follow then current federal, state and county recommendations and guidelines. Use of pesticides in the Resource Protection Area must be consistent with the Forest Master Plan.

4.12 Emergencies Grantor may undertake other activities necessary to protect public health or safety or that are actively required by and subject to compulsion of any governmental agency with authority to require such activity. Any such activity shall minimize impact to the Conservation Values of the Property. Grantor shall notify the Land Trust as soon as practical after undertaking emergency activities that include uses or activities on the Easement Property that are otherwise restricted under this Easement.

5 LAND TRUST'S RIGHTS & REMEDIES In order to accomplish the Purposes of this Easement, the Land Trust shall have the following rights and remedies:

5.1 Identification and Protection The Land Trust shall have the right to identify, and to preserve and protect in perpetuity, and to enhance by mutual agreement, the Conservation Values, subject to Grantors' reserved rights as herein provided and further subject to all third-party rights in the Easement Property existing as of the Effective Date of this Easement and not subordinated to this Easement.

5.2 Remedies The Land Trust shall have the right to enforce by proceedings at law or in equity the provisions of this Easement including, but not limited to, the right to require the restoration of the Easement Property to its condition prior to any violation of this Easement that gave rise to the Land Trust's enforcement action. The Land Trust, or its successors or assigns, shall not waive or forfeit the right to take action as may be necessary to ensure compliance with the terms and conditions of this Easement by any prior failure to act.

Nothing herein shall be construed to entitle the Land Trust to institute any enforcement proceeding against Grantors for any changes to the Easement Property due to causes beyond Grantors' control, such as changes caused by fire, flood, storm, infestations, natural deterioration, climate change, the acts of third parties legally authorized to act by recorded document or other legally established rights or the unauthorized wrongful acts of third persons; provided, however, that Grantors shall notify the Land Trust of any occurrence which would adversely affect or interfere with the Purposes of the Easement, whether caused by the acts or omissions of Grantors or third parties.

The Land Trust shall be entitled to seek expedited injunctive relief to enforce its rights with respect to the Easement Property, and Grantors waive any bond requirement otherwise applicable to any petition for such relief. The Land Trust's rights to injunctive relief apply equally in the event of actual or threatened violations of the terms of this Easement, and Grantors agree that the Land Trust shall be entitled to such injunctive relief, both prohibitive and mandatory, in addition to such other relief to which the Land Trust may be entitled, including specific performance of the terms of this Easement, without the necessity of providing either actual damages or the inadequacy of otherwise available legal remedies.

The Land Trust shall have the right to report to regulatory authorities any environmental conditions, or any potential or actual violations of environmental laws, with respect to the Easement Property.

Grantors acknowledge that each Grantor has carefully reviewed this Easement and has consulted with and been advised by legal counsel of its terms and requirements. In full knowledge of the provisions of this Easement, Grantors hereby waive any claim or defense it may have against the Land Trust or its successors in interest under or pertaining to this Easement based upon abandonment or prescription relating to the Easement Property or this Easement. Except for the foregoing, Grantors specifically retain any and all rights it has under the law as owner of the Easement Property, including, without limitation, the right to bring claims against the Land Trust for any breach by the Land Trust of the terms of this Easement.

All reasonable costs incurred by the Land Trust in enforcing the terms of this Easement against Grantors, including, without limitation, costs and expenses of suit and reasonable staff, consultant and attorneys' fees, and any costs of restoration necessitated by Grantors' violation of the terms of this Easement shall be borne by Grantors.

In addition, if injunctive relief is inadequate to restore the Conservation Values as a result of Grantors' violation of the terms of this Easement and to compensate the Land Trust and the public for the loss and damage to the Land Trust's rights, the Land Trust shall be entitled to recover damages for violation of the terms of this Easement or injury to any Conservation Value protected by this Easement including, without limitation, damages for the loss of scenic, aesthetic or natural resource values. Without limiting Grantors' liability therefore, the Land Trust, in its sole discretion, shall apply any damages recovered to the cost of undertaking any corrective action on the Easement Property.

The Land Trust's remedies described in this Section 5.2 shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity

- 5.3 Right of Entry The Land Trust, including staff members and Land Trust-supervised volunteers, researchers, and contractors shall have the right to enter the Easement

Property, in a reasonable manner and at reasonable times, but always upon prior notice to Grantor, except as specified in 5.4, for the purposes of:

- a. Inspecting the Easement Property at least once a year to determine if Grantor is complying with the provisions of this Easement;
- b. Obtaining evidence for the purpose of seeking judicial enforcement of this Easement;
- c. Making scientific and educational observations and studies and taking samples in such a manner as will not disturb the quiet enjoyment of the Easement Property by Grantor;
- d. Posting regulatory signs on selected portions of the Easement Property for purposes of promoting the provisions of this Easement;
- e. Monitoring, restoration and management activities as described below.

5.4 Emergency Enforcement If the Land Trust, in its sole discretion, determines that circumstances require immediate action to prevent or mitigate significant damage to the Conservation Values of the Easement Property, the Land Trust may enter the Easement Property for the purpose of enforcing the provisions of this Easement and otherwise to pursue its rights and remedies under this Section 4 without prior notice to Grantor.

5.5 Limitation of Land Trust Rights Nothing contained herein shall give rise to, in the absence of a judicial decree, any right or ability of the Land Trust to become the operator of the Easement Property within the meaning of the Comprehensive Environmental Response, Compensation and Liability Act by exercising physical control over the day-to-day operations of Grantor or becoming involved in management decisions of Grantor regarding the generation, handling or disposal of hazardous substances.

5.6 Indemnity Each party agrees to hold harmless, defend, and indemnify the other party (and its officers, directors, members, partners, and employees, as applicable) from any and all liabilities including, but not limited to, injury, losses, damages, judgments, costs, expenses, and fees that the indemnified party may suffer or incur as a result of or arising out of the activities of the other party on the Property that cause injury to a person(s) or damage to property.

5.7 Monitoring and Management The Land Trust shall have the right, but not the obligation, to monitor the condition of the rare plant and animal populations, plant communities and natural habitats on the Easement Property, and to manage and restore them to ensure their continued presence and viability on the Easement Property. The Land Trust shall also have the right, but not the obligation, to monitor the condition of invasive, non-native plant populations on the Easement Property, and to control or eradicate them from the Easement Property. Any management and

restoration activities shall be in accordance with the Land Trust's management and restoration practices and may include, but shall not be limited to, planting or otherwise introducing species, cutting, mowing, fencing, trapping, prescribed burning, pulling and chemical treatment.

- 5.8 Transfer of Easement The Land Trust shall have the right to assign, convey or transfer the Land Trust's interest in the Easement Property in accordance with section 6.4 below.
- 5.9 Discretionary Consent The Land Trust's consent for activities or uses that are conditional or not expressly reserved by Grantor may be granted by the Land Trust, in its sole discretion, subject to the limitations herein. Such requests for permission, and requests for permission for activities requiring the Land Trust's consent under section 3 or 4, shall be in writing and shall describe the proposed activity in sufficient detail to allow the Land Trust to judge the consistency of the proposed activity with the Purposes of this Easement. Any decisions shall be consistent with the Land Trust's then current Conservation Easement Amendment Policy. The Land Trust may give its permission only if it determines, in its sole discretion, that such uses or activities (a) do not violate the Purposes of this Easement; (b) either enhance or do not impair any Conservation Values of the Easement Property; (c) do not result in private inurement or impermissible private benefit; and (d) cannot be used to terminate or extinguish the Easement.
- 5.10 Signs The Land Trust may post signs marking the boundaries of the Resource Protection Area, both on the property boundary and on the boundary between the Resource Protection Area and the Structures Area. The Land Trust may also post regulatory signs on selected portions of the Easement Property for purposes of promoting the provisions of this Easement.

6 GENERAL PROVISIONS

- 6.1 Perpetual Burden This Easement, and the covenants, terms, conditions and restrictions contained herein, shall run with and burden the Easement Property in perpetuity and shall bind, and inure to the benefit of, the Parties to this Easement and their respective personal representatives, heirs, successors and assigns.
- 6.2 No Water Rights Conveyed This Easement does not transfer any water or water rights to the Land Trust.
- 6.3 Public Access Nothing contained in this Easement shall give or grant to the public a right to enter upon or to use the Easement Property or any portion thereof where no such right existed in the public immediately prior to the execution of this Easement.
- 6.4 Assignment This Easement is in gross and may be assigned or transferred by the Land Trust. The Land Trust agrees that, if it transfers or assigns its interest in this Easement:

a. The organization or entity receiving this interest will be a qualified organization as that term is defined in Section 170(h)(3) of the Internal Revenue Code, as that section may be amended from time to time, and in the regulations promulgated thereunder, and which is organized and operated primarily for one of the conservation purposes specified in Section 170(h)(4)(A) of the Internal Revenue Code, as that section may be amended from time to time, and in the regulations promulgated thereunder. Such other entity, with purposes similar to Land Trust's, must constitute a "qualified organization" within the meaning of the Internal Revenue Code of 1986, as amended (or any successor provision(s) then applicable); and

b. The transferee or assignee will be required to carry out in perpetuity the Purposes that this Easement was originally intended to advance.

The Land Trust also agrees that, if at any time it becomes impossible for the Land Trust to ensure compliance with the covenants contained herein and the Land Trust has not named a successor organization, or the Land Trust shall cease to exist, then the Land Trust's rights and duties under this Easement shall vest in such organization as a court having jurisdiction shall direct, pursuant to the applicable Oregon law and the Internal Revenue Code and with due regard to the Purposes of this Easement.

6.5 Subsequent Transfers by Grantor Unless this Easement is extinguished, as set forth below, Grantor agrees that the terms, conditions, restrictions and Purposes of this Easement will either be referenced or inserted by Grantor in any subsequent deed or other legal instrument by which Grantor divests himself of any interest in all or part of the Easement Property. The Grantor agrees to notify the Land Trust, its successors and assigns, of any such conveyance in writing by certified mail within fifteen (15) days after closing. The failure of Grantor to perform any act required by this paragraph shall not impair the validity of this Easement or limit its enforceability in any way.

6.6 Amendment It is the parties' intention that this Conservation Easement will not be amended or modified. However, in the event of unforeseen circumstances or exceptional situations, this Easement may be amended by the execution and delivery of an amended easement deed, but only with the written consent of all Grantors and the Land Trust. If circumstances arise under which an amendment to or modification of this Easement would be appropriate, Grantors and the Land Trust are free to jointly amend this Easement; except that: (a) no amendment shall be allowed that shall affect the qualification of this Easement or the status of the Land Trust under any applicable laws, including Section 170(h) of the Code; (b) any such amendment shall be consistent with the Purposes of this Easement; (c) any such amendment may not diminish the effectiveness of this Easement in carrying out the Purposes of the Easement in any way and that only those amendments that strengthen the effectiveness of the Easement in carrying out the Purposes of the Easement may be permitted; and (d) any such amendment may not affect the perpetual duration of the Easement or result in the release of any portion of the

Property from permanent protection under the Easement. In addition, any amendment shall be consistent with the Land Trust's then current Conservation Easement Amendment Policy as well as federal, state, and local laws regarding the creation and amendment of conservation easements. To be effective, the approved amendment must be recorded in the official records of Lincoln County, Oregon, and any other jurisdiction in which such recording is required.

- 6.7 Extinguishment Grantor agrees that this grant of a perpetual Easement gives rise to a property right, immediately vested in the Land Trust, with a fair market value that is at least equal to the proportionate value that the Easement, at the time of this conveyance, bears to the value of the Easement Property as a whole at that time (minus any increase in value attributable to improvements on the Easement Property unless required under Treasury Regulation Section 1.170A-14(g)(6)(ii)).

If a subsequent unexpected change in the conditions of or surrounding the Easement Property makes impossible or impracticable the continued use of the Easement Property for the Purposes described herein, and if the restrictions of this Easement are extinguished, in whole or in part, by judicial proceedings (including, but not limited to, eminent domain proceedings) in a court of competent jurisdiction (which is the only manner in which extinguishment of this Easement may occur), then upon the sale, exchange or involuntary conversion of the Easement Property, the Land Trust shall be entitled to a portion of the proceeds at least equal to the proportionate value of the Easement described above. The Land Trust will use its share of any and all proceeds received for such sale, exchange or involuntary conversion in a manner consistent with the Purposes of this Easement.

If ever all or part of the Easement Property is taken in exercise of eminent domain by public, corporate, or other authority so as to abrogate the restrictions imposed by this Easement, Grantor and the Land Trust shall join in appropriate actions at the time of such taking to recover the full value of the taking and all incidental or direct damages resulting from the taking. All expenses reasonably incurred by Grantor and the Land Trust in this action shall be paid out of the recovered proceeds and the proceeds remaining after the payment of such expenses shall be allocated in accordance with the above paragraph.

- 6.8 Title Warranty Grantor hereby warrants and represents that Grantor is seized of the Easement Property in fee simple, including without limitation all minerals and mineral rights and have good right to grant and convey this Easement, that the Easement Property is free and clear of any and all encumbrances not subordinated to this Easement at the time of the grant, and that the Land Trust and its successors and assigns shall have the use of and enjoy all of the benefits derived from and arising out of this Easement.

- 6.9 Hazardous Waste. Grantor represents, warrants, and covenants to Land Trust that Grantor's use of the Property shall comply with all environmental laws, as defined below.

Definitions. For the purposes of this Easement

- The term "hazardous materials" includes, but is not limited to, any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials defined in CERCLA, the Hazardous Materials Transportation Act, as amended (49 United States Code sections 1801 *et seq.*), the Resource Conservation and Recovery Act of 1976, as amended (42 United States Code sections 6901 *et seq.*), or any other federal, state, or local environmental laws, ordinances, rules, or regulations concerning the environment, industrial hygiene or public health or safety now in effect or enacted after the date of this Easement.
- The term "environmental laws" includes, but is not limited to, any federal, state, local or administrative agency statute, regulation, rule, ordinance, order or requirement relating to environmental conditions or hazardous materials.

Grantor, its successors and assigns shall indemnify, defend and hold the Land Trust harmless from any liability related to Grantors' representations, warranties and covenants in this paragraph or related to the use, deposit or release of any hazardous substance or toxic waste on the Easement Property prior to or after the date of recordation of this Easement.

6.10 Real Estate Taxes Grantor agrees to pay any and all real property taxes and assessments levied by competent authority on the Easement Property and that the Land Trust shall have no duty or responsibility to manage or maintain the Easement Property. Grantor agrees that if any real property taxes or assessments are levied against the Land Trust as a result of this Easement for which exemption cannot be obtained, Grantor agrees to donate a sum of money to the Land Trust equal to the amount of said taxes and the Land Trust shall pay the taxes.

6.11 Costs & Liabilities Grantors retain all responsibilities and shall bear all costs and liabilities of any kind related to the ownership, operation, upkeep and maintenance of the Easement Property, as well as maintenance of adequate comprehensive general liability insurance coverage for the entire Easement Property. Grantors shall keep the Land Trust's interest in the Easement Property free of any liens arising from any work performed for, materials furnished to or obligations incurred by Grantors.

6.12 Notices Any notices required by this Easement shall be (a) in writing, and (b) either delivered in person with a signed and dated proof delivery, or sent by registered or certified mail (postage prepaid and with return receipt requested), or sent by Federal Express or other reputable courier or delivery service (provided that the sender obtains a signed proof of delivery) or sent by electronic transmission (provided that the sender obtains a receipt providing proof of delivery), to the following address or

such other address as either party from time to time shall designate by written notice to the other party:

To Grantor:

Yakona Nature Preserve
214 SW Coast Highway
Newport, OR 97365
Phone: 541-270-2057
Email: Jobarton@yakonaoregon.org

To the Land Trust:

McKenzie River Trust
Attn: Conservation Director
120 Shelton McMurphey Blvd., Suite 270
Eugene OR 97401
Phone: 541-345-2799
Email: mrt@mckenzieriver.org

Rejection or other refusal to accept notices, or objections, or approvals by any party hereto shall be deemed receipt thereof.

- 6.13 Notice of Suit Grantor shall promptly provide the Land Trust with notice of any lawsuit or administrative action involving the Easement Property or which threatens the Land Trust's rights in this Easement. Notice shall be sent to the Land Trust's address, as provided before above, and shall include a copy of any lawsuit or administrative action filed. Grantor agrees not to object to the Land Trust's intervention in any such lawsuit or action. Such lawsuit or action can include, but is not limited to, quiet title action, partition, condemnation or eminent domain, foreclosure, environmental cleanup or enforcement, or any other lawsuit or action affecting the Easement Property and/or potentially affecting the Conservation Values protected by this Easement.
- 6.14 Severability If any provision of this Easement or the application thereof to any person or circumstance is found to be invalid, the remainder of the provisions of the Easement and the application of such provisions to persons or circumstances other than those as to which it is found to be invalid shall not be affected thereby.
- 6.15 Controlling Law The interpretation and performance of this Easement is governed by the laws of the State of Oregon.
- 6.16 Liberal Construction Any general rule of construction to the contrary notwithstanding, this Easement shall be liberally construed in favor of the grant to affect the Purposes of this Easement and the policy and purpose of Ore. Rev. Stat. §§ 271.715 to 271.795. If any provision in this instrument is found to be ambiguous, an interpretation consistent with the Purposes of this Easement that would render the provision valid shall be favored over any interpretation that would render it invalid. The Parties acknowledge that each party and its counsel has reviewed and revised this

Easement and that no rule of construction that ambiguities are to be resolved against the drafting party shall be employed in the interpretation of this Easement.

If a conflict arises between protection of one or more of the identified Conservation Values that may have an actual impact, or may have a potential impact, on one or more of the other identified Conservation Values, the Land Trust intends to enforce this Easement, in its sole discretion, by giving the greatest level of protection to the Conservation Values in the hierarchy of Conservation Values as listed in Section B of the Recitals. The Land Trust reserves the right to review this hierarchy of Conservation Values from time to time, however, as the public benefits that are provided by this Easement may change over time, and the Land Trust also reserves the right to revise this hierarchy, in its discretion and after consultation with Grantor, by filing a Notice in the public records in official records of Lincoln County, Oregon. The hierarchy set forth in this Section 6.17 is intended to apply only to resolve actual or potential conflicts between protected Conservation Values, and therefore, this Section 6.17 may not be interpreted or construed by Grantor, the Land Trust, or any other party to justify a disregard of, or to discount, Grantor's and the Land Trust's obligations hereunder to protect and preserve all Conservation Values if such actual or potential conflict between protected Conservation Values does not exist.

- 6.17 Entire Agreement This instrument, including the attachments and exhibits which are all incorporated herein by this reference, sets forth the entire agreement of the Parties with respect to the Easement and supersedes all prior discussion, negotiations, understandings or agreements relating to the Easement, all of which are merged herein.
- 6.18 Subordination No provision of this Easement is to be construed as impairing the ability of Grantor to use the Easement Property as collateral for any loan, provided that any mortgage, deed of trust or other lien arising after the Effective Date of this Easement shall be subordinate to the Purposes and other terms of this Easement, and said security interest in the Easement Property may not be foreclosed so as to create a division or subdivision of the Easement Property or extinguish or otherwise affect Land Trust's rights under this Easement.
- 6.19 Termination of Rights & Obligations A party's rights and obligations under this Easement terminate upon transfer of the party's interest in the Easement or Easement Property, except that liability for acts or omissions prior to transfer shall survive transfer.
- 6.20 Recording The Land Trust shall record this instrument in the official records of Lincoln County, Oregon and may re-record it as required to preserve its rights under this Easement.

- 6.21 Counterparts The Parties may execute this instrument in two or more counterparts, each of which shall be deemed an original. In the event of any disparity between the counterparts produced, the recorded counterpart shall be controlling.
- 6.22 Joint & Several Obligations All obligations of Grantor under this Easement are joint and several.
- 6.23 Exhibits & Recitals All recitals are incorporated herein by this reference and shall constitute an integral part of this Easement. All exhibits attached to this Easement are hereby incorporated into the Easement as fully as if set forth in their entirety herein.
- 6.24 Captions The captions in this Easement have been inserted solely for convenience of reference and are not a part of this instrument and shall have no effect upon construction or interpretation of the Easement.
- 6.25 Independent Counsel Grantor herein acknowledges they are relying on Grantor's own legal, financial and tax advisors and that the Land Trust, its officers, agents and employees, is not providing legal, financial or tax advice to Grantor.
- 6.26 Authority The individuals signing below, if signing on behalf of an entity, represent and warrant that they have the requisite authority to bind the entity on whose behalf they are signing.
- 6.27 No Merger In the event the Land Trust acquires all or a portion of the fee title to the Easement Property, the Parties intend that no merger of title will occur that would merge the restrictions of this Easement with fee title to the Easement Property and thereby eliminate them, and that the restrictions on the use of the Easement Property, as embodied in this Easement, would remain permanent and perpetual restrictions on the use of the Easement Property.

TO HAVE AND TO HOLD unto McKenzie River Trust and its successors and assigns forever.

{Signature Pages to Follow}

IN WITNESS WHEREOF, _____, as grantor, has executed this Conservation Easement this [Date] day of [Month Year].

GRANTOR: [NAME]

Signed: _____

STATE OF OREGON	}	ss.
COUNTY OF LINCOLN		

On this day personally appeared before me, [Name], known to me to be the individual who executed the foregoing instrument, and acknowledged such instrument to be the free and voluntary act and deed of such individual for the uses and purposes therein mentioned, and on oath stated he was duly authorized to execute such instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this [Date] day of [Month Year]



 Printed Name:
 NOTARY PUBLIC in and for the State of Oregon, residing
 at _____.
 My Commission Expires

ACCEPTANCE

IN WITNESS WHEREOF, the [Name], as grantee, has hereby duly accepted the foregoing Conservation Easement this [Date] day of [Month Year] on behalf of itself and its successors and assigns.

LAND TRUST: [Name]

Signed: _____

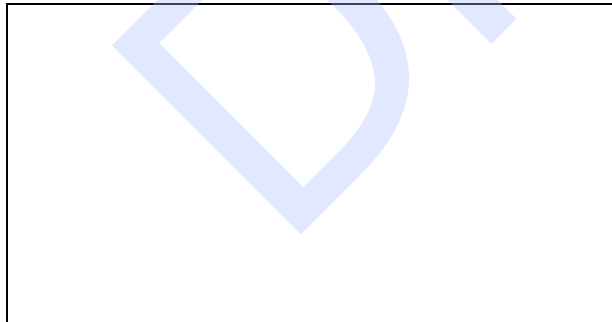
Name:

Title: Board Chair

STATE OF OREGON	}	SS.
COUNTY OF LINCOLN		

On this day personally appeared before me, [Name], known to me to be Board Chair of the [Name], the Oregon nonprofit corporation that executed the foregoing instrument, and acknowledged such instrument to be the free and voluntary act and deed of such corporation for the uses and purposes therein mentioned, and on oath stated that he was duly authorized to execute such instrument on behalf of such corporation.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this [Date] day of [Month Year]



Printed Name:

NOTARY PUBLIC in and for the State of Oregon, residing at _____.

My Commission Expires _____

DRAFT

EXHIBITS

Exhibit A Legal Description of Easement Property

Exhibit B Map of Management Zones

[If applicable] Exhibit B-1 Legal Description(s) of Zone(s)

Exhibit C Map of Improvements

Exhibit D Acknowledgment of Baseline Documentation Report

The following report, on file at the office of the [Name], is also incorporated by reference into this Easement:

Baseline Documentation Report, dated [Day Month Year]

EXHIBIT A
Legal Description of Easement Property

DRAFT

[EXHIBIT A-1
Legal Description of Tax Lot [#] of which Easement Property is a part]

DRAFT

EXHIBIT B
Map of Survey [Management Zones]

DRAFT

[EXHIBIT B-1
Legal Description of Zone]

DRAFT

EXHIBIT C
Map of Improvements

DRAFT

EXHIBIT D
ACKNOWLEDGEMENT of BASELINE DOCUMENTATION REPORT

[paste jpeg of signed doc. from BDR here]

DRAFT

Original in 11-11-21

GRANTOR:
Jack Stocker and
Lily Stocker
GRANTEE:
City of Newport

AFTER RECORDING
RETURN TO:
City Recorder
City of Newport
810 SW Alder Street
Newport, Oregon 97365

UNTIL A CHANGE IS REQUESTED
SEND TAX STATEMENTS TO:
City Recorder
City of Newport
810 SW Alder Street
Newport, Oregon 97365

WARRANTY DEED

Jack Stocker and Lily Stocker, husband and wife, Grantors, convey and warrant to the City of Newport, a municipal subdivision of the State of Oregon, Grantee, the following described real property free of encumbrances except as specifically set forth herein, situated in Lincoln County, Oregon, to-wit:

PARCEL I:

Tidelands in front of and adjacent to U.S. Lot 5, Section 22, Township 11 South, Range 11 West, Willamette Meridian, in Lincoln County, Oregon.

11-11-22C
4200

PARCEL II:

Tidelands adjacent to U.S. Lot 8, Section 27, Township 11 South, Range 11 West, Willamette Meridian, in Lincoln County, Oregon.

11-11-28
100

NOW
11-11-27
3100

PARCEL III:

Tidelands adjacent to U.S. Lots 1 and 2, Section 28, Township 11 South, Range 11 West, Willamette Meridian, in Lincoln County, Oregon.

11-11-28
201

EXCEPTING therefrom any portion, if any, lying within that tract conveyed by Dennis S. Lund and Gary G. Gibson to Becker Industries, Inc., by instrument recorded June 4, 1975, in Book 56, page 1977, Microfilm Records for Lincoln County, Oregon.

PARCEL IV:

Tidelands adjacent to Lot 1, Section 33, Township 11 South, Range 11 West, Willamette Meridian, in Lincoln County, Oregon.

11-11-33
100

SOLA TO CENTRAL COAST LAND CONSERVANCY
INST # 200803760 (NOW WIEFLANDS CONSERVANCY
201611029

PARCEL V:

Tidelands lying with the northwest quarter of the southeast quarter in Section 21, Township 11 South, Range 11 West, Willamette Meridian, in Lincoln County, Oregon, being adjacent to that tract described by instrument recorded June 14, 1995, in Book 301, page 884, Film Records to Alan S. Crandall, et ux, and adjacent to that portion of the northwest quarter of the southeast quarter described in instrument recorded February 23, 1967, in Book 275, page 264, Deed Records to William E. Rowe, et ux.

11-11-21
1190

The said property is free from encumbrances except:

1. The rights of the public in and to that portion of the herein described property lying within the limits of public roads, streets or highways.
2. "Right-of-way for County roads as now surveyed and located" as set forth in instrument recorded March 2, 1945, in Book 103, page 120 (affects Parcels I, II, III and IV). Exact location unknown.

B311 P0120

3. "Easement granted to West Coast Power Co. for right-of-way for powerline and poles" as set forth in instrument recorded March 2, 1945, in Book 103, page 120 (affects Parcels I, II, III and IV). Exact location unknown.

4. Leases granted to U.S. Coast Guard for harbor light stations, as set forth in instrument recorded March 2, 1945, in Book 103, page 120 (affects Parcels I, II, III and IV). Exact location unknown.

5. The right, title and interest of Jan Marie Lorene Rowe Oates, if any, as set forth in instrument recorded October 4, 1985, in Book 165, page 701 (affects Parcel V).

6. Any adverse claim based on the assertion that any portion of said land was not tide, submerged or submersible land subject to disposition by the State of Oregon, or that any portion thereof has ceased to be submerged or submersible lands by reason of erosion or by reason of having become upland by accretion.

7. Rights and easements for commerce, navigation, recreation and fishery.

The true consideration for this conveyance is none, but there is other good and valuable consideration, this being a donation to the Grantee.

Dated this 29 day of December, 1995.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY LIMITS OR LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930.

Jack Stocker

Jack Stocker

Lily Stocker

Lily Stocker

STATE OF OREGON)
) ss.
County of Lincoln)

December 29, 1995

Personally appeared the above named Jack Stocker and Lily Stocker and acknowledged the foregoing instrument to be their voluntary act and deed.

Before me:



(12-2695\CNPT158e wd)

Amy E. Purdom

Notary Public for Oregon
My commission expires: 8-6-99

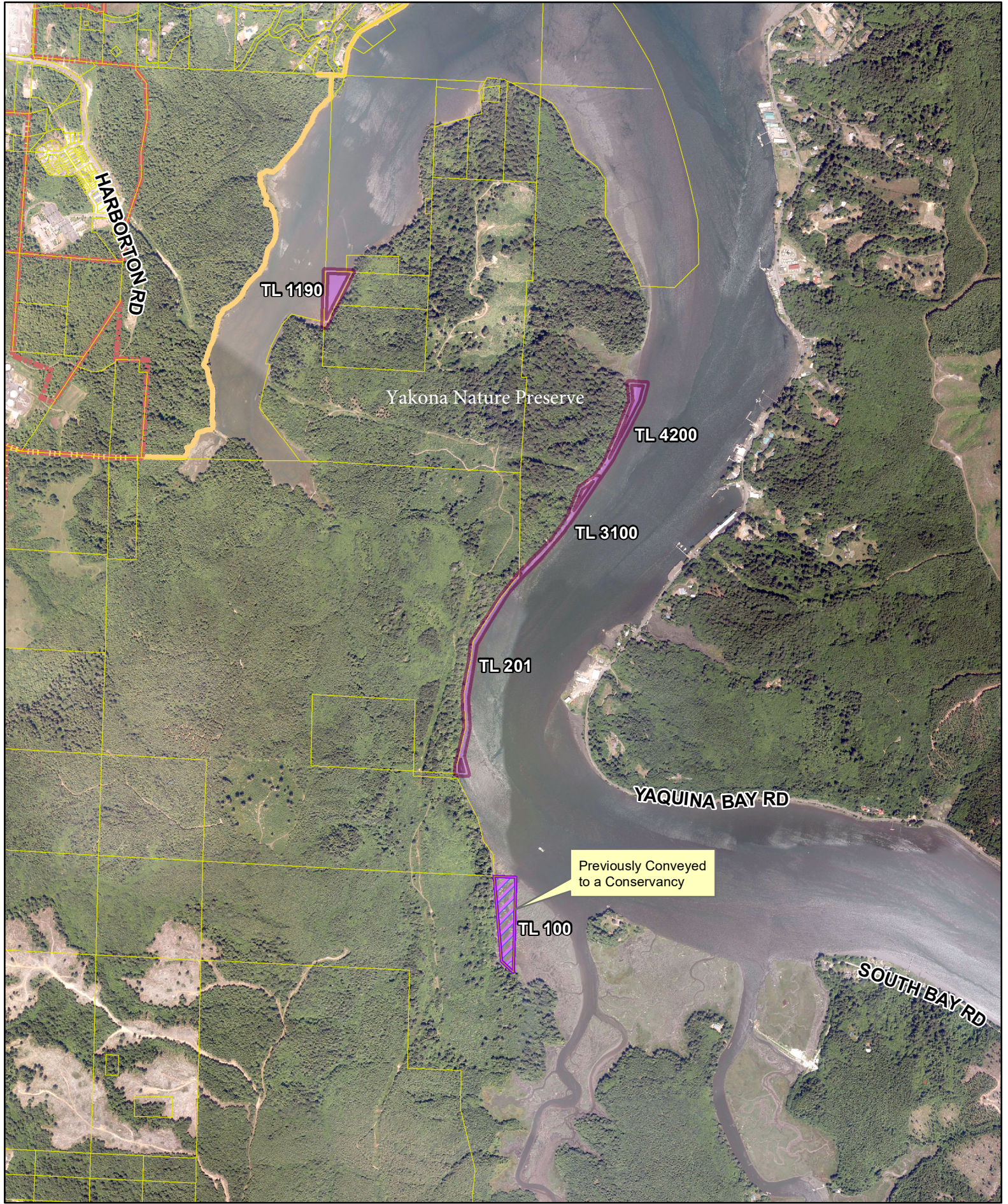
STATE OF OREGON } ss.
County of Lincoln }
I, Dana W. Jenkins, County Clerk, in and for said county, do hereby certify that the within instrument was received for record, and recorded in the Book of Records of said county at Newport, Oregon.
Book 311 Page 0119
WITNESS my hand and seal of said office affixed.

Dana W. Jenkins

DANA W. JENKINS, Lincoln County Clerk



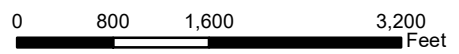
Doc : 6146716
Rect: 61940 36.00
12/29/1995 03:54:54pm



City of Newport
 Community Development Department
 169 SW Coast Highway
 Newport, OR 97365
 Phone: 1.541.574.0629
 Fax: 1.541.574.0644

City of Newport Owned Tidelands
(Bk. 311, Pg. 0119)

Image Taken July 2018
 4-inch, 4-band Digital Orthophotos
 Quantum Spatial, Inc. Corvallis, OR



This map is for informational use only and has not been prepared for, nor is it suitable for legal, engineering, or surveying purposes. It includes data from multiple sources. The City of Newport assumes no responsibility for its compilation or use and users of this information are cautioned to verify all information with the City of Newport Community Development Department.



YAKONA

HOME VISION THE PRESERVE HISTORY
ABOUT ENGAGE GALLERY



LAND ACKNOWLEDGEMENT

The lands comprising the Yakona Nature Preserve & Learning Center encompass a portion of the ancestral homeland of the Yaqo'n people, who have lived in the region for millennia. Contact with European trade ships and fur trappers introduced smallpox, measles, and other diseases for which indigenous people had no immunities, and racial injustices led to outright massacres of scores of native people. Consequently, by the middle of the 19th century, approximately 80% of the Yaqo'n population was eliminated. What had been as many as 700 individuals was reduced to approximately 80.

White settlers colonizing what was to become the State of Oregon in the 19th century led to well-documented genocide across the land, from which the Yaqo'n did not escape. The creation of the Siletz Reservation in 1855 was ostensibly intended to provide indigenous people a safe haven, and many tribes from across western Oregon and northern California were rounded up and forcibly moved to it. The local Yaqo'n were now living amongst other tribes who had different languages, customs, and ways of life.

The promise of protection was short lived – by 1865, the federal government carved the Yaquina watershed out of the Siletz Reservation and opened it to white colonists, who were allowed to take the homes of the Yaqo'n and other indigenous people living on the Siletz Reservation for their own. Marginalized, the native people lived and worked among the recent immigrants, but by the beginning of the 20th century, the Yaqo'n had been reduced to less than 15 individuals. Today, one large extended family enrolled with the Confederated Tribes of Siletz Indians can trace their ancestry to the Yaqo'n people.

We must never forget how this country was taken from its indigenous populations. With every European "discovery" of the riches this land offered, the injustices of genocide, relocation and subsequent habitat destruction followed. The story of the Yaqo'n and other indigenous peoples across the state and nation has been repeated innumerable times. With respect to those who have gone

before, the Yakona Nature Preserve & Learning Center will ensure that all who visit are educated in the history of the land and its indigenous people, and welcomed and embraced as stewards and partners in its mission.



BECOME A FRIEND OF YAKONA

Friends of Yakona are notified of upcoming group hikes and events, and are offered volunteer engagement opportunities

<input type="text"/>	<input type="text"/>
First Name	Last Name
<input type="text"/>	
Email Address	

Sign Up

Yakona Nature Preserve is a 501(c)(3) private operating foundation. Our federal tax ID number is 82-2403781

Yakona Learning Center is a 501(c)(3) public charity. Our federal tax ID number is 88-3696351



**NOTICE OF PUBLIC HEARING
BEFORE THE NEWPORT CITY COUNCIL
REGARDING THE POTENTIAL SALE OF
SUBSTANDARD UNDEVELOPED PROPERTIES
LOCATED ALONG THE YAQUINA BAY ESTUARY**

The City Council of the City of Newport will hold a public hearing on Tuesday, January 2, 2024 at 6:00 P.M. in the City Hall Council Chambers (169 SW Coast Hwy), regarding the potential sale of four substandard undeveloped tideland properties to the Yakona Nature Preserve in the amount of \$5,870. The properties would be placed in conservancy. The properties are identified by the Lincoln County Assessor as Tax Map 11-11-22-C0, Tax Lot 200; Tax Map 11-11-27-00, Tax Lot 3100; Tax Map 11-11-28-00, Tax Lot 201; and Tax Map 11-11-21-00, Tax Lot 1190. A copy of the proposed real estate contract, and other documentation setting up the nature and general terms of the proposed sale, will be available for public review at the hearing.

The City Council, at a prior hearing, determined that the subject property is not needed for public purposes and can be sold. This hearing is being held to solicit public testimony on the terms of the sale of the properties to Yakona Nature Preserve. Interested parties are encouraged to testify at the hearing.

Persons wishing to provide comment may do so by sending an email to: publiccomment@newportoregon.gov or for more information, please feel free to contact Erik Glover, Assistant City Manager/City Recorder, at 541-574-0613 or e.glover@newportoregon.gov.

¹ Notice of this action is being sent to the affected property owners within 300 feet of the subject properties according to Lincoln County tax records.

**CITY OF NEWPORT
CITY MANAGER
169 SW COAST HWY
NEWPORT, OR 97365**

**EMERY INVESTMENTS INC
2712 SE 20TH AVE
PORTLAND, OR 97202**

**KINGS FOREST LLC
PO BOX 613
NEWPORT, OR 97365**

**STOCKER NICHOLAS ROBERT
25 N LOMBARD ST
PORTLAND, OR 97217**

**YAKONA NATURE PRESERVE
PO BOX 870
NEWPORT, OR 97365**

**YAQUINA BAY KINGS
SHELLFISH LLC
PO BOX 64
NEWPORT, OR 97365**

**Yaquina Bay Undeveloped Property Sale
Notification Mailing List**

Owners within 300 feet of 4 tax lots

Mailed 12/19/2023

**NOTICE OF PUBLIC HEARING
BEFORE THE NEWPORT CITY COUNCIL
REGARDING THE POTENTIAL SALE OF
SUBSTANDARD UNDEVELOPED PROPERTIES
LOCATED ALONG THE YAQUINA BAY ESTUARY**

The City Council of the City of Newport will hold a public hearing on Tuesday, January 2, 2024 at 6:00 P.M. in the City Hall Council Chambers (169 SW Coast Hwy), regarding the potential sale of four substandard undeveloped tideland properties to the Yakona Nature Preserve in the amount of \$5,870. The properties would be placed in conservancy. The properties are identified by the Lincoln County Assessor as Tax Map 11-11-22-C0, Tax Lot 200; Tax Map 11-11-27-00, Tax Lot 3100; Tax Map 11-11-28-00, Tax Lot 201; and Tax Map 11-11-21-00, Tax Lot 1190. A copy of the proposed real estate contract, and other documentation setting up the nature and general terms of the proposed sale, will be available for public review at the hearing.

The City Council, at a prior hearing, determined that the subject property is not needed for public purposes and can be sold. This hearing is being held to solicit public testimony on the terms of the sale of the properties to Yakona Nature Preserve. Interested parties are encouraged to testify at the hearing.

Persons wishing to provide comment may do so by sending an email to: publiccomment@newportoregon.gov or for more information, please feel free to contact Erik Glover, Assistant City Manager/City Recorder, at 541-574-0613 or e.glover@newportoregon.gov.

Published: Newport News-Times
Wednesday, December 20, 2023

Ron Pruett Construction, LLC

	2			5	
	7	3		6	
9			7		
					159
					5

DIFFICULTY THIS WEEK:

SUDOKU 数独

Sudoku is a number-placement puzzle based on a 9x9 grid with some numbers.

The object is to place the numbers 1 through 9 in the empty squares so that each column and each 3x3 box contains the same number only once.

PUBLIC NOTICES

12/20/2023

NOTICE OF PUBLIC HEARING DEPOE BAY PLANNING COMMISSION WEDNESDAY, JANUARY 10, 2024, 6:00 P.M. APPLICATION FOR CONDITIONAL USE PERMIT

CASE FILE #4-CU-PC-23
APPLICANT: Owner - Bay View Investments, LLC Agent - Same as owner

REQUEST: The applicant requests a Conditional Use Permit for a 2-unit townhouse development to be used as a tourist accommodation, where the proposed off-street parking provided will not comply with the requirements of Section 152.136(Q)(e) of the Depoe Bay Zoning Ordinance.

APPLICABLE CRITERIA: Depoe Bay Zoning Ordinance

a) Section 152.030: Retail Commercial Zone C-1
b) Section 152.031: C-1 Zone Design Standards and Guidelines
c) Section 152.058: Off-Street Parking and Off-Street Loading Requirements
d) Sections 152.130-152.136: Conditional Uses
e) Section 152.136(Q): Townhouse Developments

LOCATION:

The subject property is located in the 300-block of NE Williams Street, and is further identified on Lincoln County Assessor's Map 09-11-05CA as Tax Lot 17802.

APPLICATION MATERIALS: Application materials, documents and evidence submitted by or on behalf of the applicant are available for inspection at City Hall and can be obtained at cost. Documents or evidence submitted by the applicant after 20 days prior to the hearing constitutes grounds for a continuance of the hearing if any party requests such a continuance. Copies of the staff report for this case are also available for review and may be purchased at Depoe Bay City Hall, 570 SE Shell Avenue, seven days prior to the hearing.

TESTIMONY: Testimony may be submitted in written or oral form. Oral testimony will be taken during the course of the public hearing. Failure to raise an issue in a hearing, either in person or in writing, or failure to provide statements/evidence sufficient to afford the Planning Commission an opportunity to respond to the issues precludes appeal to the Land Use Board of Appeals on that issue. The comment period for written testimony expires Wednesday, January 10, 2024, at 4:00 p.m. Send letters to Depoe Bay City Hall or email planner@cityofdepobay.org. **CONTACT:** Kit Fox, AICP, City Planner (541) 765-2361 x15, planner@cityofdepobay.org

TIME/PLACE: Wednesday, January 10, 2024, 6:00 P.M., Depoe Bay City Hall, 570 SE Shell Avenue, Depoe Bay, OR 97341. Mail comments to P.O. Box 8, Depoe Bay, OR 97341. Depoe Bay City Hall is accessible to the disabled. If special accommodations are needed, please contact the City Recorder at (541) 765-2361 forty-eight hours in advance of the meeting so that appropriate assistance can be provided.

APPS CONDITIONAL USES #4-CU-PC-23 BAY VIEW INVESTMENTS LLC/NOTICE. D20 21-20

CITY OF LINCOLN CITY NOTICE OF SYSTEM DEVELOPMENT CHARGE METHODOLOGY PUBLIC HEARING

DATE: MARCH 25, 2024

The City of Lincoln City hereby issues a 90-day public notice, pursuant to ORS 223.304, of its intent to update its Parks and Transportation System Development Charges. A draft technical report addressing the methodology and calculation of the proposed charges will be available for review on January 25, 2024 at City Hall or by contacting the City of Lincoln City (see contact information below). A public hearing to take comments regarding the proposed system development charges is scheduled for 6:00 p.m. March 25, 2024 at Lincoln City Council Chambers. If you wish to comment but cannot attend the public hearing, please address written comments as follows: City of Lincoln City,

Attention: Stephanie Reid, Public Works Director/City Engineer, 801 SW Hwy 101, Third Floor, PO Box 50, Lincoln City, OR 97367, (541) 992-1236 Or by email: sreid@lincolncity.org

Written comments about the system development charge methodology must be received by the public hearing date to be considered. D20 20-20

PUBLIC SALE

On December 26th, 2023 at 11:00 AM, a public sale will be held at Ideal Storage, 134 NE Metcalf Ave Siletz, OR 97380: Joel Swenson - S003, Carolyn McRoberts - S072, Darcy Moffett - S010

On December 26th, 2023 at 2:00 PM, a public sale will be held at Ideal Storage, 5441 W. Hwy 20, Toledo, OR 97391: Carolyn McRoberts - T0845

On December 28th, 2023 at 2:00 PM, a public sale will be held at Ideal Storage, 235 SW Dahl Ave, Waldport, OR 97394: Chris Corcoran - WE104, Tom O'Connell - WE106. Minimum bid \$50.00 Cash only. D13 D20 17-20

PUBLIC NOTICE

Notice is hereby given that the Port of Newport claims a lien in the amount claimed below pursuant to ORS 87.152, for the reasonable and agreed charges for labor and materials, storage or services provided at the request of the owner or lawful possessor of the following described personal property:

Personal property: Mongoose; Official number: OR 006JY; Reputed owner: Kristie Bowman RE; Mongoose; Last known address: 362 West 19th Avenue, Eugene, OR 97401; Security interest holder: None; Amount of claim of lien: \$5,887.89 (which includes storage of property and accrued late charges until sale date, and costs of lien foreclosure). The Port of Newport has retained the property for at least 60 days from the date when the charges for services provided were due. Notice is hereby given that unless the lien is paid prior to the date set forth for sale below, said property will be sold to the highest bidder. The

successful bidder must pay 10% of the bid price in cash, Credit Card or certified check immediately upon being declared the successful bidder. The balance of the bid price is to be paid in cash, Credit Card, or certified check within one day of offering the successful bid. The lien claimant may bid part or all of the lien amount claimed, plus storage and foreclosure sale expenses, which will be an offset against the lien amount. Minimum bid is \$4,500.00. Bids accepted until: January 14, 2024 10:00 a.m. Email bids to: mbrown@portofnewport.com OR drop bid off at: Port of Newport, 600 S.E. Bay Blvd., Newport, OR 97365 Bid forms can be found online at www.portofnewport.com or at the address listed above. The sale of the property will be "as is, where is" and there are no representations by the lien claimant as to the condition of the property or its title. Any person wishing to inspect the property prior to the sale may do so during normal business hours, by contacting the Harbormaster at 541-270-5557. D13, D20 16-20

NOTICE OF PUBLIC HEARING BEFORE THE NEWPORT CITY COUNCIL REGARDING THE POTENTIAL SALE OF SUBSTANDARD UNDEVELOPED PROPERTIES LOCATED ALONG THE YAQUINA BAY ESTUARY

The City Council of the City of Newport will hold a public hearing on Tuesday, January 2, 2024 at 6:00 P.M. in the City Hall Council Chambers (169 SW Coast Hwy), regarding the potential sale of four substandard undeveloped tideland properties to the Yakona Nature Preserve in the amount of \$5,870. The properties would be placed in conservancy. The properties are identified by the Lincoln County Assessor as Tax Map 11-11-22-C0, Tax Lot 200; Tax Map 11-11-27-00, Tax Lot 3100; Tax Map 11-11-

28-00, Tax Lot 201; and Tax Map 11-11-21-00, Tax Lot 1190. A copy of the proposed real estate contract, and other documentation setting up the nature and general terms of the proposed sale, will be available for public review at the hearing. The City Council, at a prior hearing, determined that the subject property is not needed for public purposes and can be sold. This hearing is being held to solicit public testimony on the terms of the sale of the properties to Yakona Nature Preserve. Interested parties are encouraged to testify at the hearing. Persons wishing to provide comment may do so by sending an email to: publiccomment@newportoregon.gov or for more information, please feel free to contact Erik Glover, Assistant City Manager/City Recorder, at 541-574-0613 or e.glover@newportoregon.gov. D20 14-20

NOTICE OF SHERIFF'S SALE #23-1135

On January 23rd, 2024, at the hour of 10:00 a.m., at the Lincoln County Courthouse, 225 W Olive St, Room 203, in the City of Newport, Oregon, the defendant's interest will be sold, subject to redemption, in the real property commonly known as: 4634 Se Lee Avenue, Lincoln City, OR 97367. The court case number is 23CV13263, PENNYMAC LOAN SERVICES, LLC, plaintiff(s) vs. UNKNOWN HEIRS AND DEVISEES OF JAMES ALBERT DERHAM; JOSEPH DEWEESE; DONNA OLSON; PARTIES IN POSSESSION defendant(s). This is a public auction to the highest bidder for cash or cashier's check, in hand. For more details go to <http://www.oregon-sheriffssales.org/county/lincoln/> D13, D20, D27, J3 13-03

NOTICE TO INTERESTED PERSONS IN THE CIRCUIT COURT OF THE STATE OF OREGON FOR THE COUNTY OF LINCOLN In the Matter of the Estate of JOSEPH DUANE PELTIER, Deceased. Case

No. 23PB06784 NOTICE TO INTERESTED PERSONS

NOTICE IS HEREBY GIVEN that the undersigned has been appointed personal representative. All persons having claims against the estate are required to present them with vouchers attached, to the undersigned personal representative at 216 Ovaletta Drive, Justine, TX 76247, within four months after the date of first publication of this notice, or the claims may be barred. All persons whose rights may be affected by the proceedings may obtain additional information from the records of the Court, the personal representative, or the lawyers for the personal representative, Traci P. McDowall. Dated and first published on December 8, 2023. /s/ Traci P. McDowall, Traci P. McDowall, OSB #184063, Attorney for Personal Representative. PERSONAL REPRESENTATIVE: Bryce Peltier, 216 Ovaletta Drive, Justine, TX 76247, (410)491-8828. LAWYER FOR PERSONAL REPRESENTATIVE: Traci P. McDowall, OSB #184063, PO Box 1987, Newport, OR 97365, (541) 272-5500, traci@yaquinalaw.com D8, D13, D20 11-20

NOTICE TO INTERESTED PERSONS

Claims against the Estate of Eugene L. Law, Deceased, Lincoln County Circuit Court Case No. 23PB10061, are required to be presented to the Personal Representative, Ann Strickler, c/o Alan Lanker, 810 SW Madison Ave., Corvallis, OR 97333, within four (4) months from December 8, 2023, the date of first publication, or such claims may be barred. Any person whose rights may be affected by the proceeding may obtain additional information from the records of the court, the Personal Representative, or the attorneys for the Personal Representative, MAREK & LANKER, LLP, Attorneys. D8, D13, D20 08-20

NOTICE TO INTERESTED PERSONS CIRCUIT COURT OF ORE-

GON Proba the M of NE JOU, NO. 2 TO IN SONS given t has be has qu sonal r estate. claims are he present proper four mc of first notice, to the p tative & Snel Tualatin or barred. rights n the pro estate r tional i the recd the per: tive, or tl persona Dated at this 8th o 2023. Pe tative/Att Snell, OC tin, Elliot P.O. Bo. Oregon ; D20 07-2

NOTIC H DEPOE I COI WEDNES 10, 20 APPLI GEO' REPO CASE I

APPLICA CA & Brid - Same as REQUES cant requ cal Repor new, sing ing on NE APPLICA RIA: Depc Ordinance 152.029: F R-5, b) Se Off-Street Off-Street Section 15 tion of St Wetlands, Areas, d) S Geologic P LOCATION Property is

COMMENTS ABOUT PROPOSED AGREEMENT FOR SALE OF CITY-OWNED TIDELAND PARCELS
(Comments by Mark Arnold on 1/2/2024)

I live inside the Newport Urban Growth Boundary and own tideland inside and outside the City limits.

I recommend the City Council delay final consideration of the proposed sale.

First, the planned Yakona-McKenzie conservation easement is only a partial draft agreement, not provided in final form for review. A final agreement may affect adjacent property owners who have access over Yakona property.

Second, the title report is not yet available for public review and comment. The City should retain authority to disapprove it. Several previously recorded deeds have language about tidelands that is contrary to Oregon law and Oregon Supreme Court decisions.

- Language that says all tideland in estuaries is subject to the Oregon “Beach Bill” is contrary to law. (The “Beach Bill” only applies to beaches directly facing the Pacific Ocean.)
- Language that says the State has title to all tideland below mean high tide is contrary to Oregon law. (Oregon law adopted in 1885 and confirmed by an Oregon Supreme Court decision in 1912 provided a grant of all tideland in the Yaquina Bay estuary, including Kings Slough, into non-State ownership.)

Third, documents proposed for recording are not yet available for public review and comment.

In addition, section 10.9.2 can be simplified so it focuses solely on the four tidal parcels.

- Instead of incorporating Exhibit C by reference, which is outside the scope of this hearing, this section can be rewritten simply to say that one of the items to be provided prior to closing is “a duly executed and acknowledged conservation easement, as defined in ORS 271.715(1), with a holder of the conservation easement, as defined in ORS 271.715(3), for the Property described in Exhibit A.” (See attached ORS provisions.)
- The proposed Yakona-McKenzie easement would satisfy these provisions.
- There is no need for the City Council to approve all the details in Exhibit C that are outside the purview of the City and outside the scope of this hearing.

Final documents should be made available for public review and comment before the City signs the deed. As a property owner of tideland and upland, and on behalf of other owners of tideland, filled tideland and upland, I am asking the City to provide “due process” and to preserve, not damage, existing property rights.

Chapter 271 — Use and Disposition of Public Lands Generally; Easements
2021 EDITION

USE OF PUBLIC LANDS; EASEMENTS

PUBLIC LANDS

CONSERVATION AND HIGHWAY SCENIC PRESERVATION EASEMENTS

(Excerpt)

271.715 Definitions for ORS 271.715 to 271.795. As used in ORS 271.715 to 271.795, unless the context otherwise requires:

(1) “Conservation easement” means a nonpossessory interest of a holder in real property imposing limitations or affirmative obligations the purposes of which include retaining or protecting natural, scenic, or open space values of real property, ensuring its availability for agricultural, forest, recreational, or open space use, protecting natural resources, maintaining or enhancing air or water quality, or preserving the historical, architectural, archaeological, or cultural aspects of real property.

(2) “Highway scenic preservation easement” means a nonpossessory interest of a holder in real property imposing limitations or affirmative obligations the purposes of which include retaining or protecting natural, scenic or open space values of property.

(3) “Holder” means:

(a) The state, any county, metropolitan service district, soil and water conservation district, city or park and recreation district or a county service district established under ORS 451.410 to 451.610 to construct, maintain and operate service facilities in Washington or Clackamas Counties for the purposes specified in ORS 451.010 (1)(a) and (b) and in Washington County for the purpose specified in ORS 451.010 (5) acting alone or in cooperation with any federal or state agency, public corporation or political subdivision;

(b) A charitable corporation, charitable association, charitable trust, the purposes or powers of which include retaining or protecting the natural, scenic, or open space values of real property, assuring the availability of real property for agricultural, forest, recreational, or open space use, protecting natural resources, maintaining or enhancing air or water quality, or preserving the historical, architectural, archaeological, or cultural aspects of real property; or

(c) An Indian tribe as defined in ORS 97.740.

(4) “Third-party right of enforcement” means a right provided in a conservation easement or highway scenic preservation easement to enforce any of its terms granted to a governmental body, charitable corporation, charitable association or charitable trust, which, although eligible to be a holder, is not a holder. [1983 c.642 §1; 1985 c.160 §1; 1997 c.249 §78; 1999 c.208 §1; 2001 c.708 §12; 2001 c.907 §2; 2003 c.467 §1; 2005 c.368 §1]

CITY MANAGER REPORT AND RECOMMENDATIONS



Meeting Date: January 2, 2024

Agenda Item:

From the Lincoln County Homeless Advisory Board - Resolution No. 4006 Supporting the Recommendations for Addressing Homelessness in Lincoln County and Continuation of Lincoln County Homeless Response Advisory Board.

Background:

At the November 20, 2023 City Council meeting, the City Council heard a detailed report from Ernest Stephen from Morant McLeod outlining the findings from Morant McLeod regarding homelessness in Lincoln County. The final draft of the report is being presented to the local units of government for review. Section 6 beginning on page 117 provides the strategic recommendations for addressing homelessness in Lincoln County. There are five recommendations that include the following: 1.) a recommendation that the Lincoln County Homeless Advisory Board continue as a permanent body; 2.) strategic goal adoption utilizing the progression of a support model to reduce homelessness to manageable levels, and utilizing a phased support approach to set a realistic structured path to address this complex issue; 3.) leverage funding to look at the unique strengths of each of the municipalities in the county to address these needs and create an attractive landscape for state and federal funding; 4.) implement a navigation system for Lincoln County; 5.) integrate local efforts to address various aspects of homelessness.

These are my summaries of the recommendations. For further details please review pages 117 to 131 of the report issued by Moran McLeod. Ernest Stevens will be available via Zoom to answer any questions regarding the recommendations.

Recommendation:

I recommend that the City Council consider the following motion:

I move to adopt Resolution No. 4006, a resolution supporting the strategy outlined in the report from Morant McLeod including the continuation of the Lincoln County Homeless Response Advisory Board as a tool to implement the recommendations outlined in this plan.

Fiscal Effects:

None directly by adoption of the plan. Financing will likely be necessary in order to implement the various phases of this plan. The adoption of this resolution does not commit the City or any other entities to any specific financial contribution towards this effort.

Alternatives:

Do not adopt the plan, or as suggested by the City Council.

Respectfully submitted,

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

Spencer Nebel
City Manager



MORANT MCLEOD

Where We Call Home: Strategic Plan for Lincoln County Homelessness Advisory Board

©2023

Stephens E., Aiosa C., Brito L., Day K., Meeks Z., Merkushin A.,
Sadsad A., Stevick D., Yarde C., Young T.

Acknowledgements

As we present this report, we extend our heartfelt thanks to all those who have contributed to this comprehensive research on homelessness in Lincoln County. Your insights, expertise, and unwavering commitment have been indispensable in our pursuit of understanding and addressing this complex issue.

We express our sincere gratitude to the members of the Lincoln County Homeless Advisory Board (LCHAB) for their guidance and dedicated efforts. Their contributions have been fundamental in shaping the strategic goals and recommendations outlined in this report. Special appreciation goes to the various government officials, both at the local and state levels, for their support and collaboration. Their willingness to coordinate policies and funding has been crucial in developing an integrated approach to tackling homelessness.

We are profoundly thankful to the community organizations, non-profits, and service providers who work tirelessly on the front lines. Your dedication to serving the unhoused population of Lincoln County is truly inspiring. The insights and data provided by these organizations have been vital in shaping our understanding of the issue. Our gratitude also extends to the healthcare providers, housing developers, and employers in the private sector who have engaged with us in this effort. Your participation has enriched our perspective and will undoubtedly contribute to the success of our collective efforts.

We must also acknowledge the invaluable contributions of smaller organizations and individuals who, despite resource limitations, have actively participated and provided essential data and insights. Your involvement has been key in ensuring a comprehensive and inclusive approach.

Finally, we thank the residents of Lincoln County for their input and engagement. Your experiences and feedback have been critical in making this research as grounded and relevant as possible.

This report is a testament to what can be achieved through collective effort and shared commitment. Together, we move forward with renewed determination to address homelessness in Lincoln County, inspired by the collaboration and unity demonstrated by all involved. Thank you for your indispensable contributions to this important work.

Thank you

Judy Casper, City of Lincoln City
 Jan Kaplan, City of Newport
 Rod Cross, City of Toledo
 Rick Booth, City of Waldport
 Pegge McGuire, Community Services Consortium
 Susan Trachsel , City of Siletz
 Claire Hall, Lincoln County
 Kathy Short, City of Depoe Bay
 Ann Stott, City of Yachats
 Mitch Parsons, City of Lincoln City
 Cynthia Jacobi, City of Newport
 Betty Kamikawa, City of Toledo
 Greg Holland, City of Waldport
 Dina Eldridge, Community Services Consortium
 Tina Retasket, City of Siletz
 Kaety Jacobson, Lincoln County
 Mary Ellen O’Shaughnessey, City of Yachats
 Sandi Hollenbeck, City of Depoe Bay
 Lisa Norton, Confederated Tribes of Siletz Indians
 Sami Jo Difuntorum, Confederated Tribes of Siletz Indians
 Karen Rockwell, Housing Authority of Lincoln County
 Daphnee Legarza, City of Lincoln City
 Spencer Nebel, City of Newport
 Judy Richter, City of Toledo
 Dann Cutter, City of Waldport
 Heide Lambert, City of Yachats
 Tim Johnson, Lincoln County

Erik Glover, City of Newport
 Derrick Tokos, City of Newport
 Dean Sawyer, City of Newport
 Peggy Hawker, City of Newport
 Travis Reeves, City of Newport
 Richard Dutton, City of Newport
 Sheila Stiley, Northwest Coastal Housing
 Lola Jones, Samaritan House
 Amanda Cherryholmes, Coastal Support Services
 Elizabeth Reyes , Family Promise of Lincoln County
 Onno Husing, Lincoln County
 Woody Crobar, Lincoln County School District
 Gary Lahman, Community Member
 Chasse Davidson, Newport Visual Arts Center
 Jayne Romero, Lincoln County
 Barbara Chester, City of Siletz
 Lisa Norton, City of Siletz
 Elizabeth Reyes, Family Promise of Lincoln County
 Nancy Mitchell, Food Share Lincoln County
 Lucinda Taylor, Habitat Lincoln County
 Will Quillian, Oregon Coast Community College
 Wiley Thompson, Oregon State University
 Ann Siglio, Community Member
 Gary Lahman, Community Member
 Mike Broili, Community Member
 Keith Barnes, Lincoln County Veterans
 Kiera Morgan, Grace Winds

Special thank you to the 103 anonymous unhoused and supporting individuals who contributed to this report.

Thank you

Samaritan North Lincoln Hospital
Samaritan Pacific Communities Hospital
Newport Center For health And Wellness
Samaritan Lincoln City Medical Center
Adventist Health Bayshore Medical-Lincoln City
Samaritan Coastal Clinic
Samaritan Depoe Bay Clinic
Family Medical Clinic-Newport
Lincoln City VA Clinic
Newport VA Clinic
Pacific West
Olalla Center
Centro de Ayuda
Secure Transport Northwest
Lincoln County Sheriff Department
Newport Police Department
Oregon State Police
Toledo Police Department
Lincoln City Police
Lincoln County Jail
North Lincoln Fire & Rescue
Toledo Fire Department
Evergreen Community Partners
Oregon Employment Department

Lincoln County Child & Family Mental Health
Pacific Counseling Services
Discovery Counseling
Lincoln Community Health Center
Lincoln CountyHealth and Human Services
Lincoln County Community Health Center
Lincoln County Community Health Center Newport
Siletz Community Health Clinic
Powerhouse Detox
Phoenix Wellness Center
Equinox Clinics
Reconnections
CHANCE
Capacity Commercial
Lincoln County VA Clinic
Olalla Center
Capacity Commercial
Central Oregon Coast Fire & Rescue
Probation & Parole Lincoln County
Probation & Parole Lincoln County
Community Corrections
Parole Office Newport
Do Good Multnomah
Oregon Department of Revenue

Table of Contents

Section 1: Introduction	1
Section 2: Executive Summary	12
Section 3: Research Structure	18
Section 4: Lived Experience	31
Section 5: Research Findings	63
Section 6: Recommendations	117

This is a final administrative draft version of this report and available for internal purposes only.

This version is not available for public consumption.

The public version of this report will include the following:

- Detailed Table of Contents
- Table of Figures
- Academic literature review
- In-line citations and footnotes
- References
- Captions
- Accessibility features
- Appendices
- Glossary

SECTION 1: Introduction

Homelessness is the tip of the iceberg with regard to poverty; it is the visible peak atop a submerged crisis of inequity. Without the security and stability provided by a home, the hundreds of thousands of Americans who experience homelessness each year also struggle to maintain access to healthcare, employment, education, healthy relationships, and other basic necessities in life. At the national level, nearly 1 million people are estimated to experience literal homelessness each year (sleeping on the street or in an emergency shelter), while millions more are housing insecure.

Lincoln County is a compassionate and engaged community that has dedicated a great deal of time, resources, and collaborative effort to preventing and ending homelessness. Over the decades, Lincoln County has seen varied economic fortunes. Traditionally reliant on industries like fishing, timber, and tourism, Lincoln County has witnessed shifts in economic stability due to market fluctuations, environmental factors, and changing consumer behaviors. These economic shifts, paired with larger national trends like increasing housing costs and stagnating wage growth, have contributed to housing insecurity for many of its residents.

In the efforts to reduce homelessness, a plan for Lincoln County was coauthored by Lincoln County Commissioner Chair, Claire Hall, and former Community Services Consortium Leader Tom Hatley in 2007 titled “At Home in Lincoln County: A Ten-Year Housing Plan for Lincoln County with a Special Focus on Chronic Homelessness.” This plan represented an ambitious and well-structured endeavor to provide a roadmap for eradicating chronic homelessness and ensuring sustainable housing solutions for all residents.

Advocates and activists use the word “unhoused” or “houseless” to describe individuals without a physical address. Government agencies and research institutions, however, use the word “homeless” when reporting on people experiencing homelessness or housing insecurity. Describing unhoused individuals as “people experiencing homelessness or homelessness” emphasizes the humans at the center of this crisis rather than houses and emphasizes that the problem isn’t solely people, but the lack of housing and affordable housing along with a multitude of other factors. These are individuals experiencing the effects of a housing shortage and increasingly unaffordable rentals on the market. Technically, they are homeless, houseless and unhoused. This report will use the words homeless and unhoused

interchangeably with the fundamental understanding that language is one of the most important signals we have to demonstrate acceptance or rejection of a person's identity.

Key Aspects of Hall & Hatley's 2007 Plan

Comprehensive Approach: The plan was not just about constructing more shelters or homes. It sought to holistically address the root causes of homelessness, from economic barriers and mental health issues to the lack of affordable housing.

Community Engagement: Recognizing that solutions are most effective when tailored to the unique needs of the community, the plan emphasized active participation from residents, local businesses, and community groups.

Chronic Homelessness Focus: While the plan targeted homelessness at large, there was a distinct emphasis on chronic homelessness – those who have been homeless for over a year or have had at least four episodes of homelessness in three years. This group, although smaller in number, often requires more specialized and prolonged assistance.

Collaboration and Partnerships: The plan underscored the importance of synergies between governmental agencies, non-profits, private sectors, and other stakeholders. This collaborative spirit was aimed at pooling resources, knowledge, and expertise.

This pioneering plan set a goal to develop a path that will see homelessness disappear and that every citizen has a decent, safe, and affordable place to call home. However, as with any big initiative, there were challenges. Economic downturns, natural disasters, and increasing housing demands outpaced the plan's milestones. Despite the community's strong commitment and coordinated efforts to address homelessness, there is still more work to be done:

Lincoln County has seen a noticeable rise in the number of unhoused individuals. Specific areas, like the City of Newport and the City of Lincoln City, have experienced more pronounced challenges. Many of those affected are not chronically homeless but are individuals and families who have faced recent economic hardships or health crises. The unhoused community is larger than historical data reports; individuals

have difficulty obtaining help.

Lincoln County is experiencing a surge in population growth and rising rent costs, putting more individuals at-risk of experiencing Homelessness. The availability of affordable housing in Lincoln County has not kept pace with demand, leading to increasing housing insecurity.

Job losses in traditional industries and the rise in living costs have placed many Lincoln County residents in precarious financial positions. The cost of living in Lincoln City, for example, is 5.9% higher than the national average, up 3.9% from last year.^[1] There are significant differences between current incomes and market rents, placing accessibility pressures on those in poverty.

From 2017 to 2023: A New Way Forward

In 2017, there were an estimated 186 homeless people in Lincoln County, amid a population of 48,920 total residents. In 2022 and 2023, those estimates were 160 and 159 unhoused individuals respectively. During our research, we learned that many in the community believe these figures to be an undercounted representation of the size of the unhoused population in Lincoln County. A portion of this concern is due to the significant differences between school district data and Point-in-Time (PIT) data in regards to the estimated size of the unhoused population in Lincoln County.

A PIT count is a count of sheltered and unsheltered people experiencing homelessness on a single night in January. The U.S. Department of Housing and Urban Development requires that Continuum of Care (CoCs) programs conduct an annual count of people experiencing homelessness who are sheltered in emergency shelter, transitional housing, and Safe Havens on a single night. HUD first began attempting to annually count the number of people experiencing homelessness nationwide in the 1980s. The methodology, which is dictated by HUD and includes counts of both sheltered and unsheltered people, has for years remained largely unchanged. That consistency enables communities to compare their counts year over year.

Although the PIT count is imperfect, federal requirements mean counties must continue conducting the point-in-time count, even if better data is available. Until those requirements change, the count must be used. Lincoln County continues to

refine its PIT County methods to ensure the most accurate counts. While the below numbers undercount the total amount of unhoused in Lincoln County, they do provide some estimates to track progress annually.

Alternatively, for an more accurate picture of unhoused people, the McKinney-Vento Act provides rights and services to children and youth experiencing homelessness, which includes those who are: sharing the housing of others due to loss of housing, economic hardship, or a similar reason; staying in motels, trailer parks, or camp grounds due to the lack of an adequate alternative; staying in shelters or transitional housing; or sleeping in cars, parks, abandoned buildings, substandard housing, or similar settings. It is a more accurate snapshot of the youth experiencing homelessness and from that data, the discrepancy between the PIT data and data gathered through the McKinney-Vento Act can be extrapolated.

Despite this point in time survey data, the Oregon Health Authority shows 825 homeless students in 2017, and the Lincoln County School District shows 630 homeless students in 2022. This discrepancy in data has been a key driver in developing estimation methods to better understand the size of the unhoused community population in Lincoln County.

This report calculates the size of the unhoused population across Lincoln County is estimated to be around 2,000 individuals. Some key improvements over the past ten years helped Lincoln County develop a strong, coordinated community response include:

- The creation of additional affordable housing units across the county.
- Strengthened community outreach programs to provide early intervention and support.
- Enhanced services for those struggling with mental health issues and substance abuse.

Lincoln County, encompassing cities such as Newport, Yachats, Waldport, Siletz, Depoe Bay, Toledo, and Lincoln City, as well as the Confederated Tribe of Siletz Indians and organizations like the Community Services Consortium, represents a diverse tapestry of cultures, experiences, and insights. This diversity, when channeled correctly, is one of our greatest strengths in addressing challenges like homelessness.

The journey towards fulfilling this mission is complex, layered with numerous challenges and opportunities. This research report, commissioned by LCHAB and conducted by Morant McLeod, delves deep into the roots of homelessness in Lincoln County, seeking to shed light on the various facets of the issue and potential pathways forward. Our goal is to provide actionable insights, data-driven recommendations, and strategic directions that can help shape LCHAB's efforts in the days and years to come.

This strategic plan analyzes current data and trends in Lincoln County around homelessness, contributing factors to homelessness, the current state of the Lincoln County homeless response system, and feedback from key stakeholders to develop a set of actionable recommendations for improving Lincoln County's coordinated community response to homelessness. Implementation of these recommendations will require community-wide, multi-sector collaboration. ***No one organization or agency can end homelessness in Lincoln County on its own.*** Together, with collection resolve and guided strategy, we can move closer to a future where involuntary homelessness is a thing of the past.

We invite readers to engage with this report, understanding that every number represents a human story, and every recommendation underscores our shared commitment to creating a Lincoln County where every individual has a place to call home.



MORANT MCLEOD

SECTION 2: EXECUTIVE SUMMARY

SECTION 2: Executive Summary

Homelessness is a complex issue, often rooted in a myriad of interrelated factors. Addressing it requires a deep understanding of these factors and a comprehensive approach to remedy them. The Lincoln County Five Year Homelessness Strategic Plan is the result of a highly collaborative, year-long process lead by the Lincoln County Homeless Advisory Board (LCHAB) in 2023. The LCHAB engaged the assistance of Morant McLeod to develop a holistic planning process and craft a strategic plan to respond to homelessness in Lincoln County. The plan relies heavily on data collected from in-person meetings and supplemented by data from other agencies and systems that play a role in Lincoln County’s response to homelessness and housing insecurity. Feedback was solicited throughout the process from persons who have experienced homelessness themselves, government representatives, nonprofit partners, faith based communities, advocates, businesses, and the community at large.

Mission & Methodology

Using a systematic, phased approach over a twelve-month period, Morant McLeod integrated rigorous research, wide engagement, and iterative development in the development of this plan, underscoring LCHAB’s commitment to community-driven, sustainable solutions. LCHAB developed a mission that wasn’t just aspirational, but actionable:

“To ensure that every member of our community has access to the resources they need, while also working to prevent the circumstances that lead to homelessness.”

Community meetings were held over eight months, including a wide range of stakeholders across Lincoln County including individuals with lived experience, service organizations, community leaders, subject matter experts, and representatives from various demographics. Desktop and field level research, surveys, interviews, field studies, and community workshops gathered data, insights, and perspectives, as well as reviewing system wide data. This report consolidates information and findings gathered through this process.

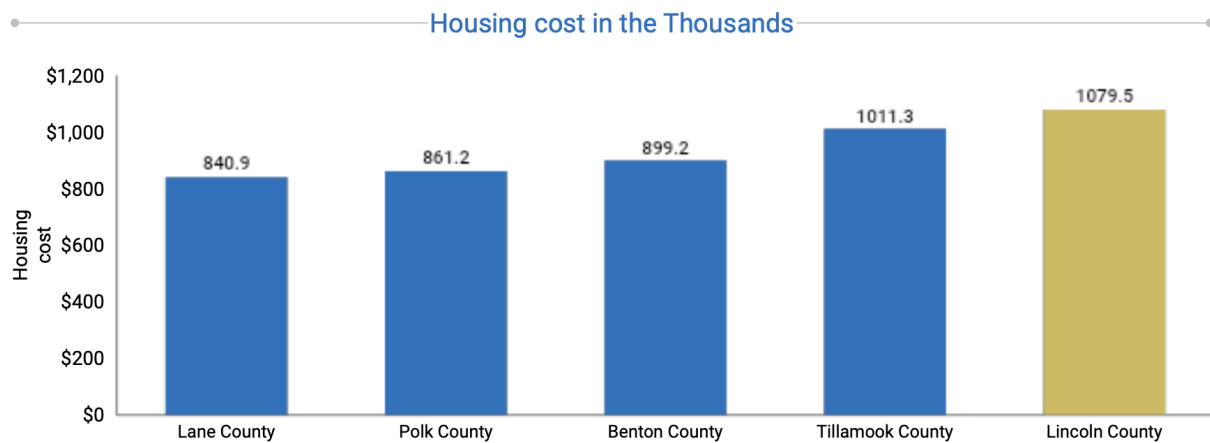
Findings

This report presents a strategic and comprehensive approach to addressing the challenges of homelessness in Lincoln County. It synthesizes extensive research and data across multiple dimensions - housing, services, economic challenges, and transportation - to propose a multifaceted strategy for tackling homelessness in the unique context of this coastal, rural community.

Key Findings

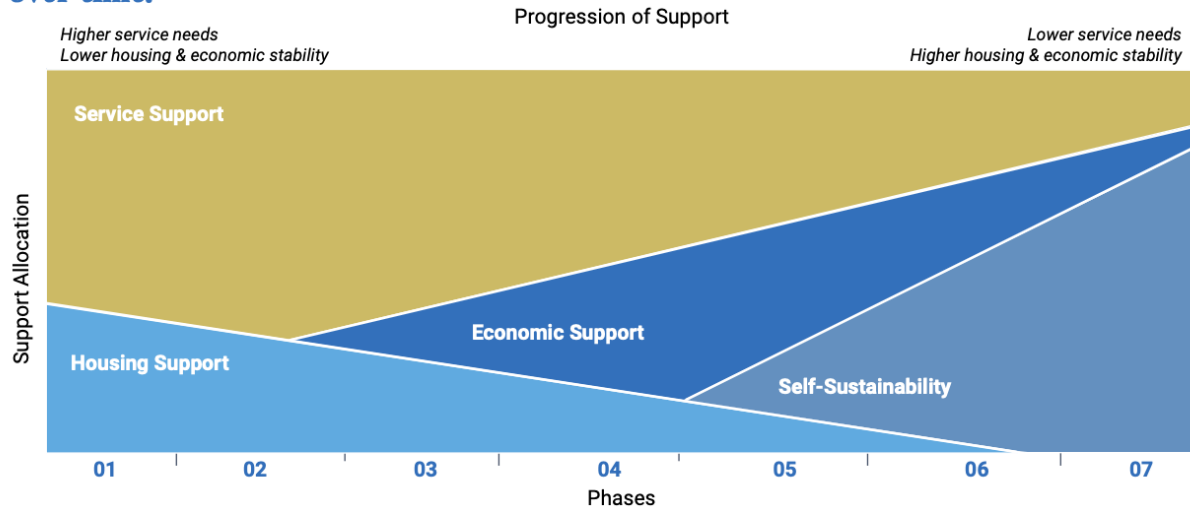
Housing Challenges: Lincoln County faces a significant gap between income levels and housing costs, exacerbated by a scarcity of affordable housing options and the prevalence of short-term rentals and second homes. When surveying 3 bedroom homes, Lincoln County was found to be the most expensive amongst neighboring counties.

Cost of Housing for 3 Bedroom Homes, In All Selected Counties



Service Needs: There is a critical need for diverse services aligned with the seven phases of the HUD housing continuum, addressing specific requirements from emergency shelter to permanent housing. We've designed a progression of support model to understand how to reach self sustainability.

The progression of support model indicates that individuals from unhoused communities will decrease service needs and enter into housing stability over time.



Economic Pressures: Residents face mounting economic pressures, including low wages and high living costs, contributing to the risk of homelessness.

Percentage of Gross Income Devoted to Monthly Mortgage Payment (Median)



Source: NAR, Freddie Mac, Census Bureau, Federal Reserve
Calculations by Morant McLeod

FINAL ADMINISTRATIVE DRAFT

Transportation Barriers: The county’s rural and coastal geography poses unique transportation challenges, hindering access to essential services and employment opportunities.

Strategic Recommendations

The report outlines five strategic goals, each aimed at addressing different facets of the homelessness issue in Lincoln County.

Summary of Recommendations

1. LCHAB to remain a permanent body that focuses on homelessness/houselessness.



2. Adopt the strategic goal to reduce homelessness to emergency & voluntary levels, utilizing the progression of support model.



3. Coordinate policy and funding efforts at city, county, regional and state levels.



4. Stand up and support a navigation system, with a priority to use or develop common data/reporting systems to track each network and community needs.



5. Integrate local housing, community services, economic development and transportation efforts to support and provide resources for community organizations.



1. **Permanent Lincoln County Homeless Advisory Board (LCHAB):** Establish LCHAB as a permanent body to focus on homelessness, ensuring ongoing attention and long-term planning. Adopted as: **“LCHAB to remain a permanent body that focuses on homelessness/houselessness.”**
2. **Reduction to Emergency and Voluntary Levels:** Adopt a goal to reduce homelessness to manageable levels, utilizing the Progression of Support model for targeted interventions. Adopted as: **“Adopt the strategic goal to reduce homelessness to emergency & voluntary levels, utilizing the progression of support model.”**

3. **Coordinated Policy and Funding:** Enhance collaboration across city, county, regional, and state levels to optimize resource utilization and policy effectiveness. Adopted as: “Coordinate policy and funding efforts at city, county, regional and state levels.”
4. **Navigation System Development:** Create a comprehensive navigation system with a common data/reporting framework to track community needs and network efficiency. Adopted as: “Coordinate policy and funding efforts at city, county, regional and state levels.”
5. **Integration of Local Efforts:** Foster integration of housing, community services, economic development, and transportation efforts to support community organizations effectively. Adopted as: “Integrate local housing, community services, economic development and transportation efforts to support and provide resources for community organizations.”

Impact and Implementation

Implementing these strategic goals promises to significantly impact Lincoln County's approach to homelessness. The establishment of LCHAB as a permanent entity ensures a dedicated focus on homelessness. The reduction of homelessness to emergency and voluntary levels acknowledges the reality of the issue while striving for manageable solutions. Coordinating policy and funding efforts is expected to streamline resources and enhance the efficiency of interventions. The proposed navigation system will ensure a ‘no wrong door’ approach, simplifying access to services. Integrating local efforts across different sectors will provide a holistic support system for the unhoused and at-risk populations.

This report offers a roadmap for Lincoln County to address homelessness in a coordinated, strategic, and compassionate manner. By implementing these recommendations, the county can make significant strides in not only providing immediate support to those in need but also in fostering long-term solutions to prevent and reduce homelessness. The collaborative approach outlined here is essential for building a more inclusive, supportive, and resilient community.



MORANT MCLEOD

SECTION 3: RESEARCH STRUCTURE

SECTION 3: Research Structure

In our endeavor to address the complex issue of homelessness in Lincoln County, our research methodology, which commenced in January 2023, adopted a hybrid framework that combined the empathetic, inclusive principles of Community-Based Participatory Research (CBPR) with the objectivity and precision of quantitative research techniques. This dual approach capitalized on the strengths of CBPR's community engagement and local expertise, while also harnessing quantitative methods to generate measurable, broadly applicable data.

This integrative method was chosen for the following synergistic reasons and advantages:

Synergy of Community Engagement & Statistical Analysis

- **Balanced Methodology:** CBPR's emphasis on collaborative research processes would complement the structured nature of quantitative analysis, ensuring that personal stories and experiences were underpinned by solid numerical data.
- **Improved Data Gathering:** The trusting relationships developed through CBPR would facilitate the collection of robust quantitative data, resulting in higher participation rates and more reliable statistics.
- **In-Depth Understanding:** While quantitative data provides a macroscopic view of homelessness trends and patterns, CBPR contributes qualitative depth, enabling a multifaceted analysis.
- **Triangulated Outcomes:** The research would benefit from triangulating the community's qualitative insights with quantitative data, reinforcing the validity of the findings.

Advantages of the Mixed-Methods Approach During the Research Phase

- **Cultural Relevance with Numerical Strength:** The community-led aspect of CBPR ensures greater cultural sensitivity in data collection, while quantitative strategies maintain the study's statistical integrity.

- **Trust Enriched by Verification:** The community's involvement in the study via CBPR would build a foundation of trust instrumental in gathering quantitative data, which in turn validates the qualitative evidence.
- **Strategic Interventions and Impact Assessment:** CBPR sheds light on specific community needs, and quantitative data provides a framework for evaluating the prevalence and distribution of homelessness, guiding targeted interventions and enabling assessment of their efficacy.
- **Policy Shaping and Evaluation:** Quantitative research offers concrete data required for shaping policies, whereas CBPR ensures these policies are pertinent, addressing real community concerns.
- **Optimized Resource Deployment:** Quantitative findings highlight critical areas of need and depicts trends, while insights from CBPR ensures that resources are allocated in ways that the community deems most beneficial and efficient.

The Process and Outcomes of the Combined Research Approach

The research was initiated with a CBPR approach to establish a partnership between the community and researchers, fostering a shared vision for addressing homelessness. This partnership guided the creation of quantitative research tools. Subsequently, quantitative methods such as structured surveys, statistical analyses of homelessness service utilization, and housing data collection were employed. The data thus gathered was then interpreted in the context of qualitative feedback, providing a comprehensive understanding of the issue.

By integrating CBPR with quantitative research methods, the research aimed to offer Lincoln County an insightful, action-driven, and community-informed study. The approach transcended mere number-crunching or narrative collection; it melded the two into a dynamic and exhaustive portrait of homelessness, aiming to propel practical, meaningful community interventions.

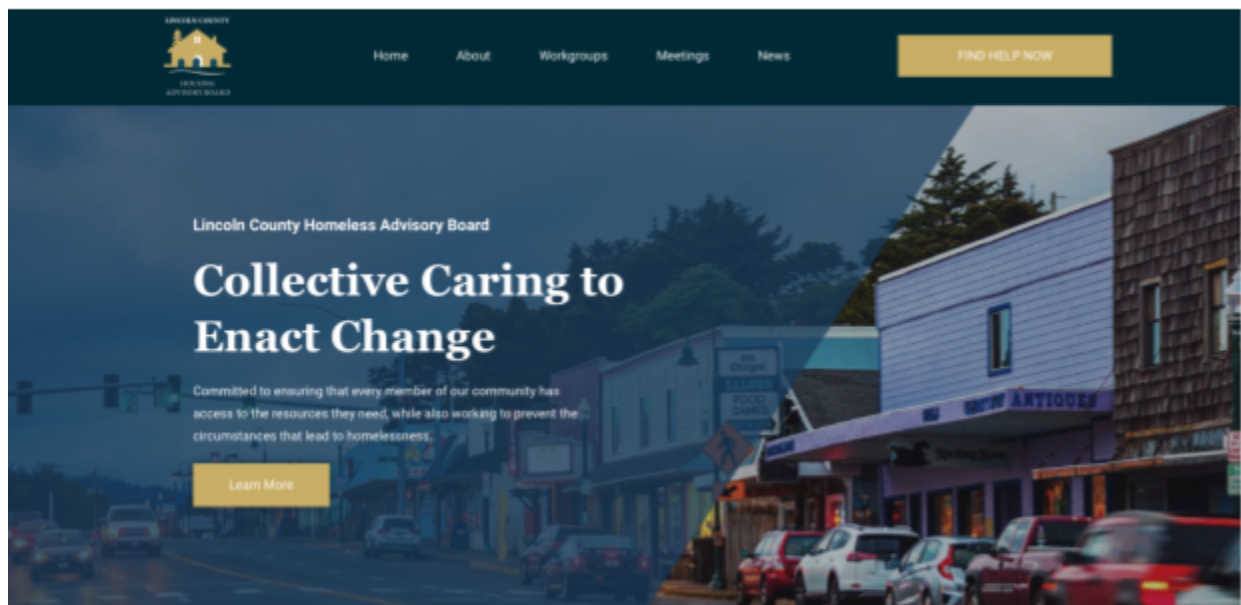
Research Phase 1: Mission Articulation. *January 2023*

Homelessness is a complex issue, often rooted in a myriad of interrelated factors. Addressing it requires a deep understanding of these factors and a comprehensive approach to remedy them. In this context, the Lincoln County Homelessness Advisory

Board embarked on a strategic planning process to shed light on the intricacies of homelessness within the county.

The first month was dedicated to laying down the foundation for the entire process:

1. **Drafting a Shared Goal:** Before diving into the intricacies, the first order of business was to draft a shared goal. This goal was a concise statement capturing the essence of the initiative's purpose.
2. **Preparation for Community Validation:** Recognizing that the strength of the initiative lay in its community acceptance, preparations were made to validate the shared goal with the community. This included setting up feedback mechanisms and engaging local organizations to foster community participation.



Lincoln County Homeless Advisory Board website. www.lchab.org
Developed by Morant McLeod

The Lincoln County Homelessness Advisory Board's initial step was the acknowledgment of the complexity of the problem. Recognizing that a single-pronged approach would be inadequate, the Board embarked on a holistic planning process. This involved gathering diverse stakeholders, from homeless individuals themselves to local businesses, nonprofits, and government entities, ensuring a spectrum of perspectives were considered.

With data collection and analysis, a thorough research process was initiated. Initial data pinpointed several drivers of homelessness, such as economic downturns, mental health issues, substance abuse, and a lack of affordable housing. However, to create an effective strategy, it was vital to determine the primary drivers – those core issues that, if addressed, could have a cascading positive effect on the others.

Armed with these insights, the Board was in a position to craft a mission that wasn't just aspirational, but also actionable. The mission emphasizes both proactive and reactive measures, understanding that while immediate relief is crucial, long-term solutions lie in prevention.

“To ensure that every member of our community has access to the resources they need, while also working to prevent the circumstances that lead to homelessness.”

- Lincoln County Homelessness Advisory Board mission

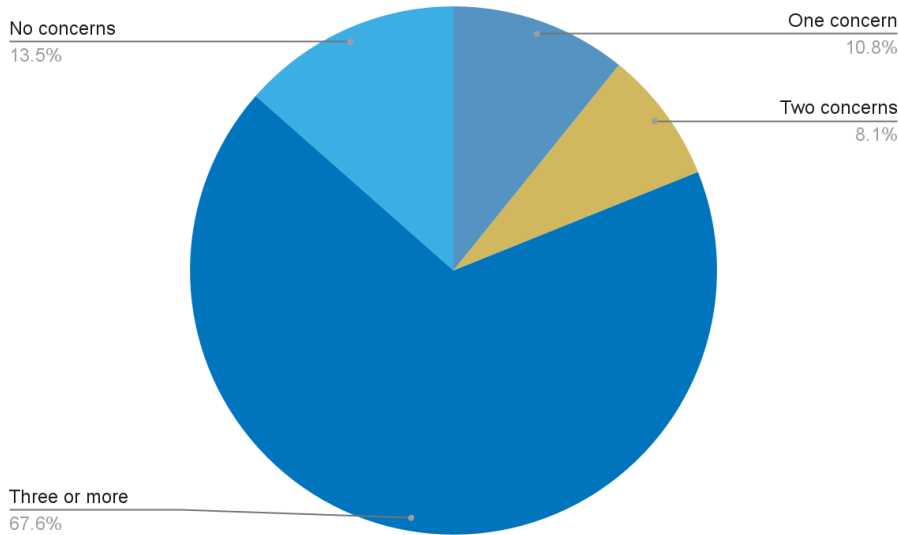
Research Phase 2: Organizing the Community Study. February 2023 - May 2023

A nuanced problem like homelessness necessitates an equally nuanced approach to solution-building. The Lincoln County Homelessness Advisory Board recognized this and further refined their strategy by segmenting the research process into four specialized workgroups: "Finance & Economics", "Mental & Physical Health", "Community Engagement", and "Service Provision & Policy". Each group focused on distinct dimensions of homelessness, ensuring a comprehensive understanding and approach.

Mental & Physical Health Workgroup

This workgroup focused on the health challenges faced by the homeless population. With research identifying mental health as a primary driver of homelessness in Lincoln County, this group's role was pivotal. Their research explored the accessibility of mental and physical health services, the prevalence of chronic illnesses among the homeless, and the barriers to obtaining consistent medical care. The workgroup also liaised with local healthcare providers, aiming to devise collaborative solutions to bridge the health service gaps.

Serious health concerns experienced by Lincoln County unhoused community



Source: Morant McLeod

Community Engagement Workgroup

Recognizing that the community's perception and involvement are integral to resolving homelessness, the "Community Engagement" workgroup targeted public awareness and involvement. They gauged community sentiment towards the unhoused, organized awareness campaigns, and created digital platforms for community members to contribute. By fostering empathy and dispelling myths, this group sought to create a community united in its approach to tackle homelessness.

Workgroup Facts

41

Individuals attended meetings and participated in research process.

93

Action items from the workgroup research process.

167

Community organizations across Lincoln County discovered.



Service Provision & Policy Workgroup

This workgroup operated at the intersection of service delivery and policy-making. They assessed the existing services provided to the homeless, identifying inefficiencies, overlaps, or gaps. Moreover, they worked to understand the legislative landscape and identify areas for policy reform. Their goal was to ensure that services and policies were not just well-intentioned but were also effective and streamlined.

Finance & Economics Workgroup

FINAL ADMINISTRATIVE DRAFT

The "Finance & Economics" workgroup delved into the workforce related and economic aspects of homelessness. By investigating the cost of living, job market dynamics, and economic barriers faced by the unhoused population, this group sought to understand the financial realities contributing to homelessness. Furthermore, the group researched potential economic solutions and opportunities for affordable housing investments in the county.

By dividing their research into these specialized workgroups, the Lincoln County Homelessness Advisory Board ensured that every facet of homelessness was meticulously explored. Each group dove deep into its domain, providing insights and recommendations that were both in-depth and holistic. This collaborative, multi-pronged approach stands as a model for other counties and cities, showcasing the importance of specialized, collaborative research in crafting impactful, sustainable solutions.

Research Phase 3: Community Discovery and Analysis. June 2023 - September 2023

During the meetings, members critically analyzed the accumulated data, offering interpretations and proposing additional avenues of investigation. They served as a crucial sounding board, providing feedback on preliminary findings and grounding the research with on-the-ground experiences and expertise.

Monthly Meetings and Research Iterations

At the monthly meetings, researchers presented the latest quantitative data and preliminary analyses. In turn, the workgroups contributed qualitative insights, sharing stories and observations that either corroborated or questioned the emerging data patterns. This process allowed for a real-time understanding of the data within the cultural and social context of Lincoln County.

Moreover, the workgroups reviewed the research findings with a critical eye, ensuring that each insight was not only statistically sound but also resonant with the lived experiences of the community. These discussions often led to an enhanced research direction, identifying gaps that required further exploration or highlighting the need to refine data collection methods.

Impact on the Research Direction

The qualitative insights and suggestions from the workgroups were pivotal. They informed the subsequent month's research activities, enabling the research team to adapt and evolve the study's trajectory. This iterative process ensured that the research remained dynamic and responsive to the unfolding understanding of the homelessness situation in Lincoln County.

After Each Meeting: Research Evolution

Post-meeting, our researchers took the rich qualitative insights and refined research directions back to the drawing board. This translated into:

- Adjusting data collection tools to better capture the nuanced realities of the community.
- Developing new hypotheses to test in quantitative analyses.
- Identifying additional demographic variables or service gaps to investigate.
- Exploring the potential for new partnerships or resource avenues based on workgroup recommendations.

The researchers' role was thus both reactive—responding to community insights—and proactive, pushing the boundaries of existing knowledge through further data collection and analysis. This balanced approach ensured that our study was not only informed by the voices of those it aimed to serve but also driven by empirical evidence that could facilitate effective change.

The collaborative dynamic between the community workgroups and the research team created a powerful synergy, propelling a cycle of learning, feedback, and action. The ongoing dialogue established a research process that was not only inclusive and participatory but one that culminated in actionable intelligence, ready to be leveraged in the fight against homelessness in Lincoln County.

Field research

In a concerted effort to delve deeper into the lived experiences of those directly impacted by homelessness, our research team conducted extensive fieldwork over a period of five days. This period was intensively dedicated to engaging with unhoused individuals and those who have previously experienced homelessness within Lincoln

County. The goal was to gather personal narratives and firsthand accounts that would enrich our understanding of the complex factors contributing to and sustaining homelessness in the community.

Approach to Field Research

Our field research was planned to ensure respectful and meaningful interactions with participants. The research team:

- **Prepared Interview Protocols:** Developed sensitive and comprehensive interview guides to facilitate open-ended conversations and allow participants to share their stories in their own words.
- **Peer Reviews:** Reviewed interview protocols with peer academic organizations for ethical and informed consent purposes.
- **Scheduled Interviews:** Coordinated with local shelters, community centers, and outreach programs to identify and schedule interviews with willing participants.
- **Conducted Street Outreach:** Went into communities to meet individuals where they were, in churches, service organizations, parks, streets, and trusted neighborhood locations, to ensure inclusivity in our research sample.
- **Ensured Ethical Considerations:** Prioritized the ethics, safety, and comfort of the interviewees, obtaining informed consent and guaranteeing confidentiality.

Interview Process and Participant Engagement

During the interviews, researchers listened to a wide range of experiences, capturing diverse perspectives on the challenges faced while being unhoused:

- **Personal Stories:** Participants shared their journeys into homelessness, their daily challenges, and their interactions with existing support systems.
- **Barriers to Housing:** Many discussed the obstacles they faced in securing stable housing, including financial, bureaucratic, and social barriers.
- **Resource Access:** Insights were gathered on the accessibility and effectiveness of community resources and services currently available.
- **Suggestions for Improvement:** Participants offered their views on what changes could make a tangible difference in their lives.

Impact on the Research Findings

The qualitative data collected from these interviews added a profound layer of context to our study. These narratives did more than humanize the statistics; they provided

critical insights into the efficacy of current initiatives and identified potential areas for systemic change. By incorporating the voices of those with lived experiences, our research gained depth and relevance, shaping recommendations that are grounded in reality.

Moving Forward

After each day of field research, our team debriefed, cataloging the information while the interactions were fresh. These debriefing sessions were vital for preserving the emotional nuances and complexities of each story. The insights from these interviews will be invaluable in developing a responsive and informed strategic plan that not only addresses the symptoms of homelessness but also tackles its root causes within Lincoln County.

Research Phase 4: Planning & Reporting. *October 2023 - December 2023*

Analysis and Initial Recommendations

Upon concluding the field research, our teams embarked on a rigorous phase of data analysis. The process involved synthesizing the quantitative data with the rich qualitative insights obtained from the interviews with unhoused individuals. This phase was critical, as it laid the groundwork for developing actionable and impactful plan recommendations.

The quantitative data provided a statistical backbone, outlining the scope and scale of homelessness, while the qualitative insights offered a nuanced understanding of the underlying causes and personal experiences. The blend of these data streams enabled our team to draft informed, empathetic, and practical recommendations aimed at reducing homelessness in Lincoln County.

Presentation to Lincoln County Homeless Advisory Board

These initial recommendations were then compiled and presented to LCHAB. The presentation served two main purposes:

1. **Feedback and Validation:** To validate the findings with LCHAB and ensure that the recommendations resonated with their mission and vision.
2. **Refinement of Recommendations:** To incorporate the board's expertise and insights, further refining the recommendations.

The LCHAB's input was invaluable in this stage, as it provided a local governance perspective and ensured that the recommended strategies were aligned with policy frameworks and resource allocations.

Iterative Adjustments

Taking into account the feedback from LCHAB, our team revisited the draft recommendations. This iterative process was essential for aligning the plan with the practical realities and strategic priorities of Lincoln County. Adjustments were made to ensure the recommendations were not only evidence-based and community-informed but also actionable and sustainable.

Development of Final Recommendations

The refined set of recommendations was then developed into a comprehensive plan. This plan encapsulates a strategic approach to tackling homelessness, drawing from the collaborative input of all stakeholders involved in the research phase. The final recommendations were designed to be specific, measurable, achievable, relevant, and time-bound (SMART), laying a clear roadmap for implementation.

Review and Adoption Process

Before these recommendations are adopted, they are scheduled to undergo a review by each city within Lincoln County and the Lincoln County Board of Commissioners. This multi-level review process aims to ensure:

- **Local Relevance:** Each city's unique context is considered, and the plan's adaptability to different local circumstances is ensured.
- **Broad-based Endorsement:** Securing the buy-in from all relevant governmental entities, which is crucial for the successful implementation of the plan.
- **Transparency and Inclusivity:** Maintaining an open dialogue with the public and stakeholders, fostering trust and support for the plan.

The adoption of the final recommendations is anticipated to mark a significant step towards a more coordinated and effective response to homelessness in Lincoln County. With the engagement of the cities and the County Board of Commissioners, the plan is poised to translate into targeted actions and policy reforms that will drive meaningful change in the community.



MORANT MCLEOD

SECTION 4: LIVED EXPERIENCE

SECTION 4: Homelessness in Lincoln County

Lincoln County residents in the unhoused communities report that homelessness makes them sad, and although they have one another and know of some service providers who work to help, there is often a sense of impossibility. Some unhoused residents enjoyed having someone to talk to about their situation and gladly gave information to support our surveys, while others had prior experiences that limited their interactions. Those experiences ranged from earlier abuse from previously trusted individuals to mental health concerns, from physical disabilities to severe employment uncertainty, and beyond.

“Get into a house, back on my feet, and find a full time job... but it’s impossible when you’re camping.”

- Lincoln County Resident

Rather than expecting the homeless community to come to them, Morant McLeod consultants went to the places these individuals frequented. Food pantries, soup kitchens, food shares, and other community programs became the primary settings for these interactions. Such settings provided a more relaxed environment, allowing the homeless individuals to feel at ease and encouraging honest conversations.

Unhoused Communities are Connected and Caring

Our research has revealed a remarkable level of interconnectedness within the unhoused communities of Lincoln County. Despite the challenges posed by their circumstances, these individuals have forged a network characterized by mutual recognition, reliance, information sharing, and support. This connectedness has significant implications for the development and implementation of homelessness interventions in the region.

Nature of connections among unhoused individuals

The threads that weave through the unhoused population in Lincoln County are strong and multifaceted:

- **Familiarity and reciprocity:** There is a profound sense of familiarity amongst individuals within local unhoused communities. The shared experiences of hardship and the necessity for survival have fostered a culture of reciprocity. People often know each other by name, face, or story and extend help whenever possible.
- **Shared resources and information:** Information flows freely within these networks. From sharing tips about safe places to sleep to updates about service availability, the exchange of information acts as a critical lifeline that benefits all members of the community.
- **Collective support systems:** These informal networks often fill the gaps left by formal support systems. They provide a form of social capital that can be leveraged for a range of support – be it emotional, material, or in the form of advice.
- **Resilience through solidarity:** The solidarity evident in these communities contributes to their resilience. There is an understanding that surviving homelessness often requires a collaborative effort, which in turn reinforces their sense of community.

Taking care of those with greater needs: Although many residents in local unhoused communities have faced extreme physical, social, and emotional hardships, there is a recognition that some have faced harder times than others. Those who have faced less severe experiences or whose hardships originated some time further into the past, recognize those who are newer to the community or who have faced more

severe circumstances. It's common for those who have been there longer to care for those who are newer to their unhoused community. For example: it's common for older women to care for women who have recently entered the community, and provide a level of protective support for them at a distance while the newer individual adjusts to the circumstances.

Estimated Number of Individuals Experiencing Homelessness

The challenge of accurately estimating the unhoused population in Lincoln County has been approached using three distinct methodologies, each leveraging different data sources and assumptions. These methods provide varied perspectives on the scale of homelessness, encompassing both the visible and less visible segments of this population.

Method 1: PIT Count and School District Data Correlation

The first method integrates the 2022 Point-In-Time (PIT) count estimates with the 2022 school district data. The PIT count is a comprehensive enumeration of individuals experiencing homelessness, typically conducted on a single night. This method specifically examines the relationship between unsheltered individuals from the PIT count and students who are not 'doubled up' in the school district data.

- Approach: By correlating the number of unsheltered individuals in the county with the proportion of unhoused students in the school data who are in non-'doubled up' situations (such as unsheltered, sheltered, or in hotels/motels), this method provides an estimate that encompasses a broader definition of homelessness.
- Estimate: It approximates that there are 1,748 unhoused individuals in Lincoln County, including those who are 'doubled up'.
- Implications: This approach acknowledges the varied living conditions under the umbrella of homelessness and offers a more inclusive count.

Method 2: Comparative Analysis of Yachats and Lincoln County Populations

The second methodology dives into the specific context of the City of Yachats within Lincoln County. It uses a ratio-based estimation stemming from a small-scale self-reporting measure within Yachats.

- Approach: Over a week, 28 unique individuals in Yachats identified themselves as unhoused. Given Yachats' population of 994 and Lincoln County's total population of 50,395, the method extrapolates these figures to estimate the county-wide unhoused population.
- Estimate: The extrapolation leads to an approximation of 1,420 unhoused individuals across Lincoln County.

- Implications: This method relies on a small, localized sample and assumes that the ratio of unhoused individuals in Yachats is representative of the entire county. It provides a conservative estimate, potentially underrepresenting areas with different socio-economic dynamics than Yachats.

Method 3: Census Data and School District Analysis

The third method leverages demographic data from the Census Bureau, juxtaposed with the school district's count of unhoused students.

- Approach: This method compares the proportion of unhoused students (630) to the total population of individuals under 18 years (8,421) in the county. It then applies this proportion to the over-18 population (41,445) to estimate the total unhoused population.
- Estimate: Using this demographic proportion approach, the method estimates 3,731 unhoused individuals in Lincoln County.
- Implications: This approach assumes that the rate of homelessness among minors is indicative of the rate in the adult population. While it provides a broader estimate, it might not accurately account for adult-specific factors influencing homelessness.

Synopsis of Estimation Methods

Each method offers a unique lens through which to view the challenge of homelessness in Lincoln County. Method 1 provides a broad perspective, including various forms of housing instability. Method 2 offers a localized, ratio-based estimate, while Method 3 uses a demographic proportionality approach. Together, these methodologies highlight the complexity of estimating homelessness and underscore the need for multi-faceted approaches in understanding and addressing this issue. The variation in estimates also reflects the inherent challenges in quantifying a population that is often hidden and fluid, emphasizing the importance of continuous data collection and analysis in shaping effective policy and support interventions.

Incorporating the Mean of Estimates for a Comprehensive Understanding

In addition to the individual insights provided by each of the three methodologies, it is informative to consider the mean of these estimates for a more balanced understanding of the scale of homelessness in Lincoln County. By averaging the estimates from the

three distinct approaches, we arrive at a figure that potentially offers a more moderated and comprehensive perspective.

- **Calculating the Mean:** The three methods yield estimates of 1,748, 1,420, and 3,731 unhoused individuals, respectively. The mean of these figures, calculated as the sum divided by three, is approximately 2,090 unhoused individuals.
- **Using the Mean for Estimation:** This report adopts the mean estimate of 2,090 unhoused individuals for broader estimation purposes. This figure is seen as a middle ground that balances the diverse methodologies and their inherent assumptions and limitations.
- **Implications:** Utilizing the mean provides a more rounded view that mitigates the potential biases or specificities of each individual method. It acknowledges the variability and uncertainty inherent in estimating hidden populations like the unhoused and serves as a pragmatic figure for policy planning, resource allocation, and further analysis.

By considering this mean estimate, the report aims to encapsulate a more holistic picture of homelessness in Lincoln County, offering a crucial figure that can guide a range of interventions and support services. This approach underscores the importance of using multiple methods and perspectives when engaging with complex social issues, ensuring that policies and strategies are grounded in a comprehensive understanding of the situation at hand.

Unhoused Children in Lincoln County

Categories of data

Including “Doubled Up” to Understand the Experience of Homelessness

When discussing homelessness, the image that often comes to mind is that of individuals living on the streets or in shelters. However, this perspective overlooks a significant and often hidden aspect of homelessness known as being “doubled up.” This term refers to individuals and families who, due to economic hardship or similar crises, are forced to live with relatives, friends, or others in temporary, overcrowded, or unsustainable living conditions. Recognizing and including “doubled up” as a metric in understanding homelessness is crucial for several reasons.

Economic Instability and Housing Insecurity: Being “doubled up” often stems from financial hardship, job loss, or eviction, reflecting underlying economic instability. While individuals in these situations have a roof over their heads, their living conditions are precarious, and their housing security is often temporary and dependent on the goodwill of others.

Risk of Transitioning to More Severe Forms of Homelessness: Those who are “doubled up” are at a heightened risk of transitioning into more severe forms of homelessness. As temporary arrangements become untenable, the likelihood of ending up in shelters or on the streets increases. Early intervention for those who are “doubled up” can prevent this escalation.

Psychological and Social Impact: The instability and uncertainty associated with living “doubled up” can have profound psychological effects, especially on children and teenagers in addition to adults. It can lead to stress, anxiety, and a sense of social isolation. Moreover, the lack of a stable environment can adversely affect academic performance, employment prospects, and overall well-being.

Hidden Nature of the Problem: “Doubled up” individuals are often invisible in traditional homelessness statistics. Without acknowledging this group, the true scope of the housing crisis remains hidden, leading to underestimation of the need for resources and support services.

Risk of Transitioning to More Severe Forms of Homelessness: Those who are "doubled up" are at a heightened risk of transitioning into more severe forms of homelessness. As temporary arrangements become untenable, the likelihood of ending up in shelters or on the streets increases. Early intervention for those who are "doubled up" can prevent this escalation.

Policy and Resource Allocation: Including "doubled up" as a category in homelessness metrics is crucial for policy development and resource allocation. It enables a more comprehensive understanding of the housing crisis, ensuring that policies are inclusive and resources are appropriately directed.

Comprehensive Support Systems: Recognizing "doubled up" situations allows for the development of support systems that address the unique needs of these individuals, such as housing assistance, counseling services, and educational support for affected children and adults.

Understanding and addressing the needs of those who are "doubled up" is essential in the fight against homelessness. It broadens our perspective of what homelessness looks like and allows for more effective and compassionate solutions. By including "doubled up" in homelessness metrics, we can ensure a more accurate representation of the issue, leading to better-targeted policies and support systems that address the full spectrum of housing instability.

Prevalence of Homelessness Among Students in the Lincoln County School District

The dataset received from Lincoln County School District encompasses 630 students, all of whom are identified as experiencing some form of homelessness. These students are categorized into four types of homelessness as defined by their night-time residency status: Unsheltered (U), Sheltered (S), Doubled Up (D), and Hotel/Motel (H).

Breakdown of Homelessness Types

Doubled Up (D):

- Count: 397 students
- This category, indicating students living in overcrowded or shared housing due to economic hardship, is the most prevalent form of housing instability within the group.

Unsheltered (U):

- Count: 150 students

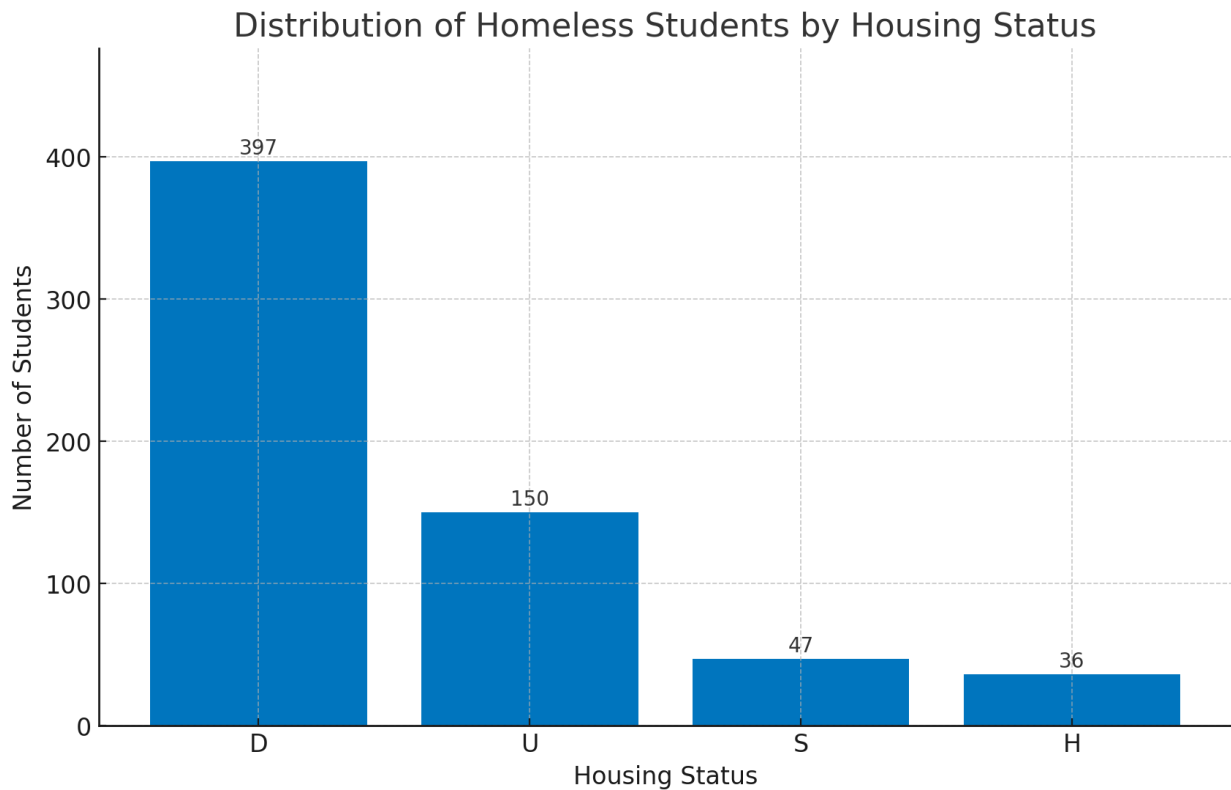
- These students are living in conditions not meant for habitation, such as in cars, parks, or abandoned buildings.

Sheltered (S):

- Count: 47 students
- This group includes students living in emergency or transitional shelters.

Hotel/Motel (H):

- Count: 36 students
- These students are temporarily residing in hotels or motels, possibly due to a lack of alternative adequate accommodation.



Implications for the Lincoln County School District

In the Lincoln County School District, a closer look at the 630 students identified as experiencing homelessness reveals a complex and challenging landscape. These students, each facing unique struggles, are categorized into four distinct types of living situations, each reflective of the varied facets of homelessness.

FINAL ADMINISTRATIVE DRAFT

The most common scenario, experienced by 397 students, is being 'Doubled Up'. This term refers to living in overcrowded conditions or sharing housing with others due to economic necessity. The stories behind this number likely speak of families grappling with financial hardships, making difficult choices to stay afloat. In these settings, students may face challenges such as lack of privacy, limited study spaces, and the psychological toll of instability.

A strikingly high number, 150 students, are classified as 'Unsheltered'. This designation paints a picture of the most severe form of homelessness: children and adolescents living in cars, parks, abandoned buildings, or other unsuitable conditions. Their daily lives are a testament to resilience in the face of adversity, yet their circumstances pose serious concerns about their safety, health, and ability to engage effectively in school.

A smaller, yet significant group of 47 students are in 'Sheltered' situations, residing in emergency or transitional shelters. Their experiences often involve constant movement and uncertainty, a transient lifestyle that can disrupt education and emotional development.

Lastly, 36 students are living in 'Hotel/Motel' situations. This often temporary solution might arise from an urgent loss of housing or as a stop-gap arrangement until more stable housing can be found. While potentially more stable than being unsheltered, these accommodations are not a long-term solution and often come with their own set of challenges.

Together, these figures not only quantify the issue but also humanize it. They represent individual stories of resilience in the face of hardship and underscore the need for compassionate, comprehensive support systems. For these students, school might be one of the few constants in their lives, a place not just for learning, but also for finding support, stability, and a sense of normalcy. The data thus serves as a call to action, highlighting the urgent need for targeted interventions and resources to support these young members of our community.

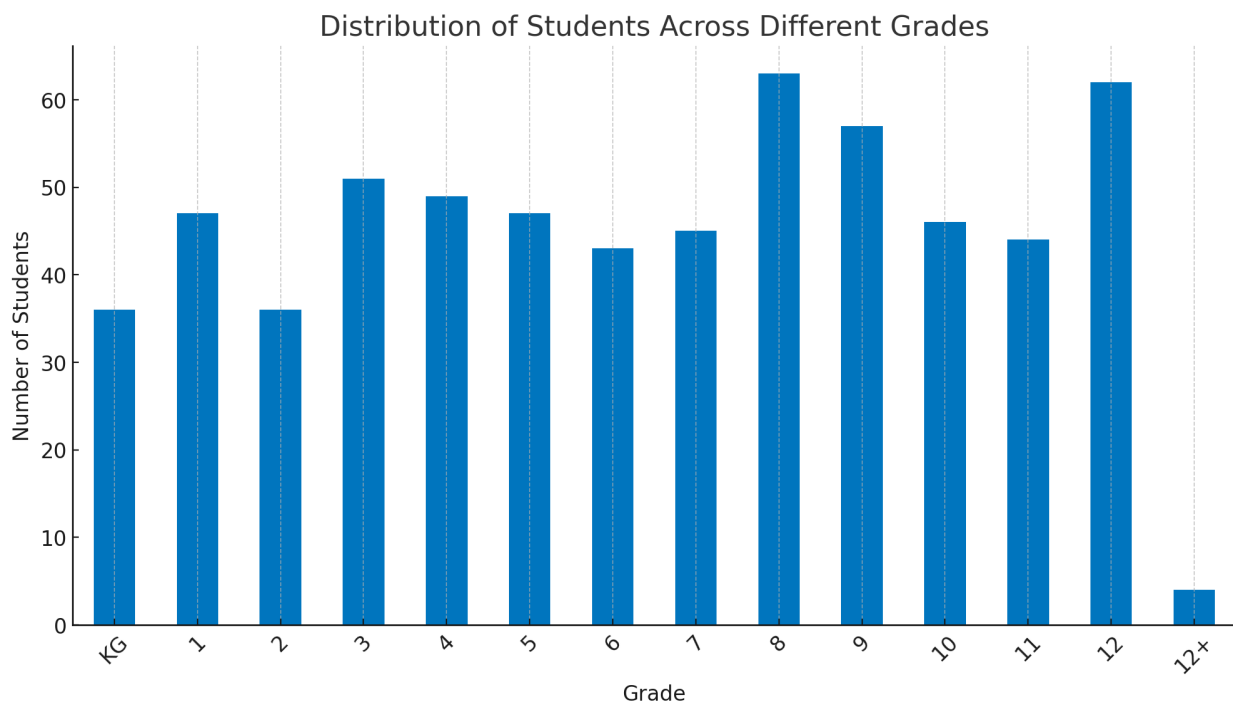
These insights highlight a critical need for interventions and support systems within the Lincoln County School District. Addressing housing instability is crucial for ensuring the well-being and educational success of students. Community engagement, policy development, and resource allocation should focus on providing stable housing solutions and supporting the diverse needs of students facing these challenges.

Distribution across grades

FINAL ADMINISTRATIVE DRAFT

An initial analysis reveals varied distributions of these residency codes across grade levels.

- **Early Grades (Kindergarten to Grade 3):** These grades show a higher prevalence of the 'Doubled Up' status, suggesting that younger students are more likely to live with other families or relatives due to economic constraints.
- **Middle Grades (Grade 4 to Grade 8):** In these grades, there's an increased occurrence of the 'Sheltered' and 'Hotel/Motel' statuses. This trend might indicate that as children grow older, their families face more challenges in maintaining stable, long-term housing.
- **Higher Grades (Grade 9 to Grade 12):** Here, we observe a concerning increase in the 'Unsheltered' status, particularly in the later high school years. This troubling trend suggests that high school students are increasingly facing the most extreme forms of housing insecurity.



Grade-Specific Trends

Certain grades stand out in their housing situation profiles. For example, Grade 8 shows a significant presence of the 'Hotel/Motel' status, indicating a possible transitional

phase in housing. Grade 12 has a noticeable proportion of 'Unsheltered' students, highlighting the harsh reality faced by students nearing adulthood.

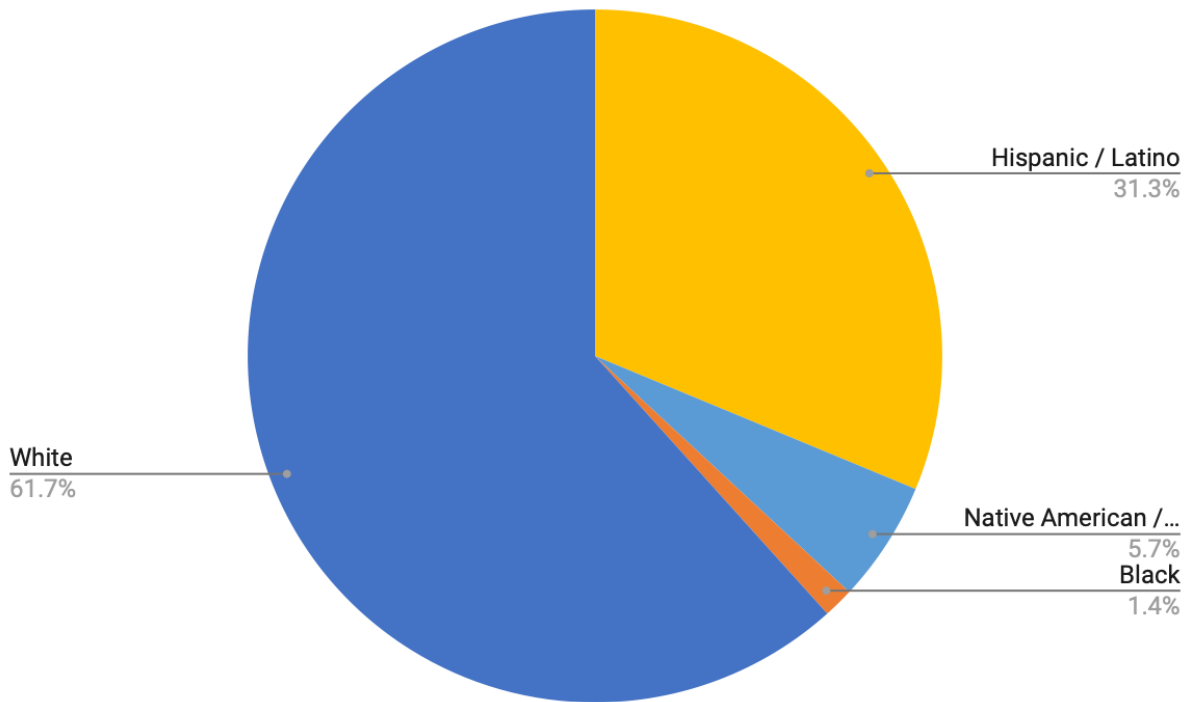
Implications

This analysis brings to light the critical need for targeted support and interventions. The varying housing situations across grades underscore the importance of providing tailored resources. Younger students might benefit from programs that support families in economic hardship, while older students may need direct assistance with housing, counseling, and academic support to manage the challenges of unstable living conditions.

The ethnic and racial distribution of the unhoused student population

In the Lincoln County School District, the unhoused student population, totaling 630 individuals, presents a diverse ethnic and racial makeup. This diversity is not just a statistic; it's a reflection of the varied backgrounds and cultures of the students navigating the challenges of homelessness.

- 61.66% of unhoused students identify as **White**. Encompassing 349 students.
- 31.27% of the unhoused students identify as **Hispanic**. Translating to 177 students.
- 5.65%, identifies as **Native American, American Indian or Alaska Native**, amounting to 32 students.
- 1.41% of unhoused students identify as **Black or African American**, 8 in total.
- No unhoused students identified themselves as **Asian** or as **Native Hawaiian or Other Pacific Islander** in the data received. However, this may change in future years, and future unhoused students who identify themselves as Asian or Native Hawaiian or Other Pacific Islander warrant full inclusion.



This ethnic and racial distribution paints a picture of a student population rich in diversity yet united by the common challenge of homelessness. Each percentage point and number represent real students, each with their own stories, cultural backgrounds, and educational journeys. Understanding this diversity is crucial in tailoring educational support and housing assistance to meet the varied needs of these students, ensuring that every child has the opportunity to thrive despite their housing circumstances.

Unhoused Student Housing Status by Zip Code

In the Lincoln County School District, the geographical distribution of unhoused students, as reflected through the lens of zip codes, offers a compelling view of the varying concentrations of students across different areas.

The dataset, encompassing 630 students, spans 25 unique zip codes, each representing a distinct part of the district. Among these, two zip codes stand out due to their significantly higher numbers of unhoused students, painting a picture of areas where the challenge of homelessness is particularly pronounced.

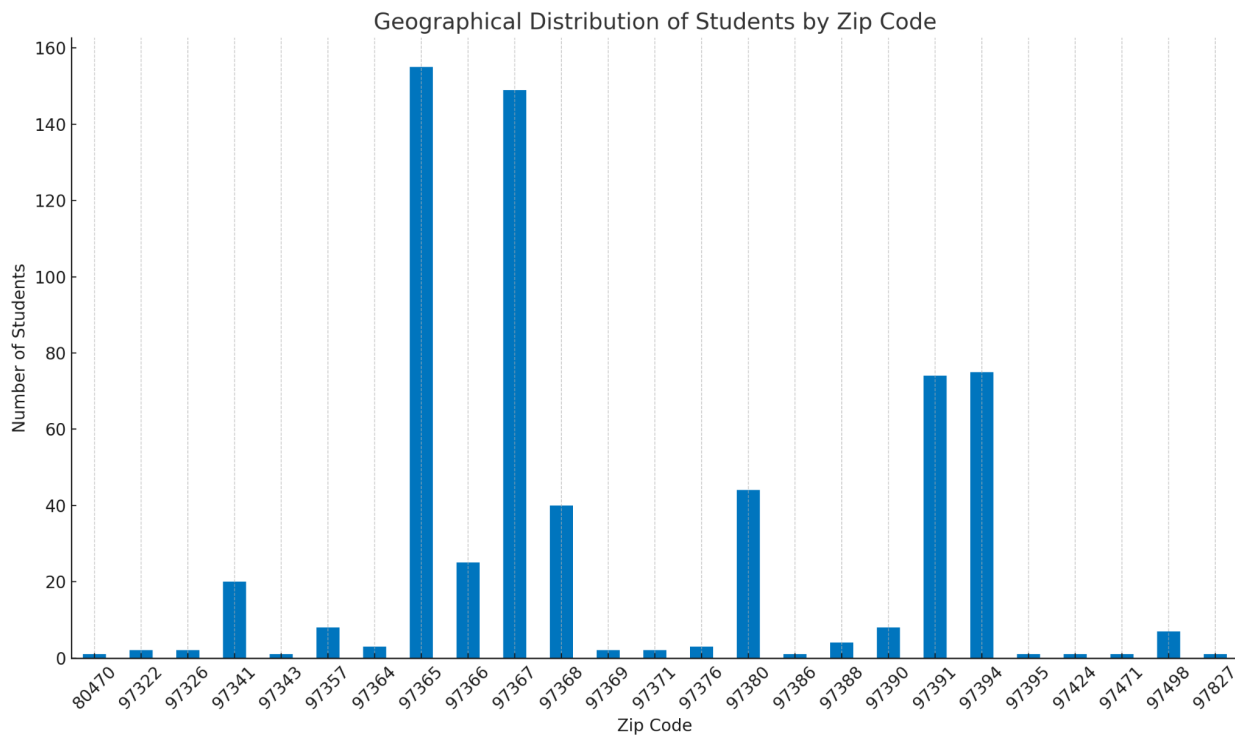
Key Zip Codes with High Student Concentrations:

FINAL ADMINISTRATIVE DRAFT

- **Zip Code 97365:** This area is the most densely represented, with 155 students calling it home. The high number in this zip code suggests it as a central hub where many unhoused students reside.
- **Zip Code 97367:** Close in numbers to 97365, this zip code accounts for 149 students. Together with 97365, these two areas form the epicenter of the student homelessness issue within the district.

Other Areas of Note:

- **Zip Codes 97391 and 97394:** Each of these areas houses a substantial number of students, 74 and 75 respectively, indicating significant pockets of homelessness.
- **Zip Codes 97368 and 97380:** These areas also show notable concentrations, with 40 and 44 students respectively, highlighting them as key areas of concern.



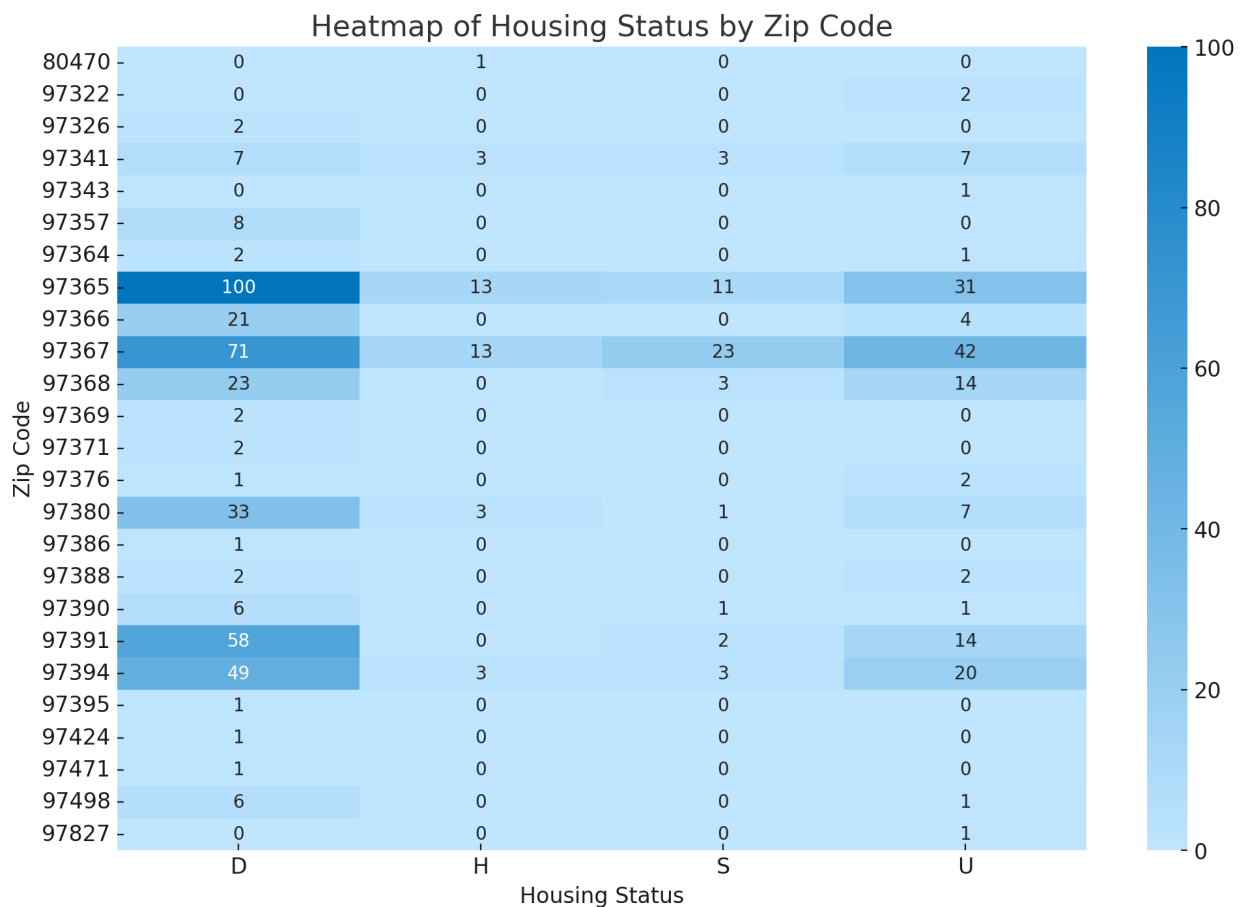
Areas with Fewer Unhoused Students:

- Several zip codes, such as 80470, 97343, 97386, 97395, 97424, 97471, and 97827, report minimal numbers, each with only a single student. While these

areas appear less impacted, each student's situation is a critical part of the overall picture.

- A few other zip codes have slightly higher, yet still low numbers, like 97322, 97326, 97369, and 97371, each hosting 2 students.

This geographic spread indicates that while certain areas within the district are hotspots for student homelessness, the issue touches a wide range of locations, albeit to varying degrees. The reasons behind these concentrations could be multifaceted, including factors like the availability of affordable housing, the location of shelters, and the socio-economic status of different neighborhoods.



In the Lincoln County School District, a detailed heatmap analysis of the unhoused student population, categorized by zip codes and types of homelessness, has provided a striking visual representation of the geographic distribution of homelessness. This analysis illuminates the areas most heavily impacted and the diverse nature of housing challenges faced by the students.

The heatmap's inverted color gradient, transitioning from light to dark blue, effectively highlights the varying intensities of homelessness across different zip codes. Darker shades in the map indicate higher concentrations of students experiencing specific types of homelessness. Notably, zip codes like 97365 and 97367 emerge as significant hotspots, particularly in the 'Doubled Up' and 'Unsheltered' categories, suggesting these areas are central to the district's homelessness challenge. Meanwhile, zip codes such as 97391 and 97394 also exhibit notable concentrations but in more specific categories like 'Doubled Up'.

This visual tool does more than just map out numbers; it reveals subtle yet significant patterns. Lighter shades in certain areas indicate lower incidences of homelessness, yet these areas remain an integral part of the overall narrative. The distribution suggests that homelessness among students is a complex issue that varies widely across the district, influenced by a range of factors including economic conditions, availability of shelters, and community resources.

The implications of this analysis extend far beyond mere data interpretation. It symbolizes the real-life situations of students and serves as a crucial tool for policymakers, educators, and community organizations. The heatmap provides a clear guide on where to focus intervention efforts, ensuring that resources and support are directed efficiently to areas with the highest need. It calls for a coordinated approach that acknowledges the geographic dimensions of the issue, aiming to foster stable and supportive environments for all students, regardless of their location within the district.

Unhoused Adults in Lincoln County

This section presents a detailed exploration across five critical dimensions: health concerns, educational background, service utilization, demographic profiles, and the reasons leading to housing loss. Each of these aspects provides valuable insights into the complexity of homelessness, challenging common stereotypes and revealing the diverse challenges faced by the unhoused community.

Health Concerns: Our investigation into health-related issues sheds light on the physical and mental challenges that significantly impact the lives of those experiencing homelessness. Despite a notable percentage having health insurance, a vast majority suffer from various health conditions, often compounded by difficulties in accessing healthcare services.

Educational Background: We explore the educational attainment within the unhoused community, revealing a surprising parallel with the general population of Lincoln County. This section highlights that while education is a critical factor, it alone does not insulate against the risk of homelessness.

Service Utilization: In assessing service utilization, we examine the awareness and engagement with available support services, including housing assistance. This analysis uncovers the gaps between service availability and accessibility, underscoring the need for more streamlined and effective delivery mechanisms.

Families and Demographics: This demographic analysis provides a detailed overview of the composition of the unhoused population in Lincoln County. By understanding who is most affected, we can tailor strategies and solutions to be more effective and inclusive.

Reasons for Loss of Housing: Lastly, we delve into the myriad reasons individuals find themselves without a home. From economic hardship and health crises to relationship breakdowns and lifestyle choices, the causes of homelessness are as varied as they are complex.

This comprehensive exploration aims not only to deepen our understanding of homelessness in Lincoln County but also to inform the development of targeted, evidence-based strategies to combat this multifaceted issue. By closely examining these key dimensions, we strive to create a foundation for interventions that are responsive, inclusive, and effective in addressing the unique needs of the unhoused community.

Understanding Work History of Unhoused Individuals

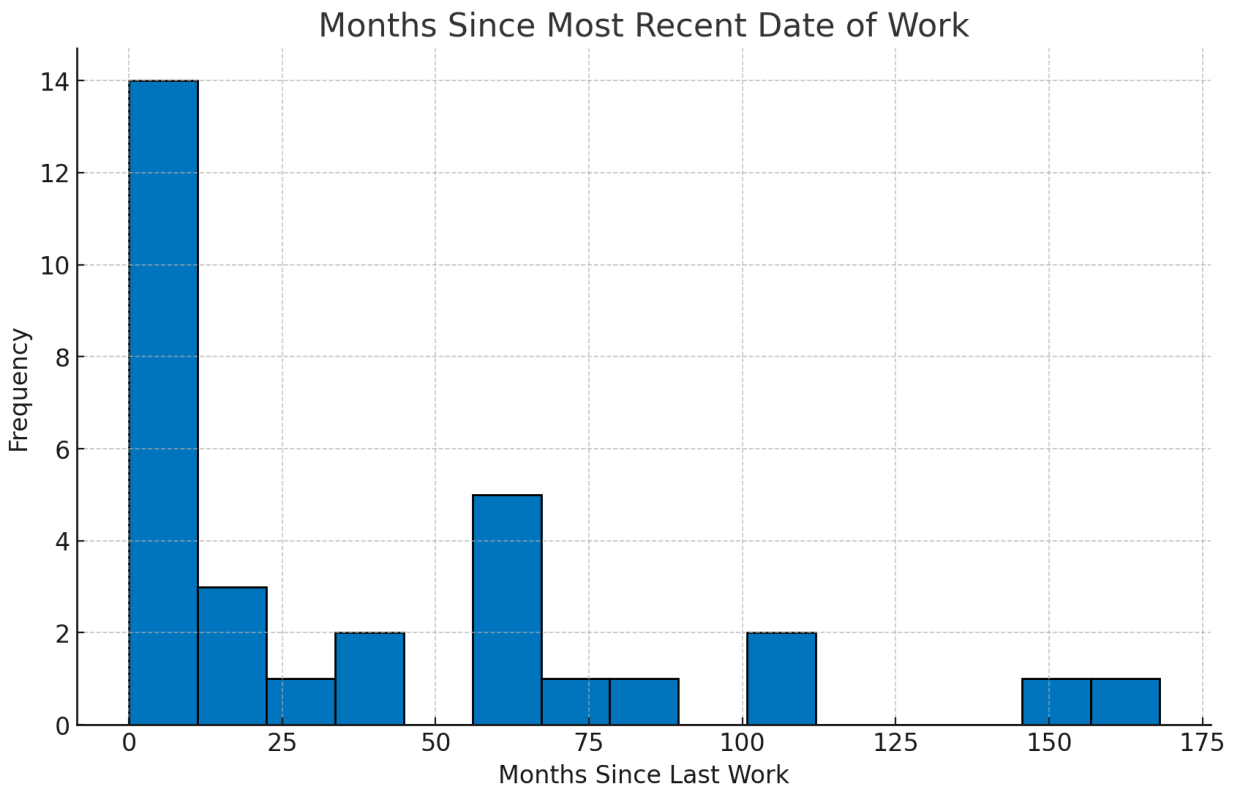
In our research, a critical data point emerged: the number of months since these individuals last held a job. This information is crucial in developing targeted assistance programs and understanding the dynamics of homelessness.

The dataset comprises various individuals, each with their unique story reflected in the time since they last worked. The data ranges widely, from those who have been out of work for as little as zero months to those who have not been employed for as long as 168 months. This range underscores the diversity within the unhoused population, highlighting that homelessness can affect anyone, regardless of their work history.

A closer look at the data reveals some key insights:

- **Average Duration:** The average (mean) duration since last employed is approximately 37.39 months. This average, however, is influenced by outliers – individuals who have been out of work for an exceptionally long time.
- **Most Common Scenario:** The mode of the dataset is 1 month, indicating a significant number of individuals have only recently lost their jobs. This suggests a potentially high rate of individuals falling into homelessness shortly after losing employment.
- **Median Value:** The median duration of 12 months provides another perspective, showing that half of the individuals have been out of work for a year or less. This median value is a more representative measure of the central tendency in this case, as it is less affected by extreme values.

The histogram of the data paints a vivid picture. There's a notable concentration of individuals who have been out of work for a relatively short period (less than 20 months), indicating a recent transition into homelessness for many. On the other hand, the presence of individuals who have not worked for over 100 months points to long-term unemployment challenges in a subset of the unhoused population.



The histogram of the data paints a vivid picture. There's a notable concentration of individuals who have been out of work for a relatively short period (less than 20 months), indicating a recent transition into homelessness for many. On the other hand, the presence of individuals who have not worked for over 100 months points to long-term unemployment challenges in a subset of the unhoused population.

Many within the unhoused community are currently working, recently without permanent housing, or actively searching for both housing and gainful employment. It's common for them to reach dead-ends in their pursuit.

46 yrs

Average age of the unhoused community.
(Ages 19 to 72 yrs sampled.)

2 yrs

2 yrs, 8 mos.
Since most recent date of employment, average.

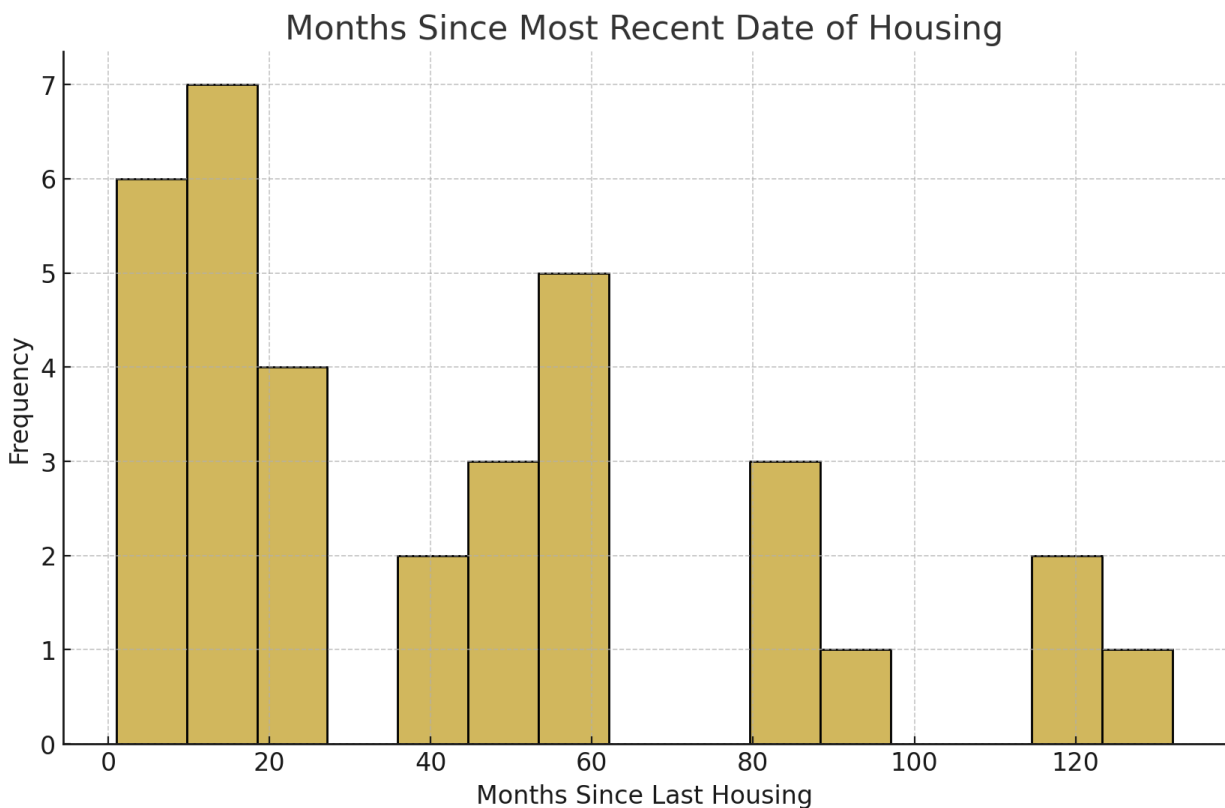
3 yrs

3 yrs, 7 mos.
Since most recent date of permanent housing, average.

Exploring the Housing History of Unhoused Individuals

The research shows a broad spectrum of recent housing, reflecting the varied experiences of those who are unhoused. It ranges from individuals who have recently lost their housing to those who have been without a home for over a decade. Key insights from the data include:

- **Average Duration:** The average duration since last stable housing is approximately 42.53 months. This figure indicates a significant period of instability for many in the population, but it is also skewed by those who have been without housing for an extremely long time.
- **Common Experience:** The mode of the dataset is 12 months, revealing that a notable number of individuals lost their housing about a year ago. This points to a potentially critical time frame for intervention to prevent prolonged homelessness.
- **Median Value:** At a median of 30 months, this suggests that half of the unhoused population has been without stable housing for two and a half years or less, while the other half has been unhoused for longer.



FINAL ADMINISTRATIVE DRAFT

The histogram (above) of the data paints a picture of this distribution. It shows a concentration of individuals who have been without housing for fewer than 50 months, suggesting a recent increase in homelessness or a recent loss of housing for these individuals. Conversely, the presence of those who have been unhoused for over 100 months indicates a subgroup facing long-term homelessness, potentially compounded by additional barriers such as health issues, lack of support networks, or long-term unemployment.

Quotes regarding housing goals

"I want a roof over my head, or maybe a boat, RV, or apartment... anything to get off the streets in the winter."

"I want a space to myself, with a working kitchen and bathroom."

"We want a house to get our kids back."

"Get into a house, back on my feet, and find a full time job... but it's impossible when you're camping."

"I would like an apartment or even a shelter. I don't want a homeless camp."

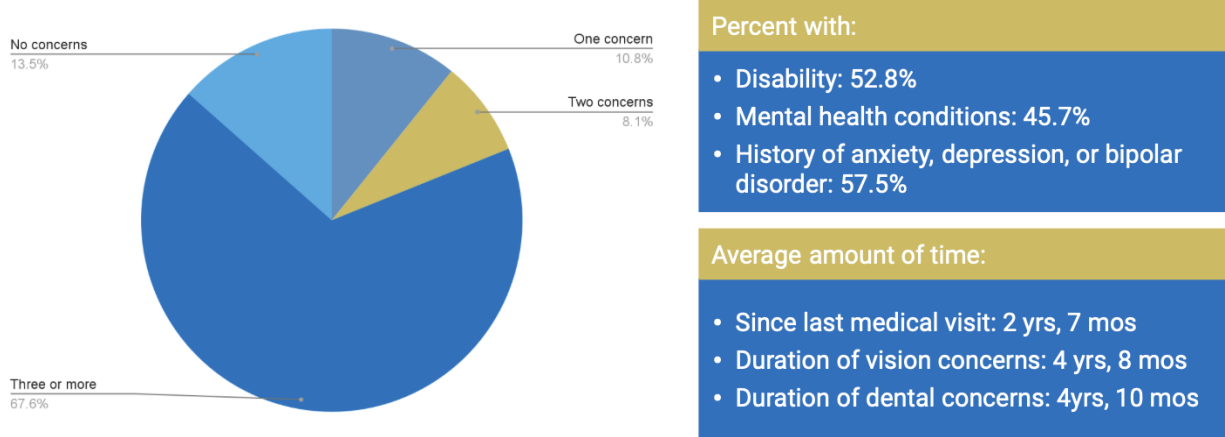
Health Concerns in Unhoused Communities

The incongruity between health insurance coverage and the lived health experiences of Lincoln County’s unhoused communities is stark and multifaceted. While a majority of these individuals have medical insurance, notably from the Oregon Health Plan, our research indicates that 86.5% are grappling with one or more serious health conditions. This is compounded by the fact that the average individual has not had a medical visit in 2 years and 7 months, signaling substantial barriers to accessing care.

Extended Duration of Unaddressed Health Issues

The duration of unmet health needs is a telling indicator of the chronic nature of health neglect in these communities. On average, individuals with vision concerns have gone 4 years and 8 months without adequate care. For dental health, the duration is even longer, with an average of 4 years and 10 months since receiving proper dental attention. These extended periods contribute to a cycle of deteriorating health that is challenging to break.

Serious health concerns experienced by unhoused community



The Gap Between Insurance and Care

This data underscores a gap that has less to do with insurance coverage and more with the delivery and utilization of health services. The insured may still face considerable obstacles, including:

- **Service accessibility:** With an average gap of over two years since the last medical visit, it's evident that physical and logistical access to health care providers is a critical issue.
- **Complex health needs:** Those experiencing homelessness with multiple health issues, which our research found to be 67.6% of the surveyed group, require integrated care that addresses all their needs simultaneously.
- **Ongoing conditions:** The protracted nature of vision and dental concerns illustrates the need for regular, ongoing care, which is often harder to secure for the unhoused due to transportation issues, competing survival priorities, and lack of consistent care options.

Education Throughout Unhoused Communities

The relationship between homelessness and education is often presumed to be one of deficit on the part of those experiencing homelessness. However, our research in Lincoln County challenges this assumption. The educational attainment within unhoused communities exhibits remarkable similarities to the broader population, suggesting that lack of education is not a primary driver of homelessness in this region.

Unhoused Community Educational Levels

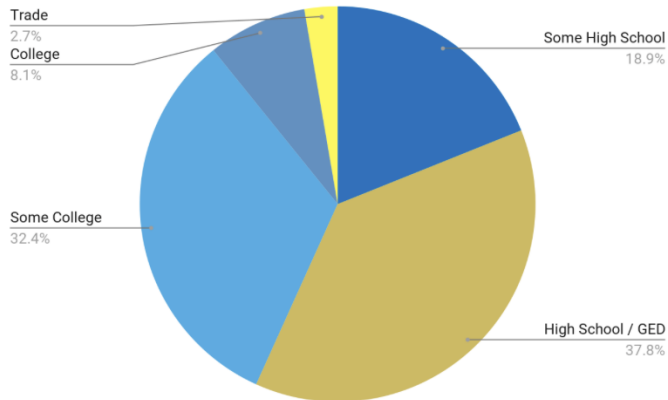
An analysis of the educational attainment among the unhoused community reveals a spectrum of educational experiences:

- **Some high school:** 19.44% of the unhoused population reported some high school education, indicating a number of individuals may have faced interruptions during their secondary education.
- **High school/GED completion:** 36.11% achieved a high school diploma or GED, reflecting a significant proportion that reached a foundational level of education which mirrors the critical threshold for many entry-level jobs.
- **Some college experience:** A significant 33.33% have attended college without completing a degree, which suggests a pursuit of higher education that was not brought to fruition for various reasons.
- **College graduates:** At 8.33%, the proportion of college graduates in the unhoused community, while smaller, is noteworthy, especially when juxtaposed with the broader societal narrative.
- **Trade certification:** With 2.78% having completed trade certifications, this highlights that vocational paths are also present within the unhoused demographic.

Unhoused Community: Highest Level of Education

All Lincoln County

- High School / GED: 24.1%
- Some College: 31.0%
- College Degree: 17.6%
- Graduate Degree: 11.0%



Comparison with all Lincoln County Residents

When compared with the overall educational statistics of Lincoln County:

- **High school / GED:** The rate of high school completion or equivalent is notably higher in the unhoused communities (36.11%) than in the general population (24.1%).
- **Some college:** Both populations have a substantial proportion with some college experience, with the unhoused community slightly outpacing the county average (33.33% vs. 31.0%).
- **Advanced education:** The county at large has a higher percentage of residents with college degrees (17.6%) and graduate degrees (11.0%), which exceeds the combined total for college completion and trade certification in the unhoused communities (11.11%).

Experiences Receiving Services in Unhoused Communities

Awareness vs. Utilization of Support Services

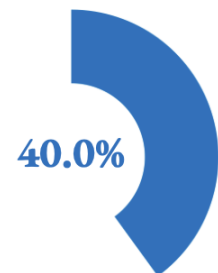
Within Lincoln County’s unhoused populations, a significant majority – 68.57% – report being aware of available support services, a positive indicator of outreach and information dissemination efforts. However, this awareness does not always translate into successful utilization of services, with 48.39% reporting difficulty in accessing housing assistance. These statistics reveal a gap between service availability and effective service engagement.



Percentage of unhoused community **aware of local support services.**

Housing Services Experience

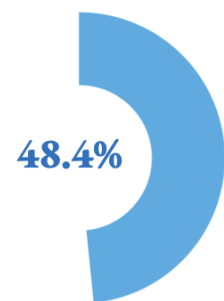
Although 40.0% of the individuals have previously received housing services, nearly half have encountered challenges when seeking this critical support. The barriers to accessing housing services include complex application processes, limited availability of services, stringent qualification criteria, or a lack of follow-through due to administrative barriers. Many noted that they have experience with discrimination in the process of locating housing.



Percentage of unhoused community **who have received local housing services.**

Challenges in Service Delivery

The reported difficulty in receiving housing services points to systemic issues within the service delivery framework that necessitate attention. Delays, lack of coordination between agencies, or mismatches between referrals and intake processes contribute to these challenges.



Percentage of unhoused community **who have had difficulty receiving local housing services.**

Community and Informal Support Networks

A majority of the unhoused individuals – 62.86% – receive informal support from within the service community or through connections in the unhoused community itself. This suggests a robust network of peer-to-peer assistance that

FINAL ADMINISTRATIVE DRAFT

supplements or even substitutes formal support mechanisms. Such informal networks are vital, often providing immediate assistance, emotional support, and practical advice based on lived experiences.

Unhoused Families and Community Dynamics

A significant aspect of our study on homelessness in Lincoln County involves understanding the family dynamics within the unhoused population. This narrative aims to juxtapose these findings with broader census data from the county to offer a comparative perspective.

Prevalence of Families among the Unhoused

A notable 57% of the unhoused individuals in Lincoln County have children, indicating that family homelessness is not an isolated issue but rather a substantial component of the overall homelessness challenge in the region. This proportion underscores the critical need to address family-specific needs within homelessness services and policies.

Size and Composition of Unhoused Families

On average, these unhoused families consist of 2.3 children. This figure does not include parents, which suggests that when parents are considered, the average unhoused family size may be comparable to, or slightly larger than, the average household size in the broader Lincoln County community.

Marital Status and Divorce Rates

The data reveals that 18.43% of unhoused males and 12.57% of unhoused females have been married and are now divorced. These percentages provide insight into the marital challenges within this demographic, potentially implicating factors like economic stress, health issues, and other personal crises contributing to both divorce and homelessness.

Comparison with all of Lincoln County

In Lincoln County, families constitute 58.42% of all households, a figure closely aligned with the 57% of unhoused individuals with children. This similarity suggests that the propensity to form families is not diminished by the state of being unhoused.

The average household size in Lincoln County, at 2.23 people including parents, is nearly on par with the average number of children in unhoused families. This parallel indicates

that, in terms of family size, unhoused families are not significantly different from housed families within the county.

However, the divorce rates show a divergence between the unhoused and the broader population: 18% of males and 12% of females among the unhoused have experienced divorce, compared to 14% of males and 18% of females county-wide.

The comparison of family dynamics between the unhoused communities and the broader Lincoln County population reveals several parallels and some distinct differences. Understanding these aspects is crucial in crafting targeted interventions that address the unique needs of families experiencing homelessness, ensuring that both adults and children receive the comprehensive support necessary for stability and well-being.



MORANT MCLEOD

SECTION 5: RESEARCH FINDINGS

SECTION 5: Unraveling the Dimensions of Homelessness in Lincoln County

Lincoln County, with its unique coastal and rural landscape, confronts a complex homelessness crisis influenced by interrelated factors of housing, services, economic challenges, and transportation. This report presents a comprehensive analysis, integrating these dimensions to understand and address the needs of the unhoused communities effectively.

Housing challenges in the county are marked by high market prices and a scarcity of affordable options, exacerbated by the prevalence of short-term rentals and second homes. Services for the unhoused are diverse, ranging from emergency interventions to long-term support, and are crucial in aiding individuals from homelessness to stability. Economic pressures, including low wages and high living costs, significantly contribute to the risk of homelessness. Furthermore, the unique transportation needs in Lincoln County's rural and coastal settings are vital in connecting individuals to essential services and opportunities.

Central to this report is the Progression of Support model, which ties together these critical dimensions. It illustrates how housing, services, economic stability, and transportation are interwoven across different stages of the homelessness continuum. This model provides a cohesive framework, ensuring that at each phase, from emergency to stability, the necessary support is aligned and accessible, facilitating a smoother transition towards self-sufficiency and stable living.

The integration of these dimensions in the model underscores the need for a coordinated response that addresses the multifaceted nature of homelessness in Lincoln County. The report aims to guide policymakers, service providers, and community stakeholders in developing comprehensive strategies for the county's unhoused population.

Housing

Tax Assessed Values vs Real Market Values

In the context of addressing homelessness in Lincoln County, understanding the distinction between tax assessed values and real market values of properties becomes crucial. These two valuation metrics, while related to real estate, have different implications for housing affordability, property taxation, and consequently, the issue of homelessness. This essay explores the nuances of these valuations in the context of our research on homelessness in Lincoln County.

Tax Assessed Values in Lincoln County

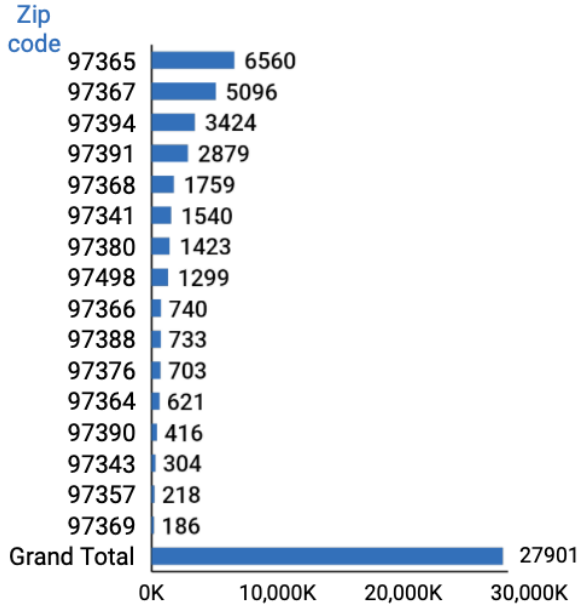
Tax assessed values in Lincoln County, determined by local government assessors, play a pivotal role in defining property taxes. However, these values often do not reflect the current market conditions due to infrequent updates. In the context of homelessness, the way properties are assessed can influence the allocation of resources and funding for social services, including those aimed at combating homelessness.

Real Market Values and Housing Affordability

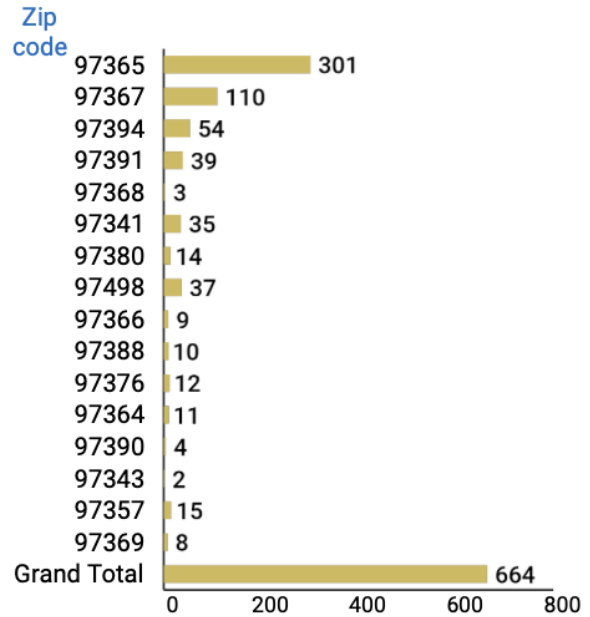
Real market values, representing the current market price of properties, are a more dynamic measure and are crucial in understanding the housing market's state. In Lincoln County, where real market values for homes are significantly high, this has direct implications for housing affordability. The disparity between average incomes and high market values of homes points to a larger issue of accessible and affordable housing, a key factor in the context of homelessness.

Tax Assessed Value & Units

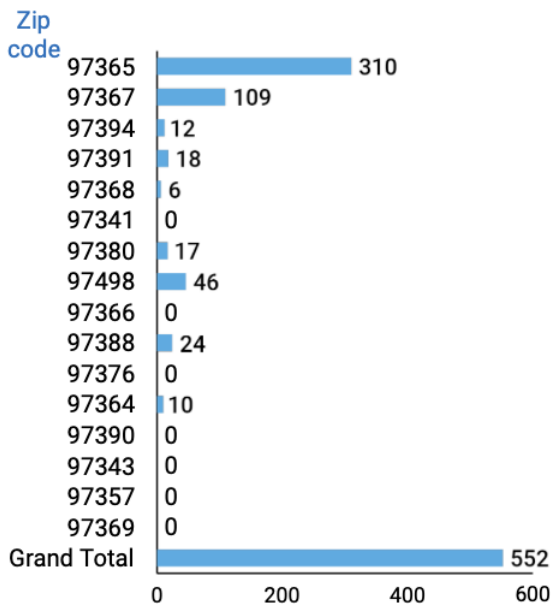
- Median RMV Total
- Units Single Family, Potential Ownership
- Units Commercial
- Units, Multi-Unit Residential



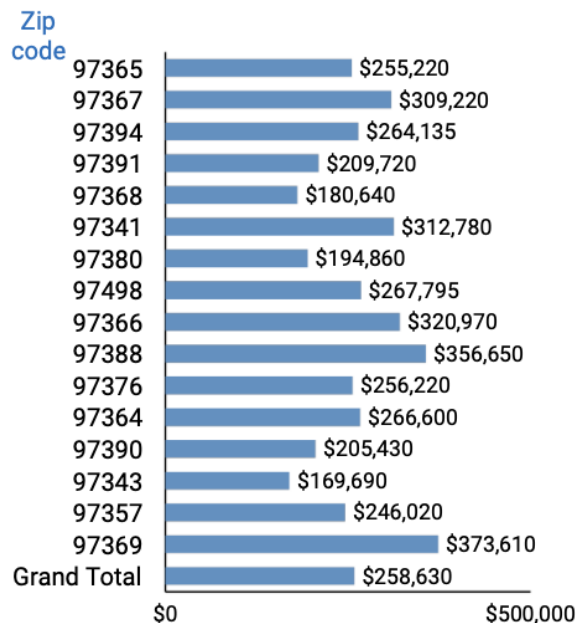
Units Single Family, Potential Ownership



Units, Multi-Unit Residential



Units, Commercially-Owned Residential



Median Value Total

FINAL ADMINISTRATIVE DRAFT

Disparity and Its Implications for Homelessness

The disparity between tax assessed values and real market values can have several implications in the context of homelessness:

- **Housing Affordability:** If tax assessments are not reflective of market realities, it may lead to a skewed understanding of housing affordability, impacting policy decisions related to affordable housing.
- **Property Tax Revenue and Social Services:** Inaccurate assessments can lead to inconsistent property tax revenues, which in turn can affect the funding available for social services, including those for homeless populations.
- **Perception of Housing Market:** Discrepancies between assessed and market values can influence public perception of the housing market, affecting community support for initiatives aimed at addressing homelessness.

Addressing the Challenges in Lincoln County

To better tackle homelessness in Lincoln County, it is essential to address the challenges posed by the disparity between tax assessed and market values:

- **Regular Property Reassessments:** Ensuring property values are reassessed regularly to reflect market changes can aid in more accurate property taxation and budgeting for homelessness services.
- **Enhanced Transparency and Communication:** Clear communication about property valuations and their implications for housing affordability can foster better public understanding and support for homelessness initiatives.
- **Policy Adjustments Based on Market Realities:** Policies aimed at addressing homelessness should be informed by real market conditions rather than solely on tax assessed values to ensure they are effectively targeting the issue.

Home Price Analysis

A detailed examination of the housing market reveals a complex interplay between home prices and the pervasive issue of homelessness. This analysis focuses on the broad spectrum of home prices and their implications for various income groups within the county, particularly in the context of housing affordability and its role in exacerbating homelessness.

Diversity in Home Prices

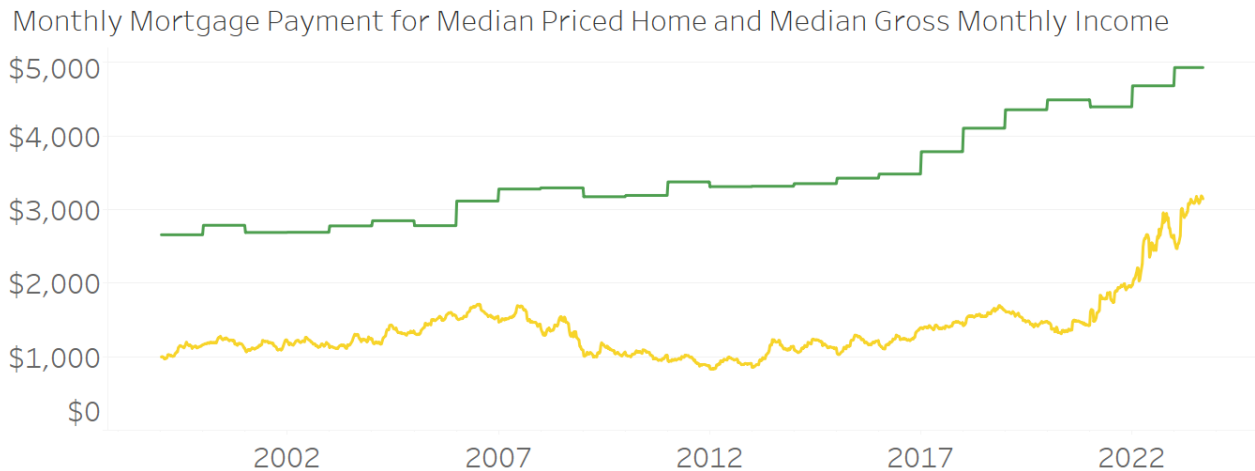
The investigation into Lincoln County's housing market uncovers a significant range in home prices, indicating a diverse and stratified market. Entry-level 1-bedroom homes are priced at \$506,200, a figure that is already challenging for lower-income groups. This pricing trend escalates with larger homes, with 2-bedroom and 3-bedroom houses priced at \$820,000 and \$1,079,500, respectively. Such pricing patterns underscore a market characterized by high entry points even for smaller properties.

Price Variability and Its Implications

The variability in home prices across Lincoln County is notable. On the lower end, prices may represent older or smaller properties, possibly in less desirable locations. Conversely, higher-end properties likely offer additional space, amenities, or desirable locations, commanding premium prices. This variability reflects a housing market with options catering to different economic segments, yet it also highlights the widening gap between affordable and high-end housing.

Income-Housing Price Disparity and Homelessness

A critical aspect of this analysis is the juxtaposition of these home prices against the backdrop of local income levels. With median and per capita incomes in Lincoln County standing at \$54,961 and \$32,776, respectively, a significant proportion of the population finds itself priced out of the housing market. This disparity between income levels and housing costs is a fundamental driver of housing instability and, subsequently, homelessness. The inability of a substantial segment of the population to afford even the lower end of the housing market points to an urgent need for policy intervention.



Source: NAR, Freddie Mac, Census Bureau, Federal Reserve
 Calculations by Morant McLeod

Measure Names

- Median Gross Monthly Income
- Mortgage payment

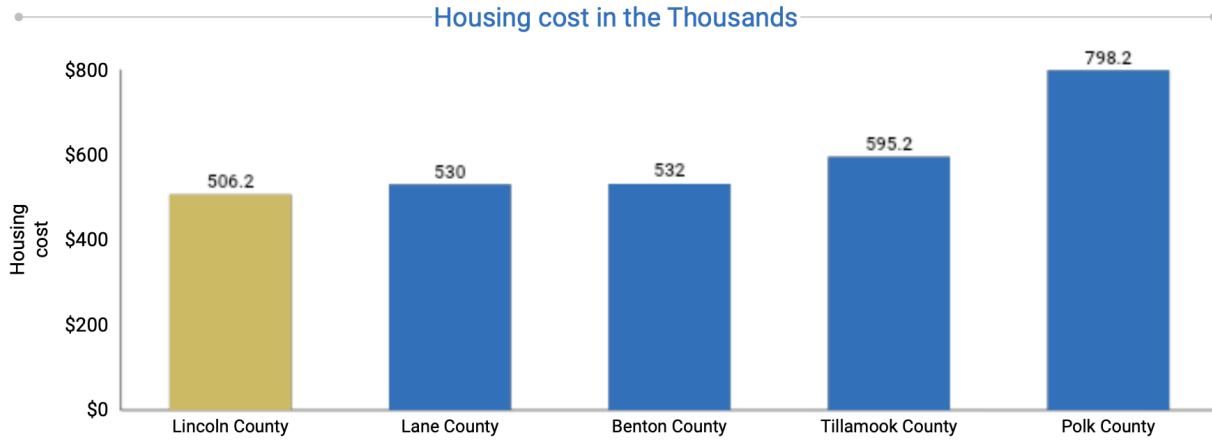
Policy Implications

The findings of this research suggest a pressing need for comprehensive strategies to address housing affordability in Lincoln County. Policymakers are encouraged to consider a range of solutions, including the development of affordable housing, revisions to zoning laws to encourage a diverse range of housing types, and support programs for low-income homebuyers or renters. Additionally, aligning housing policies with real market conditions is essential to effectively tackle the housing affordability crisis and, by extension, reduce homelessness.

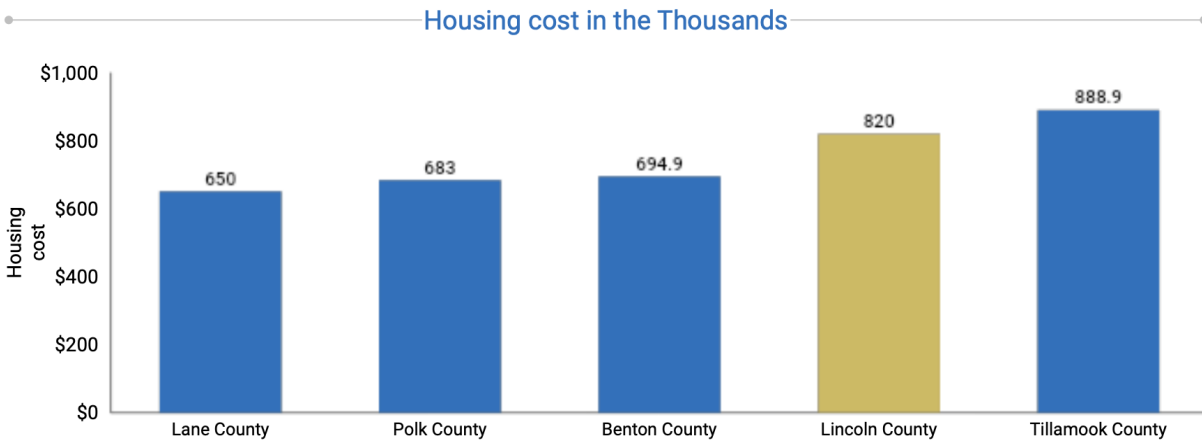
This analysis of the housing market in Lincoln County reveals a clear and present challenge of housing affordability, contributing significantly to the issue of homelessness. Addressing this challenge requires a nuanced approach that considers both the housing market's complexity and the diverse needs of the county's residents. Effective policy making and community engagement are crucial in shaping a future where housing is accessible and affordable for all segments of the Lincoln County population.

Surveyed Home Prices, 1-3 Bedrooms

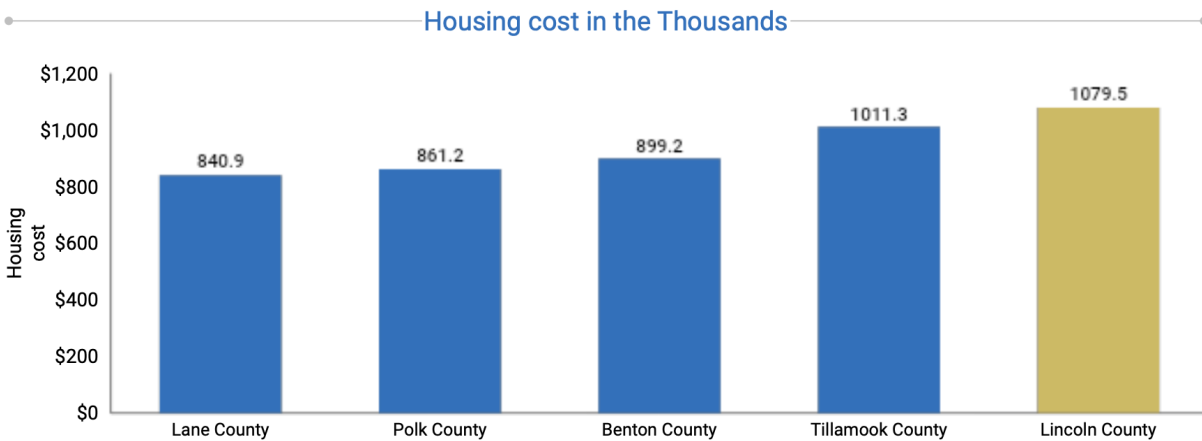
Cost of Housing for 1 Bedroom Homes, In All Selected Counties



Cost of Housing for 2 Bedroom Homes, In All Selected Counties



Cost of Housing for 3 Bedroom Homes, In All Selected Counties



FINAL ADMINISTRATIVE DRAFT

Examining Housing Affordability

Housing affordability, a crucial aspect of economic stability, has become a pressing concern in Lincoln County. Amidst a backdrop of rising home prices, this analysis seeks to understand how these trends contribute to the growing challenge of homelessness, evaluating the disparity between housing costs and resident incomes.

Lincoln County's housing market exhibits a wide range of home prices, with notable disparities between different housing types. The data reveals that 1-bedroom homes begin at \$506,200, with a substantial increase to \$820,000 for 2-bedroom homes, and further escalation to \$1,079,500 for 3-bedroom residences. This pricing structure presents a significant barrier to homeownership for a large segment of the population.

Contrasting these home prices with Lincoln County's median income of \$54,961 and a per capita income of \$32,776, a stark discrepancy emerges. The prevailing financial guideline of allocating no more than 30% of income to housing is rendered impractical for most residents, leading to an affordability crisis. This disparity highlights the widening gap between housing prices and earning capacities.

Further examination of the housing stock in Lincoln County indicates a dominance of single-family homes, which constitute 95.8% of the housing market. The limited availability of more affordable housing options, such as multi-family units and apartments (which account for only 2.3% and 1.9% respectively), exacerbates the affordability issue. This skewed housing distribution limits the options available to lower-income residents.

\$54,961

Median income in 2021

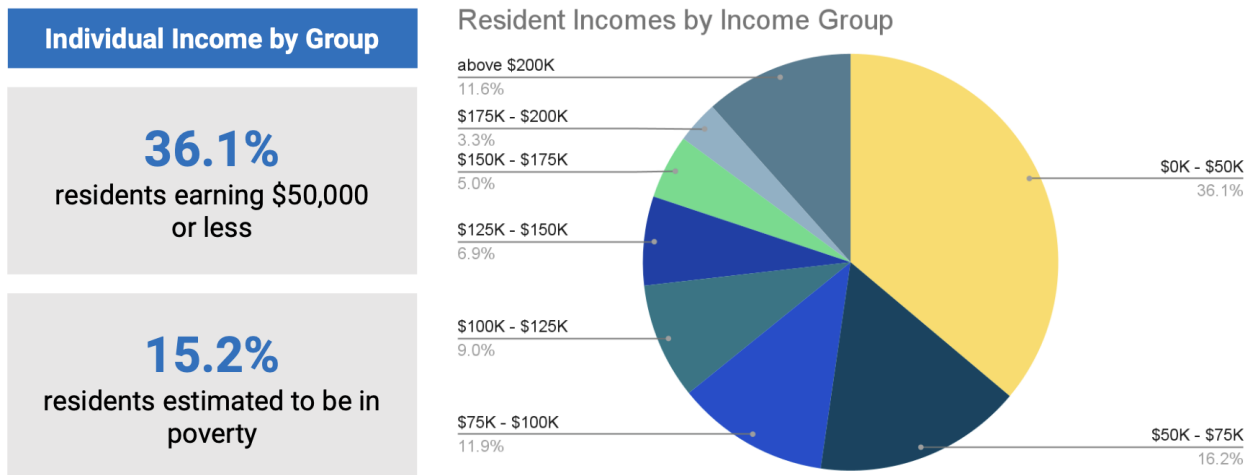
\$32,776

Per capita income in 2021

Poverty and Income Distribution in Lincoln County

An additional dimension to the housing affordability crisis in Lincoln County is the prevalence of poverty and the distribution of income among its residents. Recent estimates indicate that 15.2% of the population lives below the poverty line, a significant proportion that underscores the economic challenges faced by a substantial segment of the community. Moreover, the income distribution data reveals that 36.1% of households earn \$50,000 or less annually. This income bracket, while above the poverty threshold, still struggles with the high cost of living and housing in the county.

The convergence of these factors – a high poverty rate and a large portion of the population earning relatively low incomes – further intensifies the affordability crisis. It not only restricts access to adequate housing but also limits the ability of these residents to meet other basic needs, exacerbating the overall economic vulnerability of the community. This context of poverty and income inequality is crucial in understanding the broader implications of the housing affordability issue and in formulating targeted interventions to address the needs of the most impacted populations in Lincoln County.



Distribution of Housing Types

Our research indicates that Lincoln County's housing market is predominantly composed of single-family homes, which constitute 95.8% of the total housing stock. In contrast, multi-family residential units and commercially owned residential properties (apartments) represent a minimal portion, accounting for just 2.3% and 1.9% respectively. This distribution highlights a significant imbalance in the housing options available to residents.

Implications for Housing Affordability and Homelessness

The overwhelming dominance of single-family homes has several implications:

- **Limited Affordable Options:** The scarcity of multi-family and apartment options often translates into fewer affordable housing choices for residents. This is particularly challenging for low-income individuals and families, who are disproportionately affected by the lack of diverse and affordable housing options.
- **Market Dynamics:** The high percentage of single-family homes can influence market dynamics, often driving up prices and making homeownership unattainable for many. This situation exacerbates the risk of housing instability and homelessness among lower-income groups.
- **Barriers to Entry for Vulnerable Populations:** The limited availability of multi-family and apartment-style housing can pose significant barriers to entry for vulnerable populations, including those experiencing homelessness, low-income earners, and individuals with disabilities. These groups often require more affordable, accessible, and supportive housing options.

Recommendations for Addressing Housing Imbalance

To address the challenges posed by the current distribution of housing types in Lincoln County, several strategies are recommended:

- **Increasing Diversity of Housing Stock:** Encouraging the development of multi-family and apartment-style housing can provide more affordable options. This could be achieved through policy incentives for developers, revisions in zoning laws, and targeted investment in affordable housing projects.
- **Supportive and Transitional Housing Programs:** Expanding supportive and transitional housing programs can offer a pathway out of homelessness,

providing temporary accommodation coupled with services aimed at achieving long-term housing stability.

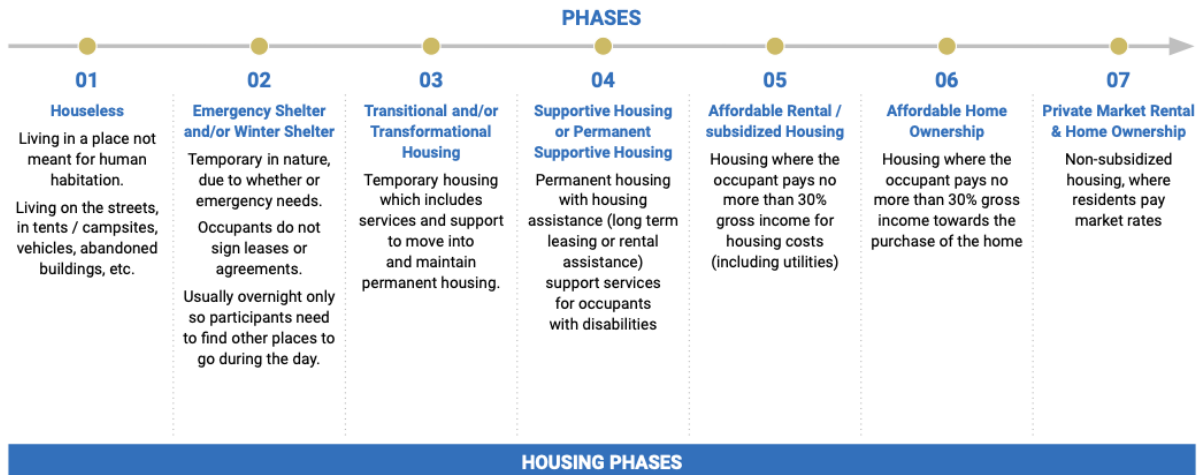
- **Public-Private Partnerships:** Engaging in public-private partnerships can be effective in increasing the supply of diverse housing options. Collaboration between government entities, private developers, and non-profit organizations can yield innovative solutions to the housing crisis.
- **Community Engagement and Advocacy:** Engaging local communities in discussions about housing needs and advocating for policy changes are crucial for creating a more balanced housing market that caters to the needs of all residents, including the most vulnerable.

The distribution of housing types in Lincoln County plays a significant role in the context of homelessness and housing affordability. Addressing the imbalance in this distribution is essential for mitigating the risk of homelessness and ensuring that all residents have access to suitable and affordable housing options. Through a combination of policy reform, community engagement, and strategic partnerships, Lincoln County can work towards a more inclusive and balanced housing market.

Using the Seven Phase Housing Continuum to Support Houseless Communities

Housing is a fundamental human need, yet its accessibility remains a challenge for many, particularly in Lincoln County. The United States Department of Housing and Urban Development's (HUD) seven-phase housing continuum provides a framework for understanding the various stages of housing stability. Our research adopts the Housing First model, which prioritizes immediate access to housing without preconditions, as a lens to analyze and address the housing needs in Lincoln County.

Applying the housing-first model gives us a basis for organizing types of housing needed to meet the help needs of the unhoused community.



Phase 1: Houselessness

In Lincoln County, houselessness represents the most acute form of housing instability. Individuals in this phase live in conditions not meant for human habitation, such as streets, vehicles, or abandoned buildings. This phase necessitates urgent intervention, highlighting the need for immediate shelter and supportive services.

Phase 2: Emergency and Winter Shelters

Emergency and winter shelters offer temporary respite, typically providing overnight accommodation. While they address immediate safety concerns, they do not offer a long-term solution, underlining the necessity for more sustainable housing options in Lincoln County.

Phase 3: Transitional and Transformational Housing

This phase marks the transition towards more stable living conditions. In Lincoln County, transitional housing provides temporary residence, coupled with services aimed at facilitating the move to permanent housing. This phase is crucial for preparing individuals for long-term stability.

Phase 4: Supportive and Permanent Supportive Housing

Permanent supportive housing is a cornerstone of the Housing First model. In Lincoln County, this phase involves providing long-term housing assistance and support services, particularly for individuals with disabilities. This approach underscores the importance of stability in fostering long-term well-being.

Phase 5: Affordable and Subsidized Rental Housing

Affordable rental housing, where occupants spend no more than 30% of their gross income on housing costs, is vital in preventing housing cost burden. In Lincoln County, expanding affordable rental options is essential for ensuring accessibility to a broader population.

Phase 6: Affordable Homeownership

Affordable homeownership is an important step towards housing independence, allowing occupants to spend no more than 30% of their income on home purchases. This phase is particularly challenging in Lincoln County, given the high market prices and income disparities.

Phase 7: Private Market Rental and Homeownership

The final phase, involving non-subsidized, market-rate housing, represents the ultimate goal for many. However, in Lincoln County, the disparity between incomes and market prices makes this phase inaccessible for a significant portion of the population.

The implementation of the Housing First model in Lincoln County, within the framework of HUD's seven housing phases, presents a comprehensive approach to tackling homelessness and housing instability. Each phase addresses specific needs and challenges, requiring targeted strategies and policies. A concerted effort involving policy reform, investment in affordable housing, and supportive services is imperative to

ensure that each stage of the housing continuum is accessible and effective in meeting the diverse needs of Lincoln County's residents.

Experience of Service Providers in Lincoln County Who Support Unhoused Communities

In addressing the challenges of homelessness in Lincoln County, a critical aspect is the assessment of the current landscape of homeless service providers. Understanding the number of these entities and the potential capacity that could be harnessed from an efficient network is essential for developing effective strategies to combat homelessness.

The Experience of Service Provision

Supporting unhoused communities is a profoundly challenging yet vital mission for homeless service providers. Their experience is often marked by a complex interplay of dedication, resourcefulness, and the constant navigation of various challenges.

- **Resource Constraints:** One of the primary difficulties faced by these providers is the limitation of resources. This includes financial constraints, insufficient staffing, and a lack of physical infrastructure like adequate shelter spaces or facilities. Funding is often uncertain, with many organizations relying heavily on grants, donations, and fluctuating government support.
- **High Demand and Diverse Needs:** Homeless populations have diverse and complex needs ranging from immediate shelter to long-term housing, health care, mental health support, substance abuse treatment, and assistance with employment and education. Meeting this wide spectrum of needs with limited resources can be overwhelming. The high demand for services often leads to capacity issues, forcing providers to make difficult decisions about resource allocation.
- **Systemic Barriers and Policy Challenges:** Providers frequently encounter systemic barriers that hinder effective service delivery. This includes bureaucratic red tape, restrictive policies, and zoning laws that complicate efforts to establish new shelters or affordable housing. Navigating these legal and administrative challenges requires significant time and expertise.
- **Mental Health and Substance Abuse Issues:** A significant portion of the homeless population struggles with mental health issues and/or substance abuse problems. Addressing these requires specialized services and support,

which may be beyond the scope of what some organizations can provide. Additionally, the stigma associated with these issues can impact funding and community support.

- **Safety and Security Concerns:** Managing safety and security in shelters and during service provision is a constant concern. This includes not only the safety of the clients but also that of the staff and volunteers. Conflict resolution and managing sometimes unpredictable behaviors can be challenging.
- **Burnout and Emotional Toll:** Working with unhoused populations can be emotionally taxing. Providers and staff often face situations of extreme poverty, health crises, and personal tragedies. This can lead to burnout and high turnover rates among staff, further straining the system.
- **Community Relations and Stigma:** Homeless service providers sometimes face opposition from local communities where they operate. This NIMBYism ("Not In My Back Yard") mentality can hinder the establishment of new facilities or expansion of services. Additionally, societal stigma towards homelessness can impact fundraising and support.

Despite these challenges, many homeless service providers remain deeply committed to their mission. They often advocate for systemic changes, work towards increasing community awareness and support, and tirelessly seek innovative solutions to better serve unhoused populations. Their role is critical in not only providing immediate support but also in working towards long-term solutions to end homelessness.

Number of Homeless Service Providers in Lincoln County

Our research indicates a diverse array of service providers operating within Lincoln County. These include government agencies, public service organizations, faith-based groups, non-profits, healthcare providers, and various community initiatives. Collectively, these entities form a broad spectrum of support services ranging from emergency shelter provision to long-term housing solutions, healthcare, counseling, job training, and other critical assistance programs. The diverse nature of these organizations reflects the multifaceted approach required to address the complex issue of homelessness.

Capacity of the Service Network

The potential capacity of an efficient network of these service providers in Lincoln County is significant. When operating in a coordinated and cohesive manner, these organizations can offer comprehensive support that addresses the various needs of the homeless population. Key areas of impact include:

- **Enhanced Resource Utilization:** Through effective collaboration, resources can be pooled and utilized more efficiently, minimizing duplication of efforts and maximizing the impact of available funding and services.
- **Improved Service Delivery:** An integrated network allows for streamlined service delivery, where individuals facing homelessness can access a continuum of support services tailored to their specific needs, from immediate shelter to long-term housing and rehabilitative services.
- **Data Sharing and Best Practices:** A cohesive network fosters an environment where data and best practices can be shared, leading to informed decision-making and the implementation of evidence-based strategies.
- **Community Engagement and Support:** An efficient network can better engage and mobilize community resources, including volunteers, local businesses, and residents, thereby fostering a community-wide approach to addressing homelessness.
- **Policy Advocacy and Influence:** A united front of multiple service providers can be more influential in advocating for policy changes and funding at local, state, and national levels, leading to broader systemic changes.

Challenges and Opportunities

While the potential of an efficient network is considerable, there are challenges to be addressed. These include overcoming organizational silos, ensuring effective communication and coordination among providers, and addressing gaps in service provision. The opportunity lies in leveraging technology for better data management and communication, fostering leadership and collaboration across organizations, and engaging in continuous evaluation and adaptation of strategies.

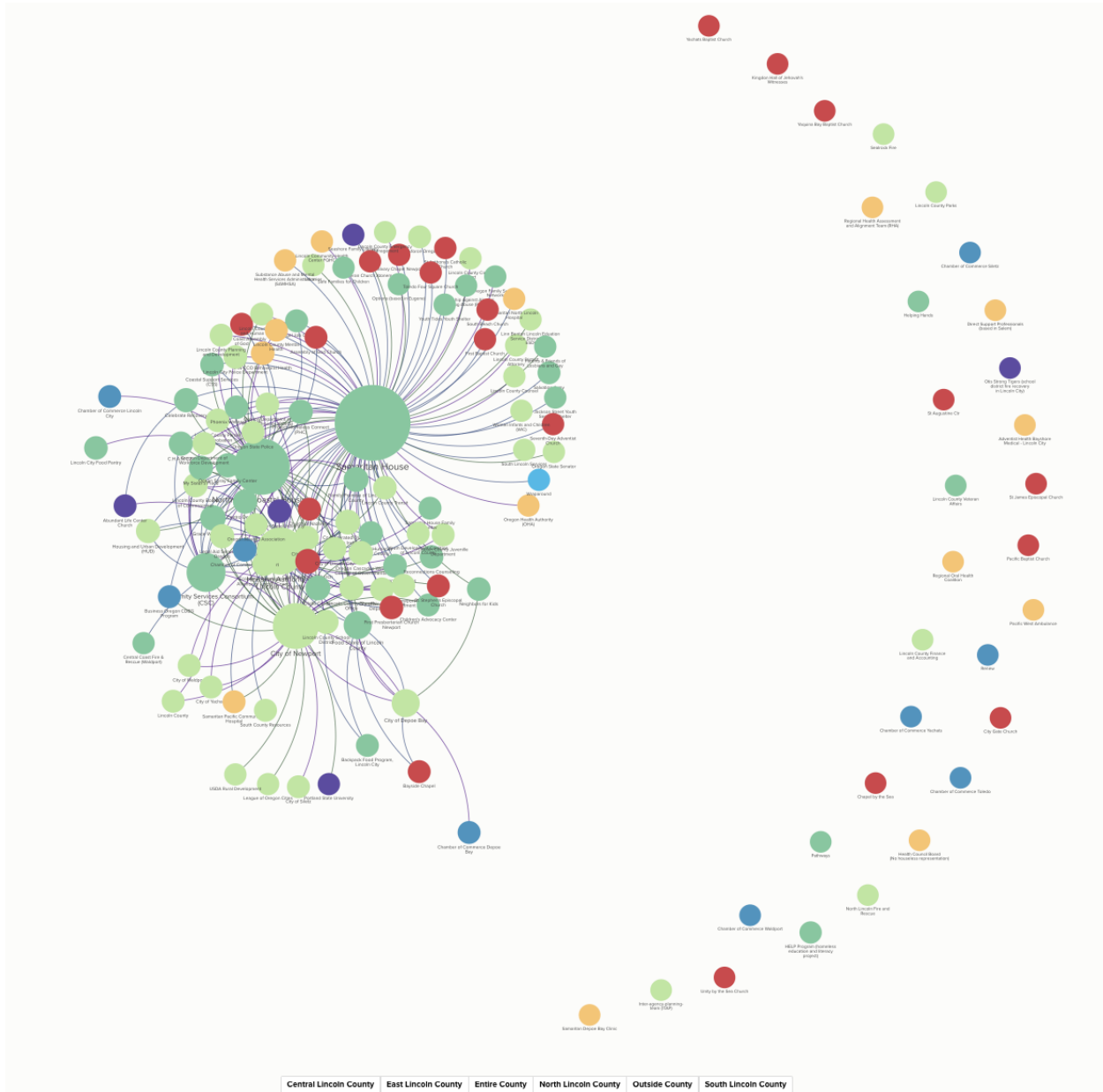
Categories of Service Providers

- **Education-Based Organizations:** These may include schools, colleges, universities, and other educational institutions, as well as organizations providing educational programs and resources. They often contribute through initiatives like scholarship programs, educational outreach for at-risk populations, literacy programs, and training and skill development initiatives. In the context of homelessness, they can offer crucial support by providing educational continuity for children affected by homelessness and job training for adults.
- **Businesses:** Businesses, ranging from small local companies to large corporations, can contribute significantly through corporate social responsibility (CSR) initiatives. They can offer employment opportunities to vulnerable populations, sponsor community programs, provide funding or resources for service providers, and engage in public-private partnerships. Businesses also have a role in economic development, which can indirectly impact homelessness by fostering a more robust job market.
- **Social Organizations:** This category encompasses a wide range of nonprofits and community groups that work directly with people in need. These organizations might provide services like shelter, food assistance, counseling, or legal aid. They often serve as the front line in addressing homelessness, offering immediate assistance and long-term support to help individuals and families transition out of homelessness.
- **Public Organizations:** Public organizations include government agencies at the local, state, and federal levels. They are responsible for public welfare programs, housing policies, urban planning, and funding for social services. These organizations play a crucial role in shaping the policy environment and resource

allocation for addressing homelessness. They can implement housing-first initiatives, subsidized housing programs, and other systemic approaches to reduce homelessness.

- **Faith-Based Organizations:** Churches, mosques, synagogues, and other religious institutions often provide vital services to the homeless population. Their contributions can range from offering direct services like shelter and meals to providing counseling, financial assistance, and community support. Faith-based organizations can also be influential advocates for policy changes and play a significant role in mobilizing community support.
- **Health-Related Organizations:** This category includes hospitals, clinics, mental health providers, and organizations focused on public health. They address the physical and mental health needs of homeless individuals, which is crucial since this population often faces significant health challenges. Health-related organizations can provide direct medical services, mental health support, substance abuse treatment, and health education. They are also key in identifying and addressing the health-related causes and consequences of homelessness.

Key organizations hold a larger number of business relationships, while other key organizations hold relationships with smaller community organizations (faith-based organizations, for example). Other organizations have little connection with the larger community of service providers.



FINAL ADMINISTRATIVE DRAFT

Interconnectedness and Relationships Between Providers

In an effort to comprehensively address homelessness in Lincoln County, our research has delved into the intricate network of service providers. These entities range from government offices and public service providers to faith-based organizations, non-profits, healthcare organizations, and various community groups. Understanding the dynamics of these networks is crucial for identifying strengths, gaps, and opportunities for enhanced collaboration in supporting homeless communities.

What are Centrality Dynamics?

Centrality dynamics in social networks are crucial for understanding and enhancing the effectiveness of service providers working with homeless populations. In the context of social network analysis, 'centrality' refers to the various ways in which the importance of a node (in this case, a service provider) within a network can be measured. Here's how different aspects of centrality are significant for homeless service providers:

Degree Centrality: *This measures the number of direct connections a node has with other nodes in the network. For homeless service providers, high degree centrality means having numerous connections with other organizations, which can facilitate resource sharing, information dissemination, and collaborative interventions. Providers with high degree centrality are often central to coordinated community responses, able to mobilize resources effectively and efficiently.*

Betweenness Centrality: *This reflects the extent to which a node acts as a bridge between other nodes in the network. Providers with high betweenness centrality are crucial in facilitating communication and collaboration among organizations that might not otherwise be connected. They play a key role in integrating various services and resources, ensuring that efforts are not duplicated and that gaps in service are identified and addressed.*

Closeness Centrality: *This measures how close a node is to all other nodes in the network in terms of the shortest paths. For service providers, high closeness centrality indicates their ability to quickly and efficiently access and disseminate information across the network. It also suggests their potential to understand and respond rapidly to emerging needs and trends in the homeless community.*

Eigenvector Centrality: This considers not just the number of connections a node has, but also the importance of those connected nodes. Providers with high eigenvector centrality are connected to other influential and resourceful organizations. This can enhance their ability to leverage significant resources and influence for the benefit of homeless populations.

Centrality Analysis for Lincoln County Service Providers

High Degree Centrality (also referred to as “connectors” or “hubs”)

Our analysis reveals that a small number of service providers form the nexus of community connections. Samaritan House emerges as the most interconnected entity, boasting 85 connections. Following closely are Northwest Coastal Housing with 54 connections, and the Housing Authority of Lincoln County with 40. The City of Newport and HALC each have 38 connections, while the Community Services Consortium has 27. This concentration of connections indicates these organizations' pivotal roles in coordinating efforts and disseminating information within the network, reflecting their significant involvement in addressing homelessness in Lincoln County.

Rank	Label	Value
#1	Samaritan House	85
#2	Northwest Coastal Housing	54
#3	Housing Authority of Lincoln County	40
#4	City of Newport	38
#5	Community Services Consortium (CSC)	27
#6	City of Depoe Bay	10
#7	Food Share of Lincoln County	10
#8	Grace Wins Haven	6
#9	HELP (homeless education and literacy project) Program	6
#10	City of Toledo	5

Low Degree Centrality

Conversely, our research indicates a considerable number of service providers operating with low degrees of interconnectedness. These entities, numbering 29, either exhibit minimal connections with other providers or have not actively engaged in collaborative efforts. This finding underscores a fragmentation in the service provider network, potentially leading to inefficiencies and duplication of efforts. It highlights the necessity for a more cohesive approach in integrating these providers into the broader network.

Betweenness Centrality (also referred to as “brokers” or “bottleneck [solvers]”)

Certain entities play a critical role in controlling information flow and bridging gaps between service providers. Northwest Coastal Housing stands out as the most influential in this respect, followed by the City of Newport, the Community Services Consortium, and the City of Depoe Bay. These organizations are key to the efficacy of the service network, but their central role also poses a risk of network failure should they face operational challenges.

Rank	Label	Value
#1	Northwest Coastal Housing	0.078
#2	City of Newport	0.049
#3	City of Depoe Bay	0.022
#4	Community Services Consortium (CSC)	0.020
#5	Food Share of Lincoln County	0.009
#6	Celebrate Recovery	0.003
#7	HELP (homeless education and literacy project) Program	0.001
#8	Project Homeless Connect (PHC)	0.001

Closeness Centrality (also called “sensors” and “spreaders”)

Regarding the dissemination of information between providers, our analysis identifies approximately 30 service providers with high closeness centrality. This indicates a significant potential for improving operational efficiency, as these entities have established pathways for accessing and sharing critical information. However, the challenge lies in effectively leveraging these connections to enhance the overall service provision to the homeless community.

Rank	Label	Value
#1	City of Newport	0.366
#2	Northwest Coastal Housing	0.358
#3	Community Services Consortium (CSC)	0.333
#4	City of Depoe Bay	0.231
#5	HELP (homeless education and literacy project) Program	0.220
#6	Family Promise of Lincoln County	0.219
#7	Habitat for Humanity of Lincoln County	0.217
#8	Legal Aid Services of Oregon	0.217
#9	Confederated Tribes of Siletz Indians	0.216
#10	Grace Wins Haven	0.216

Eigenvector Centrality (also referred to as “leaders”)

In Lincoln County's network of service providers for the homeless, Samaritan House emerges as the most influential organization with an eigenvector centrality score of 0.056. It is followed closely by Northwest Coastal Housing at 0.052, indicating its significant role in the network. The City of Newport and the Housing Authority of Lincoln County also hold substantial influence, with scores of 0.037 and 0.033, respectively, suggesting their pivotal roles in resource distribution and housing services. The

Community Services Consortium (CSC) rounds out the top five with a score of 0.027, underscoring its importance in the local network. This data highlights the varying degrees of influence and connectivity among key entities within the homeless service providers' network in Lincoln County.

Rank	Label	Value
#1	Samaritan House	0.056
#2	Northwest Coastal Housing	0.052
#3	City of Newport	0.037
#4	Housing Authority of Lincoln County	0.033
#5	Community Services Consortium (CSC)	0.027
#6	Grace Wins Haven	0.019
#7	Confederated Tribes of Siletz Indians	0.017
#8	HELP (homeless education and literacy project) Program	0.016
#9	City of Toledo	0.015
#10	Family Promise of Lincoln County	0.015

The landscape of service providers in Lincoln County, as revealed by our research, presents a complex but insightful picture. The network's effectiveness is characterized by a few highly connected entities and a larger number of less integrated providers. Addressing homelessness in Lincoln County thus requires not only the strengthening of individual service providers but also the enhancement of network connectivity and collaboration. By fostering greater interconnectedness and leveraging the central roles of key organizations, there is potential to create a more cohesive and effective support system for the homeless population in Lincoln County.

Administrative Distance in Homeless Service Provision

A significant challenge identified in our research on homelessness in Lincoln County is the concept of 'administrative distance' – the disparity between the administrative expectations of government entities and funders, and the capabilities of service providers. This section of the report delves into how this administrative distance affects the effectiveness of service delivery and proposes strategies to bridge this gap.

Understanding Administrative Distance

Administrative distance is characterized by the differing expectations between funders and homeless service providers. Funders, including government bodies and private organizations, often require extensive documentation for funding allocation. This includes years of audited financial reports, detailed staffing plans, analyses of overhead percentages, and employee benefits information. However, many service providers, particularly smaller or less-established organizations, struggle to meet these requirements due to limited resources. The lack of external accountants and advanced technology for administrative tasks further exacerbates this issue.

Impact on Service Providers

Service providers in Lincoln County, often well-versed in direct service delivery, find themselves less equipped to handle the stringent administrative demands. This mismatch leads to a situation where organizations capable of impactful service delivery may be excluded from crucial funding due to administrative shortcomings. The high degree centrality of certain organizations like Samaritan House and Northwest Coastal Housing indicates that a few entities, likely with more developed administrative structures, are managing a disproportionate share of the connections and resources. In contrast, organizations with low degree centrality, potentially indicative of less developed administrative capacities, remain on the periphery.

Implications for Homelessness Services

The administrative distance not only impacts the sustainability of service providers but also the overall efficacy of homelessness services in the county. Organizations with high betweenness centrality, acting as bridges in the service network, may become overwhelmed, leading to potential service gaps. Furthermore, the lack of diverse and multi-faceted service options, as indicated by the dominance of single-family homes

and lack of affordable housing, may persist due to the underfunding of capable but administratively challenged providers.

Approaches to Bridge Administrative Distance

To address this administrative gap, several strategies are can be explored:

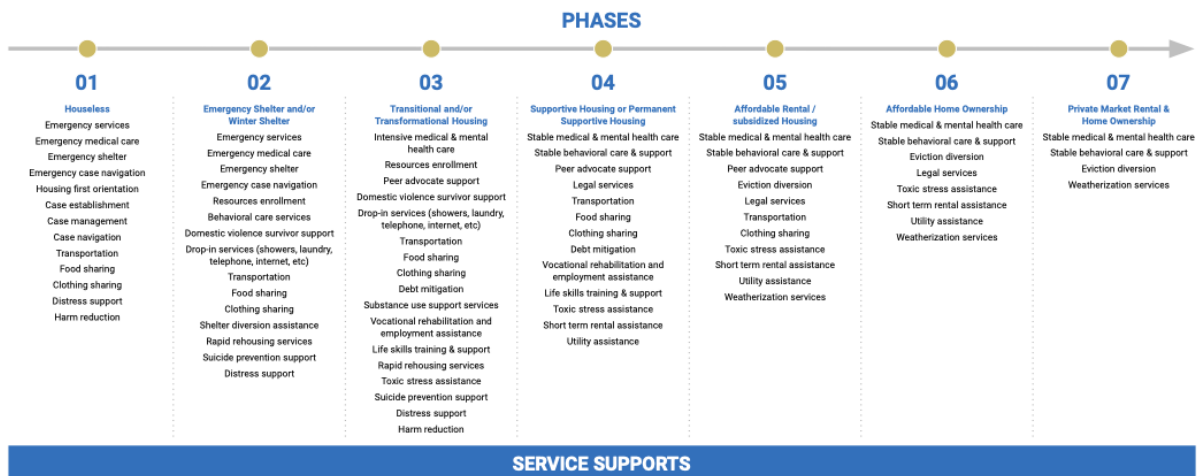
- **Capacity Building for Service Providers:** Implement training programs and workshops focused on administrative skills, financial management, and grant writing. Providing technical assistance in these areas can enhance providers' abilities to meet funding requirements.
- **Streamlining Funding Requirements:** Encourage funders to reevaluate and potentially simplify their administrative requirements. This could involve a more flexible approach to funding criteria, tailored to the realities of smaller or less-resourced organizations.
- **Fostering Collaborations:** Encourage collaborations between organizations with high administrative capacity and those with less. Such partnerships can lead to a sharing of resources and expertise, benefiting the entire service network.
- **Technology Grants and Assistance:** Provide grants or assistance specifically for technological upgrades, enabling providers to modernize their administrative processes and more effectively meet funding requirements.
- **Advocacy and Policy Change:** Advocate for policy changes that recognize and address the administrative challenges faced by service providers. This includes lobbying for more balanced funding criteria that consider the unique challenges of smaller or emerging organizations.

The concept of administrative distance highlights a critical barrier faced by homeless service providers in Lincoln County. Bridging this gap is essential for creating a more equitable and effective network of services. By implementing strategies focused on capacity building, streamlining funding requirements, fostering collaborations, providing technology assistance, and advocating for policy changes, the network of service providers can be strengthened, ultimately leading to more effective and comprehensive services for the homeless population in Lincoln County.

Alignment of Service Provision with HUD’s Seven Phases of Housing for Unhoused Communities

Our research in Lincoln County has systematically categorized the services offered by various providers to align with the seven phases of housing as defined by the United States Department of Housing and Urban Development (HUD). This alignment not only highlights the range of services essential at each phase of housing stability but also demonstrates how service providers, whether specialists in a single phase or spanning multiple phases, contribute to a comprehensive approach in supporting unhoused communities.

Service supports involve networking and managing resources to align with housing needs to the extent that alignment is possible. All situations are unique but generally align to phases.



Phase 1: Houseless

In the initial phase, services are primarily emergency-oriented, addressing immediate needs of the houseless population. Providers offer crucial services such as emergency medical care, shelter, and case navigation. Additional supports like transportation, food and clothing sharing, distress support, and harm reduction are vital in this phase. These services are foundational, offering the first point of contact and crucial aid to individuals in their most vulnerable state.

Phase 2: Emergency Shelter and/or Winter Shelter

During this phase, emergency services continue, with added emphasis on resources enrollment, behavioral care, and survivor support for domestic violence. Providers also offer drop-in services like showers and laundry, which are essential for maintaining basic hygiene and dignity. Rapid rehousing services, along with suicide prevention and shelter diversion assistance, play a key role in transitioning individuals from emergency shelters to more stable living conditions.

Phase 3: Transitional and/or Transformational Housing

This phase involves more intensive support, including medical and mental health care, peer advocate support, and substance use services. Providers focus on life skills training, vocational rehabilitation, and debt mitigation, facilitating a smoother transition to independent living. Services in this phase are designed to build resilience and equip individuals with the skills and resources needed for long-term stability.

Phase 4: Supportive Housing or Permanent Supportive Housing

Here, the focus shifts to providing stable medical, mental, and behavioral health care. Legal services, along with ongoing support in vocational rehabilitation, continue to play a crucial role. Short-term rental and utility assistance ensure that individuals can maintain their housing and live independently, yet with the necessary support.

Phase 5: Affordable Rental / Subsidized Housing

As individuals move into affordable or subsidized housing, the emphasis is on maintaining stability. Eviction diversion and continued access to stable health care and legal services are key. Utility and rental assistance, along with weatherization services, help in managing living costs and maintaining the affordability of the housing.

Phase 6: Affordable Home Ownership

In this phase, the support is geared towards sustaining homeownership. Legal services, eviction diversion, and assistance with utilities continue to be important. The focus is on ensuring that individuals can not only acquire but also maintain their homes in a sustainable manner.

Phase 7: Private Market Rental & Home Ownership

In the final phase, the emphasis is on maintaining stable living conditions in the private market. Services are more focused on long-term stability and include ongoing health care and behavioral support, weatherization services, and eviction diversion programs.

The alignment of service provision with HUD's seven phases of housing underscores a strategic and comprehensive approach to addressing homelessness in Lincoln County. By categorizing services according to the phase of housing stability they support, it becomes evident how different providers contribute to a continuum of care. This alignment not only facilitates targeted service delivery but also highlights gaps and opportunities for enhanced collaboration among providers, ultimately striving towards the shared goal of supporting unhoused communities towards stable and independent living.

Economic Pressures Faced by Individuals in the Unhoused Community

Individuals in the unhoused community face a myriad of economic pressures that exacerbate their situation and hinder their transition to stable housing and employment. This section of the report delves into the various economic challenges encountered by this population, including difficulties in job applications and housing, the impact of short-term rentals and second homes on housing availability, health-related issues, utilization of education, and societal stigmas.

Challenges in Income

A critical aspect of the economic pressures in Lincoln County is the significant proportion of gross monthly income that residents must devote to rent or mortgage payments. For many, this financial burden is the most substantial monthly expense, consuming a disproportionate share of their income. The generally accepted benchmark suggests that housing costs should not exceed 30% of a household's gross income to be considered affordable. However, in Lincoln County, this threshold is often exceeded, with a substantial number of residents spending well over 30%, and in some cases even 50% or more of their income on housing. This situation leaves little financial room for other essential expenses such as food, healthcare, transportation, and education, not to mention savings or emergency funds.

Percentage of Gross Income Devoted to Monthly Mortgage Payment (Median)



Source: NAR, Freddie Mac, Census Bureau, Federal Reserve
 Calculations by Morant McLeod

FINAL ADMINISTRATIVE DRAFT

The high housing cost-to-income ratio is exacerbated by the region's elevated housing prices and the scarcity of affordable housing options. As residents stretch their budgets to cover housing costs, they become increasingly vulnerable to financial instability. Any unexpected expense or a slight dip in income can push these individuals and families closer to the brink of poverty and, potentially, homelessness. This dynamic creates a precarious living situation for many in Lincoln County and highlights the need for urgent measures to increase the availability of affordable housing and support residents in achieving greater financial stability. Addressing this imbalance between income and housing costs is crucial for alleviating the economic pressures that lead to housing insecurity and the risk of homelessness.

Challenges in Employment

The process of applying and interviewing for jobs presents significant hurdles for unhoused individuals. Lack of a permanent address, limited access to communication tools, and gaps in employment history often result in their applications being overlooked. During interviews, the absence of professional attire and the stigma associated with homelessness can further diminish their prospects. Moreover, many face logistical challenges such as transportation to job sites or interviews.

Housing Application Difficulties

Applying for housing is another daunting task for those experiencing homelessness. Stringent rental application processes, requirements for credit checks, rental histories, and deposits are often insurmountable barriers. Additionally, the high cost of application fees alone can be prohibitive. The lack of a stable income and the stigma attached to homelessness further complicate their ability to secure housing.

Impact of Short-Term Rentals and Second Homes

The prevalence of short-term rentals and second homes in Lincoln County significantly reduces the availability of long-term rental housing. This trend drives up rental prices and limits the stock of affordable housing, making it even more challenging for unhoused individuals to find stable accommodation.

Health Issues and the Economic Burden of Medical Care

FINAL ADMINISTRATIVE DRAFT

For many in the unhoused community, health issues represent not just a physical or emotional challenge but also a substantial economic burden. The cost of medical care, often unaffordable for those without stable income or health insurance, exacerbates their financial strain. Chronic illnesses, mental health conditions, or disabilities require ongoing treatment and medication, which are often prohibitively expensive. Unforeseen medical emergencies can quickly deplete limited savings, pushing individuals at the brink of poverty into homelessness. The lack of affordable healthcare options leaves many in the unhoused community with untreated conditions, further impairing their ability to secure stable employment and housing.

Adverse Life Events and Financial Vulnerability

Adverse life events such as job loss, family breakdowns, or the loss of a primary earner can rapidly transition individuals from a state of economic stability to one of vulnerability. The costs associated with these life-changing events - legal fees for divorces or custody battles, funeral costs, or sudden unemployment - often leave individuals without a financial safety net. In the absence of adequate savings or support systems, such events can precipitate a slide into poverty and homelessness.

Utilization of Education

Despite possessing education and skills, unhoused individuals frequently find it difficult to leverage their qualifications for economic benefit. The gap in their resumes, societal stigma, and the lack of current references often overshadow their educational achievements and work experience.

Stigmas in the Workforce

Societal stigmas and misconceptions about homelessness present significant barriers to workforce participation. Unhoused individuals often face discrimination and prejudice during job searches and in the workplace, which can lead to reduced employment opportunities and hinder their efforts to achieve economic stability.

Unaffordability of Increased Cost of Living

The rising cost of living in Lincoln County places immense pressure on those who are already struggling financially. Increases in rent, utilities, food, and transportation costs can disproportionately impact individuals and families on the brink of poverty. As wages fail to keep pace with these rising expenses, even those who are employed may find

themselves choosing between essential needs like housing, food, and healthcare. This financial strain can lead to a precarious living situation, where a single unexpected expense or income disruption can result in homelessness.

Economic Pressure on Poverty-Stricken and At-Risk Populations

Individuals and families who are at risk of poverty face a relentless escalation of economic pressure. The cumulative effect of low wages, high living costs, and the unaffordability of healthcare and other essentials creates a vicious cycle. Those already struggling financially are the most vulnerable to the impacts of economic downturns, job market fluctuations, and cuts to public assistance programs. This vulnerability is heightened in regions like Lincoln County, where the availability of affordable housing is increasingly scarce due to market trends such as the proliferation of short-term rentals and second homes.

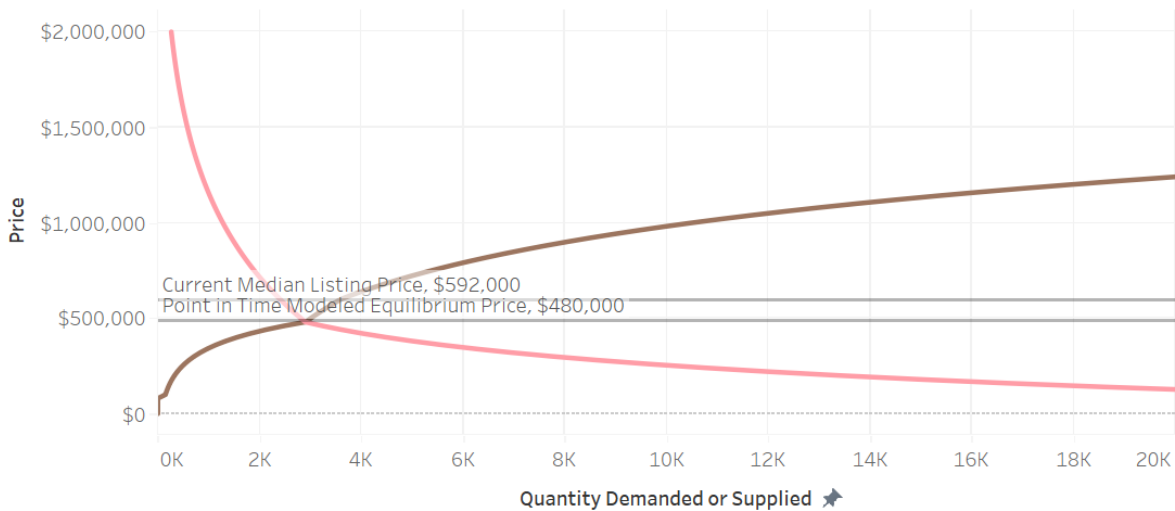
The economic pressures faced by the unhoused and those at risk of homelessness in Lincoln County are a confluence of health-related expenses, adverse life events, and the escalating cost of living. Addressing these challenges requires a comprehensive approach that includes expanding access to affordable healthcare, providing financial assistance and support during life crises, and addressing the rising cost of living through policy and community initiatives. By tackling these issues, Lincoln County can create a more supportive environment for its most vulnerable residents, reducing the risk of homelessness and fostering greater economic stability.

Building Our Way Out of the Homeless Crisis: Modeling to Predict Economic Impacts

During the course of our research, the Finance and Economics workgroup focused on evaluating the feasibility of addressing Lincoln County's homelessness crisis by significantly increasing the housing supply. By analyzing current housing supply and demand, then modeling the impact of changes in these dynamics, we aimed to understand how such an approach would affect housing affordability in the county. This area of analysis takes into account various factors that contribute to the market dynamics, including median home prices, income levels, and the existing housing stock.

Findings from Model 1 of 3

Our findings indicate that the current equilibrium price in Lincoln County's housing market is approximately \$480,000, with the actual median listing price hovering around \$592,000. This disparity suggests that homes are being listed at prices significantly above what would be expected based on supply and demand alone. In comparison, the median income in Lincoln County stands at \$54,961, with a per capita income of \$32,776. This discrepancy between income levels and housing prices highlights a severe affordability gap, placing homeownership beyond the reach of many residents.



Sources: Realtor.com, Census Bureau, Federal Reserve
Modeling: Morant McLeod

Measure Names
■ Quantity Demanded
■ Quantity Supplied

Existing Housing Stock and Its Implications

FINAL ADMINISTRATIVE DRAFT

The housing stock in Lincoln County is predominantly comprised of single-family homes, accounting for 95.8% of the total. The lack of diversity in housing types, particularly a shortage of multi-family and affordable housing units, contributes to the high housing prices. The dominance of single-family homes tends to cater to higher-income groups and does not adequately address the needs of low-income or vulnerable populations, further exacerbating the affordability crisis.

Impact of Short-Term Rentals and Second Homes

The prevalence of short-term rentals and second homes in the county also plays a significant role in the housing market dynamics. These properties reduce the availability of long-term rental housing, driving up prices and limiting options for residents seeking affordable accommodations. This trend contributes to the higher median listing prices and the disconnect between the equilibrium price and the actual market prices.

Economic Pressures and Homelessness

Furthermore, individuals and families in Lincoln County face various economic pressures, including rising living costs and health-related expenses, which affect their housing affordability. Those at risk of poverty or already experiencing homelessness are particularly vulnerable to these market dynamics. The high cost of living, combined with the scarcity of affordable housing options, creates a challenging environment for securing stable and affordable housing.

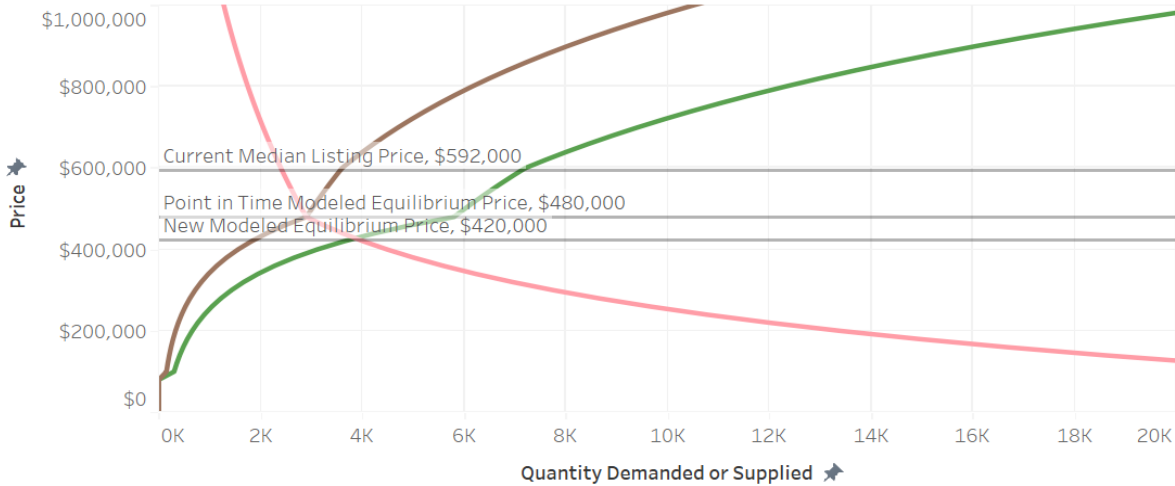
The current housing market analysis in Lincoln County reveals a complex scenario where high median listing prices, predominance of single-family homes, and the impact of short-term rentals and second homes contribute to a significant affordability gap. Understanding these factors is crucial for developing strategies that effectively address the housing affordability crisis in the county. It is clear that simply increasing the housing supply without addressing these underlying issues may not lead to the desired outcome of improved affordability and accessibility for all residents.

Findings from Model 2 of 3

The original model predicted a decrease in the equilibrium housing price from \$480,000 to \$420,000 with a significant increase in housing supply. This drop in price suggests that a larger number of homes could potentially make housing more affordable for residents, assuming other market conditions remain constant.

Several factors must be considered when evaluating the impact of increased housing supply:

- **Type of Housing Added:** The effectiveness of increasing the housing supply depends significantly on the types of housing introduced. Adding more single-family homes may not adequately address the affordability issue, especially for low-income individuals. Incorporating a mix of housing types, including multi-family units and affordable housing, is crucial.
- **Location and Infrastructure:** The location of new housing developments and their integration with existing infrastructure and services also play a vital role. Developments that are far from employment centers or lack necessary amenities may not be as effective in meeting the community's needs.
- **Development Costs and Timeframes:** The cost and time required to develop new housing can impact the supply increase's effectiveness. High development costs may lead to higher final housing prices, while lengthy construction timelines can delay the benefits of increased supply.



Sources: Realtor.com, Census Bureau, Federal Reserve
Modeling: Morant McLeod

- Measure Names**
- Quantity Demanded
 - Quantity Supplied
 - Supply Curve Shift

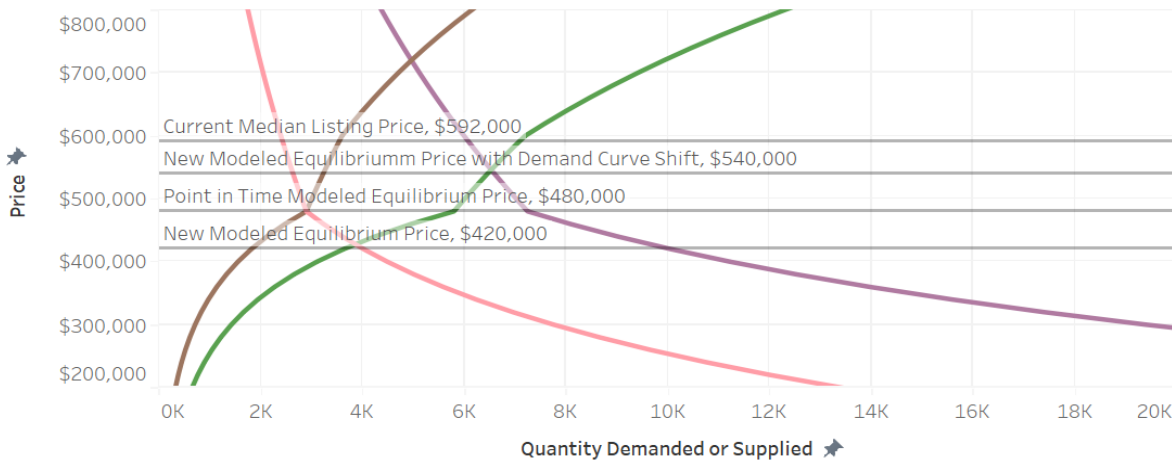
Broader Market Dynamics

Increasing the housing supply does not occur in isolation and can affect other market dynamics:

- **Attractiveness of the Market:** An increase in housing supply may make the area more attractive, potentially drawing in new residents and investors. This influx can create additional demand, which may counteract the initial price reduction effect.
- **Impact on Current Homeowners:** For current homeowners, an increase in supply may impact the value of their properties. This could have broader economic implications, affecting consumer spending and investment decisions.
- **Long-term Market Equilibrium:** The long-term impact on the housing market equilibrium needs to be considered. Market forces may eventually adjust to the new supply levels, potentially stabilizing prices but not necessarily resulting in the initially anticipated price reduction.

Findings from Model 3 of 3

Our initial model suggested that an increase in housing supply would lower the equilibrium price from \$480,000 to \$420,000. However, when accounting for the subsequent shift in the demand curve due to this increased supply, we observed a potential rise in the equilibrium price to \$540,000. This indicates that an increase in supply might inadvertently boost demand, thereby pushing prices higher than initially expected.



Sources: Realtor.com, Census Bureau, Federal Reserve
Modeling: Morant McLeod

- Measure Names**
- Quantity Demanded
 - Quantity Supplied
 - Supply Curve Shift
 - Demand Curve Shift

Factors Influencing Demand Curve Shift

Several key factors contribute to this potential shift in the demand curve:

- **Market Attractiveness:** An increase in housing availability can enhance the market's attractiveness, potentially attracting new residents and investors. This influx can increase demand, offsetting the initial price reduction caused by the increased supply.
- **Perceived Affordability:** The initial decrease in prices might lead to a perception of improved affordability, drawing in buyers who were previously priced out of the market. This could further elevate demand.

- **Economic Growth and Employment Opportunities:** Economic development and job creation in Lincoln County could result in an increased population seeking housing, thereby elevating demand.
- **Investment and Speculation:** Lower housing prices might attract investors and speculators, who purchase properties with the expectation of future price appreciation. This speculative buying can further drive up demand and prices.

Broader Economic and Social Impacts

The potential increase in demand, and consequently housing prices, has broader economic and social implications:

- **Impact on Low-Income and Vulnerable Populations:** If housing prices rise due to increased demand, the initial goal of making housing more affordable for low-income and vulnerable populations may not be achieved. This could exacerbate the existing affordability crisis.
- **Changing Housing Market Dynamics:** The interplay of supply and demand might lead to a more volatile housing market, with fluctuations that could impact both current and prospective homeowners.
- **Long-Term Housing Market Stability:** The long-term stability of the housing market could be impacted, with potential cycles of boom and bust, making it difficult for policies aimed at stable growth to be effective.

Policy and Strategic Recommendations

Given these complexities, comprehensive coordination and policy interventions that include economic development, housing, and service related interventions are essential to ensure that increasing housing supply achieves the desired outcome of improved affordability:

- **Monitoring and Regulation:** Continuous monitoring of the housing market and regulatory measures may be necessary to mitigate rapid price fluctuations and speculation.
- **Targeted Affordable Housing Policies:** Implementing policies specifically targeted at affordable housing, such as housing subsidies or incentives for

developers to build affordable units, can help ensure that new supply benefits those most in need.

- **Comprehensive Economic Development Strategies:** Aligning housing policies with broader economic development strategies can help manage the influx of new residents and ensure that housing supply matches the community's needs.

Given these complexities, policy interventions may be required to ensure that the increase in housing supply effectively addresses affordability. Such interventions could include incentives for affordable housing development, zoning law reforms to facilitate diverse housing types, and measures to ensure that new developments are integrated with necessary infrastructure and services.

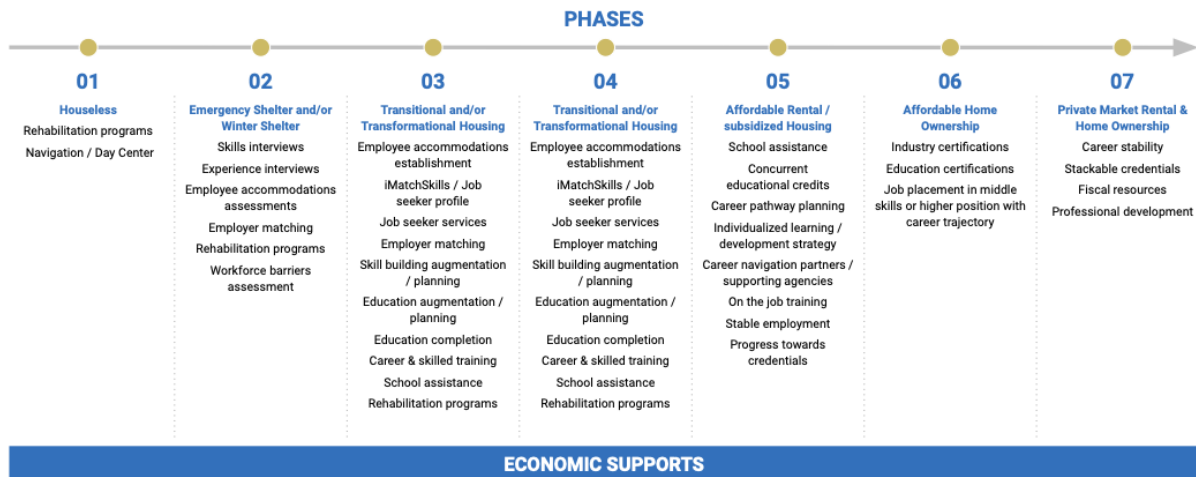
While the second model predicts that increasing the supply of housing in Lincoln County would lower the equilibrium price, the actual impact on the housing market and affordability is influenced by a variety of factors. The type of housing, market dynamics, and broader economic conditions all play a role in determining the effectiveness of this approach. A nuanced understanding of these factors is essential for policymakers and stakeholders to make informed decisions that will truly benefit the community and address the housing affordability crisis.

Our third, expanded modeling indicates that while increasing housing supply in Lincoln County is a critical step towards addressing affordability, it may also lead to a shift in the demand curve, potentially elevating housing prices. A multifaceted approach, encompassing strategic planning, policy intervention, and continuous market monitoring, is essential to ensure that the increase in housing supply translates into real and sustainable benefits for all segments of the community, particularly those most in need of affordable housing options.

Aligning Economic Development Networks with HUD's Seven Phases of Housing to Support Unhoused Communities

In addressing the multifaceted challenges faced by unhoused communities in Lincoln County, our research has identified a structured approach to aligning economic development services with the seven phases of housing as defined by the United States Department of Housing and Urban Development (HUD). This section details the specific economic needs and related services for each phase, discussing the potential impact on unhoused communities when economic development networks, service providers, and housing administrators work in tandem.

Economic supports involve discovering, managing, or creating educational-workforce opportunities to align with housing-employment needs



Phase 1: Houseless

For individuals experiencing houselessness, immediate needs center around rehabilitation programs and navigation or day centers. These services provide critical support in stabilizing individuals, offering guidance, and preparing them for reintegration into the workforce. The impact of these services is foundational, setting the stage for more complex economic and employment-related interventions.

Phase 2: Emergency Shelter and/or Winter Shelter

In this phase, the focus shifts to developing skills and work readiness. Services like skills and experience interviews, assessments for employee accommodations, and employer matching are crucial. Additionally, rehabilitation programs and workforce barrier assessments help individuals overcome specific challenges they face in gaining employment, paving the way for sustainable economic independence.

Phase 3: Transitional and/or Transformational Housing

In the Transitional and/or Transformational Housing phase, economic development services in Lincoln County are geared towards equipping individuals with the necessary tools for independence. This phase focuses on skill building, education planning, and vocational training, tailored to suit individual career paths and market demands. Support extends to creating job seeker profiles on platforms like iMatchSkills, offering resume building, interview preparation, and facilitating employer matching. Additionally, school assistance for children and rehabilitation programs for adults are integral, ensuring a holistic approach to readiness for employment. Establishing necessary employee accommodations is also a key service, bridging the gap between the workforce and housing stability.

Phase 4: Supportive Housing or Permanent Supportive Housing

As individuals transition to Supportive or Permanent Supportive Housing, the emphasis shifts to ensuring long-term stability and growth. Continuous access to medical and mental health care is pivotal in this phase, supporting ongoing health and employment. Legal services are provided to navigate any barriers, while ongoing skill development and education ensure that individuals are not just employed but are also progressing in their careers. Collaboration with career navigation partners and agencies offers guided support for career advancement. This phase is characterized by a focus on sustaining employment, advancing in careers through on-the-job training and credentialing, and developing individualized strategies for continued personal and professional development. These efforts are crucial in maintaining long-term housing stability and fostering self-sufficiency.

Phase 5: Affordable Rental / Subsidized Housing

As individuals move into more stable housing situations, the focus on economic development includes school assistance, concurrent educational credits, career pathway planning, and individualized learning strategies. Collaboration with career

navigation partners and on-the-job training are integral to ensuring that residents progress towards acquiring credentials and stable employment.

Phase 6: Affordable Home Ownership

In this phase, the emphasis is on attaining industry and education certifications and securing job placements in middle-skilled or higher positions with clear career trajectories. This level of economic stability is essential for sustainable homeownership, particularly for residents who have transitioned from homelessness.

Phase 7: Private Market Rental & Home Ownership

For individuals in private market rentals and homeownership, economic services focus on career stability, acquiring stackable credentials, accessing fiscal resources, and professional development. These services ensure long-term economic security and the ability to maintain and thrive in private market housing.

Aligning economic development services with the HUD housing continuum phases offers a structured and holistic approach to supporting the economic needs of unhoused communities. By integrating these services with the efforts of housing administrators and service providers, it is possible to create a more cohesive and effective support system. This approach not only addresses immediate needs but also focuses on long-term economic stability and self-sufficiency, which are crucial for breaking the cycle of homelessness and ensuring sustainable housing solutions for Lincoln County's unhoused population.

Not All Unhoused Individuals are Unemployed

Contrary to common perception, not all individuals facing homelessness are unemployed; many fall into the category of 'underemployed'. Underemployment refers to the situation where individuals are working, often in part-time or low-wage roles, but the nature of their employment is insufficient to meet their basic needs, including stable housing. In Lincoln County, a notable segment of the unhoused population is engaged in some form of employment, yet they remain unable to secure permanent housing due to the precarious nature of their work, which is often characterized by irregular hours, inadequate pay, and lack of job security.

Characteristics of Underemployment Among the Unhoused

The underemployed unhoused individuals often work in sectors like hospitality, retail, or casual labor, where jobs are susceptible to economic fluctuations and offer little in the way of benefits or advancement opportunities. These jobs rarely provide a livable wage in the context of Lincoln County's cost of living, and the absence of stable income complicates the ability to plan for and secure housing.

Employment Interventions for Unhoused Communities

To address underemployment among the unhoused, specific employment interventions are needed:

Job Training and Education Programs:

- Tailored training programs that equip individuals with skills relevant to in-demand industries can enhance employability and the potential for higher wages.
- Education programs should also focus on soft skills like communication and time management, which are critical for long-term employment success.

Supportive Employment Services:

- Initiatives like job placement assistance, resume-building workshops, and interview preparation can help unhoused individuals navigate the job market more effectively.

- Ongoing support post-employment, including mentorship and counseling, can aid in job retention and career advancement.

Creating Pathways to Stable Employment:

- Collaborations with local businesses to create employment opportunities specifically for unhoused individuals.
- Development of apprenticeship or internship programs that provide hands-on experience and a pathway to permanent employment.

Addressing Barriers to Employment:

- Providing support for common barriers such as transportation to and from work, child care for working parents, and flexible work schedules to accommodate those with unique challenges.
- Ensuring access to necessary resources such as work attire and tools, and assistance with obtaining necessary documentation for employment.

Advocacy for Livable Wages:

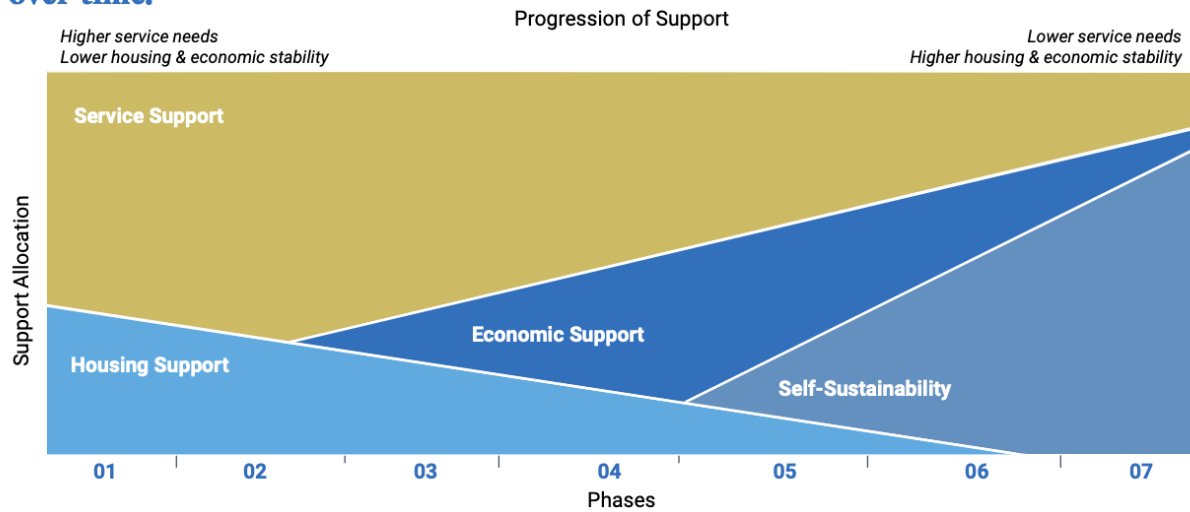
- Engaging with policymakers and community leaders to advocate for minimum wage adjustments that reflect the living costs in Lincoln County.
- Promoting employer awareness about the importance of livable wages and job stability in combating homelessness.

The issue of underemployment among Lincoln County's unhoused population highlights the need for comprehensive employment interventions that go beyond merely providing jobs. These interventions must address the specific challenges faced by underemployed individuals, offering pathways to stable, well-paying employment that can support the attainment and maintenance of housing. By focusing on both immediate employment needs and long-term career development, these strategies can play a critical role in breaking the cycle of homelessness and underemployment in the community.

Progression of Support Model

The Progression of Support model provides a comprehensive framework for Lincoln County's approach to homelessness, integrating the seven phases of housing, services, and economic needs. This model is visualized as a continuum, illustrating the support allocation across different phases, with a focus on the journey toward self-sufficiency and the consideration of individual circumstances, such as age and work capability.

The progression of support model indicates that individuals from unhoused communities will decrease service needs and enter into housing stability over time.



In the design of the Progression of Support model, a distinct correlation is evident between the phases of support and the varying levels of service needs, housing, and economic stability. In the earlier phases, particularly Phases 1 through 3, which encompass the Houseless stage to Transitional Housing, there is a heightened need for services. This is a period marked by significant instability where individuals require substantial assistance, ranging from emergency shelter and rehabilitation to job training and initial steps towards education and skill development. These services are crucial in addressing the immediate challenges faced by the unhoused, setting the foundation for their journey towards stability. As the model progresses into the later phases, especially from Phase 4 (Supportive Housing or Permanent Supportive Housing) onwards, there is a noticeable shift towards higher housing and economic stability. The dependency on

intensive services gradually decreases as individuals gain more stable footing in terms of secure housing and sustainable employment. In these phases, the focus is on reinforcing the stability already achieved, with an emphasis on long-term employment prospects, financial independence, and the acquisition of permanent housing. The model thus reflects a transition from a high-dependency, service-intensive approach in the early stages to a more self-sufficient and stability-oriented approach in the later stages.

Description of the Model

Each phase in the model is characterized by specific types of housing, services, and economic support that cater to the unique needs of individuals at that stage:

- **Phases 1 to 3 (Houseless to Transitional Housing):** These initial phases are marked by intensive support, including emergency shelter, rehabilitation, and employment services, aiming to stabilize individuals in crisis.
- **Phase 4 (Supportive Housing or Permanent Supportive Housing):** As individuals move to supportive or permanent supportive housing, the model begins to shift towards self-sufficiency. This phase is pivotal as it represents a potential ceiling for those who are past working age. For such individuals, the model emphasizes sustainable support that ensures stability and dignity, even if full economic independence may not be feasible.
- **Phases 5 to 7 (Affordable Rental to Private Market):** In these phases, the focus increasingly shifts towards self-reliance. The support provided evolves to facilitate individuals' transition to affordable homeownership or private market rentals, with an emphasis on long-term economic stability. Services are geared towards career advancement, financial planning, and access to continuing education.

Self-Sufficiency and Consideration of Individual Circumstances

The model recognizes that self-sufficiency is a gradual process and varies based on individual circumstances, particularly age and employment potential. It highlights that for some, particularly older adults or those unable to work, Phase 4 may represent the peak of their self-sufficiency journey. In these cases, the model ensures that adequate support systems are in place to maintain their quality of life and prevent a return to earlier phases of instability.

Safety Net Across All Phases

Importantly, the model incorporates a safety net throughout, acknowledging that life circumstances can change unpredictably. This safety net is crucial to protect the gains made by individuals at various phases and to offer a buffer against potential setbacks.

The Progression of Support model in Lincoln County is a dynamic and empathetic approach to addressing homelessness. By aligning housing, services, and economic support with the realities of individuals' lives, including their age and work capability, the model provides a nuanced roadmap for guiding individuals towards stability and self-sufficiency, while ensuring continued support for those who have reached their potential in terms of economic independence. This balanced approach is key to building a resilient and inclusive community.

Transportation

In coastal, rural regions like Lincoln County, the challenges of transportation for unhoused communities are markedly different and often more complex than those in urban areas. This expanded section of the report delves into the specific transportation needs within Lincoln County, a region characterized by its unique geographic and demographic features. Unlike urban centers with denser populations and more established public transit systems, Lincoln County's coastal and rural nature presents distinct challenges that critically impact the mobility of its unhoused population.

Geographic and Demographic Challenges

Lincoln County, with its sprawling, rugged terrain and scattered population centers, lacks the comprehensive public transportation infrastructure commonly found in urban environments. The vast distances between various service providers, combined with limited public transit routes, create significant barriers for residents, particularly those without personal vehicles. This rural setting poses unique hurdles in providing consistent and efficient transportation services.

Accessibility and Connectivity Issues

The county's coastal geography, characterized by smaller towns and communities spread along the coastline and inland areas, results in service providers being geographically dispersed. This dispersion exacerbates accessibility issues, as individuals often need to travel long distances to access essential services like shelters, healthcare facilities, job centers, and supportive housing. The lack of connectivity between these services further complicates the ability of unhoused individuals to engage consistently with the support systems they need.

Impact on Unhoused Communities

For the unhoused communities in Lincoln County, these transportation challenges are not merely an inconvenience but a significant barrier to accessing the support and resources necessary for stability and self-sufficiency. The ability to travel to service locations is crucial for engaging with the seven phases of support, from emergency services to employment and housing opportunities. Without reliable transportation, the pathway out of homelessness becomes increasingly difficult, and the effectiveness of support services is diminished.

- **Phase 1 (Houseless):** In the initial phase, transportation is crucial for accessing emergency services, shelters, and rehabilitation programs. Without reliable transport, individuals in crisis may be unable to reach the help they need promptly.
- **Phase 2 (Emergency Shelter/Winter Shelter):** Here, transportation is needed for individuals to attend interviews, engage in employment services, and access healthcare. The ability to travel to different service locations is vital for maintaining safety and accessing resources for survival and stability.
- **Phases 3 and 4 (Transitional/Supportive Housing):** As individuals move into transitional or supportive housing, transportation becomes key to attending job training, educational programs, and regular healthcare appointments. Consistent access to transportation supports the journey towards self-sufficiency.
- **Phase 5 (Affordable Rental/Subsidized Housing):** In this phase, individuals often need to balance employment, education, and family responsibilities. Reliable transportation is crucial for maintaining employment and accessing continuing education and childcare.
- **Phases 6 and 7 (Affordable Home Ownership/Private Market):** As individuals gain more stability, transportation remains important for sustaining employment, accessing advanced educational opportunities, and participating fully in community life.

Need for Tailored Transportation Solutions

Given these unique challenges, Lincoln County requires tailored transportation solutions that account for its rural and coastal characteristics. Addressing these needs is essential for ensuring that all residents, regardless of their housing status, have access to the support services essential for their well-being and progress. This report will explore the specific transportation needs across the seven phases of support and discuss the role of both government-led initiatives and service provider-driven transportation options in meeting these needs.

Government-Level Transportation Options

Government-led initiatives can play a significant role in providing comprehensive transportation solutions. This could include expanded public transit routes, subsidized transit fares for low-income individuals, and specialized transportation services for those with disabilities. Government involvement ensures that transportation services

are consistent, reliable, and accessible to all, regardless of their phase in the support continuum.

Transportation Options Provided by Service Providers

Service providers can complement public transportation by offering targeted transport services. This could include shuttle services between key service locations, transportation assistance for job interviews or medical appointments, and partnerships with local transportation companies. These services are particularly important in areas not adequately covered by public transit or for individuals who require more personalized transportation assistance.

The integration of transportation solutions into the framework of support for unhoused communities in Lincoln County is imperative. Both government-level transportation options and services provided by individual organizations are necessary to ensure that individuals can access the support they need at each phase of their journey towards stability. Effective transportation networks not only facilitate access to essential services but also contribute significantly to the overall success of programs designed to support the unhoused population. Collaboration between government agencies, service providers, and community stakeholders is key to developing and implementing effective transportation solutions that meet the diverse needs of Lincoln County's unhoused residents.



MORANT MCLEOD

SECTION 6: RECOMMENDATIONS

SECTION 6: Strategic Recommendations for Addressing Homelessness in Lincoln County

In the wake of a comprehensive analysis of the multifaceted homelessness crisis in Lincoln County, the board is set to adopt a series of strategic recommendations. These recommendations are designed to address the complex interplay of housing, services, economic challenges, and transportation needs that characterize the struggle against homelessness in our coastal, rural community. Recognizing the unique challenges posed by our demographic and geographic context, these strategies are rooted in the insights gained from our extensive research and the Progression of Support model, which provides a nuanced framework for understanding and tackling homelessness.

1. **LCHAB as a Permanent Body:** The first recommendation solidifies the Lincoln County Homeless Advisory Board (LCHAB) as a permanent entity dedicated to addressing homelessness and houselessness. This ensures continued, focused attention on these critical issues and facilitates long-term planning and intervention.
2. **Strategic Goal Adoption:** In alignment with our Progression of Support model, we recommend adopting a strategic goal to reduce homelessness to only emergency and voluntary levels. This approach emphasizes the need for a systematic, phase-specific response to the various needs of the unhoused population.
3. **Policy and Funding Coordination:** Recognizing the importance of unified efforts, the third recommendation calls for the coordination of policy and funding across city, county, regional, and state levels. Such collaboration is crucial for maximizing resources and implementing effective, large-scale solutions.
4. **Navigation System Implementation:** The establishment of a navigation system is vital. Prioritizing the use or development of common data and reporting systems will enhance our ability to track network efficacy and community needs, ensuring resources are directed where they are most needed.
5. **Integration of Local Efforts:** Finally, we advocate for the integration of housing, community services, economic development, and transportation efforts. This

integrated approach is essential for providing comprehensive support to community organizations working directly with the unhoused population.

These strategic recommendations represent a commitment to a coordinated, informed, and compassionate approach to addressing homelessness in Lincoln County. By adopting these strategies, we aim to create a more stable, supportive, and sustainable environment for all members of our community, particularly those who are most vulnerable.

Summary of Recommendations

1. LCHAB to remain a permanent body that focuses on homelessness/houselessness.



2. Adopt the strategic goal to reduce homelessness to emergency & voluntary levels, utilizing the progression of support model.



3. Coordinate policy and funding efforts at city, county, regional and state levels.



4. Stand up and support a navigation system, with a priority to use or develop common data/reporting systems to track each network and community needs.



5. Integrate local housing, community services, economic development and transportation efforts to support and provide resources for community organizations.



Implementing these strategic recommendations will significantly benefit Lincoln County's houseless communities. Establishing LCHAB as a permanent entity ensures ongoing, focused support, while adopting the strategic goal aligned with the Progression of Support model promises a more effective approach to aid. Coordinated policy and funding efforts across government levels will optimize resource use and service delivery. The introduction of a comprehensive navigation system, with an emphasis on data, will facilitate targeted assistance and improved outcomes. Crucially, integrating housing, services, economic development, and transportation initiatives will create a unified support network. This holistic strategy addresses both immediate and long-term needs, paving the way for a more inclusive and resilient community where transitioning from houselessness to housing stability is a supported and achievable journey for all.

Recommendation 1: Lincoln County Homelessness Advisory Board as a Permanent Body

Echoing the foundational work initiated by the 2007 report “At Home in Lincoln County,” the board has officially proposed a critical measure: “Lincoln County Homeless Advisory Board (LCHAB) to remain a permanent body that focuses on homelessness/houselessness.” This recommendation signifies a commitment to an ongoing, structured approach in addressing the multifaceted nature of homelessness in the region.

Incorporating a Comprehensive Data Review

An essential function of the LCHAB, as a permanent entity, will be to regularly review and analyze data from all four critical dimensions of homelessness: housing, services, economic pressures, and transportation. This comprehensive data review is pivotal for understanding the full spectrum of issues faced by the unhoused communities and for identifying emerging trends and challenges. By systematically evaluating data across these dimensions, LCHAB can gain a holistic view of the situation, enabling more informed decision-making and strategic planning.

“Lincoln County Homeless Advisory Board (LCHAB) to remain a permanent body that focuses on homelessness/houselessness.”

Coordinated Response to Community Needs

The permanence of LCHAB also positions it to effectively coordinate responses to the identified needs in a collective manner. With representatives from each city in Lincoln County, the county itself, the Confederated Tribe of Siletz Indians, and the Community Services Consortium, the board is uniquely equipped to foster collaboration across various municipal and organizational boundaries. This collaborative approach ensures

that responses are not only tailored to specific local needs but also benefit from shared resources, expertise, and insights.

Role of LCHAB in Collective Action

As a centralized body, LCHAB will facilitate the pooling of efforts and resources, encouraging a unified response to homelessness. This includes coordinating policy initiatives, aligning service delivery, and ensuring that economic and transportation strategies are effectively integrated with housing and service efforts. The board's role in collective action is crucial for maximizing the impact of interventions and for ensuring that all segments of the community receive the support they need.

Making LCHAB a permanent, inclusive, and data-driven entity is a significant stride towards a comprehensive and collaborative effort to address homelessness in Lincoln County. By reviewing data across all dimensions of homelessness and coordinating a collective response, LCHAB is well-positioned to lead effective and sustainable strategies to combat and alleviate homelessness, building on the groundwork laid by the 2007 housing plan and adapting to the evolving needs of the community.

Recommendation 2: Strategic Goal Adoption

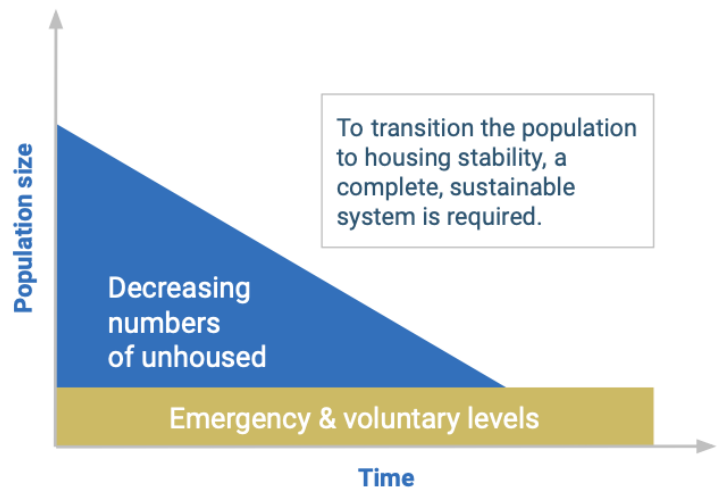
In a concerted effort to address the persistent issue of homelessness in Lincoln County, the board has adopted a pivotal strategic goal, articulated as: "Adopt the strategic goal to reduce homelessness to emergency & voluntary levels, utilizing the progression of support model." This goal is reflective of the nuanced understanding of homelessness as gleaned from our comprehensive research and acknowledges the varying circumstances under which individuals become houseless.

"Adopt the strategic goal to reduce homelessness to emergency & voluntary levels, utilizing the progression of support model."

Understanding Emergency and Voluntary Homelessness

Our research indicates that there are instances of homelessness that emerge due to unforeseen emergencies which cannot be entirely prevented. These situations might include natural disasters, sudden economic downturns, or personal crises. Recognizing this, the goal is not to eliminate homelessness entirely, an unrealistic expectation, but to minimize its occurrence to these unavoidable emergencies.

Additionally, there exists a segment of homelessness that can be described as voluntary. This encompasses individuals who, for various personal or lifestyle reasons, choose transient living situations. While this represents a smaller portion of the houseless population, it is a factor that needs to be acknowledged in any comprehensive homelessness strategy.



Strategic Goal of Reduction to Manageable Levels

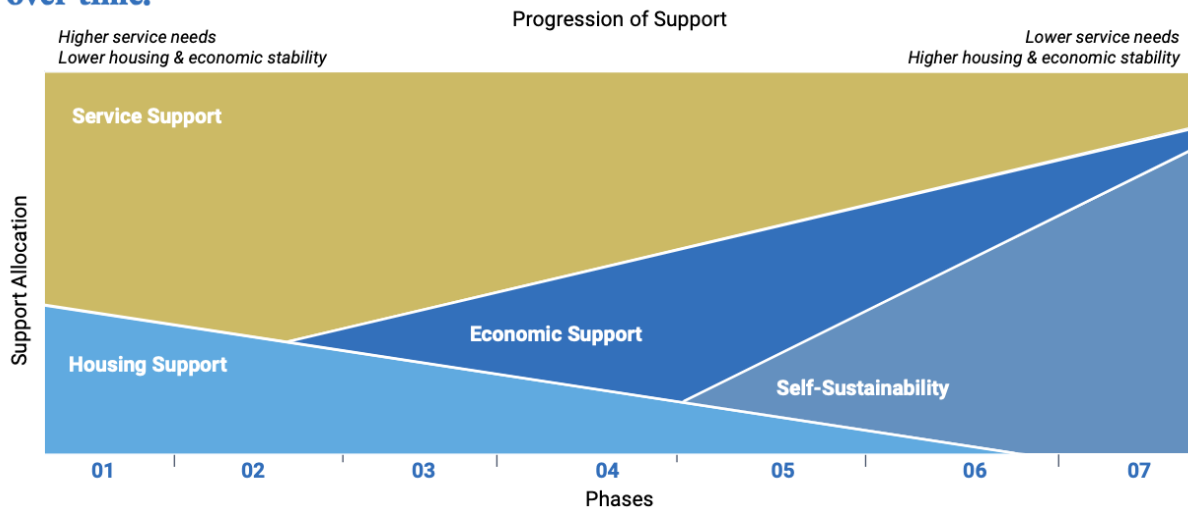
The primary objective of this strategic goal is to reduce the level of homelessness in the community to these emergency and voluntary levels. This approach is realistic and focuses on managing and responding effectively to these situations, rather than an unattainable goal of complete eradication of homelessness.

Utilizing the Progression of Support Model

Central to achieving this goal is the application of the Progression of Support model. This model, with its seven phases of housing support, provides a structured framework to understand and address the varying needs of individuals experiencing homelessness. By aligning resources and interventions with each phase, from emergency shelter to private market rental and homeownership, the model facilitates targeted support that efficiently assists individuals in their journey towards stability.

The model also serves as a guide for the allocation of resources. By understanding the specific needs at each phase, the board can ensure that resources are directed where they are most needed, thereby maximizing their impact. This targeted approach is crucial for moving individuals through the phases effectively and, where possible, aiding their transition to the seventh phase of self-sufficiency and stable housing.

The progression of support model indicates that individuals from unhoused communities will decrease service needs and enter into housing stability over time.



FINAL ADMINISTRATIVE DRAFT

The adoption of this strategic goal, grounded in the practical realities of homelessness and the insightful Progression of Support model, represents a significant step forward in Lincoln County's efforts to combat homelessness. By focusing on reducing homelessness to manageable levels and utilizing a phased support approach, the board sets a realistic and structured path to address this complex issue. This strategy acknowledges the inevitability of certain homelessness situations while striving to provide comprehensive support to those in need, ultimately aiming to guide as many individuals as possible towards stability and independence.

Recommendation 3: Policy and Funding Coordination

The board's strategic goal, "Coordinate policy and funding efforts at city, county, regional and state levels," addresses a pivotal aspect of tackling homelessness in Lincoln County. This goal, grounded in our extensive research, emphasizes the necessity of a consolidated approach across various governmental and organizational levels. Such coordination not only streamlines efforts and resources but also positions the region to more effectively attract state and federal funding.

Reducing Administrative Distance and Fostering Collaboration

A critical component of this strategy involves bridging the administrative distance between larger entities and smaller, local organizations. By aligning efforts, these groups can collectively pursue funding opportunities, share best practices, and efficiently address the needs of the homeless population. Larger organizations, with their broader reach and resources, can support smaller non-profits in service delivery, allowing for a more cohesive response to homelessness across the region.

"Coordinate policy and funding efforts at city, county, regional and state levels."

Leveraging Unique Strengths of Municipalities

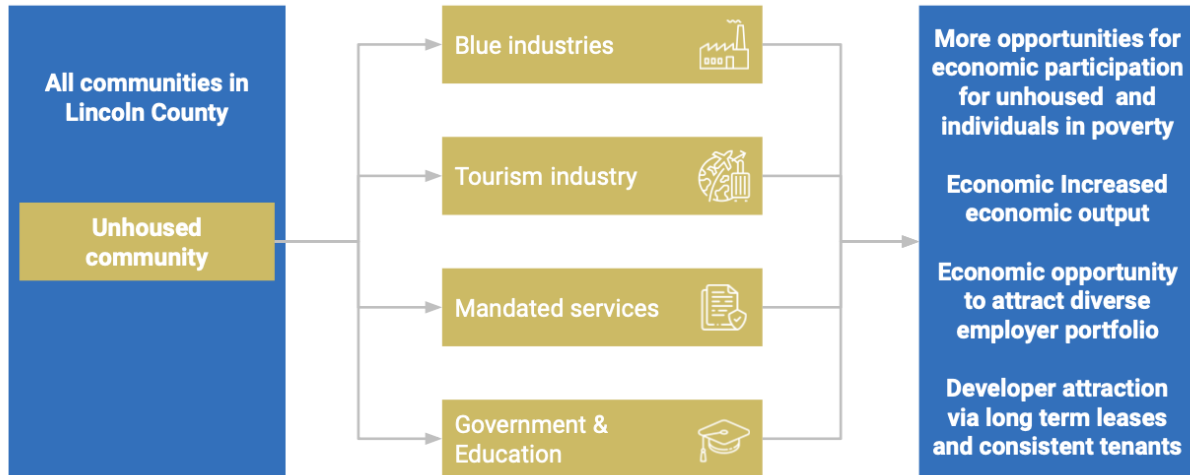
Each city and municipality within Lincoln County brings unique strengths to the table. Some areas may excel in creating employment opportunities and programs, while others possess the necessary land or infrastructure for affordable housing development. By coordinating these individual capabilities, the region can develop a comprehensive strategy that leverages the full spectrum of resources available, ensuring balanced and sustainable growth.

Creating an Attractive Landscape for State and Federal Funding

One of the most significant advantages of this coordinated approach is its potential to make Lincoln County more attractive for state and federal funding. A consolidated and

unified regional strategy demonstrates effective use of resources, clear planning, and a commitment to addressing homelessness in a comprehensive manner. Such a display of regional unity and efficiency is often a key criterion for larger funding bodies, making Lincoln County a more compelling candidate for these critical funds.

Coordinated organization to develop pipelines that support our unhoused and broader communities.



Envisioning a New Day for Lincoln County

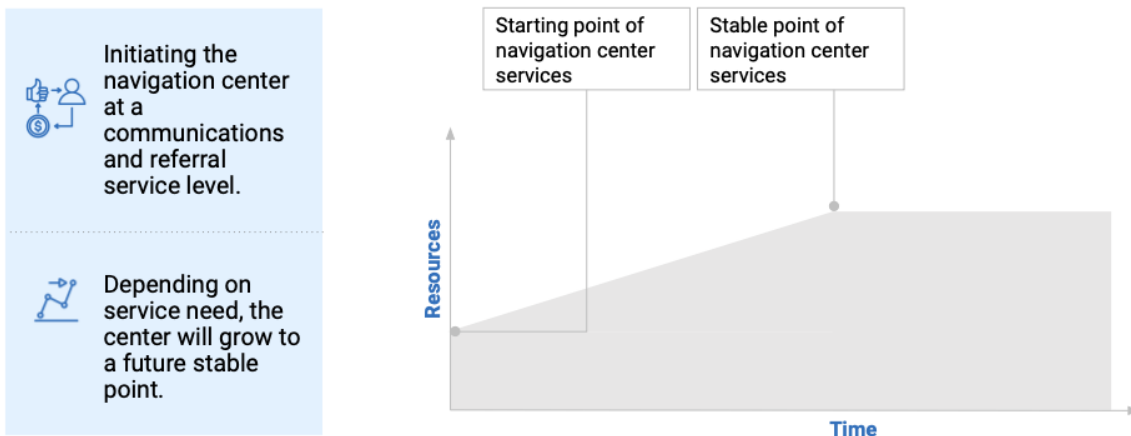
This coordinated approach heralds a new era for Lincoln County, where the collective effort transcends individual municipal boundaries and leads to a stronger, more unified region. The consolidation of policies, funding efforts, and resources promises not only an enhanced response to homelessness but also a brighter future for the entire county. By working together, Lincoln County can achieve significant strides in addressing homelessness, supported by a robust framework that attracts increased state and federal assistance.

The third strategic goal sets a clear path for Lincoln County, emphasizing the power of collaboration and coordination across all levels of government and organizations. This unified approach is vital for maximizing the impact of efforts to combat homelessness and for elevating the region's profile in securing necessary funding. It is a strategy that promises not only immediate benefits for those in need but also long-term, sustainable development for the entire region.

Recommendation 4: Navigation System Implementation

In alignment with the broader strategy to address homelessness in Lincoln County, the board has articulated its fourth strategic goal: "Stand up and support a navigation system, with a priority to use or develop common data/reporting systems to track each network and community needs." This goal underscores the importance of a cohesive, integrated approach in managing and responding to the needs of the unhoused or those at risk of homelessness.

A navigation center is needed to centralize efforts across municipalities. The center acts as a hub of information with a connected, “no wrong door” approach.



Comprehensive Participation in the Navigation System

The proposed navigation system is envisioned to be all-encompassing, involving participation from all housing programs, service providers, economic support resources, governmental offices, and healthcare organizations across the county. This inclusive approach ensures that the system has a broad reach, covering every aspect of support needed by the unhoused population, including mental, dental, vision, and general healthcare services. The integration of these diverse resources into a single navigation system facilitates a more streamlined and effective response to homelessness.

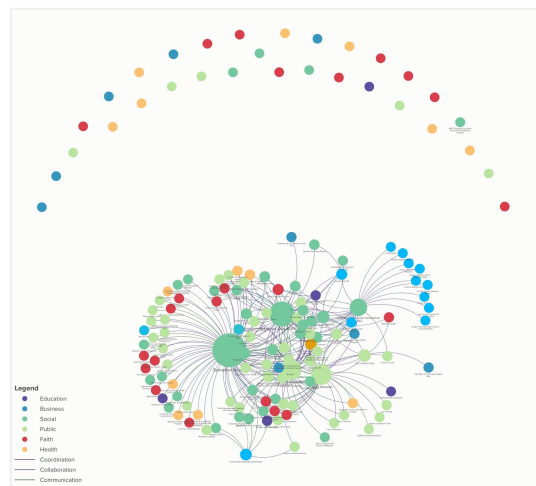
"Stand up and support a navigation system, with a priority to use or develop common data/reporting systems to track each network and community needs."

'No Wrong Door' Approach

A key feature of this navigation system is the implementation of a 'no wrong door' approach. This methodology ensures that individuals seeking help can approach any service provider within the network and receive guidance, information, or referral to appropriate services without delay. Whether an individual first contacts a housing program, a healthcare clinic, or a government office, the system is designed to provide immediate access to the wider network of services. This approach not only simplifies the process for those seeking help but also ensures that opportunities for assistance are maximized.

Administration and Coordination of the System

Effective administration of the navigation system is crucial. This involves maintaining an active understanding of the intake processes and eligibility requirements of all participating service providers. The administration team should be equipped to refer individuals to the most suitable organization based on their immediate needs. Additionally, the system needs to have up-to-date information on the availability and operational hours of each service provider, along with their current capacity, to maintain responsiveness and efficiency.



Current image of the service network.

Data Collection and Reporting

A vital component of this system is the collection and analysis of data from each service provider. This data should encompass the four key dimensions of housing,

FINAL ADMINISTRATIVE DRAFT

services, economic, and transportation needs, providing a comprehensive overview of service capacity and community requirements. Regular reporting of this data to the board is essential for informed decision-making and strategic planning. It allows the board and its municipal members to identify trends, gaps, and areas of need, facilitating a collaborative and proactive response.

The establishment of a navigation system, as outlined in this strategic goal, represents a significant advancement in the way Lincoln County addresses homelessness. By ensuring wide-ranging participation, adopting a 'no wrong door' approach, and focusing on effective administration and data-driven insights, this system promises to significantly enhance the coordination and delivery of services. It marks a crucial step towards a more connected, efficient, and responsive support network for the unhoused and at-risk populations in Lincoln County, driving collective efforts towards more sustainable solutions.

Recommendation 5: Integration of Local Efforts

The fifth strategic goal, pivotal to the holistic approach towards addressing homelessness in Lincoln County, is articulated as: "Integrate local housing, community services, economic development and transportation efforts to support and provide resources for community organizations." This goal underlines the importance of a unified approach across various sectors, facilitating effective data sharing and resource allocation to combat homelessness.

Data Integration Across Four Dimensions

The establishment of a navigation network is critical in achieving this goal. This network should be designed to compile and analyze data across the four key dimensions: housing, community services, economic development, and transportation. Such comprehensive data collection and reporting are vital for understanding the full spectrum of needs within the homeless community and for identifying areas where support is most urgently required. By viewing these dimensions in tandem, the network can ensure a coordinated response that addresses the multifaceted nature of homelessness.

“Integrate local housing, community services, economic development and transportation efforts to support and provide resources for community organizations.”

Inclusion of Diverse Organizations in Data Collection





While larger organizations in Lincoln County may already be participating in data systems like the Homeless Management Information System (HMIS), smaller organizations often lack the technical resources for such data gathering and reporting. The network should establish mechanisms to bridge this gap. This involves creating

public-private and public-public partnerships with key organizations that can act as conduits for data collection, extending these relationships to include smaller organizations. By doing so, the network ensures that data from all service providers, regardless of their size, is captured and considered in strategic planning.

Formulating Value Propositions for Smaller Organizations

Integrating smaller organizations into the data network offers dual benefits. Firstly, it ensures that their valuable service data is included in the larger homelessness response strategy. Secondly, it provides these organizations with access to resources and support that they might not have independently. The collaborative funding efforts from the third strategic recommendation play a crucial role here, creating a value proposition for smaller organizations. By providing them with resources and incentives to participate in data sharing, the network not only enhances its data quality but also supports the growth and efficacy of these smaller entities.

Build the four networks required to include all organizations. The product of each network will focus on the unhoused population, but also support the community at large.

Strategic Body	Principal Organizations	Networks	Outcomes
LCHAB & Navigation System	 Housing	Shelters, Municipalities, Private Developers, Funders, Property Managers, Policy Staff, etc	Illumination of Unhoused Community Needs
	 Services	Direct Service Providers, Indirect Service Providers, Municipal Services, Government Services, etc	Determining System Needs Locate Funding & Joint Funding Asks
	 Economic Development	Employers, Potential Employers, Workforce Programs, Northwest Oregon Works, OCWCOG, Education Programs, etc	Opportunities for Public-Private Partnerships
	 Transportation	Service Network, Service Providers, etc	Innovations Reporting Integration into Service Progression Model

Engaging the Private Sector

Extending beyond nonprofits and service providers, these value propositions should also engage the private commercial sector. This includes housing developers, employers with workforce programs, healthcare providers, and transportation companies. Their participation is crucial in creating a comprehensive picture of the resources available and the needs within the community. By involving these private

entities, the network can leverage additional resources and expertise, contributing to a more robust and multifaceted response to homelessness.

Strategic Goal Five represents a commitment to integrating efforts across housing, services, economic development, and transportation, ensuring that all community organizations, big and small, are supported and utilized effectively. By fostering a collaborative environment that values data integration and resource sharing, Lincoln County can create a more cohesive, efficient, and impactful approach to addressing homelessness, with benefits extending to every corner of the community.

**CITY OF NEWPORT
RESOLUTION NO. 4006**

**A RESOLUTION SUPPORTING THE RECOMMENDATION FOR ADDRESSING
HOMELESSNESS IN LINCOLN COUNTY AND CONTINUATION OF LINCOLN
COUNTY HOMELESS RESPONSE ADVISORY BOARD**

WHEREAS, the City of Newport has participated as a member of the Lincoln County Homeless Response Advisory Board through an intergovernmental agreement approved by Resolution No. 3977 adopted April 17, 2023;

WHEREAS, the Newport City Council has completed a review of the countywide Five Year 2022-2027 Homeless Strategic Plan;

WHEREAS, the countywide Five Year 2022-2027 Homeless Strategic Plan incorporates a mission statement and goals for the City of Newport to use with its partner cities involved through the Lincoln County Homeless Advisory Board to provide a framework to reduce homelessness countywide.

THE CITY OF NEWPORT RESOLVES AS FOLLOWS: The City of Newport hereby supports the continuation of the Lincoln County Homeless Response Advisory Board and adopts the countywide Five Year 2022-2027 Homeless Strategic Plan.

Adopted by the Newport City Council on January 2, 2024.

Jan Kaplan, Mayor

ATTEST:

Erik Glover, City Recorder

CITY MANAGER REPORT AND RECOMMENDATIONS



Meeting Date: January 2, 2024

Agenda Item:

From the Audit Committee – Acceptance of the Independent Auditors Report from Aldrich CPAs + Advisors, LLP, of the Comprehensive Financial Report for the Year ended June 30, 2023, and Adoption of Resolution No. 4002, a Resolution Providing for a Corrective Action Plan for the Fiscal Year 2022 - 2023 Audit.

Background:

The Audit Committee has met with the City's independent auditors, Aldrich CPAs + Advisors, LLP, to review the annual audit of the City's annual comprehensive financial report for the year ended June 30, 2023. The auditors have provided their highest opinion that the financial statements in all material aspects present fairly the financial position of the government activities, the business activities, each major fund, and the aggregate remaining fund information for the City of Newport as of June 30, 2023.

In addition, the auditors identified two findings that require the City Council to approve a City response and plan. The first finding relates to the fact that some journal entries were prepared and reviewed by the same individual. This was done out of necessity since there was a vacancy in the assistant finance director position throughout the fiscal year. As a result, Finance Director, Steve Baugher, was both preparing and reviewing the journal entries. This issue has been resolved with the hiring of an assistant finance director on July 24. Eric Carpenter, Assistant Finance Director, is now preparing all journal entries and Steve Baugher is reviewing the entries. The second issue relates to the lack of documentation indicating that the City checked the federal government's list to determine whether any federal funds were being awarded to suspended or debarred parties by the federal government. While no contracts were awarded to suspended or debarred parties, there is a requirement that this documentation be kept. This error has resulted from our decentralized system of maintaining information relating to federal contracts by department. The proposed plan calls for the Capital Projects Grant Accountant to ensure that the checklist includes the necessary documentation prior to awarding a contract where federal funding will be used.

Recommendations:

I recommend the city Council consider the following motion:

I move to accept the independent audit by Aldrich CPAs + Advisors, LLP, of the annual comprehensive financial report for the year ended June 30, 2023.

I move to approve Resolution No. 4002, a resolution adopting a corrective plan of action for the findings related to the audit of the fiscal year ended June 30, 2023 and acceptance

of the report and adoption of Resolution No. 4002, a resolution providing for a corrective action plan schedule of expenditures of federal awards report compliance of section Fiscal Year 2022 - 2023 audit.

Fiscal Effects:

None by accepting the report and the corrective action plan.

Alternatives:

None recommended.

Respectfully submitted,

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

Spencer Nebel
City Manager



**STAFF REPORT
CITY COUNCIL AGENDA ITEM**

Meeting Date: January 2, 2024

Title: Consideration and Potential Adoption of Resolution No. 4002 - A Corrective Action Plan for the Schedule of Expenditures of Federal Awards (SEFA) Report and Compliance Section of the 2022/2023 Fiscal Year (FY) Audit

Prepared by: Steve Baugher, Finance Director

Recommended Motion: I move to approve Resolution No. 4002, a resolution adopting a Corrective Plan of Action for the findings related to the 2022/2023 FY Audit.

Background Information:

The Auditor has issued the 2022/2023 Annual Comprehensive Finance Report. As part of the financials, the Single Audit Report is complete but still in the draft stage waiting for the Corrective Action Plan. In the Single Audit Report, the auditor has issued two findings, one for the Financial Statements and one in the Federal Awards. City staff has prepared and attached the Corrective Action Plan to address these two findings, and they are presented for your review.

1. Financial Statement Finding (2023-001)

Prior to this fiscal year, journal entries were prepared by the Assistant Finance Director and the Finance Director would review the entries. The Assistant Finance Director was promoted to Finance Director in fiscal year 2023 and the Assistant Finance Director position was vacant the entire fiscal year resulting in some journal entries being prepared and reviewed by the same individual. Errors could be made in posting journal entries or inappropriate entries could be made. We recommend management implement internal control procedures to ensure all journal entries made are reviewed prior to posting.

City response and plan:

Fiscal year 2022-23 was a challenging year for the City of Newport due to staff turnover and vacancies for key positions. The Assistant Finance Director was Interim Finance Director from July 2022 to December 2022, and was promoted to Finance Director on December 22, 2022. The Assistant Finance Director position was vacant for fiscal year 2022-23 despite multiple job posting attempts to fill the position. Therefore, the Finance Director was preparing and reviewing journal entries prior to posting due to staff vacancy. An Assistant Finance Director was hired on July 24, 2023. The Assistant Finance Director is now preparing all journal entries and the Finance Director is reviewing the journal entries.

2. Federal Award Finding and Questioned Cost (2023-002)

The City did not have policies and procedures in place to ensure the suspended and debarred list was checked consistently nor did they retain documentation of the list being checked prior to contracts being awarded to awardees. The City could award contracts to suspended or debarred parties. We recommend the City implement processes and procedures to ensure the suspended and debarred listing is checked prior to awarding contracts to outside parties. In addition, we recommend the City maintain documentation of this check being performed.

City response and plan:

Fiscal year 2022-23 was a challenging year for the City of Newport due to staff turnover and vacancies for key positions in Engineering, Public Works and Finance. Processes were in place to ensure that vendors were not on the suspended or debarred list prior to awarding contracts. However, due to key staff turnover, the documentation was not available to verify that the process was followed. The Finance Department, Engineering, and Grant Manager will work on a checklist to make sure all required written documentation is obtained. The written documentation will be centrally kept by the Capital Projects and Grant Accountant with the awarded contract before executing the contract. The checklist will include that the suspended and debarred list is checked to make sure the awardee is not on the list and retain documentation of the list being checked.

Fiscal Notes: No fiscal effects

Alternatives: None.

Attachments: Resolution No. 4002



2022-2023



Wastewater Collections



Off Road Wildland Brush Vehicle-



Coast Park



Lifeflight

Annual
Comprehensive
Financial Report
For Year Ended
June 30, 2023

Mission Statement: The City of Newport pledges to effectively manage essential community services for the well-being and public safety of residents and visitors. The City will encourage economic diversification, sustainable development, and livability.



City of Newport, Oregon
Annual Comprehensive Financial Report
For the Fiscal Year Ended
June 30, 2023

* * * * *

Spencer Nebel, City Manager

Prepared by:
Steve Baugher, Finance Director

CITY OF NEWPORT
Annual Comprehensive Financial Report
Year Ended June 30, 2023

Table of Contents	Page
INTRODUCTORY SECTION:	
Council Members, Administrative Staff and Principal Financial Staff	i
Organizational Chart	ii
Certificate of Achievement	iii
Letter of Transmittal	iv
 FINANCIAL SECTION:	
Independent Auditor's Report	1
Management's Discussion and Analysis	4
 Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements	
Governmental Funds	
Balance Sheet	16
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	18
Statement of Revenues, Expenditures and Changes in Fund Balances	19
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities – Governmental Funds	21
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual -	
General Fund	22
Room Tax Fund	23
Urban Renewal Fund	24
Airport Fund	25
Proprietary Funds	
Statement of Net Position	26
Statement of Revenues, Expenses and Changes in Net Position	28
Statement of Cash Flows	30
Fiduciary Funds	
Statement of Net Position	34
Statement of Changes in Net Position	35
Notes to the Basic Financial Statements	36

CITY OF NEWPORT
Annual Comprehensive Financial Report
Year Ended June 30, 2023

Table of Contents	Page
FINANCIAL SECTION, continued:	
Required Supplementary Information	
Schedule of Proportionate Share of Net Pension Liability (Asset)	95
Schedule of Contributions – Pension	96
Schedule of the Net Pension Liability and Changes in Net Pension Liability	97
Schedule of Employer Contributions	98
Schedule of Investment Rate of Return	99
Schedule of the Proportionate Share of the Net Other Postemployment Benefit Liability (Asset)	100
Schedule of Contributions to OPEB – RHIA	101
Schedule of Changes in Total OPEB Liability and Related Ratios – Implicit Rate Subsidy	102
Other Supplementary Information	
Major Governmental Fund	
Capital Projects Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	103
Nonmajor Governmental Funds	
Combining Balance Sheet	104
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	105
Nonmajor Special Revenue Funds	
Combining Balance Sheet	106
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	108
Nonmajor Debt Service Funds	
Combining Balance Sheet	110
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	111
Nonmajor Capital Projects Funds	
Combining Balance Sheet	112
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	113
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Special Revenue Funds	
Parks and Recreation Fund	114
Public Parking Fund	115
Housing Fund	116
Building Inspection Fund	117
Streets Fund	118
Line Undergrounding Fund	119
SDC Fund	120
Agate Beach Fund	121

CITY OF NEWPORT
Annual Comprehensive Financial Report
Year Ended June 30, 2023

Table of Contents	Page
FINANCIAL SECTION, continued:	
Other Supplementary Information, continued	
Debt Service	
Debt Service Fund	122
G.O. Debt Service – Governmental Fund	123
Capital Projects	
Capital Projects Reserve Fund	124
Capital Improvements Fund	125
Major Enterprise Funds	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Water Fund	126
Wastewater Fund	127
Stormwater Fund	128
Nonmajor Enterprise Funds	
Combining Statement of Net Position	129
Combining Statement of Revenues, Expenditures and Changes in Net Position	131
Combining Statement of Cash Flows	133
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Water Debt Service Fund	135
Wastewater Debt Service Fund	136
Stormwater Debt Service Fund	137
G.O. Debt Service	138
Capital Projects Fund	139
Internal Service Funds	
Combining Statement of Net Position	140
Combining Statement of Revenues, Expenditures and Changes in Net Position	141
Combining Statement of Cash Flows	142
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Public Works Fund	144
City Facility Fund	145
STATISTICAL SECTION:	
Financial Trends	
Net Position by Component	146
Change in Net Position	148
Fund Balances of Governmental Funds	152
Change in Fund Balances of Governmental Funds	154

CITY OF NEWPORT
Annual Comprehensive Financial Report
Year Ended June 30, 2023

Table of Contents	Page
STATISTICAL SECTION, continued:	
Revenue Capacity	
Assessed Value and Estimated Market Value of Taxable Property	156
Direct and Overlapping Tax Rates	158
Principal Property Taxpayers	160
Property Tax Levies and Collections	161
Debt Capacity	
Schedule of Debt Per Capita and Debt as a Percentage of Personal Income	162
Ratio of General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita	164
Computation of Direct and Overlapping Debt	166
Computation of Legal Debt Margin	167
Pledged Revenue Coverage	169
Demographic and Economic Information	
Demographic and Economic Statistics	170
Operating Information	
Newport Area Principal Employers	171
Employee Full-time Equivalents (FTE) by Function	172
Operating Indicators by Function	174
Capital Asset Statistics by Function	176
COMPLIANCE SECTION:	
Independent Auditor's Report Required by Oregon State Regulations	178
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	180
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	182
Schedule of Expenditures of Federal Awards	185
Notes to Schedule of Expenditures of Federal Awards	186
Schedule of Findings and Questioned Costs	187
Summary Schedule of Prior Audit Findings	190



INTRODUCTORY SECTION

CITY OF NEWPORT

Council Members, Administrative Staff and Principal Financial Staff

Year Ended June 30, 2023

City of Newport, Oregon

169 SW Coast Highway
Newport, Oregon 97365
www.newportoregon.gov

Council Member	Term Expires	Assumed Office
Jan Kaplan, Mayor	1/6/2025	11/16/2021
Beatriz Botello	1/6/2025	1/7/2019
Robert Emond	1/4/2027	10/16/2023
Dietmar Goebel	1/6/2025	1/3/2017
CM Hall	1/4/2027	1/7/2019
Cynthia Jacobi	1/6/2025	1/7/2019
Ryan Parker	1/4/2027	1/7/2019

Administrative Staff

City Manager	Spencer Nebel
Assistant City Manager/City Recorder	Erik Glover
Finance Director	Steve Baugher
Assistant Finance Director	Eric Carpenter
City Attorney	David Allen
Judge	Jeffrey Pridgeon
Acting Public Works Director	Steven Stewart and Justin Scharbrough
City Engineer	Aaron Collett
Community Development Director	Derrick Tokos
Parks and Recreation Director	Michael Cavanaugh
Library Director	Laura Kimberly
Police Chief	Jason Malloy
Fire Chief	Rob Murphy
Acting Information Technology Director	Travis Reeves
Human Resource Director	Barbara James
Airport Director	Lance Vanderbeck

Principal Finance Staff

Steve Baugher, Finance Director
Eric Carpenter, Assistant Finance Director

Citizens of the City of Newport

Notes:

1. Mayor and Council are elected by the Citizens, and, between elections, vacancies are filled by Council-appointment.
2. Boards and commissions are appointed by the Mayor, subject to confirmation by the Council.
3. City Attorney, Municipal Judge and City Manager are appointed by City Council.
4. Department Heads and staff are hired by the City Manager.

City Council

Mayor: Jan Kaplan
 Council President: Dietmar Goebel
 Members: Beatriz Botello
 Cynthia Jacobi
 CM Hall
 Ryan Parker
 Robert Emond

Citizen Boards and Committees

Municipal Judge
Jeff Pridgeon

City Manager
Spencer Nebel

City Attorney
David Allen

Asst. City Manager/City Recorder/
Erik Glover

Risk Management
Communications
Records

HR Director
Barb James

Safety

Acting IT Director
Travis Reeves

Airport Director
Lance Vanderbeck

Library Director
Laura Kimberly

Finance Director
Steve Baugher

Utility Billing
Court Payroll
Accts. Payable
Capital Projects
Grant Acctg.

Fire Chief
Rob Murphy

Fire Suppression
Rescue
Medical Response
Emergency Management

Police Chief
Jason Malloy

Police
Parking Enforcement
Code Enforcement

Public Works Director
Acting Justin Scharbrough & Steve Stewart

Streets
Water
Wastewater
GIS
Maintenance
Building
Maintenance

City Engineer
Aaron Collett

Engineering

Recreation Director
Mike Cavanaugh

Recreation Center
Aquatic Center
Sports Programs
60+ Center Parks

Community Development Director
Derrick Tokos

Building Code
Zoning Enforcement
Planning
URA



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Newport
Oregon**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO



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

December 12, 2023

Citizens of Newport
Honorable Mayor Jan Kaplan
Members of the Newport City Council
City of Newport, Oregon

State law requires that every general-purpose local government publish, within six months of the close of each fiscal year, unless extended, a complete set of audited financial statements. We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Newport, Oregon (City) for the fiscal year ended June 30, 2023, together with the unmodified opinion therein of our independent certified public accountants, Aldrich CPAs and Advisors, LLP.

Management has full responsibility for the completeness and reliability of the information contained in this report based upon a comprehensive framework of internal control that has been established for that purpose. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

It is the responsibility of Aldrich CPAs and Advisors, LLP, as the independent accountants, to express an opinion of the fairness of the basic financial statements, which have been prepared in accordance with Generally Accepted Accounting Principles (GAAP). The independent accountants have attested to the fairness of the basic financial statements with an unmodified opinion as presented in the Report of Independent Accountants.

In addition to the annual audit, the City is required to have a comprehensive single audit of its Federal Assistance Programs in accordance with the Single Audit Act, Office of Management and Budget (OMB) and the provisions of Government Auditing Standards promulgated by the U.S. Comptroller General as they pertain to financial and compliance

audits. The report can be found in the Compliance Section at the end of this financial report.

The Governmental Accounting Standards Board (GASB) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City’s MD&A is located immediately following the report of the independent auditors.

CITY PROFILE

Background

The City was founded in 1864, incorporated in 1882, and has operated under the Council Manager form of government by charter since 1962. Newport is located along the Central Coast of Oregon at the mouth of the Yaquina River. The nearest major metropolitan area is Portland, Oregon, which is found 136 miles to the northeast. Newport encompasses a total area of 10.6 square miles, which includes 1.5 square miles of water and 9.1 square miles of land. It has been the county seat of Lincoln County since 1952 and is the largest city in the County, and the second largest city on the Oregon Coast based on the 2020 census.

Population: City of Newport, Lincoln County

Year	City of Newport	Lincoln County
1970 Census	5,188	25,755
1980 Census	7,519	35,264
1990 Census	8,437	38,889
2000 Census	9,532	44,479
2010 Census	9,989	40,034
2020 Census	10,256	50,395
2022 PSU Estimate	10,755	51,090

The City is governed by a non-partisan Council consisting of a Mayor elected to a two-year term and six City Council members elected to four-year overlapping terms. A full-time City Manager administers the affairs of the City for the Council, and supervises a staff of twelve department directors, with 157 full-time equivalent employees budgeted for the current fiscal year, which includes 137 full-time employees. In addition to the City Manager, the City Council also employs a full-time City Attorney and a part-time Municipal Judge.

The City provides a full range of municipal services, including but not limited to, water, wastewater, and storm water utilities; police; fire; municipal court; airport; operation and maintenance of the street systems; community planning and development; parks and recreation; Performing Arts Center; Visual Arts Center; and Library. For financial reporting purposes, the City includes all funds of the City subject to appropriation by Council.

Reporting Entity

Financial statements include information for the City of Newport and its component unit, the Newport Urban Renewal Agency. The notes to the financial statements provide additional detail describing the inclusion of the Agency as a blended component unit.

Budget Process

The Council and Urban Renewal Agency Board (Council members serve as the Agency's Board) are required to adopt a budget for the subsequent fiscal year no later than the close of the current fiscal year. These budgets are prepared at a fund and department level for all governmental and proprietary funds. Appropriation transfers between the funds or departments require the approval by the City Council. Appropriation transfers between accounts through the same budget category (line items) within a department are made through a departmental request and approved administratively.

ECONOMIC OUTLOOK AND CONDITION

Recent Economic Performance

The City's economic base is one of diversity. Newport enjoys an economy that is not dependent upon the success or failure of any specific sector. The main economic sectors are commercial fishing and processing, tourism, and a growing marine and science research community. Newport is the home to the National Oceanic and Atmospheric Administration Pacific Marine Operations Center (NOAA), U.S. Coast Guard Station Yaquina Bay, the Hatfield Marine Science Center, and the Oregon Coast Aquarium, as well as, a number of state and federal agencies supporting various aspects of Marine Science.

During the last two decades, the County's highest annual unemployment rate was 11.1% in 2010, closely followed by a rate of 10.9% in 2020 due to COVID-19. The county's unemployment rate peaked at 23.8% in April, 2020. As of June, 2023, the county's monthly unemployment rate is down to 3.8% (not seasonally adjusted). Lincoln County's tourism businesses were hard hit during 2020 with restrictions on non-essential travel from April to June, 2020. Hotels, motels, restaurants, and other tourism-service industries were significantly impacted during that time. The City of Newport provided small businesses with \$1 million in economic impact funds to help ride out the impacts of COVID-19 in 2020. In addition, businesses benefitted from various state and federal programs that injected a significant amount of cash to help those businesses get through the pandemic.

During the 2023 Fiscal Year, the City collected a record amount of room tax indicating a significant recovery for the travel industry with \$6.97 million being collected. This was up from \$6.67 million in 2022 and from \$4.99 million the previous fiscal year. The City imposed an increase in the rate from 9.5% to 12%, effective September 2021. Property values continue to grow at a significant rate in the city. The median sales price for all housing units in Newport City limits grew from \$360,000 in 2021 to \$450,000 in 2022. The total market value of property in the City of Newport increased by 23.73% as determined by the Lincoln County Assessor from 2022 to 2023. The unemployment numbers for Lincoln County are now at historically low levels and employers have had significant

challenges in filling certain positions within the Greater Newport area. These staffing challenges have directly impacted the City of Newport by having a significant number of vacancies open for extended periods within the City organization. This has had an impact on services provided for those departments having shortages in staffing.

Greater Newport Area Vision 2040

The Greater Newport Area Vision 2040 was developed, and adopted by the City Council after a significant public engagement process was conducted with committee members. The motivation for creating a Community Vision for the Greater Newport Area emerged from a desire to generate broad descriptions of the quality, spirit, and values of the community, and to divide these concepts into “focus areas” that can serve as long-term targets for future planning efforts. The Vision is designed as a “living document” that should be revisited and updated on a regular basis.

The Newport Area Vision 2040 states: “In 2040, Greater Newport is the heart of the Oregon Coast, an enterprising, livable community that feels like home to residents and visitors alike. We live in harmony with our coastal environment – the oceans, beaches and bay, natural areas, rivers, and forests that sustain and renew us with their exceptional beauty, bounty, and outdoor recreation. Our community collaborates to create economic opportunities and living-wage jobs that help keep the Greater Newport Area dynamic, diverse, and affordable. We take pride in our community’s education, innovation, and creativity, helping all our residents learn, grow, and thrive. Our community is safe and healthy, equitable and inclusive, resilient and always prepared. We volunteer, help our neighbors, support those in need, and work together as true partners in our shared future.”

The vision is divided into six focus areas including Enhancing a Livable Region, Preserving and Enjoying our Environment, Creating New Businesses and Jobs, Learning, Exploring, and Creating New Horizons, Improving Community Health and Safety, and Fostering Collaboration and Engagement. Key strategies are identified for each of these focus areas.

The City Council has created a permanent Vision 2040 Advisory Committee to advise the Council on a regular basis regarding the status of implementation of strategies outlined in the vision, and serve as a catalyst to work with all community stakeholders in achieving the vision. The Ford Family Foundation has funding outreach activities to help community-building around the vision.

Long-Term Financial Planning

The City Council established Finance Work Groups over a three-year period to develop a system for projecting the City’s long-range financial condition (year one); identify options to address an identified structural deficit by looking at ways to reduce expenditures and/or increase revenues to provide financial sustainability (year two); and develop a five-year financial plan for the City that achieves financial sustainability during this period.

In addition, the work group reviewed estimates of future funding needed to properly maintain the 48 public structures and facilities supported by the City’s General Fund. These amenities of this community of 10,000 include the Performing Arts Center, Visual

Arts Center, Recreation Center, 60+ Center, Aquatics Center, numerous parks and trails, fire hall, city hall, airport, and other key pieces of infrastructure, some of which currently require significant reinvestment at this stage in order to extend their serviceable life span.

The five-year financial sustainability plan for the General Fund and those funds supported by the General Fund outline steps to take to continue controlling expenditures while identifying new revenues to meet the needs as identified in the report from the Finance Work Group. Through this process a tool to project longer-term financial trends was developed. This tool is used as a key component during the development of annual budgets.

Relevant Financial Policies In Fiscal Year, 2022-2023, the City utilized a total of 27 funds, of which 17 are governmental fund types and 10 are proprietary fund types. The modified accrual basis of accounting is used for the governmental fund types (General, Special Revenue, Debt Service, and Capital Project). The accrual basis is used for the proprietary fund types (Enterprise and Internal Service).

City management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits require estimates and judgments by management. To assure that credible and timely information is prepared in the most efficient manner possible, accounting policies, procedures, and systems, together with related internal controls, are monitored and reviewed when necessary to meet changing requirements.

City Council has adopted, by resolution, a policy to identifying appropriated funding levels for its major operating funds. A report is provided in the annual budget message as to any variances in fund balances from this policy.

Financial Condition

The City of Newport made significant reductions in staffing and expenditures during the fiscal year that began July 1, 2020 in anticipation of the economic impacts of the COVID-19 pandemic, and addressing recommendations from the City Council-appointed Finance Work Group. Since COVID-19, the City has been able to restore a number of positions that had been dropped from the budget during the fiscal year that began July 1, 2020, in order to restore certain services that were reduced at that time. During the fiscal year ended June 30, 2023, the City has continued to see growth in the fund balance for the General Fund due, in part, to the inability to fill certain positions during the course of the fiscal year. There are projects that have funded but have not moved forward, either due to delays in receiving goods ordered or staffing shortfalls. As a result, the General Fund

has increased its balance from \$2.6 million in the fiscal year ending June 30, 2019, to \$7.2 million for the fiscal year ended the June 30, 2023. Overall, the government type funds (General Fund, Room Tax Fund, Airport Fund, Recreation Fund and others) are in a stronger position post COVID-19 than they were prior to the pandemic. In the short run, this will enable the City to proceed with a number of projects and infrastructure upgrades during the next few fiscal years. The City Council needs to remain mindful about the longer-term economic impacts that our material costs, higher labor costs and the need for significant reinvestment in our facilities and parks will have on the longer-term financial condition of the City's general operating funds.

In reviewing the budget to actual amounts for the year ended June 30, 2023, it should be noted that the collection of property taxes was \$213,000 above the budget, transient room taxes were \$331,000 above budget, and interest was \$215,000 above budget. These were offset by lower than anticipated intergovernmental funding of \$177,000. Overall, revenues exceeded the projected revenues by \$784,000. In reviewing the expenses for the fiscal year ending June 30, 2023, the Police Department finished \$1.1 million under the budget, City Administration was \$738,000 under budget, and the Fire Department was \$490,000 under budget. Much of this is related to unfilled vacancies during the course of the fiscal year. Furthermore, non-departmental activities ended up \$622,000 below budget. A significant portion of this amount are funds that have been designated for homelessness activity which are being held by the City for use for an appropriate project to make a meaningful difference in homelessness in the City of Newport.

Likewise, the Room Tax Fund saw growth in its fund balance of \$204,000 from the previous year. From a budgetary standpoint, expenditures were down significantly from appropriation levels due to projects that did not move forward in the fiscal year.

It should be noted that unspent contingency at the end of the fiscal year is folded into the fund balance. This accounts for a portion of the difference between the budgeted amount and the expended amount of City funds.

In the Capital Outlay Funds, projects are typically budgeted for the total amount, even though they may carry over into future fiscal years. Unspent funds during the fiscal year are carried over either in the following proposed budget, or by a supplemental budget in the new fiscal year. In addition, with staffing limitations in Engineering, we have not been able move forward with several projects on the time schedule initially identified for those projects.

While the General Fund, and those supported by the General Fund, are in relatively strong financial shape at the end of the fiscal year on June 30, 2023, business-type funds (Water, Wastewater and Storm Water) have been impacted by unanticipated significant repairs and reinvestments that have been required for those systems over the past three fiscal years. While the Water Fund has a slight improvement in fund balance at the end of the fiscal year, the Wastewater and Storm Water Funds continue to draw down fund balance. The resources need to be increased in all three of these business-type funds in the coming fiscal to cover unanticipated major expenses that can occur in any of these

operations. The City Council approved a significant rate increases on July 1, 2023 to help address these shortfalls and to pay for needed reinvestment in these operations. The City will be looking at future significant rate increases in order to address the financial stability of these funds and to have the resources necessary to maintain and upgrade these facilities in the coming years.

The City has been directly impacted by the “Great Resignation” and is facing significant changes in personnel in key positions of the City. These changes delay various initiatives and efforts as positions remain vacant, and as employees hired to fill these positions get up to speed moving forward with various projects. The staffing shortfalls and the work priorities identified have created additional stress within the organization. Patience is needed as we adjust to the new realities of the labor market going forward. I appreciate the efforts of staff in picking up the extra burden to move things forward when positions remain open for extended periods of time. This is particularly challenging in smaller departments with limited depth to transition through these changes.

The impact of inflation will need to be considered in future financial planning for the City. While some of the City's revenues will adjust to inflation, property tax is limited to a growth of 3% on existing taxable property within the city. It is likely that inflation will outpace property taxable values in the foreseeable future.

The City is looking at a number of significant infrastructure investments in the next five to ten years. A major project will be the replacement of two earthen dams at an estimated construction cost of \$85 million dollars. The City has been successful in receiving \$14 million from the State of Oregon to pay for design and permitting for this project, and has received a \$60 million authorization through Congress in the 2022 Water Resource Development Act (WRDA) of 2022 to assist with this project. Actual funding through WRDA will require annual federal appropriations as authorized in the future when funding for construction is needed. In addition, the City will need to invest \$15 million in wastewater treatment plant improvements through 2025 and another \$60 million to meet long-term capacity needs following this time period. The initial investments can be completed with DEQ low-interest revolving funds with the debt being supported through utility rates. Other investments are necessary to address improvements to water, storm sewer, and sanitary sewer infrastructures for various city facilities, parks, sidewalks, streets, and other infrastructure.

In summary, Governmental Type funds (General Fund, Room Tax Fund, Recreation Fund, and others) are in a stronger position post COVID-19 than were prior to the pandemic. This will provide some funding for needed improvements for facilities, parks, and other areas of the City during the coming years.

The City's Proprietary Funds (water, wastewater, and storm water) are facing significant challenges with aging infrastructure that will require an increased financial commitment in coming years to continue providing safe drinking water and effectively treated wastewater. Reserves in these funds have been significantly reduced due to unanticipated repairs and replacement of equipment during the past two years. Reserves will need to be re-established in the future. These costs will be supported by significant

increases to utility rates beginning with Fiscal Year 2023-2024 in order to rebuild sufficient fund balances and pay for future upgrades to the systems.

Finally, over the past two years, the City has faced significant changes in personnel in key positions. This, coupled with a difficult labor market, has left the City short-staffed in many departments, including the Finance Department. While the City continues to provide basic service levels to the public, many long-term issues have had to be delayed. Furthermore, with new staffing, there is a greater risk for errors and omissions in conducting day-to-day activities. This is particularly challenging in smaller departments with limited depth to transition through these changes. Adequate available staffing will be an issue that will require continued attention as we fill vacant positions and prepare for a long-term challenging labor market.

The future impacts of inflation and a historically tight labor market will create economic uncertainties that will require further examination as financial plans are developed for the coming years. Conservative financial projections will need to continue to be used to keep the City in sound financial condition in the future.

Major Initiatives

Despite the challenges in staffing and supply chain issues, the City was able to proceed with a number of Capital Outlay projects during the year. The City of Newport is ramping up efforts to complete various projects within the South Beach Urban Renewal District that closes to new projects in 2027. The City Council has hired an Urban Renewal project manager to help facilitate these processes as we move forward.

In order to take advantage of a number of the grant opportunities that will be available over the next five years through the Bipartisan Infrastructure Investments and Jobs Act, the Inflation Reduction Act, and other sources, the City Council authorized the creation of a grant manager position to assist in identifying, preparing, and monitoring grants for the City.

A major initiative of the North Side Urban Renewal District included the completion with ODOT of a Transportation System Plan for the City of Newport. This plan outlines needs for various forms of transportation.

Projects that have been either completed or were underway during the fiscal year that began July 1, 2022 include the Ferry Slip Road utility line undergrounding project, construction of sidewalk from SE. Moore Dr. to Yaquina View Elementary School, resurfacing and ADA sidewalk improvements on SE. Moore Dr. from US 20 to Bay Blvd., upgrade of power and installation of EV chargers at Ernest Bloch Wayside and City Hall, funding for the aquarium to install EV chargers in South Beach, design for the pedestrian-activated rapid flashing beacon at US 20 and Eads Street crosswalk, preliminary feasibility study for a sidewalk infill project on Elizabeth Street, and initiation of the purchase of two parcels of land located on US 101 in City Center. In addition, funding was provided for a traffic study for Oceanview Drive and other parts of the community,

and for the parking study recommendations for paid parking on the Bayfront which are being implemented. At the airport, work continued with the obstruction removal plan with the completion of the airport environmental assessment Phase II.

In the Water Fund, work continued with environmental and preliminary design of various aspects of the Big Creek Dam replacement project. Design work has continued on the main water tank replacements. Fiber installation was completed on NE 71st Street to connect the water booster station and storage tank to the City's Supervisory Control and Data Acquisition (SCADA) system. The excess recirculation upgrades were initiated at the water treatment plant, and work continued on the Big Creek Dam No. 2 spillway hazard mitigation.

In the Wastewater Fund, the Wastewater Treatment Plant Master Plan continued to proceed toward completion. Work was completed on the clarifier refurbishment. The Schooner Landing sewer bypass project was awarded and work was initiated on this project. A temporary North Side dechlorination project was completed prior to the close of the fiscal year. This is a temporary fix to address the excess chlorine that the City has, from time to time, had in the effluent being discharged into the ocean. Significant investment was made on the influent pump station repairs located below the wastewater treatment plant. Funds were also appropriated to make emergency repairs to the centrifuge system that is used to dewater sludge from the wastewater treatment plant. Work continued on City-wide cathodic inspections testing and improvements project to assure that the various lines are protected from corrosion.

In other projects, additional Library HVAC units were replaced and work was completed on the west side and downstairs Library window replacement project.

The Performing Arts Center phase VII project was bid but not awarded earlier this year. The Visual Arts Center upper roof was replaced. The Betty Wheeler Park field light replacement project was completed. The Frank Wade baseball outfield was reconstructed and a new multipurpose soccer field was built at Sam Case elementary using ARPA funds in conjunction with the School District.

OTHER INFORMATION

Certificate of Achievement

On November 7, 2023, the Government Finance Officers Association notified the City of Newport that the Annual Comprehensive Financial Report (ACFR) for the fiscal year which ended June 30, 2022 was awarded a certificate of achievement for excellence in financial reporting. The certificate of achievement is the highest form of recognition in governmental accounting and financial reporting, and attainment represents a significant accomplishment by a government and its management. Congratulations to Finance Director Steve Baugher and staff on obtaining this significant recognition!

Acknowledgments

This ACFR was prepared by the City's Finance Department with information and assistance being provided by other City departments. I would like to thank the Finance Department and all City personnel who contributed to compiling and presenting these reports. I would like to specifically recognize Finance Director, Steve Baugher, who filled the vacant Finance Director position through Fiscal Year 2022-2023, while also maintaining his responsibilities as Assistant Finance Director. We are appreciative of the timely and professional services provided by Aldrich CPAs and Advisors, LLP in conducting the independent audit. Finally, I would like to express appreciation to the role that the Audit Committee, Mayor and City Council play in the establishment of policies, adoption of an annual budget, and monitoring of financial activities through the course of the year that are captured in this report.

Respectfully submitted,

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

Spencer R. Nebel
City Manager

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
City of Newport
Newport, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Newport (the City) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison statements for the General Fund, Room Tax Fund, Urban Renewal Fund and Airport Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

INDEPENDENT AUDITOR'S REPORT, CONTINUED

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of proportionate share of the net pension liability (asset) and schedule of contributions – pension, schedule of net pension liability and changes in net pension liability, schedule of employer contributions, schedule of investment rate of return, schedule of proportionate share of the OPEB liability – RHIA, schedule of OPEB contributions – RHIA, and the schedule of changes in total OPEB liability and related ratios be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis, schedule of proportionate share of the net pension liability (asset) and schedule of contributions – pension, schedule of net pension liability and changes in net pension liability, schedule of employer contributions, schedule of investment rate of return, schedule of proportionate share of the OPEB liability – RHIA, schedule of OPEB contributions – RHIA, and the schedule of changes in total OPEB liability and related ratios in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining financial statements, individual fund schedules and schedule of expenditures of federal awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements, individual fund schedules and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT, CONTINUED

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Reports on Other Legal and Regulatory Requirements

Other Reporting Required by Government Auditing Standards

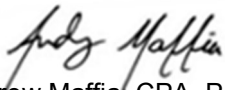
In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is issued separately and is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Other Reporting Required by Oregon State Regulations

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 12, 2023, on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance.

Aldrich CPAs + Advisors LLP

By:



Andrew Maffia, CPA, Partner
Salem, Oregon
December 12, 2023



MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Newport ("City") offers to the public a discussion of its financial statements for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the additional information furnished in the financial statements that follow.

Financial Highlights

- The assets and deferred outflow of resources of the City exceeded its liabilities and deferred inflows of resources at June 30, 2023 by \$144.4 million which equals the City's total net position.
- The City's total assets for the 2022-2023 Fiscal Year (FY) increased by \$7.1 million, total deferred outflows of resources decreased by \$1.8 million, total liabilities decreased by \$4.7 million, total deferred inflows of resources decreased by \$0.4 million, and net investment in capital assets increased by \$6.3 million. See government-wide financial analysis section for a more detailed analysis.
- As of the close of the fiscal year, the City's governmental funds reported combined ending fund balances (EFBs) of \$34.2 million, an increase of \$3.3 million as compared to the previous year. The General Fund increased by \$0.8 million, because total income exceeded the expenditures, the effects of supply chain issues and staff shortages. Other significant increases or decreases in EFB's were; the Urban Renewal Fund decreased by \$1.2 million due to purchase of properties for redevelopment, Capital Project Fund with an increase of \$2.1 million for future capital projects. Note that many of the future capital projects have been delayed due to supply chain issues and staff shortages.
- The proprietary funds, at the close of the fiscal year, had an increase of \$4.2 million. The Water Fund increased by \$3.6 million due to an increase of capital assets of \$1 million, paying all required debt payments as planned of \$2.1 million, and a slight increase of inventory of \$0.4 million. The increase in capital assets is primarily due to preliminary design for Big Creek Dam less depreciation of existing capital assets. The increase in inventory was to increase part supplies due to delays in supply chain and increased costs in supplies.
- As of the end of FY 2023, the total assigned and unassigned fund balance in the General Fund was \$7.2 million, which was 59.58% of the total General Fund operating expenditures of \$12.1 million. The increase in fund balance available for expenditures is primarily due to City directors monitoring their expenditures, supply chain issues and staff shortages, unfilled budgeted staff positions, and use of a long-range financial plan developed by the City's Finance Work Group.
- Total governmental activities debt decreased by \$0.9 million or 6.1% during the FY 2023. The decrease was the result of paying all required debt payments as planned. Total business-type activities debt decreased by \$2.6 million or 6.1%. The decrease was the result of paying all required debt payments as planned.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. In addition to those statements, the report also contains other supplementary information.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City’s finances in a manner similar to a private-sector business.

The statement of net position presents information on all the City’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows only in future fiscal periods (for example, uncollected taxes and earned but unused vacation leave). The governmental activities of the City include general government, public safety, streets, economic development, culture and recreation, airport operations, City Facility Internal Service Fund, and interest paid on long term debt. The business type activities include those funds dealing with water treatment and distribution, wastewater treatment and collection, stormwater activities, and the Public Works Internal Service Fund.

Fund Financial Statements. A fund is a group of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. As do other state and local governments, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City has two types of funds: governmental and proprietary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluation a government’s near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the governmental wide financial statements. By doing so, readers may better understand the long-term impact of the City’s near term financial decisions. Both the governmental funds balance sheet and governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison.

The City maintains 17 governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for these “major” funds.

- General Fund
- Room Tax Fund
- Urban Renewal Fund
- Airport Fund
- Capital Projects Fund

Data from the other non-major governmental funds are combined into a single aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements in the other supplementary information description below.

Proprietary Funds. Ten Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent is that the cost of providing the services to the general public on a continuing basis be financed primarily through user charges. These funds represent three significant segments of the City’s operations: water, wastewater, and stormwater

which includes the treatment plants, the collection and distribution systems and the related Capital Projects, Debt Service, and Internal Service Funds. Along with this is debt outlined in long-term debt section of the notes to the financial statements.

Also included in this area are the two Internal Service Funds, the Public Works Fund and the City Facility Fund. The Public Works Fund is used to account the administrative personnel of Public Works, directly Water, Wastewater, and Stormwater, and indirectly the Street fund. The City Facility Fund is used mainly to account for the City facility's operations and maintenance. And as everyone knows these two funds are eliminated or absorbed into the statement of net position - governmental and business-type.

Notes to the Basic Financial Statements. The notes to the basic financial statements provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements.

Required Supplementary Information. The schedules present additional and historical trend information on the City's participation in the Oregon Public Employees Retirement System (PERS) and the City's defined benefit and defined contribution pension plan.

Other Supplementary Information. The combining statements for the non-major governmental funds and budgetary comparison schedules for both the non-major governmental funds and the proprietary funds are presented following the required supplementary information.

Government-Wide Financial Analysis

The City's total assets for the 2022-2023 Fiscal Year (FY) increased by \$7.1 million, total deferred outflows of resources decreased by \$1.8 million, total liabilities decreased by \$4.7 million, total deferred inflows of resources decreased by \$0.4 million, and net investment in capital assets increased by \$6.3 million. Total increase in assets is due to an increase in cash and investments of \$2.5 million for upcoming capital projects, increase in other assets of \$2.9 million mainly due to recognition of a 40-year land lease receivable, and increase in capital assets of \$1.7 million due to preliminary design of Big Creek Dam, purchase of properties for URA redevelopment, infrastructure improvements, less depreciation. The decrease in deferred outflows is due to pension related item calculations. The decrease in total liabilities is due to the result of paying all required debt payments as planned. The increase in deferred inflows is due to a \$2.6 million decrease in pension related item calculations and an increase of \$2 million in deferred lease resources due to recognition of a 40-year land lease. Net investment in capital assets increased due to the increase of capital assets of \$1.7 million and paying all required debt payments as planned of \$4.6 million. The biggest factor related to the restricted net position increase of \$1.8 million was the accumulation of capital project funds for upcoming projects (delayed due to supply chain issues and staff shortages) less urban renewal revitalization funds used to purchase properties to be redeveloped. Unrestricted net position increase of \$2.3 million is due to supply chain issues and staff shortages.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of June 30, 2023, the City's assets exceeded liabilities by \$144.4 million. This represents an increase of \$10.4 million or 7.78% increase in net position from the prior fiscal year.

TABLE 1 - Condensed Statement of Net Position

	Governmental Activities		Business-type Activities		Total Government	
	2022	2023	2022	2023	2022	2023
ASSETS						
Cash and investments	\$ 32,261,314	\$ 35,025,282	\$ 9,523,368	\$ 9,275,766	\$ 41,784,682	\$ 44,301,048
Other assets	3,063,240	5,166,237	2,326,517	3,145,361	5,389,757	8,311,598
Capital assets	79,583,820	80,881,112	78,968,037	79,333,967	158,551,857	160,215,079
Total Assets	114,908,374	121,072,631	90,817,922	91,755,094	205,726,296	212,827,725
DEFERRED OUTFLOWS OF RESOURCES						
Pension related items	2,817,428	1,557,825	529,016	18,743	3,346,444	1,576,568
Other postemployment benefit related items	24,321	28,849	11,386	12,990	35,707	41,839
Total Deferred Outflows of Resources	2,841,749	1,586,674	540,402	31,733	3,382,151	1,618,407
LIABILITIES						
Other liabilities	2,281,216	1,769,986	8,724,052	8,166,424	11,005,268	9,936,410
Long term debt outstanding	15,536,502	14,590,784	43,386,774	40,745,147	58,923,276	55,335,931
Total Liabilities	17,817,718	16,360,770	52,110,826	48,911,571	69,928,544	65,272,341
DEFERRED INFLOWS OF RESOURCES						
Pension related items	3,890,098	1,764,047	436,367	-	4,326,465	1,764,047
Other postemployment benefit related items	102,711	157,221	50,655	80,104	153,366	237,325
Deferred Lease Resources	730,591	2,777,379	-	-	730,591	2,777,379
Total Deferred Inflows of Resources	4,723,400	4,698,647	487,022	80,104	5,210,422	4,778,751
NET POSITION						
Net investment in capital assets	69,303,793	72,529,566	36,610,565	39,662,751	105,914,358	112,192,317
Restricted						
Highways and streets	1,096,252	747,699	-	-	1,096,252	747,699
Capital projects	6,677,707	9,062,310	6,047,096	5,968,579	12,724,803	15,030,889
Debt service	84,114	120,781	1,402,903	1,813,177	1,487,017	1,933,958
Tourism	2,882,819	3,087,686	-	-	2,882,819	3,087,686
RHIA OPEB benefits	57,748	-	-	-	57,748	-
Building inspection	372,858	441,081	-	-	372,858	441,081
Agate Beach closure	1,128,085	1,053,696	-	-	1,128,085	1,053,696
Urban renewal revitalization	5,592,866	4,424,038	-	-	5,592,866	4,424,038
Other	-	460,780	-	-	-	460,780
Unrestricted	8,012,763	9,672,251	(5,300,088)	(4,649,355)	2,712,675	5,022,896
Total Net Position	\$ 95,209,005	\$ 101,599,888	\$ 38,760,476	\$ 42,795,152	\$ 133,969,481	\$ 144,395,040

The largest portion of the City’s net position, \$112.2 million or 77.70%, is its investment in capital assets (land, buildings, machinery and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses the capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Of the remaining balance in net position, \$15 million (10.41%) is restricted for capital projects paid for by system development charges (SDCs) and other restricted resources, \$1.9 million (1.34%) is restricted for the City debt, namely bonds and loans, and \$4.4 million (3.06%) is restricted for the City Urban Renewal projects which are funded by Oregon’s Property Tax-increment financing.

Governmental Activities. Governmental net position increased from \$95.2 million in fiscal year 2021-22 to \$101.6 million in fiscal year 2022-23. The unrestricted balance increased from \$8 million to \$9.7 million, a 20.71% increase due to supply chain issues and staff shortages.

Business-Type Activities. Business-type net position increased from \$38.8 million in fiscal year 2021-22 to \$42.8 million in fiscal year 2022-23. The unrestricted balance increased 12.28% due to supply chain issues and staff shortages.

TABLE 2 - Governmental and Proprietary Activities

	Governmental Activities		Business-type Activities		Total Government	
	2022	2023	2022	2023	2022	2023
REVENUES:						
Program revenues						
Charges for services	\$ 3,882,718	\$ 4,190,974	\$ 9,839,633	\$ 10,945,325	\$ 13,722,351	\$ 15,136,299
Operating grants and contributions	2,549,596	2,698,364	-	-	2,549,596	2,698,364
Capital grants and contributions	2,586,959	716,052	125,059	1,336,021	2,712,018	2,052,073
General revenues						
Property taxes	11,873,913	12,402,852	2,209,388	2,198,486	14,083,301	14,601,338
Transient room taxes	6,666,570	6,974,069	-	-	6,666,570	6,974,069
Franchise fees	1,670,419	1,406,020	-	-	1,670,419	1,406,020
Other taxes	998,891	915,136	-	-	998,891	915,136
Interest earnings	153,673	1,036,051	62,368	434,539	216,041	1,470,590
Other revenue	371,642	183,425	69,012	42,038	440,654	225,463
Total Revenues	30,754,381	30,522,943	12,305,460	14,956,409	43,059,841	45,479,352
EXPENSES:						
General government	7,260,423	8,835,335	-	-	7,260,423	8,835,335
Public safety	6,161,819	7,285,141	-	-	6,161,819	7,285,141
Public Works	1,716,106	1,879,645	-	-	1,716,106	1,879,645
Culture and recreation	3,896,058	4,399,758	-	-	3,896,058	4,399,758
Interest on long-term debt	332,785	281,736	-	-	332,785	281,736
Water	-	-	4,960,698	4,407,378	4,960,698	4,407,378
Sewer	-	-	7,051,610	6,995,775	7,051,610	6,995,775
Stormwater	-	-	1,108,625	969,025	1,108,625	969,025
Total Expenses	19,367,191	22,681,615	13,120,933	12,372,178	32,488,124	35,053,793
Excess of revenues over expenditures						
before transfers	11,387,190	7,841,328	(815,473)	2,584,231	10,571,717	10,425,559
Transfers	(1,084,691)	(1,450,445)	1,084,691	1,450,445	-	-
Change in net position	10,302,499	6,390,883	269,218	4,034,676	10,571,717	10,425,559
Net Position, beginning, as restated	85,272,155	95,209,005	38,540,452	38,760,476	123,812,607	133,969,481
Prior Period Adjustment	(365,649)	-	(49,194)	-	(414,843)	-
Net Position, ending	\$ 95,209,005	\$ 101,599,888	\$ 38,760,476	\$ 42,795,152	\$ 133,969,481	\$ 144,395,040

Financial Analysis of the City's Funds

Governmental Funds. The City's governmental funds provide information on near term inflows, outflows and balance of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as useful measure of a government's net resources available for spending at the end of the fiscal year.

Governmental activities increased the City's net position by \$6.4 million (6.71% increase). The City has an ending fund balance policy, which sets the carry forward for each year. Department Heads monitor their budgets in order to stay within their planned expenditures, this way they have a carry forward balance. Comparing fiscal years, the City had received an additional \$1.9 million in aviation grants in FY 2022 (decrease in FY 2023) for capital grants and contributions, but was primarily offset with an increase of property taxes (4.45%) and interest earnings due to an increase in interest rates of up to 4.8%. Total expenses increased by 17.11% due to operations returning to pre-COVID hours of operation, COLI adjustments for personnel, and inflation price adjustments for materials and services.

Business-type activities increased the City's net position by \$4 million. For FY 2023, charges for service rates were increased up to 12% to help cover needed future infrastructure improvements that will need to occur. Capital grants were received in FY 2023 for the Big Creek Dam preliminary design of \$1.3 million. The Water fund encountered a filter issue in late June 2020. Additional unanticipated investment was made in FY 2022 to avoid reoccurring problems in the future resulting in an excess of expenditures in FY 2022. The overall increase to the Net Position grew by 10.41% due to these factors.

A summary of all fund balances is shown below.

TABLE 3 - Ending Fund Balances

GOVERNMENTAL FUNDS	FY 2021			FY 2022			FY 2023			FY22 to FY23
									Change	
General Fund	\$	5,639,296	\$	6,424,223	\$	7,197,788	\$	773,565		
Parks and Recreation Fund		316,899		452,586		490,367		37,781		
Public Parking Fund		389,388		20,058		(966)		(21,024)		
Housing Fund		357,572		539,864		726,500		186,636		
Airport Fund		183,384		374,342		397,935		23,593		
Room Tax Fund		1,989,467		2,882,819		3,087,686		204,867		
Building Inspection Fund		374,482		372,858		441,081		68,223		
Street Fund		854,785		1,096,252		747,699		(348,553)		
Line Undergrounding Fund		496,736		691,829		914,091		222,262		
SDC Fund		2,332,379		2,738,394		3,057,234		318,840		
Agate Beach Closure Fund		1,169,455		1,128,085		1,053,696		(74,389)		
Urban Renewal Agency Fund		3,807,152		5,474,072		4,289,871		(1,184,201)		
General Debt Service Fund		38,262		43,768		30,843		(12,925)		
G.O. Debt Service Fund		(3,518)		63,715		99,077		35,362		
Capital Project Fund		2,640,323		3,939,313		6,005,076		2,065,763		
Reserve Fund		2,144,594		2,603,870		2,548,207		(55,663)		
Capital Improvements Fund		815,348		2,051,044		3,064,677		1,013,633		
Total Governmental Funds	\$	23,546,004	\$	30,897,092	\$	34,150,862	\$	3,253,770		
PROPRIETARY FUNDS	FY 2021			FY 2022			FY 2023			FY22 to FY23
									Change	
Water Fund	\$	7,344,871	\$	4,821,054		8,449,589	\$	3,628,535		
Wastewater Fund		28,460,542		26,009,325		25,996,116		(13,209)		
Stormwater Fund		(1,554,845)		(767,471)		(549,437)		218,034		
Debt Fund - Water		4,229		6,221		6,595		374		
Debt Fund - Wastewater		461,478		973,852		1,403,975		430,123		
Debt Fund - Stormwater		177,391		175,398		122,161		(53,237)		
G.O. Debt Service Fund		168,363		247,432		280,446		33,014		
Capital Projects		2,072,415		6,047,096		5,968,579		(78,517)		
Public Works Fund		1,406,008		1,247,569		1,117,128		(130,441)		
City Facility Fund		752,387		376,327		525,729		149,402		
Total Proprietary Funds	\$	39,292,839	\$	39,136,803	\$	43,320,881	\$	4,184,078		

The City's governmental funds reported combined ending fund balances (EFBs) of \$34.2 million, an increase of \$3.3 million or 10.53% from the previous year.

The General Fund is the main operating fund for the City. At the end of 2022-23 FY, the unassigned and assigned fund balance of the General Fund was \$7.2 million. As a measure of the General Fund's liquidity, it may be useful to compare the spendable fund balance to total fund expenditures. The unassigned fund balance represents 59.58% of the total General Fund operating expenditures. The total fund balance (non-spendable, restricted, committed, assigned, and unassigned) increased by \$0.8 million to \$7.2 million, or 12.04% compared to the previous year. The increase is primarily due to City directors monitoring their expenditures, supply chain issues and staff shortages, and unfilled budgeted staff positions. The Urban Renewal Agency Fund decreased by \$1.2 million due to purchase of properties for future redevelopment. The Capital Project Fund increased \$2.1 million and the Capital Improvements Fund increased \$1 million for future capital projects (delayed due to supply chain issues and staff shortages).

The Proprietary funds reported combined EFB's of \$43.3 million, an increase of \$4.2 million or 10.69%. The Water Fund increased by \$3.6 million due to an increase of capital assets of \$1 million, paying all required debt payments as planned of \$2.1 million, and a slight increase of inventory of \$0.4 million. The

increase in capital assets is primarily due to preliminary design for Big Creek Dam less depreciation of existing capital assets. The increase in inventory was to increase part supplies due to delays in supply chain and increased costs in supplies. The Wastewater Debt Fund increased by \$0.4 million in anticipation of deferred interest becoming due in the near future from DEQ deferred notes and increased reserves required by DEQ.

General Fund Budgetary Highlights

There was a \$0.6 million increase between the adopted and final amended budgeted expenditures in the General Fund. During the course of the year, the City Council accepted, appropriated and approved four supplemental budgets for this fund. An adjustment was completed to recognize a \$0.1 million increase to the beginning fund balance and the offset went to contingency to match the 2021-22 fiscal year audit ending fund balance, adjustment to recognize opioid funds received of \$0.1 million and transferred to the Reserve Fund, adjustment to recognize potentially new leases and subscriptions (GASB 87 and GASB 96) of \$0.6 million, and a transfer of \$0.3 million to the Wastewater Fund from contingency to cover unanticipated infrastructure repairs.

Capital Assets. As of June 30, 2023, the City’s investment in capital assets for its governmental and business type activities was \$160.2 million, net of accumulated depreciation (see table 4). Investment in capital assets includes land, buildings and structures, equipment, vehicles, infrastructure, construction in progress, right to use lease assets, and subscription assets. The total increase in the City’s investment in capital assets for the current fiscal year was \$1.6 million or 1.05%. This total includes a 1.63% increase in assets related to governmental activities and a 0.46% increase in assets related business-type activities.

TABLE 4 - Capital Assets at Year-end - Net of Depreciation

	Governmental Activities		Business-type Activities		Total Government	
	2022	2023	2022	2023	2022	2023
Land	\$ 12,225,530	\$ 13,218,881	\$ 1,095,452	\$ 1,095,452	\$ 13,320,982	\$ 14,314,333
Construction in progress	5,206,906	5,835,258	7,016,006	8,756,869	12,222,912	14,592,127
Buildings and structures	45,113,428	44,911,989	39,300,959	39,368,503	84,414,387	84,280,492
Equipment	5,080,036	5,522,271	4,104,121	4,928,824	9,184,157	10,451,095
Vehicles	6,222,828	5,768,114	2,208,842	2,051,667	8,431,670	7,819,781
Infrastructure	58,922,603	60,995,157	73,368,730	74,462,737	132,291,333	135,457,894
Right to use lease assets	576,793	638,188	168,045	357,331	744,838	995,519
Subscription assets	228,483	228,483	36,897	36,897	265,380	265,380
Less accumulated depreciation	(53,992,787)	(56,237,229)	(48,331,015)	(51,724,313)	(102,323,802)	(107,961,542)
Total	\$ 79,583,820	\$ 80,881,112	\$ 78,968,037	\$ 79,333,967	\$ 158,551,857	\$ 160,215,079

Some significant changes are as follows.

Governmental activities:

- South Beach SE 35th & Highway 101 project accumulated \$207.3K in costs,
- SE Harney St sidewalk from SE Moore Dr to Yaquina View Elementary project accumulated \$779.7K in costs,
- PAC expansion project accumulated \$72.3K in costs,
- Parking meter equipment and signs began and accumulated \$103.2K in costs,
- Ferry slip utility line undergrounding project accumulated \$736.7K in costs,
- Vehicle charging station at Oregon Coast Aquarium project began and accumulated \$50K in costs,
- AT&T Firstnet CRD COW equipment began and accumulated \$78K in costs,
- Skid steer power unit w/attachments began and accumulated \$55.9K in costs,
- 30 Dell PCs began and accumulated \$60K in costs,
- Sam Case multi-purpose field began and accumulated \$500K in costs,

- 2022 Ford Explorer vehicle began and accumulated \$64.1K in costs,
- 2017 Ford F550 bucket truck began and accumulated \$95.1K in costs,
- 2023 Ford F150 truck began and accumulated \$52.6K in costs,
- 415-425 SW Coast Hwy (URA land redevelopment) began and accumulated \$503.6K in costs,
- 626, 636, and 641 SW Coast Hwy (URA land redevelopment) began and accumulated \$489.8K in costs.

Business-type activities:

- Fiber installation at NE 71ST Street PS and Tank began and accumulated \$50.8K in costs,
- Big Creek Dam design accumulated \$2M in costs,
- WTP Excess Recirculation (XR) Upgrade/Storage Building began and accumulated \$293.65K in costs,
- Northside Pump Station dechlorination project (NDP) & facility improvements accumulated \$50.9K in costs,
- Aerator gear box equipment and accumulated \$72.9K in costs,
- WWTP Master Plan began and accumulated \$272.3K in costs,
- Clarifier 2 Refurbishment equipment began and accumulated \$240.2K in costs,
- Influent Pump Station (IPS) Repairs began and accumulated \$167.8K in costs,
- Raw sewage pumps (Flygt) equipment began and accumulated \$146.5K in costs,
- Centrifuge rebuild began and accumulated \$70.1K in costs,
- Storm drain replacement on NW Spring Street began and accumulated \$123K in costs.

TABLE 5 - Change in Capital Assets

	Governmental Activities		Business-type Activities		Total Government	
	2022	2023	2022	2023	2022	2023
Beginning balance	\$ 78,990,396	\$ 79,583,820	\$ 80,159,195	\$ 78,968,037	\$ 159,149,591	\$ 158,551,857
Additions	4,040,033	6,262,699	16,840,662	5,127,422	20,880,695	11,390,121
Depreciation	(2,855,665)	(3,133,455)	(3,245,703)	(3,626,888)	(6,101,368)	(6,760,343)
Deletions	(590,944)	(1,831,952)	(14,786,117)	(1,134,604)	(15,377,061)	(2,966,556)
Ending Balance	\$ 79,583,820	\$ 80,881,112	\$ 78,968,037	\$ 79,333,967	\$ 158,551,857	\$ 160,215,079

Further information on the Capital Assets may be found in the Notes to the Financial Statements, Section 3 Detailed Notes.

Long-Term Debt. At the end of FY 2023 the City had total debt outstanding of \$55.3 million. The City has four major types of debt along with net pension liability, compensated absences, other postemployment benefits, leases, and subscriptions (see Table 6):

1. General Obligations Bonds (GO). Debt approved by the City’s taxpayers and for which they pay thorough an increase in their property taxes. The total amount outstanding is \$11.5 million, which includes \$290,734 of unamortized bond premium.
2. Debt based upon the “full faith and credit of the City” (FFC). Debt the City’s taxpayers do not pay directly. Revenue bonds are an example, revenues generated by the particular project being financed secure these bonds or whatever source the City has available for payment. The total amount outstanding is \$33.7 million.
3. Tax-increment financing. Debt financed using property taxes generated by development in a specific area which is used to pay for the infrastructure related to this area. The balance outstanding at the end of FY 2023 is \$2 million.
4. Loans made to the City by banks and other institutions. Debt for this type of financing is funded by specific funds. The total outstanding at June 30, 2023 is \$52,829.

In fiscal year 2022-23, the City continued to pay down debt, \$4.5 million was expended as planned.

TABLE 6 Outstanding Long-Term Debt at Year-End

GOVERNMENTAL ACTIVITIES	FY 2021	FY 2022	FY 2023
2013 Series GO for Swimming Pool	\$ 6,315,000	\$ 5,970,000	\$ 5,595,000
2010 B Full Faith & Credit Urban Renewal	1,115,000	550,000	-
2015 A and B Urban Renewal	3,340,000	2,678,000	1,960,000
2007 Certificate of Participation (LoCap)	75,000	50,000	25,000
2018 Airport Fuel Farm Borrowing	166,500	83,329	27,829
Unamortized Premium	302,169	263,435	224,699
Net Pension Liability	6,757,211	4,441,026	5,432,497
Compensated Absences	579,412	526,712	562,941
Other Postemployment Benefits Liability	344,551	288,736	243,800
Lease Payable	222,099	456,781	387,809
Subscription Payable	-	228,483	131,209
Total Governmental Debt	19,216,942	15,536,502	14,590,784
BUSINESS-TYPE ACTIVITIES	FY 2021	FY 2022	FY 2023
2009 GO Water Improvement Bonds (WTP)	7,786,329	6,686,249	5,615,773
2019 Water Borrowing	3,502,000	2,956,000	2,741,000
2010A Series, Full Faith and Refunding	780,000	255,000	-
2018 Series, Full Faith and Credit - Stormwater	2,367,000	2,058,000	1,740,000
2022 Series, Full Faith and Credit - Water	0	4,551,000	4,551,000
2007 Seal Rock Water District Agreement	615,252	580,417	543,881
2014 Water Borrowing	3,559,743	3,365,530	3,163,491
DEQ Note R689935	3,935,702	3,741,018	3,544,382
DEQ Note R689933	8,451,812	10,031,027	9,625,393
DEQ Note R689934	810,354	810,354	810,354
DEQ Note R689936	6,963,098	6,984,114	6,984,114
Unamortized Premium	132,687	99,362	66,035
Net Pension Liability	66,374	775,116	750,519
Compensated Absences	153,131	129,444	144,064
Other Postemployment Benefits Liability	90,531	177,351	131,924
Lease Payable	-	157,895	313,880
Subscription Payable	-	28,897	19,337
Total Business Type Debt	39,214,013	43,386,774	40,745,147
TOTALS:	\$ 58,430,955	\$ 58,923,276	\$ 55,335,931

Further discussion and information on the City's Long-term debt may be found in the notes to the financials, section 3 detailed notes.

Economic Factors and Next Year's Budget and Rates

The City of Newport is fortunate that its economy is relatively diverse and not dependent upon the success or failure of any specific component. Furthermore, with the continued growth and opportunities in the Marine Science sector promises to play a greater role in generating personal income in the years to come.

Another indicator of economic trends is the unemployment rate for a particular area. In reviewing the Lincoln County unemployment statistics over the past ten years for the month of June, it shows that 2019 was at 4.4%. Prior to the COVID pandemic, the February 2020 unemployment rate was at 4.6%. The rate rose to a high point of 25.9% in April and once the economy opened the rate dropped to 15.4% as of June 30, 2020. In the current fiscal year, the unemployment rate has dropped to 3.8% at June 30, 2023.

The City's single largest source of governmental revenue comes from property taxes. The city has seen an incremental growth in this revenue over the past years, which is used to fund the major operations of the city, including police, fire, and general government. The State of Oregon has passed a number of initiatives that impact the amount of property taxes paid to local governments, including Measure 5 which passed in 1990, and Measure 50, which passed in 1996. Measure 5 imposes a limit of \$10 per \$1,000 of real market value for the overall payments of general government taxes. The City of Newport has not been significantly impacted by compression, which results when the rate limits enacted by Measure 50 are exceeded on individual properties. Compression applies to the real market value of properties rather than the assessed valuation. The city should continue seeing a modest growth in property tax revenues for the near future, the average rate of growth has been around 4.3% for the past four years.

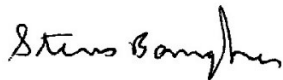
Another significant source of revenues for the City of Newport includes the transient room tax; it has increased an average of 11.34% over the last five years, which includes the substantial decline of revenue during COVID in 2020. The Newport transient room tax rate was increased in September 2021 from 9.5% to 12%.

The City provides for water, wastewater, and stormwater services. The rates were increased by 8.33% for water, 15% for wastewater, and 9.5% for the stormwater for the 2023-24 budget. Future rates will need to be increased due to current operations caused by inflation and additional costs to maintain and/or replace an aging infrastructure. These rates are a significant source of revenue for the City's proprietary funds.

In assembling the City-wide budget for the 2023-24 budget, the City Finance Department utilized various five-year projections based on historic trends. This included assumptions that assessed value of property would increase by 3.0%. Medical insurance coverage would increase by an average 5.5%, and an average Cost of Living Adjustment of 5.5% would be used for budgeted wages. Other expenses and revenue percentages were adjusted based on history factored in with expected higher than normal inflation.

All of these factors were considered when preparing the budget for the 2023-24 fiscal year.

Request for information. The financial report is designed to provide a general overview of the City's financial condition. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of Newport, 169 SW Coast Highway, Newport, Oregon 97365



Signature: _____
Finance Director



BASIC FINANCIAL STATEMENTS

CITY OF NEWPORT
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 35,025,282	\$ 9,275,766	\$ 44,301,048
Receivables:			
Accounts, net	1,720,275	2,135,163	3,855,438
Taxes	562,367	102,465	664,832
Interest	79,049	-	79,049
Internal Balances	11,212	(11,212)	-
Inventory	84,931	899,555	984,486
Prepaid Expenses	6,985	19,390	26,375
Lease Receivables	2,634,231	-	2,634,231
Net Other Postemployment Benefits Asset	67,187	-	67,187
Capital Assets:			
Land and construction in progress	19,054,139	9,852,321	28,906,460
Other capital assets, net of depreciation	61,826,973	69,481,646	131,308,619
Total Assets	<u>121,072,631</u>	<u>91,755,094</u>	<u>212,827,725</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Items	1,557,825	18,743	1,576,568
Other Postemployment Benefits Related Items	28,849	12,990	41,839
Total Deferred Outflows of Resources	<u>1,586,674</u>	<u>31,733</u>	<u>1,618,407</u>
LIABILITIES			
Accounts Payable	543,932	497,269	1,041,201
Payroll and Related Liabilities	587,615	150,029	737,644
Customer Deposits	-	867,343	867,343
Unearned Revenue	616,573	20,828	637,401
Accrued Interest	21,866	6,630,955	6,652,821
Long-Term Liabilities:			
Due within one year	2,142,630	2,896,169	5,038,799
Due in more than one year	12,448,154	37,848,978	50,297,132
Total Liabilities	<u>16,360,770</u>	<u>48,911,571</u>	<u>65,272,341</u>
DEFERRED INFLOWS OF RESOURCES			
Pension Related Items	1,764,047	-	1,764,047
Other Postemployment Benefits Related Items	157,221	80,104	237,325
Deferred Lease Resources	2,777,379	-	2,777,379
Total Deferred Inflows of Resources	<u>4,698,647</u>	<u>80,104</u>	<u>4,778,751</u>
NET POSITION			
Net Investment in Capital Assets	72,529,566	39,662,751	112,192,317
Restricted for:			
Highways and streets	747,699	-	747,699
Capital projects	9,062,310	5,968,579	15,030,889
Debt service	120,781	1,813,177	1,933,958
Tourism	3,087,686	-	3,087,686
Building inspection	441,081	-	441,081
Agate Beach disposal site closure	1,053,696	-	1,053,696
Urban renewal revitalization	4,424,038	-	4,424,038
Other	460,780	-	460,780
Unrestricted	9,672,251	(4,649,355)	5,022,896
Total Net Position	<u>\$ 101,599,888</u>	<u>\$ 42,795,152</u>	<u>\$ 144,395,040</u>

See accompanying notes to basic financial statements.

CITY OF NEWPORT

Statement of Activities

Year Ended June 30, 2023

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General government	\$ 8,835,335	\$ 2,972,772	\$ 1,256,790	\$ 494,155	\$ (4,111,618)	\$ -	\$ (4,111,618)
Public safety	7,285,141	191,656	459,009	-	(6,634,476)	-	(6,634,476)
Public works	1,879,645	2,238	949,581	185,929	(741,897)	-	(741,897)
Culture and recreation	4,399,758	1,024,308	32,984	35,968	(3,306,498)	-	(3,306,498)
Interest on long-term debt	281,736	-	-	-	(281,736)	-	(281,736)
Total Governmental Activities	22,681,615	4,190,974	2,698,364	716,052	(15,076,225)	-	(15,076,225)
Business-Type Activities:							
Water	4,407,378	4,643,198	-	1,336,021	-	1,571,841	1,571,841
Wastewater	6,995,775	5,252,241	-	-	-	(1,743,534)	(1,743,534)
Stormwater	969,025	1,049,886	-	-	-	80,861	80,861
Total Business-Type Activities	12,372,178	10,945,325	-	1,336,021	-	(90,832)	(90,832)
Totals	\$ 35,053,793	\$ 15,136,299	\$ 2,698,364	\$ 2,052,073	(15,076,225)	(90,832)	(15,167,057)
General Revenues:							
Property taxes					12,402,852	2,198,486	14,601,338
Transient room taxes					6,974,069	-	6,974,069
Franchise fees					1,406,020	-	1,406,020
Other taxes					915,136	-	915,136
Interest earnings					1,036,051	434,539	1,470,590
Other revenue					183,425	42,038	225,463
Transfers					(1,450,445)	1,450,445	-
Total General Revenues and Transfers					21,467,108	4,125,508	25,592,616
Change in Net Position					6,390,883	4,034,676	10,425,559
Net Position, beginning, as restated					95,209,005	38,760,476	133,969,481
Net Position, ending					\$ 101,599,888	\$ 42,795,152	\$ 144,395,040

See accompanying notes to basic financial statements.

CITY OF NEWPORT
Governmental Funds
Balance Sheet
June 30, 2023

	<u>General</u>	<u>Room Tax</u>	<u>Urban Renewal</u>
ASSETS			
Cash and Cash Equivalents	\$ 7,830,228	\$ 2,404,370	\$ 4,259,670
Receivables:			
Accounts	674,013	714,951	-
Taxes	363,827	-	170,525
Interest	-	-	-
Due from Other Funds	18,548	-	-
Inventory	-	-	-
Prepaid Items	2,330	-	-
Lease Receivables	196,459	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Assets	\$ <u>9,085,405</u>	\$ <u>3,119,321</u>	\$ <u>4,430,195</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 118,408	\$ 31,635	\$ 371
Payroll and related liabilities	439,575	-	5,786
Unearned revenue	602,208	-	-
Due to other funds	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	1,160,191	31,635	6,157
Deferred Inflows of Resources:			
Unavailable revenues	538,450	-	134,167
Deferred lease resources	188,976	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Deferred Inflows of Resources	727,426	-	134,167
Fund Balances:			
Nonspendable	2,330	-	-
Restricted	-	3,087,686	4,289,871
Committed	-	-	-
Assigned	-	-	-
Unassigned	7,195,458	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	7,197,788	3,087,686	4,289,871
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	\$ <u>9,085,405</u>	\$ <u>3,119,321</u>	\$ <u>4,430,195</u>

	Airport	Capital Projects	Nonmajor Governmental	Total Governmental Funds			
\$	451,881	\$	5,920,743	\$	13,265,781	\$	34,132,673
	16,842	137,817	146,100	1,689,723			
	-	-	28,015	562,367			
	79,049	-	-	79,049			
	-	-	110,000	128,548			
	38,946	-	45,985	84,931			
	27	-	3,729	6,086			
	<u>2,437,772</u>	<u>-</u>	<u>-</u>	<u>2,634,231</u>			
\$	<u>3,024,517</u>	\$	<u>6,058,560</u>	\$	<u>13,599,610</u>	\$	<u>39,317,608</u>
\$	6,255	\$	53,484	\$	208,265	\$	418,418
	17,559	-	79,799	542,719			
	14,365	-	-	616,573			
	<u>-</u>	<u>-</u>	<u>117,336</u>	<u>117,336</u>			
	<u>38,179</u>	<u>53,484</u>	<u>405,400</u>	<u>1,695,046</u>			
	-	-	21,704	694,321			
	<u>2,588,403</u>	<u>-</u>	<u>-</u>	<u>2,777,379</u>			
	<u>2,588,403</u>	<u>-</u>	<u>21,704</u>	<u>3,471,700</u>			
	38,973	-	49,714	91,017			
	358,962	6,005,076	5,349,262	19,090,857			
	-	-	2,130,769	2,130,769			
	-	-	5,643,727	5,643,727			
	<u>-</u>	<u>-</u>	<u>(966)</u>	<u>7,194,492</u>			
	<u>397,935</u>	<u>6,005,076</u>	<u>13,172,506</u>	<u>34,150,862</u>			
\$	<u>3,024,517</u>	\$	<u>6,058,560</u>	\$	<u>13,599,610</u>	\$	<u>39,317,608</u>



CITY OF NEWPORT**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position**June 30, 2023

Total Fund Balances for Governmental Funds		\$	34,150,862
Total Net Position Reported for the Governmental Activities in the Statement of Net Position is Different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets and related accumulated depreciation are reported as follows:			
Land and construction in progress		\$	19,054,139
Other capital assets, net of depreciation, net of internal service funds			<u>61,740,138</u>
Total Capital Assets			80,794,277
The net other postemployment benefit asset is reported in the statement of net position but is not reported in the funds			
			67,187
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds			
			694,321
Long-term liabilities are not due and payable in the current period and therefore are not reported as fund liabilities:			
Long-term debt		(7,832,528)	
Lease liability		(300,146)	
Subscription liability		(131,209)	
Compensated absences, net of internal service funds		(540,935)	
Interest payable on long-term debt		(21,866)	
Other postemployment benefit liability, net of internal service funds		(214,733)	
Net pension liability, net of internal service funds		<u>(5,267,134)</u>	
Total Long-Term Liabilities			(14,308,551)
Internal service funds are used by management to charge the costs of information systems services, central services, and geographic information system services to individual funds. A portion of the assets and liabilities of the internal service funds is included in governmental activities statement of net position			
			525,729
Certain changes in net pension liabilities are deferred rather than recognized immediately. These items are amortized over time and are shown net of internal service fund balances:			
Deferred outflows of resources - pension related		1,553,695	
Deferred inflows of resources - pension related		(1,764,047)	
Deferred outflows of resources - other postemployment benefits related		25,987	
Deferred inflows of resources - other postemployment benefits related		<u>(139,572)</u>	
			<u>(323,937)</u>
Total Net Position of Governmental Activities		\$	<u><u>101,599,888</u></u>

See accompanying notes to basic financial statements.

CITY OF NEWPORT**Governmental Funds****Statement of Revenues, Expenditures, and Changes in Fund Balances**

Year Ended June 30, 2023

	<u>General</u>	<u>Room Tax</u>	<u>Urban Renewal</u>
Revenues:			
Taxes:			
Property	\$ 7,900,135	\$ -	\$ 3,837,754
Transient room	3,415,403	3,554,693	-
Other	182,670	-	-
Franchise fees, privilege taxes, licenses and permits	1,420,771	-	-
Intergovernmental	2,317,187	-	-
Charges for services	1,579,478	3,973	-
Fines and forfeitures	151,892	-	-
System development charges	-	-	-
Interest earnings	247,219	77,209	153,975
Other revenue	198,519	32,593	42,000
Total Revenues	<u>17,413,274</u>	<u>3,668,468</u>	<u>4,033,729</u>
Expenditures:			
Current:			
General government	3,748,152	1,043,793	132,666
Public safety	6,924,731	-	-
Public works	-	-	-
Culture and recreation	1,122,119	-	-
Capital outlay	150,883	-	-
Debt service:			
Principal	131,517	-	1,268,000
Interest	2,883	-	85,772
Total Expenditures	<u>12,080,285</u>	<u>1,043,793</u>	<u>1,486,438</u>
Excess (Deficiency) of Revenues over Expenditures	<u>5,332,989</u>	<u>2,624,675</u>	<u>2,547,291</u>
Other Financing Sources (Uses):			
Transfers in	382,517	4,172	1,351,508
Lease proceeds	54,389	-	-
Transfers out	<u>(4,996,330)</u>	<u>(2,423,980)</u>	<u>(5,083,000)</u>
Total Other Financing Sources (Uses)	<u>(4,559,424)</u>	<u>(2,419,808)</u>	<u>(3,731,492)</u>
Net Change in Fund Balances	773,565	204,867	(1,184,201)
Fund Balances, Beginning	<u>6,424,223</u>	<u>2,882,819</u>	<u>5,474,072</u>
Fund Balances, Ending	<u>\$ 7,197,788</u>	<u>\$ 3,087,686</u>	<u>\$ 4,289,871</u>

See accompanying notes to basic financial statements.

	Airport	Capital Projects	Nonmajor Governmental	Total Governmental Funds
\$	-	-	\$ 628,280	\$ 12,366,169
	-	-	-	6,970,096
	-	-	202,371	385,041
	-	-	226,640	1,647,411
	-	288,233	1,168,996	3,774,416
	552,033	-	1,306,299	3,441,783
	-	-	-	151,892
	-	-	409,952	409,952
	98,287	143,952	298,007	1,018,649
	135,348	-	11,867	420,327
	<u>785,668</u>	<u>432,185</u>	<u>4,252,412</u>	<u>30,585,736</u>
	933,359	246,979	665,181	6,770,130
	-	-	10,150	6,934,881
	-	-	649,378	649,378
	-	-	1,969,161	3,091,280
	44,405	2,861,347	924,523	3,981,158
	7,119	-	460,952	1,867,588
	632	-	231,223	320,510
	<u>985,515</u>	<u>3,108,326</u>	<u>4,910,568</u>	<u>23,614,925</u>
	<u>(199,847)</u>	<u>(2,676,141)</u>	<u>(658,156)</u>	<u>6,970,811</u>
	348,853	4,756,746	4,548,944	11,392,740
	-	-	897	55,286
	<u>(125,413)</u>	<u>(14,842)</u>	<u>(2,521,502)</u>	<u>(15,165,067)</u>
	<u>223,440</u>	<u>4,741,904</u>	<u>2,028,339</u>	<u>(3,717,041)</u>
	23,593	2,065,763	1,370,183	3,253,770
	374,342	3,939,313	11,802,323	30,897,092
\$	<u><u>397,935</u></u>	<u><u>6,005,076</u></u>	<u><u>13,172,506</u></u>	<u><u>34,150,862</u></u>



CITY OF NEWPORT

Reconciliation of Change in Fund Balances of Governmental Funds to Statement of Activities

Year Ended June 30, 2023

Net Change in Fund Balances - Total Governmental Funds	\$	3,253,770
The Change in Net Position Reported for Governmental Activities in the Statement of Activities is Different because:		
Governmental funds report capital outlays as expenditures. However, on the Statement of Activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlay	\$	4,582,822
Depreciation and amortization	<u>(3,130,196)</u>	1,452,626
The net effect of transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		(189,228)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds and other revenues reported in the funds are not revenues reported in the statement of activities		
Property taxes	36,683	
Charges for services	(181,263)	
Miscellaneous	<u>8,232</u>	(136,348)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position		
Amortization of bond premium	38,735	
Accrued interest	4,016	
Change in leases payable	103,895	
Change in subscription payable	97,274	
Principal payments	<u>1,723,500</u>	1,967,420
The amount contributed to defined benefit pension plans is reported as an expenditure in the funds while governmental activities report pension expense as the change in net pension asset or liability, pension related deferred outflows of resources and deferred inflows of resources, net of the internal service funds		
Change in deferred outflows of resources - pension related	(1,183,020)	
Change in net pension liability	(944,369)	
Change in deferred inflows of resources - pension related	<u>2,059,473</u>	(67,916)
The amount contributed to defined benefit other postemployment benefit plans is reported as an expenditure in the funds while governmental activities report other postemployment benefit expense as the change in other postemployment benefit (OPEB) asset or liability, OPEB related deferred outflows of resources and deferred inflows of resources, net of the internal service funds		
Change in deferred outflows of resources - OPEB related	3,403	
Change in net OPEB asset	(5,022)	
Change in OPEB liability	46,945	
Change in deferred inflows of resources - OPEB related	<u>(44,589)</u>	737
Some expenses reported in the statement of activities do no require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds		
Compensated absences, net of internal service funds		(39,580)
The net income of certain activities of internal service funds is reported in the governmental activities		
		<u>149,402</u>
Change in Net Position of Governmental Activities	\$	<u><u>6,390,883</u></u>

See accompanying notes to basic financial statements.

CITY OF NEWPORT

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes				
Property	\$ 7,687,085	\$ 7,687,085	\$ 7,900,135	\$ 213,050
Transient room	3,084,026	3,084,026	3,415,403	331,377
Other	205,580	205,580	182,670	(22,910)
Franchise fees, privilege taxes, licenses and permits	1,282,077	1,282,077	1,420,771	138,694
Intergovernmental	2,420,296	2,494,711	2,317,187	(177,524)
Charges for services	1,565,954	1,565,954	1,579,478	13,524
Fines and forfeitures	152,286	152,286	151,892	(394)
Interest earnings	32,000	32,000	247,219	215,219
Other revenue	120,000	125,545	198,519	72,974
Total Revenues	<u>16,549,304</u>	<u>16,629,264</u>	<u>17,413,274</u>	<u>784,010</u>
Expenditures:				
City administration	3,569,903	3,955,403	3,217,365	738,038
Police	5,440,227	5,514,103	4,405,535	1,108,568
Fire	2,898,250	3,004,250	2,513,993	490,257
Emergency coordinator	129,343	129,343	102,524	26,819
Library	1,217,186	1,291,355	1,130,770	160,585
Community development	502,273	502,273	363,856	138,417
Non-departmental	968,974	968,974	346,242	622,732
Contingency	589,046	86,669	-	86,669
Total Expenditures	<u>15,315,202</u>	<u>15,452,370</u>	<u>12,080,285</u>	<u>3,372,085</u>
Excess of Revenues Over Expenditures	<u>1,234,102</u>	<u>1,176,894</u>	<u>5,332,989</u>	<u>4,156,095</u>
Other Financing Sources (Uses):				
Transfers in	252,578	382,517	382,517	-
Lease proceeds	-	566,400	54,389	(512,011)
Transfers out	(4,501,439)	(4,996,330)	(4,996,330)	-
Total Other Financing Sources (Uses)	<u>(4,248,861)</u>	<u>(4,047,413)</u>	<u>(4,559,424)</u>	<u>(512,011)</u>
Net Change in Fund Balance	(3,014,759)	(2,870,519)	773,565	3,644,084
Fund Balance, beginning	<u>6,568,462</u>	<u>6,424,222</u>	<u>6,424,223</u>	<u>1</u>
Fund Balance, ending	<u>\$ 3,553,703</u>	<u>\$ 3,553,703</u>	<u>\$ 7,197,788</u>	<u>\$ 3,644,085</u>

CITY OF NEWPORT

Room Tax Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes				
Transient room	\$ 3,068,679	\$ 3,068,679	\$ 3,554,693	\$ 486,014
Charges for services	-	-	3,973	3,973
Interest earnings	9,400	9,400	77,209	67,809
Other revenue	-	24,000	32,593	8,593
Total Revenues	<u>3,078,079</u>	<u>3,102,079</u>	<u>3,668,468</u>	<u>566,389</u>
Expenditures:				
Room tax	1,471,841	1,526,841	1,043,793	483,048
Contingency	147,184	714,048	-	714,048
Total Expenditures	<u>1,619,025</u>	<u>2,240,889</u>	<u>1,043,793</u>	<u>1,197,096</u>
Excess of Revenues Over Expenditures	<u>1,459,054</u>	<u>861,190</u>	<u>2,624,675</u>	<u>1,763,485</u>
Other Financing Sources (Uses):				
Transfers in	-	4,172	4,172	-
Transfers out	<u>(2,388,927)</u>	<u>(2,423,980)</u>	<u>(2,423,980)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(2,388,927)</u>	<u>(2,419,808)</u>	<u>(2,419,808)</u>	<u>-</u>
Net Change in Fund Balance	(929,873)	(1,558,618)	204,867	1,763,485
Fund Balance, beginning	<u>2,280,222</u>	<u>2,882,819</u>	<u>2,882,819</u>	<u>-</u>
Fund Balance, ending	<u>\$ 1,350,349</u>	<u>\$ 1,324,201</u>	<u>\$ 3,087,686</u>	<u>\$ 1,763,485</u>

CITY OF NEWPORT

Urban Renewal Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes				
Property	\$ 3,718,399	\$ 3,718,399	\$ 3,837,754	\$ 119,355
Interest earnings	22,060	22,060	153,975	131,915
Other revenue	45,000	45,000	42,000	(3,000)
Total Revenues	<u>3,785,459</u>	<u>3,785,459</u>	<u>4,033,729</u>	<u>248,270</u>
Expenditures:				
Newport south beach operations	140,079	140,079	95,637	44,442
Newport northside operations	93,576	93,576	36,948	56,628
McLean point operations	100	100	81	19
Debt service	1,354,772	1,354,772	1,353,772	1,000
Contingency	4,726,962	3,786,759	-	3,786,759
Total Expenditures	<u>6,315,489</u>	<u>5,375,286</u>	<u>1,486,438</u>	<u>3,888,848</u>
Excess of Revenues Over Expenditures	<u>(2,530,030)</u>	<u>(1,589,827)</u>	<u>2,547,291</u>	<u>4,137,118</u>
Other Financing Sources (Uses):				
Transfers in	1,350,000	1,351,508	1,351,508	-
Transfers out	<u>(4,063,000)</u>	<u>(5,083,000)</u>	<u>(5,083,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(2,713,000)</u>	<u>(3,731,492)</u>	<u>(3,731,492)</u>	<u>-</u>
Net Change in Fund Balance	(5,243,030)	(5,321,319)	(1,184,201)	4,137,118
Fund Balance, beginning	<u>5,395,647</u>	<u>5,474,075</u>	<u>5,474,072</u>	<u>(3)</u>
Fund Balance, ending	\$ <u><u>152,617</u></u>	\$ <u><u>152,756</u></u>	\$ <u><u>4,289,871</u></u>	\$ <u><u>4,137,115</u></u>

CITY OF NEWPORT

Airport Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget
	Original	Budget		
Revenues:				
Charges for services	\$ 342,704	\$ 492,704	\$ 552,033	\$ 59,329
Interest earnings	820	820	98,287	97,467
Other revenue	170,126	170,126	135,348	(34,778)
Total Revenues	513,650	663,650	785,668	122,018
Expenditures:				
Airport operations	836,505	1,141,010	967,136	173,874
Contingency	83,651	66,177	-	66,177
Total Expenditures	920,156	1,207,187	967,136	240,051
Excess of Revenues Over Expenditures	(406,506)	(543,537)	(181,468)	362,069
Other Financing Sources (Uses):				
Transfers in	348,853	348,853	348,853	-
Lease proceeds	-	70,000	-	(70,000)
Transfers out	(125,413)	(125,413)	(125,413)	-
Total Other Financing Sources (Uses)	223,440	293,440	223,440	(70,000)
Net Change in Fund Balance	(183,066)	(250,097)	41,972	292,069
Fund Balance, beginning	249,986	317,017	317,017	-
Fund Balance, ending	\$ 66,920	\$ 66,920	358,989	\$ 292,069
<i>Reconciliation to generally accepted accounting principles</i>				
Inventory			38,946	
Fund balance, ending - generally accepted accounting principles			\$ 397,935	

CITY OF NEWPORT
Proprietary Funds
Statement of Net Position
June 30, 2023

	Business-Type Activities - Enterprise Funds		
	Water	Wastewater	Stormwater
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 1,074,735	\$ -	\$ -
Receivables:			
Accounts, net	672,542	758,371	143,585
Property taxes	-	-	-
Inventory	654,128	245,427	-
Prepaid expenses	7,107	8,689	3,513
Total Current Assets	<u>2,408,512</u>	<u>1,012,487</u>	<u>147,098</u>
Noncurrent Assets:			
Capital assets:			
Land and construction in progress	8,291,936	831,762	129,283
Other capital assets, net	22,060,484	46,175,122	1,001,520
Total Capital Assets	<u>30,352,420</u>	<u>47,006,884</u>	<u>1,130,803</u>
Total Noncurrent Assets	<u>30,352,420</u>	<u>47,006,884</u>	<u>1,130,803</u>
Total Assets	<u>32,760,932</u>	<u>48,019,371</u>	<u>1,277,901</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Items	8,353	2,744	1,158
Other Postemployment Benefits Related Items	5,790	1,902	802
Total Deferred Outflows of Resources	<u>14,143</u>	<u>4,646</u>	<u>1,960</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	118,239	148,610	2,815
Payroll and related liabilities	52,234	36,298	9,435
Due to other fund	-	1,958	9,254
Customer deposits	867,343	-	-
Unearned revenue	-	20,828	-
Accrued interest	6,005,650	620,955	4,350
Accrued compensated absences	39,434	23,437	3,066
Long-term obligations due within one year	1,631,259	795,325	328,000
Total Current Liabilities	<u>8,714,159</u>	<u>1,647,411</u>	<u>356,920</u>
Long-Term Obligations Due in More than One Year	<u>15,575,627</u>	<u>20,368,760</u>	<u>1,467,430</u>
Total Liabilities	<u>24,289,786</u>	<u>22,016,171</u>	<u>1,824,350</u>
DEFERRED INFLOWS OF RESOURCES			
Other Postemployment Benefits Related Items	35,700	11,730	4,948
Total Deferred Inflows of Resources	<u>35,700</u>	<u>11,730</u>	<u>4,948</u>
NET POSITION			
Net Investment in Capital Assets	13,475,497	25,915,405	1,130,803
Restricted for:			
Debt service	-	-	-
Capital projects	-	-	-
Unrestricted	<u>(5,025,908)</u>	<u>80,711</u>	<u>(1,680,240)</u>
Total Net Position	<u>\$ 8,449,589</u>	<u>\$ 25,996,116</u>	<u>\$ (549,437)</u>

Adjustment to reflect the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time.

Net position of business-type activities

See accompanying notes to basic financial statements.

<u>Business-Type Activities - Enterprise Funds</u>			
<u>Nonmajor Funds</u>	<u>Total</u>	<u>Internal Service Funds</u>	
\$ 7,324,933	\$ 8,399,668	\$ 1,768,707	
560,665	2,135,163	30,552	
102,465	102,465	-	
-	899,555	-	
-	19,309	980	
<u>7,988,063</u>	<u>11,556,160</u>	<u>1,800,239</u>	
-	9,252,981	599,340	
-	69,237,126	331,355	
-	78,490,107	930,695	
-	78,490,107	930,695	
<u>7,988,063</u>	<u>90,046,267</u>	<u>2,730,934</u>	
-	12,255	10,618	
-	8,494	7,358	
-	20,749	17,976	
206,307	475,971	146,812	
-	97,967	96,958	
-	11,212	-	
-	867,343	-	
-	20,828	-	
-	6,630,955	-	
-	65,937	61,937	
-	2,754,584	39,396	
<u>206,307</u>	<u>10,924,797</u>	<u>345,103</u>	
-	37,411,817	715,575	
<u>206,307</u>	<u>48,336,614</u>	<u>1,060,678</u>	
-	52,378	45,375	
-	52,378	45,375	
-	38,967,826	694,097	
1,813,177	1,813,177	-	
5,968,579	5,968,579	-	
-	(5,071,558)	948,760	
<u>\$ 7,781,756</u>	<u>41,678,024</u>	<u>\$ 1,642,857</u>	
	1,117,128		
	<u>\$ 42,795,152</u>		

CITY OF NEWPORT
Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds		
	Water	Wastewater	Stormwater
Operating Revenues:			
Service charges and fees	\$ 4,643,198	\$ 5,252,241	\$ 1,049,886
Intergovernmental	-	-	-
Miscellaneous	12,856	26,075	-
Total Operating Revenues	4,656,054	5,278,316	1,049,886
Operating Expenses:			
Salaries and wages	1,132,395	766,509	133,403
Contracted services	169,891	352,495	10,455
Property services	107,813	121,698	584
Operating supplies	60,013	401,144	10,296
Utilities	239,750	328,757	2,747
Depreciation and amortization	1,408,960	2,107,238	65,596
Repairs and maintenance	477,368	347,739	31,870
Charges for services	833,529	934,941	199,888
Miscellaneous	61,494	105,860	1,554
Total Operating Expenses	4,491,213	5,466,381	456,393
Operating Income (Loss)	164,841	(188,065)	593,493
Nonoperating Revenues (Expenses):			
Interest income	39,215	3,597	4,933
Interest expense	(896,554)	(470,529)	(60,610)
Property taxes	-	-	-
Gain (loss) on sale of capital assets	-	-	-
Total Nonoperating Revenues (Expenses)	(857,339)	(466,932)	(55,677)
Income (Loss) Before Capital Contributions and Transfers	(692,498)	(654,997)	537,816
Capital Contributions	-	-	-
Transfers In	5,367,657	2,290,756	505,008
Transfers Out	(1,046,624)	(1,648,968)	(824,790)
Change in Net Position	3,628,535	(13,209)	218,034
Net Position, beginning, as restated	4,821,054	26,009,325	(767,471)
Net Position, ending	\$ 8,449,589	\$ 25,996,116	\$ (549,437)

Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds

Change in net position of the business-type activities

Business-Type Activities - Enterprise Funds

<u>Nonmajor Funds</u>	<u>Total</u>	<u>Internal Service Funds</u>
\$ -	\$ 10,945,325	\$ 1,462,076
-	-	12,887
-	38,931	46,373
-	10,984,256	1,521,336
-	2,032,307	2,013,457
396,798	929,639	56,642
-	230,095	341,365
-	471,453	68,263
-	571,254	525,468
-	3,581,794	48,353
-	856,977	240,820
-	1,968,358	154,847
-	168,908	165,133
396,798	10,810,785	3,614,348
(396,798)	173,471	(2,093,012)
364,070	411,815	40,126
-	(1,427,693)	(2,218)
2,198,486	2,198,486	-
-	-	(2,891)
2,562,556	1,182,608	35,017
2,165,758	1,356,079	(2,057,995)
1,336,021	1,336,021	-
6,011,768	14,175,189	3,298,913
(9,181,790)	(12,702,172)	(1,221,957)
331,757	4,165,117	18,961
7,449,999		1,623,896
\$ 7,781,756		\$ 1,642,857
	(130,441)	
\$	<u>4,034,676</u>	

CITY OF NEWPORT
Proprietary Funds
Statement of Cash Flows
Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds		
	Water	Wastewater	Stormwater
Cash Flows from Operating Activities:			
Receipts from customers and users	\$ 4,504,581	\$ 5,230,178	\$ 1,066,068
Services provided to other funds	-	-	-
Payments for interfund services used	(833,529)	(934,941)	(199,888)
Payments to suppliers	(1,383,696)	(1,768,394)	(58,609)
Payments to employees	(1,072,613)	(896,399)	(156,675)
Other revenues	12,856	26,075	-
Net Cash provided by (used in) Operating Activities	<u>1,227,599</u>	<u>1,656,519</u>	<u>650,896</u>
Cash Flows from Noncapital and Related Financing Activities:			
Transfer in	-	278,000	-
Transfer out	(70,000)	(70,000)	-
Advances from other funds	-	1,958	9,254
Net Cash Flows provided by (used in) Noncapital and Related Financing Activities	<u>(70,000)</u>	<u>209,958</u>	<u>9,254</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition of capital assets	(64,744)	(451,457)	-
Grants	-	-	-
Property taxes	-	-	-
Transfers in	-	10,025	-
Transfers out	(975,753)	(1,578,968)	(824,790)
Principal paid	(18,311)	(14,977)	-
Interest paid	(1,381)	(1,408)	-
Net Cash Flows provided by (used in) Capital and Related Financing Activities	<u>(1,060,189)</u>	<u>(2,036,785)</u>	<u>(824,790)</u>
Cash Flows from Investing Activities:			
Investment income received	<u>39,215</u>	<u>3,597</u>	<u>4,933</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>136,625</u>	<u>(166,711)</u>	<u>(159,707)</u>
Cash and Cash Equivalents, beginning	<u>938,110</u>	<u>166,711</u>	<u>159,707</u>
Cash and Cash Equivalents, ending	<u>\$ 1,074,735</u>	<u>\$ -</u>	<u>\$ -</u>

Business-Type Activities - Enterprise Funds

<u>Nonmajor Funds</u>	<u>Total</u>	<u>Internal Service Funds</u>
\$ -	\$ 10,800,827	\$ -
-	-	1,431,524
-	(1,968,358)	(154,847)
(396,798)	(3,607,497)	(1,378,045)
-	(2,125,687)	(1,827,404)
-	38,931	59,260
<u>(396,798)</u>	<u>3,138,216</u>	<u>(1,869,512)</u>
-	278,000	3,298,913
-	(140,000)	(999,603)
-	11,212	-
<u>-</u>	<u>149,212</u>	<u>2,299,310</u>
(3,128,296)	(3,644,497)	(250,418)
825,685	825,685	-
2,192,851	2,192,851	-
6,011,768	6,021,793	-
(1,307,265)	(4,686,776)	-
(2,699,321)	(2,732,609)	(17,698)
<u>(1,918,950)</u>	<u>(1,921,739)</u>	<u>(2,218)</u>
<u>(23,528)</u>	<u>(3,945,292)</u>	<u>(270,334)</u>
<u>364,070</u>	<u>411,815</u>	<u>40,126</u>
<u>(56,256)</u>	<u>(246,049)</u>	<u>199,590</u>
<u>7,381,189</u>	<u>8,645,717</u>	<u>1,569,117</u>
\$ <u>7,324,933</u>	\$ <u>8,399,668</u>	\$ <u>1,768,707</u>

CITY OF NEWPORT
Proprietary Funds
Statement of Cash Flows, continued
Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds		
	Water	Wastewater	Stormwater
Reconciliation of Operating Income (Loss) to Net Cash Flows from Operating Activities:			
Operating income (loss)	\$ 164,841	\$ (188,065)	\$ 593,493
Adjustments to reconcile operating income (loss) to net cash flows provided by (used in) operating activities:			
Depreciation and amortization	1,408,960	2,107,238	65,596
(Increase) decrease in assets and deferred outflows of resources:			
Accounts receivable	27,565	(22,063)	16,182
Prepaid expenses	(6,742)	(7,789)	(3,513)
Inventory	(309,375)	(8,350)	-
Deferred outflows of resources - pension related	192,927	146,474	46,471
Deferred outflows of resources - other postemployment benefits related	(1,458)	1,310	223
Increase (decrease) in liabilities and deferred inflows of resources:			
Accounts payable	48,750	(94,562)	2,410
Accrued liabilities	(4,101)	(14,476)	1,698
Accrued leave	(8,863)	1,879	(1,525)
Customer deposits	39,407	-	-
Unearned revenue	(205,589)	-	-
Net pension liability	39,564	(108,728)	(23,422)
Net other postemployment benefits liability	(8,685)	(30,706)	(7,817)
Deferred inflows of resources - pension related	(166,029)	(123,085)	(39,287)
Deferred inflows of resources - other postemployment benefits related	16,427	(2,558)	387
Net Cash Flows provided by (used in) Operating Activities	<u>\$ 1,227,599</u>	<u>\$ 1,656,519</u>	<u>\$ 650,896</u>
Noncash Capital and Related Financing Activities:			
Lease proceeds and lease assets	\$ 74,972	\$ 2,692	\$ -
Transfers in	5,367,657	2,002,731	505,008
Transfers out	<u>(871)</u>	<u>-</u>	<u>-</u>
Net Noncash Capital and Related Financing Activities	<u>\$ 5,441,758</u>	<u>\$ 2,005,423</u>	<u>\$ 505,008</u>

Business-Type Activities - Enterprise Funds

<u>Nonmajor Funds</u>	<u>Total</u>	<u>Internal Service Funds</u>
\$ (396,798)	\$ 173,471	\$ (2,093,012)
-	3,581,794	48,353
-	21,684	(30,552)
-	(18,044)	(829)
-	(317,725)	-
-	385,872	200,984
-	75	(2,804)
-	(43,402)	20,475
-	(16,879)	(1,355)
-	(8,509)	19,778
-	39,407	-
-	(205,589)	-
-	(92,586)	115,091
-	(47,208)	3,789
-	(328,401)	(174,544)
-	14,256	25,114
\$ (396,798)	\$ 3,138,216	\$ (1,869,512)
\$ -	\$ 77,664	\$ 154,668
-	7,875,396	-
(7,874,525)	(7,875,396)	(222,354)
\$ (7,874,525)	\$ 77,664	\$ (67,686)

CITY OF NEWPORT
Fiduciary Funds
Statement of Net Position
June 30, 2023

	City of Newport Employees Retirement Plan Pension Trust Fund
ASSETS	
Cash and Cash Equivalents	\$ 1,444,033
Investments	
Equities	6,304,332
Mutual funds	4,711,100
Receivables	61,217
	<hr/>
Total Assets	12,520,682
	<hr/>
NET POSITION	
Restricted for Defined Benefit Pension	9,030,342
Restricted for Defined Contribution Pension	3,490,340
	<hr/>
Total Net Position	\$ 12,520,682
	<hr/> <hr/>

CITY OF NEWPORT
Fiduciary Funds
Statement of Changes in Net Position
Year Ended June 30, 2023

	City of Newport Employees Retirement Plan Pension Trust Fund
Additions	
Employer contributions	\$ 698,777
Investment earnings (losses):	
Investment earnings	877,639
Less investment expense	<u>(51,441)</u>
Total investment earnings (losses), net	<u>826,198</u>
Total Additions	<u>1,524,975</u>
Deductions	
Benefits	<u>935,633</u>
Total Deductions	<u>935,633</u>
Change in Net Position	589,342
Net Position, Beginning	<u>11,931,340</u>
Net Position, Ending	<u>\$ 12,520,682</u>

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 1 - Summary of Significant Accounting Policies

The financial statements of the City of Newport (the City) have been prepared in accordance accounting principles generally accepted in the United States of America (GAAP). GAAP statements include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reporting Entity

The City of Newport operates under a council-manager form of government instituted by a vote of the people on May 18, 1962, effective as of July 1, 1962. It provides for a mayor, six councilors and a city manager. The accompanying basic financial statements present all activities, funds and component units for which the City is considered to be financially accountable. The criteria used in making this determination includes appointment of the voting majority, imposition of will, financial benefit or burden on the primary government and fiscal dependency on the primary government. Based upon the evaluation of this criteria, the City is the primary government of its blended component unit, the Newport Urban Renewal Agency. There are various other governmental agencies and special service districts which provide services within the City's boundaries. However, the City is not financially accountable for any of these entities and accordingly their financial information is not included in these financial statements.

Blended Component Unit

The Newport Urban Renewal Agency (NURA) serves the citizens of the City of Newport. The City Council and Board of Directors of NURA are composed of the same individuals. Additionally, management of the City manages the activities of the component unit in the same manner as it manages its own activities. NURA's annual financial report may be obtained at City Hall in Newport, OR 97365.

Basic Financial Statements

Basic financial statements are presented at both the government-wide and fund level. Both levels of statements categorize activities as either governmental or business-type. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for support.

Government-wide financial statements display information about the City as a whole. For the most part, the effect of interfund activity has been removed from these statements. These statements focus on the sustainability of the City as an entity and the change in financial position resulting from the activities of the fiscal period. These statements consist of the statement of net position and the statement of activities. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues.

Fund financial statements display information at the individual fund level. Each fund is considered to be a separate entity. Funds are classified and summarized as governmental, proprietary, or fiduciary. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements. Non-major funds are aggregated into a single column in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 1 - Summary of Significant Accounting Policies, continued

Measurement Focus, Basis of Accounting and Financial Statement Presentation, continued

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Since the governmental fund financial statements are presented on a different measurement focus and basis of accounting than the governmental activities in the government-wide financial statements, a reconciliation is necessary to explain the adjustments from one to the other. This reconciliation is part of the basic financial statements.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sanitary sewer enterprise funds and the City's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the costs of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

In the government-wide and proprietary fund financial statements, when both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

The City reports the following major governmental funds:

General

This is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Principal sources of revenues are property taxes, franchise fees, state shared revenues, permits, municipal court fines, and licenses. Primary expenditures are for general government (planning), public safety (municipal court, police, and fire), and culture and recreation (library).

Room Tax

Accounts for the collection of a lodging tax from temporary overnight stays at hotels, motels and similar establishments within the City.

Urban Renewal

This fund implements projects identified in the South Beach, North Side and McLean Urban Renewal Plans. This fund also accounts for the debt service related to the construction/operations of the Newport Urban Renewal Agency. For more detail, please see the separately created financial report.

Airport

Accounts for activity related to the Newport Municipal Airport. Primary revenues relate to sales of fuel and rents and leases.

Capital Projects Fund

This fund accounts for capital projects of the governmental funds.

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 1 - Summary of Significant Accounting Policies, continued

Measurement Focus, Basis of Accounting and Financial Statement Presentation, continued

The City reports the following major proprietary funds:

Water

This fund reports financial activity related to supply, treatment and distribution of water with the primary revenue coming from water service charges.

Wastewater

All programs associated with the collection and treatment of wastewater in the City is reported in this fund. Other activities include system improvements, plant expansion, administration, equipment replacement, economic development, and payment of related debt. The primary source of revenue is wastewater service charges.

Stormwater

This fund reports financial activity related to stormwater with the primary revenue coming from stormwater charges.

Internal Service

Accounts for the cost of providing services to other funds of the City which are charged a fee on a cost reimbursement basis for those services.

Additionally, the City reports the following nonmajor fund types:

Special Revenue

A governmental fund type used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt Service

The City utilizes this fund type to account for debt service on bonds issued by the governmental funds. General obligation bonds are repaid using by property taxes. Other sources of revenue include transient room taxes, assessments, and general revenues of the City.

Capital Projects

A governmental fund type used to account for the acquisition or construction of major capital facilities other than those financed by proprietary funds. Sources of revenue include local, state, and federal support; donations; and transfers from other funds.

Enterprise

Accounts for the operations of predominately self-supporting activities. Enterprise funds account for services provided to the public on a user charge basis.

Internal Service

Accounts for the cost of providing services to other funds of the City which are charged a fee on a cost reimbursement basis for those services.

Fiduciary

The fiduciary fund presented in the financial statements accounts for the City of Newport's pension plan to provide retirement benefits to its employees.

Cash and Cash Equivalents

The City's cash on hand, deposits with financial institutions and investments in the Oregon State Treasurer's Local Government Investment Pool (LGIP) are considered to be cash and cash equivalents. The LGIP policies are governed by state statutes and the Oregon Investment Council. Participation by local governments is voluntary. The reported value of the pool is the same as the fair value of pool shares.

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 1 - Summary of Significant Accounting Policies, continued

Investments

State statutes authorize the City to invest in obligations of the U. S. Treasury, commercial paper and repurchase agreements. Additionally, the City of Newport Employees Retirement Plan Pension Trust Fund invests in equity securities and mutual funds. Investments are stated at fair value.

Restricted Assets

Assets whose use is restricted for construction, debt service, or by other agreement are segregated on the government-wide statement of net position and the proprietary fund statement of net position.

Inventories

In the proprietary funds, inventories are reported at cost (first-in, first-out method). Inventories are recorded as expenditures when purchased or donated and charged to expenses in the statement of activities and the enterprise funds when used.

In the governmental funds, inventories are reported at cost (first-in, first-out method). However, in the debt service fund, foreclosed land held for resale is recorded at the related lien value plus cost of foreclosure.

Receivables

Management has determined that the direct method of accounting for uncollectible accounts receivable approximates the GAAP allowance for uncollectible accounts method. Therefore, no allowance for uncollectible accounts receivable has been presented. Property taxes receivable for governmental fund types which are collected within 60 days following the year end are considered measurable and available and, accordingly, are recognized as revenues in the respective funds. All other property taxes receivable for the governmental fund types are offset by deferred revenues and, accordingly, have not been recorded as revenues. Uncollected property taxes, including delinquent accounts, are deemed to be substantially collectible or recoverable through foreclosure. The major sources of revenue which are subject to accrual include property taxes, user charges, property assessments, and interest.

Assessments receivable represent the uncollected amounts levied against benefited properties for the costs of local improvements. Since the assessments are liens against properties, an allowance for uncollectible amounts is not deemed necessary by management. Assessments are payable over a period of ten years and bear interest at 6.5% to 10.1%.

The City has been involved as a conduit in a low-income housing assistance grant, the purpose of which is to encourage development of affordable housing and improve deteriorated property. These loans are either being paid monthly or become due upon the sale or transfer of the benefitting properties. The loans are recorded in capital projects or special revenue funds. The additional small loans originating from the sale of properties are recorded in various funds.

Property taxes become a lien against the property as of July 1 in the year in which they are due and are assessed in October through billing by the counties to the property owner. Payments are due in three equal installments on November 15, February 15, and May 15, with a three percent discount available for payment in full on November 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

Notes and contracts are recorded at par. Interest assessed is recorded as revenue when the payment becomes due.

Federal and state grants and state, county, and local shared revenues are recorded in all fund types as earned.

User charges in the proprietary funds are recorded as they are earned, including services not yet billed.

Lease receivables are recognized at the present value of the leased assets at a borrowing rate either explicitly described in the agreement or implicitly determined by the City, reduced by principal payments.

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 1 - Summary of Significant Accounting Policies, continued

Lease Assets

Lease assets are assets which the City leases for a term of more than one year. The value of leases are determined by the net present value of the leases using the interest rate implicit in the lease, or if not determinable, the City's incremental borrowing rate at the time of the lease agreement, amortized over the term of the lease.

Subscription Assets

Subscription assets are subscription-based information technology assets which the City has the right-to-use for a term of more than one year. The value of subscription assets are determined by the net present value of the subscription assets using the interest rate implicit in the agreement, or if not determinable, the City's incremental borrowing rate at the time of the subscription agreement, amortized over the term of the subscription.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are charged to expenditures as purchased in the governmental funds and capitalized in the proprietary funds. Capital assets purchased are recorded at historical cost. Donated assets are recorded at acquisition value at the date of donation.

Capital assets are defined by the City as assets with an initial individual cost of \$5,000 or more and an estimated useful life of greater than one year. Additions or improvements and other capital outlays that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset, are capitalized. Other costs for repairs and maintenance are expensed as incurred.

Depreciation on exhaustible assets is recorded as an allocated expense in the statement of activities with accumulated depreciation reflected in the statement of net position. Depreciation is calculated using the straight-line method over the following estimated useful lives:

Vehicles and equipment	5 – 20 years
Buildings and improvements	10 – 40 years
Infrastructure	20 – 50 years

Compensated Absences

Employees earn vacation and sick leave. No liability is reported for accumulated sick leave, as it does not vest when earned. Vacation leave is accrued as it is earned and is reported as a fund liability. All vacation leave is accrued when earned in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured; for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term obligations, including leases payable, are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bond issuance costs expended when incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the period. The face amount of the debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 1 - Summary of Significant Accounting Policies, continued

Pensions - Oregon Public Employees Retirement System (OPERS)

Police employees of the City participate in the Oregon Public Employees Retirement System (OPERS). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the OPERS and additions to/deductions from OPERS' fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Pensions – City of Newport Employees Retirement Plan

Substantially all of the City's employees are participants in the City of Newport, Oregon Employees Retirement Plan (the Plan). Contributions to the Plan are made on a current basis as required by the Plan and are charged to expenditures or expenses when due and the employer has made a formal commitment to provide the contribution. The assets of the Plan are invested in various mutual funds. The City pays the investment expenses of the Plan.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the net position of the Plan and additions to/deductions from the net position of the Plan have been determined on the same basis as reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits

For purposes of measuring the net other postemployment benefits (OPEB) asset, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, and other postemployment benefits expense, information about the fiduciary net position of the Oregon Public Employee Retirement System Retirement Health Insurance Account (RHIA) and additions to/deductions from the RHIA's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

An actuarial valuation dated July 1, 2022, was completed for purposes of measuring the other postemployment benefits liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, and other postemployment benefits expense for the Implicit Subsidy for the Employees of City of Newport.

Deferred Outflows / Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. These include refunded debt charges, pension related items and other postemployment benefit related items.

In addition to liabilities, the statement of net position will report a separate section for deferred inflows of resources. This separate financial statement element represents amounts that apply to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred lease resources, pension related items and other postemployment benefit related items, which are amortized over specified periods, are reported as deferred inflows of resources.

The balance sheet of governmental funds reports as deferred inflows, unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 1 - Summary of Significant Accounting Policies, continued

Equity Classifications

In the government-wide and proprietary fund financial statements, equity is classified as net position and displayed in three components:

Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Restricted net position – Consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or law, through constitutional provisions or enabling legislation.

Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

In the governmental fund financial statements equity is reported using the five categories listed below:

Nonspendable – Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – Amounts are those constrained by City Council through resolution or ordinance before the end of the fiscal year. The State of Oregon recognizes resolutions and ordinances as being equally binding, and the process for establishing, modifying, and rescinding resolutions and ordinances are substantively the same. Therefore, the City uses both to commit funds.

Assigned – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The City Council has granted authority to the City Manager to assign fund balance amounts.

Unassigned – The residual classification for the government’s General Fund and includes all spendable amounts not contained in the other classifications. Additionally, other funds may report negative unassigned fund balance in certain circumstances.

The City uses resources in the following order: restricted, committed, assigned, and unassigned, unless the City Council has provided otherwise in its commitment or assignment actions.

The City of Newport has adopted this order of categories in Resolution 3642 on June 17, 2013, and has classified equity in the proper category.

Special Items

Significant transactions which are unusual or infrequent, but within the control of management are reported as special items.

Implementation of a New Accounting Standard

During the fiscal year ended June 30, 2023, the City implemented GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This statement provides guidance on the accounting and reporting for public-public and public-private partnerships and availability payment arrangements and includes and effects the presentation of financial statements on the current financial resources measurement focus and the economic resources measurement focus.

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 1 - Summary of Significant Accounting Policies, continued

Implementation of a New Accounting Standard, continued

During the fiscal year ended June 30, 2023, the City implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users and effects the presentation of financial statements on the economic resources measurement focus.

Note 2 - Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets for all funds are adopted on a basis consistent with Oregon Revised Statutes (ORS 294 - Local Budget Law). The city manager submits a proposed budget to the budget committee (consisting of the city council and an equal number of citizens of the City, 14 members in all). The budget committee conducts public hearings for the purpose of obtaining citizens' comments, and then approves a budget and submits it to the city council for final adoption. The city council may not increase approved expenditures for each fund by more than 10 percent without returning to the budget committee for a second approval.

The City is required to budget each fund. The City's budget is prepared on the modified accrual basis of accounting. Revenues and other increases in financial resources are recognized when they become both measurable and available. For the City, available means that the funds are collectible within 60 days of the end of the current period.

Expenditures are recognized when the fund liability is incurred, except for inventories of materials and supplies that may be considered expenditures when purchased, and prepaid insurance and other similar items that may be considered expenditures either when paid or consumed.

A resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. The level of control is either by program within a fund or segregated into the following categories: personnel services, materials and services, capital outlay, transfers out, and contingency. The budget document, however, is required to contain more specific, detailed information for the above-mentioned expenditure categories. Budget appropriations can be transferred with city council approval only.

An election must be held to approve general obligation debt pledging the full faith and credit of the City. As a result of Ballot Measure 50 and subsequent legislation, the City's permanent tax rate was set at \$5.5938 per \$1,000 of assessed value. The assessed value (not including the urban renewal district) for 2022-2023 was \$1,705,023,920. Assessed value is calculated on a property-by-property basis and is limited to a three percent increase annually. Compression of tax revenues comes into play when the real market value of an individual residential property is not sufficient to allow for an annual three percent increase in the assessed value.

Unexpected additional resources may be appropriated through the use of a supplemental budget and city council action. The original and supplemental budgets require hearings before the public, publications in newspapers, notice postings, and approval by the city council. Original and supplemental budgets may be modified during the fiscal year by use of appropriation transfers between legal categories. Such transfers require approval of the city council.

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 2 - Stewardship, Compliance and Accountability, continued

Budgetary Information, continued

During the fiscal year ended June 30, 2023, the City adopted supplemental budgets which totaled \$6,657,305, a 6.60% increase over the original budget. The following table outlines the budget changes:

	Fund	2022-2023 Original Budget	2022-2023 Final Budget	Change
101	General Fund	\$ 19,816,641	\$ 20,448,700	\$ 632,059
201	Parks and Recreation Fund	3,003,931	3,117,186	113,255
211	Public Parking Fund	363,793	547,258	183,465
212	Housing Fund	486,046	648,876	162,830
220	Airport Fund	1,045,569	1,332,600	287,031
230	Room Tax Fund	4,007,952	4,664,869	656,917
240	Building Inspection Fund	549,986	719,756	169,770
251	Streets Fund	1,248,883	1,832,346	583,463
252	Line Undergrounding Fund	822,642	854,029	31,387
253	SDC Fund	2,875,692	3,149,021	273,329
254	Agate Beach Closure Fund	1,028,820	1,018,086	(10,734)
270	Urban Renewal Agency	10,378,489	10,458,286	79,797
301	Debt Service - Water Fund	824,168	824,168	-
302	Debt Service - Wastewater Fund	1,456,105	1,456,105	-
303	Governmental Debt Service Fund	88,177	88,177	-
305	Stormwater Debt Service Fund	634,001	634,001	-
351	GO Debt Service - Proprietary	2,201,000	2,201,000	-
352	GO Debt Service - Governmental	602,669	602,669	-
402	Capital Projects Fund - Governmental	10,164,100	12,486,475	2,322,375
403	Capital Projects Fund - Proprietary	11,710,697	12,534,268	823,571
404	Reserve Fund	3,148,186	2,124,808	(1,023,378)
405	Capital Improvements Fund	5,483,581	5,718,356	234,775
601	Water Fund	4,728,098	5,150,944	422,846
602	Wastewater Fund	5,500,559	5,943,564	443,005
603	Stormwater Fund	1,290,278	1,314,996	24,718
701	Public Works Fund	1,708,926	1,766,288	57,362
711	City Facility Fund	5,724,021	5,913,483	189,462
		<u>\$ 100,893,010</u>	<u>\$ 107,550,315</u>	<u>\$ 6,657,305</u>

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 3 - Detailed Notes

Cash, Cash Equivalents and Investments

The City's cash, cash equivalents and investments at June 30, 2023 are as follows:

Cash and cash equivalents:	
Deposits with financial institutions	\$ 258,702
Cash on hand	1,930
State of Oregon Treasurer's short-term investment pool	44,040,416
Money market	<u>1,444,033</u>
Total cash and cash equivalents	\$ <u>45,745,081</u>
Investments:	
Equities	\$ 6,304,332
Mutual funds	<u>4,711,100</u>
Total investments	\$ <u>11,015,432</u>

The City maintains a pool of cash, cash equivalents and investments that are available for use by all funds, except the City of Newport Employees Retirement Plan Pension Trust (a pension trust fund). Each fund's portion of this pool is displayed on the financial statements as cash and cash equivalents. Interest earned on pooled cash and cash equivalents is allocated to participating funds based upon their combined cash and cash equivalent balances.

Deposits with financial institutions

Custodial Credit Risk – Deposits: This is the risk that in the event of a bank failure, the City's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the District's deposits with financial institutions up to \$250,000 each for the aggregate of all non-interest-bearing accounts and the aggregate of all interest bearing accounts at each institution. Deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program are collateralized with securities held by the Federal Home Loan Bank of Seattle in the name of the institution. As of June 30, 2023, none of the City's bank balances were exposed to custodial credit risk.

State of Oregon Local Government Investment Pool

Balances in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value. Fair value is determined at the quoted market price, if available; otherwise the fair value is estimated based on the amount at which the balance could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. The Oregon State Treasury administers the LGIP. The LGIP is an unrated, open-ended, no-load, diversified portfolio offered to any agency, political subdivision or public corporation of the state who by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. To provide regulatory oversight, the Oregon Legislature established the Oregon Short-Term Fund Board and LGIP investments are approved by the Oregon Investment Council. The fair value of the City's position in the LGIP is the same as the value of the pool shares.

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 3 - Detailed Notes, continued

Cash, Cash Equivalents and Investments, continued

Investments

As of June 30, 2023, the City had the following investments:

<u>Investment Type</u>	<u>Rating</u>	<u>Fair Value</u>	<u>Risk Consideration</u>	<u>Weighted Average</u>
Pension Trust Investments				
Equities	Not Rated	\$ 6,304,332	57.23%	N/A
Mutual Funds	Not Rated	<u>4,711,100</u>	42.77%	N/A
Total Investments		<u>\$ 11,015,432</u>		

Credit Risk: Oregon statutes authorize the City to invest in obligations of the U. S. Treasury and U. S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the state treasurer's investment pool. Additionally, the City's pension trust may invest in equity securities and mutual funds.

Concentration of Credit Risk: The City does not have a formal policy that places a limit on the amount that may be invested in any one insurer.

Interest Rate Risk: The City does not have a formal policy that limits investment maturities as a means of managing its exposure to fair-value losses arising from increases in interest rates.

Portfolio Credit Rating: The City does not have a formal policy that establishes a minimum average credit rating for its investment portfolio.

Custodial Credit Risk - Investments: This is the risk that, in the event of the failure of a counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. The City does not have a policy which limits the amount of investments that can be held by counterparties.

Fair Value Measurements

The City categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City's investment in equities and mutual funds are measured using level 1 inputs and bonds are measured using level 2 inputs.

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 3 - Detailed Notes, continued

Lease Receivables

Lease receivables as of June 30, 2023 consisted of the following:

	Outstanding June 30, 2022 (as restated)	Additions	Payments	Outstanding June 30, 2023
<i>Governmental activities:</i>				
Various hangar leases	\$ 331,194	\$ 8,049	\$ 13,348	\$ 325,895
Airport land lease - McWatkins	1,994,413	-	-	1,994,413
Municipal Airport	136,662	-	19,198	117,464
Abbey Street Pier Building	29,256	-	14,605	14,651
SW Fall Street	217,793	-	38,588	179,205
315 SW 9th Street	3,569	-	966	2,603
	<u>\$ 2,712,887</u>	<u>\$ 8,049</u>	<u>\$ 86,705</u>	<u>\$ 2,634,231</u>

The City acts as lessor for 32 hangar leases with various individuals and companies. The lessees are required to make annual variable principal and interest payments based on a CPI Index of 0.00%. Monthly lease payments ranged during the 2023 fiscal year from \$36 to \$1,703 including interest from 0.32% to 4.26%. The City recognized revenue of \$19,425 for the fiscal year ended June 30, 2023.

On June 23, 2021, the City entered into a 480-month lease as Lessor for the use of land at the airport. An initial lease receivable was recorded in the amount of \$1,994,415. Upon lease commencement, the lessee paid the City \$250,000. Beginning September 1, 2024, lessee must make monthly lease payments of \$6,586. Beginning January 1, 2025 and continuing on January 1 of each subsequent year, monthly rental payments increase by 2.5%. The lease has an interest rate of 1.979%. The City recognized lease revenue of \$56,110 during the fiscal year. The lessee has 2 extension options, each for 120 months.

On June 1, 2019, the City entered into a 5-year lease as lessor for the use of the Newport Municipal Airport. The lessee is required to make monthly variable principal and interest payments of \$1,703 based on a CPI index of 0.00%. The lease has an interest rate of 0.9670%. The City recognized lease revenue of \$19,680 during the fiscal year. The lessee has one 60-month extension option.

On July 1, 2021, the City entered into a 36-month lease as lessor for the use of Abbey Street Pier Building. The lessee is required to make monthly fixed payments of \$1,223. The lease has an interest rate of 0.3150%. The City recognized lease revenue of \$14,607 during the fiscal year. The lessee has one 12-month extension option.

On June 6, 2019, the City entered into a 3-year lease as lessor for the use of SW Fall Street. The lessee is required to make monthly fixed payments of \$3,000.00. The lease has an interest rate of 0.7030%. The City recognized lease revenue of \$40,257 during the fiscal year. The lessee has one 64-month extension option.

On March 15, 2016, the City entered into a 10-year lease as lessor for the use of 315 SW 9th Street. The lessee is required to make monthly variable principal and interest payments of \$82 based on a CPI index of 0.00%. The lease has an interest rate of 0.5773%. The City recognized lease revenue of \$963 during the fiscal year.

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 3 - Detailed Notes, continued

Lease Receivables

As of June 30, 2023, the future maturities of lease receivables are as follows:

Year Ended June 30,	Governmental Activities		
	Principal	Interest	Total
2024	\$ 89,870	\$ 7,773	\$ 97,643
2025	(14,847)	164,170	149,323
2026	115,855	47,300	163,155
2027	116,719	45,780	162,499
2028	90,203	44,296	134,499
2029 - 2033	315,563	203,491	519,054
2034 - 2038	326,537	173,786	500,323
2039 - 2043	338,019	141,602	479,621
2044 - 2048	328,442	108,341	436,783
2049 - 2053	328,962	76,077	405,039
2054 - 2058	363,148	41,891	405,039
2059 - 2061	235,760	7,262	243,022
	<u>\$ 2,634,231</u>	<u>\$ 1,061,769</u>	<u>\$ 3,696,000</u>

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 3 - Detailed Notes, continued

Capital Assets

Capital asset activity for the governmental activities for the year ended June 30, 2023 was as follows:

	June 30, 2022 (as restated)	Additions	Deletions	June 30, 2023
Capital assets not being depreciated:				
Land	\$ 12,225,530	\$ 993,351	\$ -	\$ 13,218,881
Construction in progress	5,206,906	2,271,076	(1,642,724)	5,835,258
Total capital assets not being depreciated	<u>17,432,436</u>	<u>3,264,427</u>	<u>(1,642,724)</u>	<u>19,054,139</u>
Capital assets being depreciated:				
Building and structures	45,113,428	83,123	(284,562)	44,911,989
Equipment	5,080,036	533,398	(91,163)	5,522,271
Vehicles	6,222,828	216,758	(671,472)	5,768,114
Infrastructure	58,922,603	2,072,554	-	60,995,157
Right-to-use lease assets:				
Land	83,380	-	-	83,380
Equipment	383,985	56,183	(31,044)	409,124
Vehicles	109,428	36,256	-	145,684
Subscription assets	228,483	-	-	228,483
Total capital assets being depreciated	<u>116,144,171</u>	<u>2,998,272</u>	<u>(1,078,241)</u>	<u>118,064,202</u>
Less accumulated depreciation:				
Building and structures	(25,603,259)	(1,110,602)	124,701	(26,589,160)
Equipment	(3,974,696)	(163,499)	89,235	(4,048,960)
Vehicles	(5,550,949)	(236,266)	659,221	(5,127,994)
Infrastructure	(18,747,529)	(1,394,007)	-	(20,141,536)
Right-to-use lease assets:				
Land	(3,051)	(3,050)	-	(6,101)
Equipment	(112,185)	(123,697)	15,856	(220,026)
Vehicles	(1,118)	(22,983)	-	(24,101)
Subscription assets	-	(79,351)	-	(79,351)
Total accumulated depreciation	<u>(53,992,787)</u>	<u>(3,133,455)</u>	<u>889,013</u>	<u>(56,237,229)</u>
Total capital assets being depreciated, net	<u>62,151,384</u>	<u>(135,183)</u>	<u>(189,228)</u>	<u>61,826,973</u>
Total capital asset, net	<u>\$ 79,583,820</u>	<u>\$ 3,129,244</u>	<u>\$ (1,831,952)</u>	<u>\$ 80,881,112</u>

Depreciation for the governmental activities was charged as follows:

General government	\$ 1,428,448
Public safety	214,004
Highways and streets	832,833
Culture and recreation	658,170
	<u>3,133,455</u>

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 3 - Detailed Notes, continued

Capital Assets, continued

Capital asset activity for the business-type activities for the year ended June 30, 2023 was as follows:

	June 30, 2022 (as restated)	Additions	Deletions	June 30, 2023
Capital assets not being depreciated:				
Land	\$ 1,095,452	\$ -	\$ -	\$ 1,095,452
Construction in progress	7,016,006	2,872,576	(1,131,713)	8,756,869
Total capital assets not being depreciated	8,111,458	2,872,576	(1,131,713)	9,852,321
Capital assets being depreciated:				
Building and structures	39,300,959	67,544	-	39,368,503
Equipment	4,104,121	898,115	(73,412)	4,928,824
Vehicles	2,208,842	-	(157,175)	2,051,667
Infrastructure	73,368,730	1,094,007	-	74,462,737
Right-to-use lease assets:				
Equipment	15,204	12,501	(5,894)	21,811
Vehicles	152,841	182,679	-	335,520
Subscription assets	36,897	-	-	36,897
Total capital assets being depreciated	119,187,594	2,254,846	(236,481)	121,205,959
Less accumulated depreciation:				
Building and structures	(17,084,092)	(992,217)	-	(18,076,309)
Equipment	(2,043,376)	(283,499)	73,412	(2,253,463)
Vehicles	(1,354,289)	(186,966)	157,175	(1,384,080)
Infrastructure	(27,844,203)	(2,112,086)	-	(29,956,289)
Right-to-use lease assets:				
Equipment	(3,360)	(5,518)	3,003	(5,875)
Vehicles	(1,695)	(36,547)	-	(38,242)
Subscription assets	-	(10,055)	-	(10,055)
Total accumulated depreciation	(48,331,015)	(3,626,888)	233,590	(51,724,313)
Total capital assets being depreciated, net	70,856,579	(1,372,042)	(2,891)	69,481,646
Total capital asset, net	\$ 78,968,037	\$ 1,500,534	\$ (1,134,604)	\$ 79,333,967

Depreciation for the business-type activities was charged as follows:

Water	\$ 1,428,423
Wastewater	2,126,701
Stormwater	71,764
	<u>3,626,888</u>
	<u>\$ 3,626,888</u>

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 3 - Detailed Notes, continued

Interfund Transactions

As part of the budget process, the City plans to make interfund transfer to move resources between funds to provide resources for specific expenditures that are not supported by other revenues. Cash transfers made during the year ended June 30, 2023 were as follows:

Fund	Transfers	
	In	Out
General	\$ 382,517	\$ 4,996,330
Room Tax	4,172	2,423,980
Urban Renewal	1,351,508	5,083,000
Airport	348,853	125,413
Capital Projects	4,756,746	14,842
Nonmajor Governmental	4,548,944	2,521,502
Water	-	1,045,753
Wastewater	288,025	1,648,968
Stormwater	-	824,790
Nonmajor Enterprise	6,011,768	1,307,265
Internal Service	3,298,913	999,603
	<u>\$ 20,991,446</u>	<u>\$ 20,991,446</u>

During the year, the nonmajor enterprise funds and internal service funds acquired capital assets and made debt service payments on behalf of the governmental activities, water fund, wastewater fund and stormwater fund. In addition, the water fund transferred a lease asset and corresponding lease liability to the wastewater fund. In the fund financial statements, these are shown as non-cash transfers as follows:

Fund	Transfers	
	In	Out
Governmental Activities	\$ 222,354	\$ -
Water	5,367,657	871
Wastewater	2,002,731	-
Stormwater	505,008	-
Nonmajor Enterprise	-	7,874,525
Internal Service	-	222,354
	<u>\$ 8,097,750</u>	<u>\$ 8,097,750</u>

The Agate Beach Foreclosure Fund lent \$275,000 to the Parks and Recreation Fund in 2016-17. The loan is being repaid in annual installments of \$27,500. At June 30, 2023, the balance is \$110,000.

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 3 - Detailed Notes, continued

Unavailable Revenues

Governmental funds report unavailable revenue in connection with revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the unavailable revenue reported in the governmental funds was as follows:

	General	Urban Renewal	Nonmajor Governmental	Totals
Delinquent property taxes receivable:				
General	\$ 283,650	\$ -	\$ -	\$ 283,650
General bond debt	-	-	21,704	21,704
Urban renewal debt	-	134,167	-	134,167
Intergovernmental	254,800	-	-	254,800
Total unavailable revenue	\$ 538,450	\$ 134,167	\$ 21,704	\$ 694,321

Construction Commitments

The City has active construction projects as of June 30, 2023 as follows:

Project Number	Asset Description	Cost	Remaining Commitment
11025 & 28-22040	Big Creek Dam	\$ 7,203,420	\$ 2,689,101
15017	SB Utility Undergrounding Phase 2 & 3	736,716	20,000
15035	Golf Course Drive Improvements	169,168	225,224
16013	Main Tanks Replacement	833	153,568
16016	WWTP Master Plan	272,256	71,565
17020	NE 54th Street Pump Station Improvements	-	133,192
18015	60+ Center Reception remodel	76,917	4,462
20008	Modify & Enlarge Outside Play Area for Child Center	4,259	4,462
20018	PAC Remodel	270,411	74,746
21004	Recreation Center -Pool Repair	7,533	165,307
21006	WTP Excess Recirculation (XR) Upgrade/Storage Building	293,581	354,826
21009	Storm Drain Replacement on NW Spring Street	129,283	6,082
21014	Underbay Waterline Crossing	274	4,462
21026	Airport Storm Drainage Pipe Rehab.-Design and Construction	2,134,444	874,904
21050	Pedestrian Activated Rapid Flashing Beacon US 20 & Eads St	22,407	4,463
21059	Agate Beach Staircase Terminus	4,158	4,463
24-22026	Agate Beach Community Disaster Cache	3,262	41,538
26-22039	Schooner Sewer Bypass	43,805	236,195
28-22037	Cathodic Protection - Engineering & Construction	8,775	41,225

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 3 - Detailed Notes, continued

Long-Term Obligations

Transactions for the governmental activities for the year ended June 30, 2023 were as follows:

	June 30, 2022 Balance (as restated)	Additions	Reduction	June 30, 2023 Balance	Due Within One Year
Long-Term Debt:					
General Obligation Bonds					
Series 2013, Swimming Pool	\$ 5,970,000	\$ -	\$ 375,000	\$ 5,595,000	\$ 405,000
Urban Renewal Bonds					
FF&C Refunding Series 2010B	550,000	-	550,000	-	-
Series 2015A and B	2,678,000	-	718,000	1,960,000	968,000
Direct Borrowings and Placements					
League of Oregon Cities Cooperative					
Asset Financing Program, Series 2007B	50,000	-	25,000	25,000	25,000
2018 Airport Fuel Farm Borrowing	83,329	-	55,500	27,829	27,829
Total Long-Term Debt	9,331,329	-	1,723,500	7,607,829	1,425,829
Other Long-Term Obligations:					
Unamortized premium	263,435	-	38,736	224,699	33,712
Net pension liability	4,441,026	991,471	-	5,432,497	-
Compensated absences	526,712	488,636	452,407	562,941	433,464
Other postemployment benefits liability	288,736	-	44,936	243,800	-
Lease payable	456,781	92,439	161,411	387,809	152,184
Subscription payable	228,483	-	97,274	131,209	97,441
Total Other Long-Term Obligations	6,205,173	1,572,546	794,764	6,982,955	716,801
Total	\$ 15,536,502	\$ 1,572,546	\$ 2,518,264	\$ 14,590,784	\$ 2,142,630

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 3 - Detailed Notes, continued

Long-Term Obligations, continued

Transactions for the business-type activities for the year ended June 30, 2023 were as follows:

	June 30, 2022 Balance (as restated)	Additions	Reduction	June 30, 2023 Balance	Due Within One Year
Long-Term Debt:					
Enterprise Bonds					
Water Series 2009B	\$ 6,686,249	\$ -	1,070,476	\$ 5,615,773	\$ 1,033,610
Water Revenue Bonds Series 2019	2,956,000	-	215,000	2,741,000	220,000
FF&C Refunding Obligation Series 2010A	255,000	-	255,000	-	-
FF&C Stormwater Borrowing Series 2018	2,058,000	-	318,000	1,740,000	328,000
FF&C Water Borrowing Series 2022	4,551,000	-	-	4,551,000	87,000
Direct Borrowings and Placements					
2007 Seal Rock Water District	580,417	-	36,536	543,881	38,304
2014 Water Projects Borrowing	3,365,530	-	202,039	3,163,491	210,180
2020 Clean Water SRF DEQ Note R68935	3,741,018	-	196,636	3,544,382	198,607
2022 Clean Water SRF DEQ Note R68933	10,031,027	-	405,634	9,625,393	415,756
DEQ Note R68934 (Deferred)	810,354	-	-	810,354	18,870
DEQ Note R68936 (Deferred)	6,984,114	-	-	6,984,114	146,422
Total Long-Term Debt	42,018,709	-	2,699,321	39,319,388	2,696,749
Other Long-Term Obligations:					
Unamortized premium	99,362	-	33,327	66,035	11,005
Net pension liability	775,116	-	24,597	750,519	-
Compensated absences	129,444	117,782	103,162	144,064	110,930
Other postemployment benefits liability	177,351	-	45,427	131,924	-
Lease payable	157,895	195,180	39,195	313,880	67,925
Subscription payable	28,897	-	9,560	19,337	9,560
Total Other Long-Term Obligations	1,368,065	312,962	255,268	1,425,759	199,420
Total	\$ 43,386,774	\$ 312,962	\$ 2,954,589	\$ 40,745,147	\$ 2,896,169

Governmental Activities

General Obligation Bonds

General obligation bonds are debt approved by the City's taxpayers which they retire through an increase in property taxes. The City issues general obligation bonds to provide funds for the construction of major capital facilities.

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 3 - Detailed Notes, continued

Long-Term Obligations, continued

Governmental Activities, continued

The City issued \$7,900,000 in general obligation bonds in December 2013, to finance the costs of a new indoor municipal swimming pool and related systems, facilities and improvements. Interest rates range from 2 to 4 percent. Final maturity is June 1, 2033. The balance outstanding at June 30, 2023, is \$5,595,000. Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending June 30,	Principal	Interest
2024	\$ 405,000	\$ 211,669
2025	435,000	195,469
2026	465,000	182,419
2027	495,000	167,888
2028	530,000	151,800
2029-2033	<u>3,265,000</u>	<u>408,800</u>
	<u>\$ 5,595,000</u>	<u>\$ 1,318,044</u>

Urban Renewal Bonds

In July 2010, Full Faith & Credit Refunding Obligations, Series 2010B was issued in the amount of \$8,465,000 to refinance one loan agreement with the Oregon DEQ (loan #68931) and two loan agreements with the Oregon Business Development Department (OBDD), formerly the Oregon Economic and Community Development Department (OECDD), which were issued to help finance a portion of the City's wastewater treatment plant. An additional \$2,000,000 was borrowed as part of the refunding to help finance transportation infrastructure improvements, which has enhanced access to the Pacific Marine Operation Center. The DEQ loan was considered a current refunding and was called July 14, 2010. The OBDD loans advanced refunded, whereby \$3,711,619 was used to purchase United States Government obligations, which were deposited into an escrow account. These funds were sufficient to call the bonds on January 1, 2011. The new bonds were issued at a premium of \$276,407 with bond issue cost totaling \$129,484. Interest ranges from 2.0 percent to 4.5 percent, with a final maturity of June 15, 2023.

In March 2015, the South Beach Urban Renewal District completed a bank borrowing, Series 2015A & 2015B, totaling \$5,456,000 to finance property acquisitions, infrastructure projects, and a trail project in the South Beach urban growth area. The interest rate ranges from 2.45 percent to 3.45 percent. In the event of a default, the interest rate may be increased an additional 5 percent over the then existing rate. Final maturity is June 1, 2025. As of June 30, 2023, the outstanding balance is \$1,960,000. Annual debt service requirements to maturity for this bond is as follows:

Year Ending June 30,	Principal	Interest
2024	\$ 968,000	\$ 48,820
2025	<u>992,000</u>	<u>24,641</u>
	<u>\$ 1,960,000</u>	<u>\$ 73,461</u>

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 3 - Detailed Notes, continued

Long-Term Obligations, continued

Governmental Activities, continued

Direct Borrowings and Placements

Direct Borrowings and Placements include Certificates of Participation from the League of Oregon Cities Cooperative Asset Financing Program and the Airport Fuel Farm Borrowing. The League of Oregon Cities Cooperative Asset Financing Program loans are issued to provide funds for various City purchases of vehicles, equipment, capital project and debt payoff. The Airport Fuel Farm Borrowing financed the new fuel farm at the airport.

In October 2007, the City issued \$1,015,000 debt from the League of Oregon Cities, Cooperative Assets Finance Program. This loan was issued to provide funds for various City purchases of vehicles, equipment and pay off the Municipal Airport Debt. Interest rate ranges from 3.90 percent to 5.00 percent. Final maturity is July 1, 2024. As of June 30, 2023, the balance outstanding is \$25,000.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ <u>25,000</u>	\$ <u>625</u>

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 3 - Detailed Notes, continued

Long-Term Obligations, continued

Governmental Activities, continued

In September 2018, the City entered into a loan agreement with Umpqua Bank in the amount of \$277,500 to finance purchase of the airport fuel farm. Interest for the loan is 4.5 percent, with a final maturity of October 5, 2023. As of June 30, 2023, the outstanding balance is \$27,829. Annual debt service requirements to maturity for this loan is as follows:

Year Ending June 30,	Principal	Interest
2024	\$ 27,829	\$ 1,269

Business-Type Activities

General Obligation Bonds

The City issued \$9,630,541 (Series 2009B) in general obligation bonds in March 2009, to finance the costs of capital construction and capital improvement for the City's water system. Series 2009B interest rate is 5.0 percent, with a final maturity of June 30, 2029. As of June 30, 2023, the outstanding balance is \$5,615,773 (Series 2009B). Annual debt service requirements to maturity for this bond is as follows:

Year Ending June 30,	Principal	Interest
2024	\$ 1,033,610	\$ 1,231,390
2025	992,889	1,342,111
2026	953,895	1,451,105
2027	915,503	1,559,498
2028	878,144	1,671,857
2029	841,733	1,783,268
	\$ 5,615,773	\$ 9,039,229

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 3 - Detailed Notes, continued

Long-Term Obligations, continued

Business-Type Activities, continued

Revenue Bond

In June 2019, the City issued water revenue bonds in the amount of \$4,558,000 to finance costs of water infrastructure projects. Interest for the loan is 2.46 percent, with a final maturity of June 1, 2034. As of June 30, 2023, the outstanding balance is \$2,741,000. Annual debt service requirements to maturity for this bond is as follows:

Year Ending June 30,	Principal	Interest
2024	\$ 220,000	67,429
2025	225,000	62,017
2026	231,000	56,481
2027	237,000	50,799
2028	242,000	44,969
2029-2033	1,305,000	132,446
2034	281,000	6,912
	\$ 2,741,000	\$ 421,053

Full Faith & Credit Bonds

In July 2010, Full Faith & Credit Refunding Obligations, Series 2010A was issued in the amount of \$5,560,000 to refinance a loan agreement with the Oregon DEQ to help finance a portion of the City's wastewater treatment plant. Interest ranges from 2.0 percent to 4.5 percent, with a final maturity of June 15, 2023.

In June 2018, Full Faith & Credit Bond, Series 2018, was issued in the amount of \$3,258,000 to replace failing storm drains and other stormwater system infrastructure. Interest is 3 percent, with a final maturity of June 1, 2028. As of June 30, 2023, the outstanding balance is \$1,740,000. Annual debt service requirements to maturity for this bond are as follows:

Year Ending June 30,	Principal	Interest
2024	\$ 328,000	\$ 52,200
2025	337,000	42,360
2026	348,000	32,250
2027	358,000	21,810
2028	369,000	11,070
	\$ 1,740,000	\$ 159,690

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 3 - Detailed Notes, continued

Long-Term Obligations, continued

Business-Type Activities, continued

In February 2022, the City issued Full Faith & Credit Series 2022 Bonds in the amount of \$4,551,000 to finance capital improvements to the City's water system. Interest is 2.24%, with a final maturity of February 1, 2037. As of June 30, 2023, the outstanding balance is \$4,551,000. Annual debt service requirements to maturity for this bond are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 87,000	\$ 101,942
2025	145,000	99,994
2026	208,000	96,746
2027	277,000	92,086
2028	283,000	85,882
2029-2033	1,512,000	331,474
2034-2037	2,039,000	119,425
	<u>\$ 4,551,000</u>	<u>\$ 927,549</u>

Direct Borrowings and Placements

The City entered into an agreement with Seal Rock Water District to assume responsibility to provide water services for an area of property. In return, the City agreed to pay the District \$958,502 as the rate of interest of 4.75 percent. The outstanding balance as of June 30, 2023, is \$543,881. Annual debt service requirements to maturity for this loan is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 38,304	\$ 31,318
2025	39,942	29,587
2026	40,448	27,780
2027	42,338	25,928
2028	44,210	23,981
2029-2033	235,950	87,940
2034-2038	95,998	18,186
2039-2042	6,691	637
	<u>\$ 543,881</u>	<u>\$ 245,357</u>

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 3 - Detailed Notes, continued

Long-Term Obligations, continued

Business-Type Activities, continued

In December 2014, the City issued a water revenue bond, in the amount of \$4,554,800 to finance costs of water infrastructure projects. Interest for the loan is 3.95 percent, with a final maturity of June 15, 2034. As of June 30, 2023, the outstanding balance is \$3,163,491. Annual debt service requirements to maturity for this bond is as follows:

Year Ending June 30,	Principal	Interest
2024	\$ 210,180	\$ 120,807
2025	218,650	112,337
2026	227,460	103,527
2027	236,626	94,361
2028	246,161	84,826
2029-2033	1,387,833	267,102
2034-2035	636,581	25,393
	<u>\$ 3,163,491</u>	<u>\$ 808,353</u>

DEQ Note R68935 has a total loan amount of \$4,128,454 for a stormwater sewer in the Bay-Moore Basin area. Interest rate is 1.5 percent. The current balance of the loan is \$3,544,382 as of June 30, 2023. Annual debt service requirements to maturity for this loan is as follows:

Year Ending June 30,	Principal	Interest
2024	\$ 198,607	\$ 52,671
2025	200,598	49,687
2026	202,609	46,673
2027	204,640	43,629
2028	206,692	40,554
2029-2033	1,064,960	155,557
2034-2038	1,119,423	73,931
2039-2040	346,853	5,789
	<u>\$ 3,544,382</u>	<u>\$ 468,491</u>

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 3 - Detailed Notes, continued

Long-Term Obligations, continued

Business-Type Activities, continued

DEQ Note R68933 has a total loan amount of \$10,031,027 for a wastewater collection system in the Agate Beach area. The interest rate on the loan is 2.48 percent. The current balance of the loan is \$9,625,393 as of June 30, 2023. Annual debt service requirements to maturity for this loan is as follows:

Year Ending June 30,	Principal	Interest
2024	\$ 415,756	\$ 283,242
2025	426,131	270,762
2026	436,765	257,971
2027	447,663	244,862
2028	458,834	231,425
2029-2033	2,471,739	943,537
2034-2038	2,795,914	553,602
2039-2042	2,172,591	127,978
	<u>\$ 9,625,393</u>	<u>\$ 2,913,379</u>

The City obtained loans from the Oregon Department of Environmental Quality for wastewater projects which have not been completed as of June 30, 2023. The final repayment schedules will be established at the completion each project.

DEQ Note R68934 has a total loan amount of \$1,115,000 for a wastewater pump station and pipe replacement in the Nye Beach area. The current balance of the drawdown is \$810,354 at June 30, 2023. Interest accrues from the date funds are drawn on the loan at a rate of 1 percent. The repayment term will be 20 years after completion.

DEQ Note R68936 has a total loan amount of \$7,200,000 for a wastewater improvement in the Agate Beach area. The current balance of the drawdown is \$6,984,114 as of June 30, 2023. Interest accrues from the date funds are drawn on the loan at a rate of 1 percent. The repayment term will be 20 years after completion.

Other Long-Term Obligations

Compensated Absences

As described in Note 1, employees of the City are allowed to accumulate earned vacation leave. Amounts so accumulated are vested and will be paid upon termination or retirement. The General, Parks and Recreation, Airport, Building Inspection, Streets, Water, Wastewater, Public Works, and City Facility Funds have typically been used to liquidate the liability for compensated absences.

As of June 30, 2023, accumulated and unpaid compensated absences amounted to \$562,941 for the governmental activities and \$144,064 for the business-type activities.

Net Pension Liability

The net pension liability represents the difference between the total pension liability for benefits earned by City employees and the net position held in trust for pension benefits related to the City of Newport Employees' Retirement Plan and the City's proportionate share of Oregon Public Employees Retirement System (PERS) as more fully discussed in Note 4. The General, Parks and Recreation, Airport, Building Inspection, Streets, Water, Wastewater, Public Works, and City Facility Funds have typically been used to liquidate the liability.

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 3 - Detailed Notes, continued

Other Long-Term Obligations, continued

Other Postemployment Benefit Liability

The other postemployment benefit liability represents the implicit benefit for the difference between the premiums for health insurance for retirees under the group insurance plan and the premium retirees would pay for comparable benefits under other insurance plans as more fully discussed in Note 4 below. The General, Parks and Recreation, Airport, Building Inspection, Streets, Water, Wastewater, Public Works, and City Facility Funds have typically been used to liquidate the liability.

Lease Payables

Lease payables currently outstanding as of June 30, 2023, are as follows:

	June 30, 2022				June 30, 2023
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>		<u>Balance</u>
<i>Governmental activities:</i>					
Yaquina River	\$ 80,024	\$ -	\$ 2,482	\$	77,542
Copiers and Postage	69,425	56,183	45,491		80,117
IT Equipment	202,716	-	92,656		110,060
Vehicles	<u>104,616</u>	<u>36,256</u>	<u>20,782</u>		<u>120,090</u>
Total governmental activities	<u>\$ 456,781</u>	<u>\$ 92,439</u>	<u>\$ 161,411</u>	<u>\$</u>	<u>387,809</u>
<i>Business-type activities:</i>					
Copiers and Postage	\$ 11,927	\$ 12,501	\$ 8,178	\$	16,250
Vehicles	<u>145,968</u>	<u>182,679</u>	<u>31,017</u>		<u>297,630</u>
Total business-type activities	<u>\$ 157,895</u>	<u>\$ 195,180</u>	<u>\$ 39,195</u>	<u>\$</u>	<u>313,880</u>

Governmental activities

The City has entered into two leases as lessee for use of the Yaquina River. The City is required to make annual fixed payments of \$3,820 which include interest at 1.674 percent. The initial lease term for the leases is 15 years and the City has one option to extend the leases for an additional 15-year term which the City intends to exercise.

The City has entered into 33 leases as lessee for use of copiers and postage machines. The City is required to make monthly fixed payments ranging from \$9 to \$800 including interest ranging from 0.33 percent to 0.46 percent. The lease terms range from 36 to 60 months.

The City has entered into two leases as lessee for IT equipment. The City is required to make quarterly payments of \$23,310 which include interest at 0.32 percent. The lease terms are for 60 months with no options to extend.

The City has entered into 13 leases as lessee for vehicles. The City is required to make monthly payments ranging from \$590 to \$763 which include interest ranging from 2.16 percent to 6.10 percent. The lease terms are for 60 months with no options to extend.

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 3 - Detailed Notes, continued

Other Long-Term Obligations, continued

Leases Payable, continued

Future annual lease commitments as of June 30, 2023 are as follows:

Year Ending June 30,	Governmental activities		Business-type activities	
	Principal	Interest	Principal	Interest
2024	\$ 152,184	\$ 5,654	\$ 67,925	\$ 10,808
2025	65,568	4,325	68,570	8,393
2026	46,755	3,181	69,826	5,873
2027	41,756	2,133	71,303	3,235
2028	17,051	1,315	36,256	822
2029 - 2033	14,175	4,932	-	-
2034 - 2038	15,402	3,705	-	-
2039 - 2043	16,735	2,372	-	-
2044 - 2048	18,183	923	-	-
	<u>\$ 387,809</u>	<u>\$ 28,540</u>	<u>\$ 313,880</u>	<u>\$ 29,131</u>

Subscription Payables

Subscription payables currently outstanding as of June 30, 2023, are as follows:

	June 30, 2022			June 30, 2023
	Balance (as restated)	Additions	Reductions	Balance
<i>Governmental activities:</i>				
Network Software	\$ 99,503	\$ -	\$ 32,718	\$ 66,785
Display Software	2,114	-	1,056	1,058
Microsoft Enterprises Software	126,866	-	63,500	63,366
Total governmental activities	<u>\$ 228,483</u>	<u>\$ -</u>	<u>\$ 97,274</u>	<u>\$ 131,209</u>
<i>Business-type activities:</i>				
Customer Engagement Platform	\$ 28,897	\$ -	\$ 9,560	\$ 19,337
Total business-type activities	<u>\$ 28,897</u>	<u>\$ -</u>	<u>\$ 9,560</u>	<u>\$ 19,337</u>

On April 19, 2022, the City entered into a 45-month subscription for the use of Antigena Network Software. An initial subscription liability was recorded in the amount of \$99,503. As of June 30, 2023, the value of the subscription liability is \$66,785. The City is required to make annual fixed payments of \$34,536. The subscription has an interest rate of 2.2753%.

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 3 - Detailed Notes, continued

Other Long-Term Obligations, continued

Subscription Payables, continued

On December 21, 2021, the City entered into an 18-month subscription for the use of X11 Countertop-Portrait Display Software. An initial subscription liability was recorded in the amount of \$2,114. As of June 30, 2023, the value of the subscription liability is \$1,058. The City is required to make annual fixed payments of \$1,080. The subscription has an interest rate of 2.0240%. The City had a termination period of 1 month as of the subscription commencement.

On November 10, 2021, the City entered into a 29-month subscription for the use of Microsoft Enterprise Software. An initial subscription liability was recorded in the amount of \$126,866. As of June 30, 2023, the value of the subscription liability is \$63,366. The City is required to make annual fixed payments of \$64,648. The subscription has an interest rate of 2.0237%. The City had a termination period of 1 month as of the subscription commencement.

On March 2, 2021, the City entered into a 44 month subscription for the use of Customer Engagement Platform. An initial subscription liability was recorded in the amount of \$28,897. As of June 30, 2023, the value of the subscription liability is \$19,337. The City is required to make annual fixed payments of \$13,000. The subscription has an interest rate of 2.2753%.

Future annual lease commitments as of June 30, 2023 are as follows:

Year Ending June 30,	Governmental activities		Business-type activities	
	Principal	Interest	Principal	Interest
2024	\$ 97,441	\$ 2,823	\$ 9,560	\$ 440
2025	33,768	768	9,777	222
	<u>\$ 131,209</u>	<u>\$ 3,591</u>	<u>\$ 19,337</u>	<u>\$ 662</u>

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 3 - Detailed Notes, continued

Governmental Fund Balances

The fund balance amounts for governmental funds have been reported in the categories listed below with each specific purpose:

<u>Fund Balance Categories</u>	<u>General</u>	<u>Room Tax</u>	<u>Urban Renewal</u>	<u>Airport</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental</u>
Nonspendable:							
Inventory	\$ -	\$ -	\$ -	\$ 38,946	\$ -	\$ 45,985	\$ 84,931
Prepaid expenses	2,330	-	-	27	-	3,729	6,086
Restricted for:							
Capital projects	-	-	-	-	6,005,076	3,057,234	9,062,310
Agate Beach disposal site closure	-	-	-	-	-	1,053,696	1,053,696
Tourism	-	3,087,686	-	-	-	-	3,087,686
Building inspection	-	-	-	-	-	441,054	441,054
Streets	-	-	-	-	-	698,201	698,201
Urban renewal	-	-	4,289,871	-	-	-	4,289,871
Debt service	-	-	-	-	-	99,077	99,077
Committed for:							
Parks and recreation	-	-	-	-	-	490,178	490,178
Housing	-	-	-	-	-	726,500	726,500
Airport	-	-	-	358,962	-	-	358,962
Line undergrounding	-	-	-	-	-	914,091	914,091
Assigned for:							
Capital projects	-	-	-	-	-	5,612,884	5,612,884
Debt service	-	-	-	-	-	30,843	30,843
Unassigned	7,195,458	-	-	-	-	(966)	7,194,492
	<u>\$ 7,197,788</u>	<u>\$ 3,087,686</u>	<u>\$ 4,289,871</u>	<u>\$ 397,935</u>	<u>\$ 6,005,076</u>	<u>\$ 13,172,506</u>	<u>\$ 34,150,862</u>

As of June 30, 2023, the Public Parking Fund had a deficit fund balance of \$(966). The City expects to eliminate this deficit through future operating results.

Net Position Restricted Through Enabling Legislation

The amount of net position restricted by enabling legislation is as follows:

Governmental activities

Capital projects – Ordinances imposing System Development Charges (SDC)

restrict the use to capital improvements which expand the capacity of the system for which the charge was made

\$ 3,057,234

Gas taxes – State laws regulate capital improvements for the streets

\$ 747,699

Urban renewal – Establishment of the urban renewal agency restricts the use to projects meeting the objectives for which it was formed

\$ 4,424,038

CITY OF NEWPORT**Notes to Financial Statements**

Year Ended June 30, 2023

Note 3 - Detailed Notes, continuedSegment Information for Enterprise Funds

The City has issued revenue bonds to finance water, wastewater, and stormwater systems. The three systems are accounted for in eight enterprise funds.

Summary financial information for the water, wastewater, and stormwater systems for the year ended June 30, 2023 is as follows:

Condensed statement of net position:

	<u>Water</u>	<u>Wastewater</u>	<u>Stormwater</u>
Assets:			
Current	\$ 7,486,207	\$ 3,287,181	\$ 782,772
Noncurrent	<u>30,352,420</u>	<u>47,006,884</u>	<u>1,130,803</u>
Total Assets	<u>37,838,627</u>	<u>50,294,065</u>	<u>1,913,575</u>
Deferred Outflows of Resources	<u>14,143</u>	<u>4,646</u>	<u>1,960</u>
Liabilities:			
Current	8,920,466	1,647,411	356,920
Noncurrent	<u>15,575,627</u>	<u>20,368,760</u>	<u>1,467,430</u>
Total Liabilities	<u>24,496,093</u>	<u>22,016,171</u>	<u>1,824,350</u>
Deferred Inflows of Resources	<u>35,700</u>	<u>11,730</u>	<u>4,948</u>
Net Position:			
Net Investment in Capital Assets	13,475,497	25,915,405	1,130,803
Restricted	4,871,388	2,274,694	635,674
Unrestricted	<u>(5,025,908)</u>	<u>80,711</u>	<u>(1,680,240)</u>
Total Net Position	<u>\$ 13,320,977</u>	<u>\$ 28,270,810</u>	<u>\$ 86,237</u>

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 3 - Detailed Notes, continued

Segment Information for Enterprise Funds, continued

Condensed statement of revenues, expenses and changes in net position:

	<u>Water</u>	<u>Wastewater</u>	<u>Stormwater</u>
Operating revenue	\$ 4,656,054	\$ 5,278,316	\$ 1,049,886
Depreciation expense	(1,408,960)	(2,107,238)	(65,596)
Other operating expenses	<u>(3,215,800)</u>	<u>(3,470,469)</u>	<u>(542,722)</u>
Operating income (loss)	31,294	(299,391)	441,568
Nonoperating revenues (expenses)	<u>1,608,868</u>	<u>(400,690)</u>	<u>(25,570)</u>
Income before transfers capital contributions	1,640,162	(700,081)	415,998
Capital contributions	1,336,021	-	-
Transfers in	8,264,183	4,581,208	1,329,798
Transfers out	<u>(6,414,281)</u>	<u>(4,096,440)</u>	<u>(2,191,451)</u>
Change in net position	4,826,085	(215,313)	(445,655)
Net position - beginning	8,486,892	28,486,123	531,892
Prior period adjustment	<u>8,000</u>	<u>-</u>	<u>-</u>
Net position - ending	<u>\$ 13,320,977</u>	<u>\$ 28,270,810</u>	<u>\$ 86,237</u>

Condensed statement of cash flows:

	<u>Water</u>	<u>Wastewater</u>	<u>Stormwater</u>
Operating activities	\$ 1,222,020	\$ 1,545,193	\$ 498,971
Non-capital financing activities	(70,000)	209,958	9,254
Capital and related financing activities	(512,794)	(2,193,805)	(1,366,661)
Investing activities	<u>306,936</u>	<u>69,839</u>	<u>35,040</u>
Net increase (decrease) in cash and cash equivalents	946,162	(368,815)	(823,396)
Cash and cash equivalents - beginning	<u>4,543,138</u>	<u>2,643,509</u>	<u>1,459,070</u>
Cash and cash equivalents - ending	<u>\$ 5,489,300</u>	<u>\$ 2,274,694</u>	<u>\$ 635,674</u>

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 4 - Other Information

Pension Plans

The City participates in a cost-sharing multiple-employer plan that covers all fire and police employees, and a combined single-employer defined contribution money-purchase and defined benefit for eligible employees. The aggregate amount of pension expense for the year ended June 30, 2023, is \$1,413,555 for all plans. Below are details related to each plan.

Oregon Public Employees Retirement System (PERS)

Defined Benefit Pension Plan

A. Plan description

Employees of the City are provided with pensions through OPERS.

OPERS consists of a single cost-sharing multiple employer defined benefit pension plan. The Oregon Legislature has delegated the authority to the Public Employees Retirement Board to administer and manage the system.

OPERS produces an independently audited Annual Comprehensive Financial Report which includes detailed information about the pension plan's fiduciary net position. The report can be found at:

<http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>.

B. Description of benefit terms

All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A.

Tier One/Tier Two retirement benefit (Chapter 238)

Tier One/Tier Two Retirement Benefit plan is closed to new members hired on or after August 29, 2003.

Pension benefits

The OPERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results. Monthly payments must be a minimum of \$200 per month or the member will receive a lump-sum payment of the actuarial equivalent of benefits to which he or she is entitled.

Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of Final Average Salary will be limited for all members beginning in 2020. The limit will be equal to \$197,730 in 2021 and will be indexed with inflation in later years.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. General service employees may retire after reaching age 55. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60.

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 4 - Other Information, continued

Pension Plans, continued

Death benefits

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- The member was employed by a OPERS employer at the time of death,
- The member died within 120 days after termination of OPERS-covered employment,
- The member died as a result of injury sustained while employed in an OPERS-covered job, or
- The member was on an official leave of absence from an OPERS-covered job at the time of death.

A member's beneficiary may choose a monthly payment for life instead of the lump-sum or a combination of lump-sum and monthly payments, if eligible. The monthly payment must be a minimum of \$30 per month for deaths that occurred July 30, 2003, and earlier, and \$200 per month for deaths that occur after July 30, 2003.

Disability benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including OPERS judge members) for disability benefits regardless of the length of OPERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

Benefit changes after retirement

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living (COLA) changes. The COLA is capped at 2.0 percent.

Oregon Public Service Retirement Plan (Chapter 238A) (OPSRP)

Pension benefits

The OPSRP pension program provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

- General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.
- Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 60, or age 53 with 25 years of retirement credit.

Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of final average salary will be limited for all members beginning in 2020. The limit will be equal to \$197,730 in 2021 and will be indexed with inflation in later years.

A member of the OPSRP pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

Death benefits

Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse or other person may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70 1/2 years.

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 4 - Other Information, continued

Pension Plans, continued

Disability benefits

A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Benefit changes after retirement

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and \$750 plus 0.15 percent on annual benefits above \$60,000.

C. Contributions

OPERS funding policy provides for monthly member and employer contributions at actuarially determined rates, subject to limits set in statute. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due.

Employer contribution rates during the period were based on the December 31, 2019, actuarial valuation, which became effective July 1, 2021. Tier One/Tier Two employer contribution rates are 25.07%. The OPSRP employer contribution rates are 15.2% for general service employees and 19.56% for police and fire employees. Employer contributions to PERS for the year ended June 30, 2023, were \$558,232.

D. Net pension liability, pension expense and deferred outflows of resources and deferred inflows of resources related to pensions.

Net pension liability

At June 30, 2023, the City reported a liability of \$4,045,504 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The projected long-term contribution effort is equal to the sum of the present value of future normal costs (PVFNC) and the unfunded actuarial liabilities (UAL).

Normal Cost Rate: The economic value, stated as a percent of payroll, for the portion of each active member's total projected retirement benefit that is allocated to the upcoming year of service. The rate is in effect for as long as each member continues in OPERS-covered employment. The current value of all projected future Normal Cost Rate contributions is the Present Value of Future Normal Costs (PVFNC). The PVFNC represents the portion of the projected long-term contribution effort related to future service.

An employer's PVFNC depends on both the normal cost rates charged on the employer's payrolls, and on the underlying demographics of the respective payrolls. For OPERS funding, employers have up to three different payrolls, each with a different normal cost rate: (1) Tier One/Tier Two payroll, (2) OPSRP general service payroll, and (3) OPSRP police and fire payroll.

The employer's Normal Cost Rates for each payroll are combined with system-wide present value factors for each payroll to develop an estimated PVFNC. The present value factors are actuarially determined at a system level for simplicity and to allow for the PVFNC calculations to be audited in a timely, cost-effective manner.

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 4 - Other Information, continued

Pension Plans, continued

UAL Rate: If system assets are less than the actuarial liability, an Unfunded Actuarial Liability (UAL) exists. UAL can arise when an event such as experience differing from the assumptions used in the actuarial valuation occurs. An amortization schedule is established to eliminate the UAL that arises over a fixed period of time if future experience follows assumption. The UAL Rate is the upcoming year's component of the cumulative amortization schedules, stated as a percent of payroll. The present value of all projected UAL Rate contributions is equal to the Unfunded Actuarial Liability (UAL). The UAL represents the portion of the projected long-term contribution effort related to past service.

The UAL has Tier One/Tier Two and OPSRP pieces. The Tier One/Tier Two piece is based on the employer's Tier One/Tier Two pooling arrangement. If an employer participates in one of the two large Tier One/Tier Two rate pools [State & Local Government Rate Pool (SLGRP) or School Districts Rate Pool], then the employer's Tier One/Tier Two UAL is their pro-rata share of their pool's UAL. The pro-rata calculation is based on the employer's payroll in proportion to the pool's total payroll. The OPSRP piece of the UAL follows a parallel pro-rata approach, as OPSRP experience is mandatorily pooled at a state-wide level. Employers that do not participate in a Tier One/Tier Two pooling arrangement, who are referred to as "Independent Employers", have their Tier One/Tier Two UAL tracked separately in the actuarial valuation.

The projected long-term contribution effort is the sum of the PVFNC and the UAL. The PVFNC part of the contribution effort pays for the value of future service while the UAL part of the contribution effort pays for the value of past service not already funded by accumulated contributions and investment earnings. Each of the two contribution effort components are calculated at the employer-specific level. The sum of these components across all employers is the total projected long-term contribution effort.

At June 30, 2023, the City's proportion was 0.02642047 percent, which was a decrease of 0.00014628 percent from its proportion measured as of June 30, 2022.

Pension expense

For the year ended June 30, 2023, the City recognized pension expense of \$441,986.

Deferred inflows of resources and deferred outflows of resources

Deferred outflows of resources and deferred inflows of resources are calculated at the Plan level and are allocated to employers based on their proportionate share. For the measurement period ended June 30, 2022, employers will report the following deferred outflows of resources and/or deferred inflows of resources:

- Difference between expected and actual experience
- Changes in assumptions
- Changes in employer proportion since the prior measurement date
- Net differences between projected and actual investment earnings

Differences between expected and actual experience, changes in assumptions, and changes in employer proportion are amortized over the average remaining service lives of all plan participants, including retirees, determined as of the beginning of the respective measurement period. Employers are required to recognize pension expense based on the balance of the closed period "layers" attributable to each measurement period.

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 4 - Other Information, continued

Pension Plans, continued

Deferred inflows of resources and deferred outflows of resources, continued

The average remaining service lives determined as of the beginning of each measurement period are described below:

- Fiscal Year ended June 30, 2022 – 5.5 years
- Fiscal Year ended June 30, 2021 – 5.4 years
- Fiscal Year ended June 30, 2020 – 5.3 years
- Fiscal Year ended June 30, 2019 – 5.2 years
- Fiscal Year ended June 30, 2018 – 5.2 years
- Fiscal Year ended June 30, 2017 – 5.3 years

The net difference between projected and actual investment earnings attributable to each measurement period is amortized over a closed five-year period.

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of</u>	<u>Deferred Inflows of</u>
Differences between expected and actual experience	\$ 196,377	\$ 25,229
Changes of assumptions	634,761	5,799
Net difference between projected and actual earnings on investments	-	723,258
Changes in proportionate share	133,190	481,379
Differences between employer contributions and employer's proportionate share of system contributions	626	528,382
Contributions subsequent to the measurement date	<u>558,232</u>	<u>-</u>
	<u>\$ 1,523,186</u>	<u>\$ 1,764,047</u>

Deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement in the amount of \$558,232 will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2024	\$ (142,478)
2025	(318,638)
2026	(512,749)
2027	213,526
2028	<u>(38,754)</u>
	<u>\$ (799,093)</u>

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 4 - Other Information, continued

Pension Plans, continued

E. Actuarial methods and assumptions used in developing total pension liability.

The total pension liability measured as of June 30, 2022, was based on an actuarial valuation as of December 31, 2020, using the following methods and assumptions:

Experience study	2020, published July 20, 2021
Actuarial cost method	Entry age normal
Inflation rate	2.4 percent
Long-term expected rate of return	6.9 percent
Discount rate	6.9 percent
Administrative expenses: Tier One/Tier Two OPSRP	\$48.3 million per year is added to the normal cost \$8.2 million per year is added to the normal cost
Projected salary increases	3.4 percent compounded annually
Cost of living adjustments (COLA)	Blend of 2 percent COLA and graded COLA (1.25 percent/ 0.15 percent) in accordance with Moro decision; blend based on service.
Mortality	<i>Healthy retirees and beneficiaries:</i> Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. <i>Active members:</i> Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. <i>Disabled retirees:</i> Pub-2010 Disabled Retiree, sex-distinct, generational with Unisex Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2020 Experience Study which reviewed experience for the four-year period ending on December 31, 2020.

Discount rate

The discount rate used to measure the total pension liability was 6.9 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 4 - Other Information, continued

Pension Plans, continued

UAL amortization

The Tier 1/Tier 2 UAL amortization period was reset to 20 years as of December 31, 2013. Gains and losses between subsequent odd-year valuations will be amortized as a level percentage of projected combined valuation payroll (Tier 1/Tier 2 plus OPSRP payroll) over a closed 20-year period from the valuation in which they are first recognized.

Senate Bill 1049 was signed into law in June 2019 and requires a one-time re-amortization of Tier 1/Tier 2 UAL over a closed 22-year period at the December 31, 2019, rate-setting actuarial valuation.

The OPSRP UAL amortization as of December 31, 2007, is amortized as a level percentage of projected combined valuation payroll (Tier 1/Tier 2 plus OPSRP payroll) over a closed 16-year period. Gains and losses between subsequent odd-year valuations are amortized as a level percentage of combined valuation payroll over 16 years from the valuation in which they are first recognized.

Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both the actuary's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on forward-looking capital market economic model. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS' audited financial statements at <https://www.oregon.gov/pers/Documents/Financials/ACFR/2022-Annual-Comprehensive-Financial-Report.pdf>.

Depletion date projection

GASB 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's fiduciary net position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the fiduciary net position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for OPERS:

- OPERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100 percent funded position by the end of the amortization period if future experience follows assumption.
- GASB 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 4 - Other Information, continued

Pension Plans, continued

Depletion date projection, continued

Based on these circumstances, it is OPERS independent actuary’s opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses.

F. Sensitivity of the proportionate share of the net pension liability to changes in the discount rate.

The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.9 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.9 percent) or 1-percentage-point higher (7.9 percent) than the current rate:

	<u>1 Percentage Point Lower</u>	<u>Current Discount Rate</u>	<u>1 Percentage Point Higher</u>
Proportionate share of the net pension liability	\$ <u>7,174,351</u>	\$ <u>4,045,504</u>	\$ <u>1,426,803</u>

Defined Contribution Plan

A. Plan description

Individual account program (IAP) - Participants in OPERS defined benefit pension plan also participate in the defined contribution plan.

B. Pension benefits

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

C. Death benefits

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member’s account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 4 - Other Information, continued

Pension Plans, continued

D. Contributions

Starting July 1, 2020, Senate Bill 1049 required a portion of member contributions to their IAP accounts to be redirected to the Defined Benefit fund. If the member earns more than \$2,535 per month, 0.75 percent (if OPSRP member) or 2.5 percent (if Tier 1/Tier 2 member) of the member's contributions that were previously contributed to the member's IAP now fund the new Employee Pension Stability Accounts (EPSA). The EPSA accounts will be used to fund the cost of future pension benefits without changing those benefits, which means reduced contributions to the member's IAP account. Members may elect to make voluntary IAP contributions equal to the amount redirected.

The City makes the employee contributions of 6 percent of covered payroll to the plan. Contributions for the year ended June 30, 2023, were \$146,120.

E. Recordkeeping

PERS contracts with VOYA Financial to maintain IAP participant records.

City of Newport Employee's Retirement Plans

Defined Benefit Pension Plan

A. Plan description

The City contributes to the City of Newport Employee's Retirement Plan (Plan), administered by the Retirement Board, for the purpose of providing all of its eligible regular employees with retirement benefits. The investments of the Plan are administered by the Board of Trustees consisting of five members. The Plan is a combined single-employer defined benefit and defined contribution money purchase plan, qualifying under Sections 401(a) of the Internal Revenue Code.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Before January 1, 1983, the Plan included benefits for police and fire employees of the City. Effective January 1, 1983, retirement benefits for such employees were provided through the Public Employee Retirement System of the State of Oregon (PERS) and a portion of the Plan's funding was transferred to PERS.

All the benefits of the Plan are established by the City Council of Newport. The Plan consists of a single employer defined benefit pension plan.

The City does not issue a separate financial report available to the public for this plan.

B. Plan membership

As of July 1, 2022, pension plan membership consisted of 41 inactive plan members (or beneficiaries) currently receiving benefits, 13 inactive plan members not yet receiving benefits and 13 active plan members.

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 4 - Other Information, continued

Pension Plans, continued

C. Description of benefit terms

Plan benefits

All benefits of the Plan are established by the City Council pursuant to City of Newport Employees' Retirement Plan, 2009 Restatement. Details on the Plan are found within this document.

Employees hired before March 5, 2012, shall be entitled to benefits under this Plan. Effective March 5, 2012, all non-collectively bargained employees hired on or after March 5, 2012, shall not be entitled to benefits under the Plan.

Pension benefits

The basic benefit on normal retirement is a monthly pension for life equal to the sum of the following:

A defined benefit equal to Benefit Years (BY) times 1.2 percent of Average Monthly Earnings (AME) as follows:

$$\text{BY} \times 1.2\% \times \text{AME}$$

An annuity equal in value to the combined balances of the participant's employee and Employer Money Purchase contribution accounts.

An annuity equal in value to the balance of the participant's Mandatory contribution account, if not withdrawn.

An annuity equal in value to the balance of the participant's voluntary contribution account, if not withdrawn.

The defined benefit portion of a participant's normal retirement basic benefit shall not be less than either of the following:

The participant's accrued benefit as of September 30, 1993.

The greatest early retirement benefits the participant could have received.

"Average Monthly Earnings" means the average of the participant's Monthly Earnings in the three consecutive plan years of highest Compensation as follows:

"Monthly Earnings" for a plan year means one-twelfth of the participant's Compensation for the plan year.

Compensation means taxable pay reportable on IRS Form W 2 under Internal Revenue Code section 401(a), disregarding limitations based on the nature or location of the employment, plus, for limitation years beginning after December 31, 1998.

Compensation shall be considered only during the last 10 plan years of employment by Employer.

Years separated by a period when the participant is not employed by Employer shall be treated as consecutive.

For a participant with fewer than three plan years of Compensation, all years shall be used.

During periods of reduced Compensation because of such causes as illness, disability, leave of absence or layoff, Compensation shall be figured at the last regular rate before the start of the period. Conversion to annuities under the Plan shall be based on actuarial equivalency.

Benefits shall start on the Benefit Starting Date after the retirement date and be paid as soon as practicable.

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 4 - Other Information, continued

Pension Plans, continued

Pre-retirement death benefits

On death of a participant before starting retirement benefits, the participant's beneficiary under shall receive in a lump sum the total of the following:

- The balance of the participant's Money Purchase contribution accounts.
- The balance of the participant's Mandatory contribution account.
- The balance of the participant's voluntary contribution account.
- An amount attributable to the participant's defined benefit as determined.

The amount attributable to the participant's defined benefit shall be the greatest of the following:

- 50 times the participant's projected monthly pension assuming continued full-time service to normal retirement date and no change in Average Monthly Earnings.
- The actuarial present value of the participant's accrued defined benefit on the date of death.
- The amount determined for the participant under as in effect on September 30, 1993.

Death benefits

The amount of required minimum distributions during a Participant's lifetime will be determined as follows:

- During the Participant's lifetime, the minimum amount that will be distributed each Distribution Calendar Year is the lesser of (A) the quotient obtained by dividing the Participant's Account Balance by the distribution period in the Uniform Lifetime Table set forth in Regulation §1.401(a)(9)-9, using the Participant's age as of the Participant's birthday in the Distribution Calendar Year; or (B) if the Participant's sole Designated Beneficiary for the Distribution Calendar Year is the Participant's Spouse, then the quotient obtained by dividing the Participant's Account Balance by the number in the Joint and Last Survivor Table set forth in Regulation §1.401(a)(9)-9, using the Participant's and Spouse's attained ages as of the Participant's and Spouse's birthdays in the Distribution Calendar Year.
- Required minimum distributions will be determined under this paragraph beginning with the first Distribution Calendar Year and up to and including the Distribution Calendar Year that includes the Participant's date of death.

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 4 - Other Information, continued

Pension Plans, continued

Required minimum distributions will be made after a Participant's death in accordance with the following provisions:

- If a Participant dies on or after the date distribution begins, then the amount of a required minimum distribution will be determined as follows:
 - If the Participant dies on or after the date distributions begin and there is a Designated Beneficiary, then the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account Balance by the longer of the remaining Life Expectancy of the Participant or the remaining Life Expectancy of the Designated Beneficiary, determined in accordance with the following provisions:
 - The Participant's remaining Life Expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.
 - If the Participant's surviving Spouse is the Participant's sole Designated Beneficiary, then the remaining Life Expectancy of the surviving Spouse is calculated for each Distribution Calendar Year after the year of the Participant's death using the surviving Spouse's age as of the Spouse's birthday in that Distribution Calendar Year. For Distribution Calendar Years after the year of the surviving Spouse's death, the remaining Life Expectancy of the surviving Spouse is calculated using the age of the surviving Spouse as of the Spouse's birthday in the calendar year of the Spouse's death, reduced by one for each subsequent calendar year.
 - If the Participant's surviving Spouse is not the Participant's sole Designated Beneficiary, then the Designated Beneficiary's remaining Life Expectancy is calculated using the age of the Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent calendar year.

If the Participant dies on or after the date distributions begin and there is no Designated Beneficiary as of September 30 of the year after the year of the Participant's death, then the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account Balance by the Participant's remaining Life Expectancy calculated using the age of the Participant in the year of death, reduced by one each subsequent year.

Disability benefits

A participant whose employment terminates due to disability shall be paid in a lump sum the total of the following:

- The balance of the participant's Money Purchase contribution accounts.
- The balance of the participant's Mandatory contribution account.
- The balance of the participant's voluntary contribution account.
- An amount attributable to the participant's defined benefit as determined.

The amount attributable to the participant's defined benefit shall be the greatest of the following:

- 50 times the participant's projected monthly pension assuming continued full-time service to normal retirement date and no change in Average Monthly Earnings.
- The actuarial present value of the participant's accrued benefit on the date disability arises.
- The amount determined for the participant as in effect on September 30, 1993.

A disabled participant is one who as a result of illness or injury suffers from a condition of mind or body that permanently prevents full-time employment by Employer. The Administrator shall determine disability and may rely on advice from a medical examiner satisfactory to the Administrator.

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 4 - Other Information, continued

Pension Plans, continued

If benefits after disability would be offset against any other disability benefit, the Retirement Administrator may defer the start of payments until age 65 and adjust the benefit actuarially for the later start unless the participant elects to waive disability and receive benefits.

D. Funding policy

The City shall establish the funding policy on the advice of the plan actuary and be responsible for management of the fund. The funding policy shall fix the minimum and maximum Employer contribution for each year.

The funding policy of the defined portion provides for actuarially determined periodic contributions at rates that over time provide sufficient assets available to pay benefits when dues. For the current fiscal year, \$317,288 was contributed to the plan. The plan's normal cost is \$62,655 with interest plus amortization (over 30 years) of the plans unfunded actuarial accrued liability with interest.

The annual required contribution of the defined benefit plan was computed as of an actuarial valuation performed as of July 1, 2022. Significant actuarial assumptions used in the valuation include: (a) a rate of return on the investment of present and future assets of 6.75%, (b) projected salary increases of 3% per year in addition to salary increase due to promotions and longevity.

E. Contributions

The City shall make contributions to fund the benefits for its eligible employees. The amount and time of payment shall be determined in conformance with the funding policy established by the Administrator and the rules of this Plan.

An Employer may suspend or reduce contributions in any year so long as the minimum requirements of the funding policy are satisfied.

Employers' long-term contribution efforts are based on a roll-forward technique utilizing calculations performed as of the start of the fiscal year.

F. Pension asset or liability, pension expense and deferred outflows of resources and deferred inflows of resources related to pensions.

At June 30, 2023, the City of Newport reported a liability of \$2,137,512 for its net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022, as follows:

Total pension liability	\$	11,167,853
Plan fiduciary net position		<u>(9,030,341)</u>
Net position liability	\$	<u>2,137,512</u>
Fiduciary net position as a percentage of total pension liability		80.86%

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 4 - Other Information, continued

Pension Plans, continued

Change in the net pension liability is as follows:

	<u>Total Pension Liability</u>	<u>Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Beginning balances	\$ 10,727,301	\$ 8,690,264	\$ 2,037,037
Change for the year:			
Service cost	62,655	-	62,655
Interest on total pension liability	714,346	-	714,346
Difference between expected and actual experience	526,979	-	526,979
Annuity payments	(863,428)	-	(863,428)
Contributions	-	317,288	(317,288)
Transfers and receivables from money purchase plan	-	292,447	(292,447)
Net investment income	-	631,358	(631,358)
Benefit payments	-	(863,428)	863,428
Administrative expenses	-	(37,588)	37,588
	<u> </u>	<u> </u>	<u> </u>
Ending balances	<u>\$ 11,167,853</u>	<u>\$ 9,030,341</u>	<u>\$ 2,137,512</u>

For the year ended June 30, 2023, the City of Newport recognized pension expense of \$971,569. At June 30, 2023, the City of Newport reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 47,907	\$ -
Net difference between projected and actual earnings on investments	<u>5,475</u>	<u>-</u>
	<u>\$ 53,382</u>	<u>\$ -</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income) as follows:

<u>Year Ending June 30,</u>	
2024	\$ (103,342)
2025	(35,243)
2026	263,095
2027	<u>(71,128)</u>
	<u>\$ 53,382</u>

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 4 - Other Information, continued

Pension Plans, continued

G. Actuarial valuations

The employer contributions were set using the entry age normal actuarial cost method. The method is used to attribute the actuarial present value of projected benefits payments of each plan member to periods in conformity with the following:

Attribution is made on an individual plan-member-by-plan-member basis.

Each plan member's service costs are level as a percentage of that member's projected pay.

The beginning of the attribution period is the first period in which the member's service accrues pensions under the benefit terms, notwithstanding vesting or similar terms.

Each plan member's service cost is determined based on the same benefit terms reflected in that member's actuarial present value of projected benefit payments.

H. Actuarial methods and assumptions used in developing total pension liability.

Valuation date	July 1, 2022
Actuarial cost method	Entry age normal with normal cost as a level percentage of salary
Amortization method	Amortized as a level percentage of salary as layered amortization bases over a closed period
Asset valuation method	Fair market value
Inflation rate	N/A
Investment rate of return	6.75%
Projected salary increases	3%
Mortality	PubG-2010, Scale MP-2021

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

I. Discount rate

The discount rate used to measure the total pension liability was 6.75 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

J. Long-term expected rate of return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of returns (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 4 - Other Information, continued

Pension Plans, continued

K. Sensitivity of the City’s net pension liability to changes in the discount rate.

The determination of pension liability at fiscal year-end is based on a roll-forward technique utilizing calculations performed as of the start of the year. Three separate calculations of pension liability are displayed, one using the stated discount rate together with calculations based on a 1% increase and 1% decrease in the rate. The additional calculations are required to illustrate the sensitivity of net pension liability to changes in the discount rate:

	<u>1 Percentage Point Lower</u>	<u>Current Discount Rate</u>	<u>1 Percentage Point Higher</u>
Proportionate share of the net pension liability	\$ 3,163,633	\$ 2,137,512	\$ 1,258,247

L. Plan authority

Authority to establish and amend the benefit provisions of the Plan rests with the Retirement Board. A separately issued actuarial report is available and may be obtained from the City of Newport, 169 SW Coast Highway, Newport, Oregon 97365.

Defined Contribution Plan– City Money Purchase

A. Plan description

Participants in the City of Newport Employee’s Retirement Plans also participate in the defined contribution plan along with others added after March 5, 2012, and October 12, 2012.

The City contributes 6% of compensation into the defined contribution (money purchase) plan and members may contribute up to 10% of compensation on a voluntary basis. At retirement, this amount provides an additional annuity equal in value to the combined balances of the participants employee and employer accounts. Conversion of accounts to annuities shall be based on actuarial equivalency. The employer’s contributions met the required contribution for the current and prior years.

B. Description of benefit terms

Pension benefits

A Money Purchase member becomes vested based on years of service as follows:

<u>Years of Service</u>	<u>Vested Percentage</u>
Less than 3 years	0%
3	50%
4	62%
5	75%
6	87.5%
7 or more	100%

Upon retirement, a member of the money purchase Plan may receive the amounts in their employee account as a lump-sum payment.

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 4 - Other Information, continued

Pension Plans, continued

Death benefits

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance.

C. Contributions

The City makes the employee contributions of 6 percent of covered payroll to the plan. Contributions for the year ended June 30, 2023 were \$381,489.

D. Recordkeeping

The City contracts with Silverstone Group to maintain the money purchase participant records.

Defined benefit plans aggregate information

Balances of the City's two defined benefit pension plans are aggregated and displayed in the financial statements as follows:

	Oregon Public Employees Retirement System	City of Newport Employees' Retirement Plan	Total
Net pension liability	\$ 4,045,504	\$ 2,137,512	\$ 6,183,016
Deferred outflows of resources - pension related	1,523,186	53,382	1,576,568
Deferred inflows of resources - pension related	1,764,047	-	1,764,047
Pension expense	441,986	971,569	1,413,555

Other Postemployment Benefit Plans

The City participates in a cost-sharing multiple-employer plan that covers all fire and police employees, and a single employer plan for eligible employees. The aggregate amount of Other Postemployment Benefit (OPEB) income for the year ended June 30, 2023, is \$3,375 for all plans. Below are details related to each plan.

Oregon Public Employees Retirement System (PERS)

Defined Benefit OPEB Plan

A. Plan description

The City contributes to the Oregon PERS Retirement Health Insurance Account (RHIA) for each of its eligible employees. The RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by PERS. Contributions are mandatory for each employer that is a member of PERS.

The Oregon Legislature has delegated the authority to the Public Employees Retirement Board to administer and manage the system.

OPERS produces an independently audited Comprehensive Annual Financial Report which includes detailed information about the plan's fiduciary net position.

The report can be found at: <https://www.oregon.gov/pers/Documents/Financials/ACFR/2022-Annual-Comprehensive-Financial-Report.pdf>

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 4 - Other Information, continued

Other Postemployment Benefit Plans, continued

B. Description of benefit terms

All benefits of the System are established by the legislature pursuant to Oregon Revised Statutes Chapters 238 and 238A.

The RHIA is closed to new members hired on or after August 29, 2003.

Other Postemployment Healthcare benefits

Eligible retired members receive a monthly healthcare benefit for life up to \$60 toward the monthly cost health insurance.

To be eligible, the member must:

1. Have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS
2. Receive both Medicare Parts A and B coverage
3. Enroll in a PERS-sponsored health plan

Surviving spouse or dependent benefits

A surviving spouse or dependent of a deceased retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she is receiving a retirement benefit or allowance from PERS or was insured at the time the member died and the member retired before May 1, 1991.

C. Contributions

OPERS funding policy provides for periodic member and employer contributions at the rates established by the Public Employees Retirement Board, subject to limits set in statute. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates during the period were based on the December 31, 2019, actuarial valuation.

The City contributed 0.05% of PERS-covered salaries for Tier One and Tier Two members to fund the normal cost portion of RHIA benefits. Since the funded status of the RHIA UAL is in excess of 100%, no contributions were required to fund the RHIA UAL. For the year ended June 30, 2023, the City made contributions in the amount of \$33 to the RHIA.

D. Net OPEB liability/(asset), pension expense and deferred outflows and deferred inflows of resources related to other postemployment benefits

Net OPEB liability (asset)

At June 30, 2023, the City reported an (asset) of \$(67,187) for its proportionate share of the net OPEB liability/(asset). The net OPEB liability/(asset) was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2020. The City's proportion of the net OPEB liability/(asset) was based on its actual, legally required contributions made during the fiscal year with the total actual contributions of all employers during the fiscal year.

At June 30, 2022, the City's proportion was 0.01890809 percent, which was a decrease of 0.00211942 percent from its proportion measured as of June 30, 2021.

OPEB expense

For the year ended June 30, 2023, the City recognized OPEB income of \$5,064.

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 4 - Other Information, continued

Other Postemployment Benefit Plans, continued

Deferred inflows of resources and deferred outflows of resources

Deferred inflows of resources and deferred outflows of resources are calculated at the plan level and are allocated to employers based on their proportionate share. For the measurement period ended June 30, 2022, employers will report the following deferred inflows or resources and/or deferred outflows of resources:

Difference between expected and actual experience

Changes in assumptions

Changes in employer proportion since the prior measurement date

Net difference between projected and actual investment earnings. One-year's amortization is recognized in the employer's total OPEB expense for the measurement period.

Differences between expected and actual experience, changes in assumptions and changes in employer proportionate are amortized over the average remaining service lives of all plan participants, including retirees, determined at the beginning of the respective measurement period. Employers are required to recognize OPEB expense based on the balance of the closed period "layers" attributable to each measurement period. The average remaining service lives determined as of the beginning of each measurement period are described below:

- Fiscal Year ended June 30, 2022 – 2.5 years
- Fiscal Year ended June 30, 2021 – 2.7 years
- Fiscal Year ended June 30, 2020 – 2.9 years
- Fiscal Year ended June 30, 2019 – 3.1 years

The net difference between projected and actual investment earnings attributable to each measurement period is amortized over a closed five-year period.

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to other postemployment benefits from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 1,821
Changes of assumptions	526	2,240
Net difference between projected and actual earnings on investments	-	5,124
Changes in proportionate share	4,284	-
Contributions subsequent to the measurement date	33	-
	<u>\$ 4,843</u>	<u>\$ 9,185</u>

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 4 - Other Information, continued

Other Postemployment Benefit Plans, continued

Deferred outflows of resources related to OPEB resulting from the City's contributions subsequent to the measurement date in the amount of \$33 will be recognized as an adjustment to the net OPEB (asset) / liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	
2024	\$ (739)
2025	(2,042)
2026	(3,235)
2027	<u>1,641</u>
	<u>\$ (4,375)</u>

E. Actuarial methods and assumptions used in developing the total OPEB liability (asset)

Except as identified below, actuarial methods and assumptions used in developing the total OPEB liability are the same as those used to develop the total PERS pension liability as discussed in the PERS pension note.

Retiree healthcare participation

Healthy retirees are assumed to participate 27.5% of the time while disabled retirees are assumed to participate 15% of the time.

Healthcare cost trend rate

A healthcare cost trend rate is not utilized in the actuarial valuation as statute stipulates a \$60 monthly payment to retirees for health insurance.

Depletion date projection

GASB 75 generally requires that a blended discount rate be used to measure the Net OPEB Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's fiduciary net position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the fiduciary net position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 75 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 75 (paragraph 82) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 4 - Other Information, continued

Other Postemployment Benefit Plans, continued

The following circumstances justify an alternative evaluation of sufficiency for Oregon PERS (OPERS):

- OPERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100 percent funded position by the end of the amortization period if future experience follows assumption.
- GASB 75 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan’s funded position.

Based on these circumstances, it is OPERS independent actuary’s opinion that the detailed depletion date projections outlined in GASB 75 would clearly indicate that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses.

F. Sensitivity of the proportionate share of the net OPEB liability/(asset) to changes in the discount rate

The following presents the proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 6.9 percent, as well as what the proportionate share of the net OPEB liability/(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.9 percent) or 1- percentage-point higher (7.9 percent) than the current rate:

	<u>1 Percentage Point Lower</u>	<u>Current Discount Rate</u>	<u>1 Percentage Point Higher</u>
Net OPEB liability (asset) \$	<u>(60,555)</u> \$	<u>(67,187)</u> \$	<u>(72,873)</u>

City of Newport Other Postemployment Benefit Plan

A. Plan description and benefits provided

The City provides other postemployment benefits (OPEB) for employees, retirees, spouses and dependents through a single employer defined benefit plan in the form of group health insurance benefits. As required by ORS 243.303(2), retirees who were hired after July 1, 2003, are allowed to continue, at the retirees’ expense, coverage under the group health insurance plan until age 65. The difference between the premium actually paid by the retirees under the group insurance plan and the premium that they would pay if they were not included in the plan is considered to be an implicit subsidy under the provisions of GASB 75. The plan does not issue a separate stand-alone financial report. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

B. Plan membership

As of July 1, 2022, there were 103 active employees, 2 eligible retiree, and 0 spouses of ineligible retirees for a total of 105 plan members.

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 4 - Other Information, continued

Other Postemployment Benefit Plans, continued

C. Contributions

The City funds the plan only to the extent of current year insurance premium requirements on a pay-as-you-go basis. The average monthly premium requirements for the City are as follows:

For retirees	\$ 683
For spouses of retirees	748

D. Total OPEB liability, changes in net OPEB liability, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB.

At June 30, 2023, the City reported a total OPEB liability of \$375,724. The total OPEB liability was measured as of June 30, 2022, and determined by an actuarial valuation as of that date.

Changes in the total OPEB liability is as follows:

	<u>Total OPEB Liability</u>
Balances at June 30, 2022	\$ 466,088
Changes for the year:	
Service cost	51,644
Interest	10,962
Effect of economic/demographic gains or losses	(144,046)
Changes in assumptions or other inputs	11,675
Benefit payments	<u>(20,599)</u>
	<u>\$ 375,724</u>

For the year ended June 30, 2023, the City recognized OPEB expense of \$1,689. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 193,613
Changes of assumptions	17,726	34,527
Benefit payments	<u>19,270</u>	<u>-</u>
	<u>\$ 36,996</u>	<u>\$ 228,140</u>

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 4 - Other Information, continued

Other Postemployment Benefit Plans, continued

Deferred outflows of resources related to OPEB resulting from benefit payments in the amount of \$19,270 will be recognized as an adjustment to the total OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Year Ending June 30,	
	<u>2024</u>	\$ (45,753)
	2025	(44,193)
	2026	(34,257)
	2027	(23,558)
	2028	(21,719)
	Thereafter	<u>(40,934)</u>
		<u>\$ (210,414)</u>

E. Actuarial valuation

The City contributions are based on the accruing benefit costs measured using the individual entry age normal actuarial cost method. The present value of benefits is allocated over the service for each active employee from their date of hire to their expected retirement age, as a level percent of the employee's pay. This level percent times pay is referred to as the service cost and is that portion of the present value of benefits attributable to an employee's service in a current year. The service cost equals \$0 for retired members. The total OPEB liability is the present value of benefits less the actuarial present value of future normal costs and represents the liabilities allocated to service up to the valuation date. For retirees, the total OPEB liability is equal to the present value of benefits.

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 4 - Other Information, continued

Other Postemployment Benefit Plans, continued

F. Actuarial methods and assumptions used in developing the total OPEB liability

Valuation date	July 1, 2022
Actuarial cost method	Entry age normal, level percent of pay
Inflation rate	2.4%
Projected salary increases	3.4%
Mortality	Pub-2010 General and Safety Employee and Healthy Retiree Table, sex distinct for members and dependents, with a one-year setback for male general service employees and female public safety employees
Withdrawal	Based on Oregon PERS assumptions. Annual rates are based on employment classification, gender and duration from hire date
Retirement	Based on Oregon PERS assumptions. Annual rates are based on age, Tier/OPSRP, duration of service, and employment classification
Election and lapse rates	35% of eligible employees. 60% of male members and 35% of female members will elect spouse coverage 5% annual lapse rate

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 4 - Other Information, continued

Other Postemployment Benefit Plans, continued

Discount rate

The discount rate used to measure the net OPEB liability was 3.54 percent. The discount rate is based on the Bond Buyer 20-year General Obligation Bond Index. The discount rate at the prior measurement date was 2.16 percent.

Healthcare cost trend rate

The assumed healthcare cost trend for medical and vision costs is as follows:

<u>Years</u>	<u>Pre-65 Trend</u>
2022	4.25%
2023	6.75%
2024	6.50%
2025	6.00%
2026	5.25%
2027	5.00%
2028-2029	4.75%
2030	4.50%
2031-2065	4.25%
2066-2071	4.00%
2072+	3.75%

Dental costs are assumed to be 1.75% for 2022, 4% per year until 2072 then 3.75% thereafter. The trend rate for 2022 includes an adjustment for known January 1, 2023 premiums.

G. Sensitivity of the City’s net OPEB liability to changes in the discount and healthcare cost trend rates

The following presents the City’s net OPEB liability calculated using the discount rate of 3.54 percent, as well as what the City’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54 percent) or 1-percentage-point higher (4.54 percent) than the current rate A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption.

	<u>1 Percentage Point Lower</u>	<u>Current Discount Rate</u>	<u>1 Percentage Point Higher</u>
City's total OPEB liability	\$ 403,327	\$ 375,724	\$ 350,001
	<u>1 Percentage Point Lower</u>	<u>Current Trend Rate</u>	<u>1 Percentage Point Higher</u>
City's total OPEB liability	\$ 335,528	\$ 375,724	\$ 422,821

CITY OF NEWPORT

Notes to Financial Statements

Year Ended June 30, 2023

Note 4 - Other Information, continued

Other Postemployment Benefit Plans, continued

Defined benefit plans aggregate information

Balances of the City's two defined benefit other postemployment plans are aggregated and displayed in the financial statements as follows:

	Oregon Public Employees Retirement System RHIA	City of Newport Other Postemployment Benefit Plan	Total
Net OPEB asset	\$ 67,187	\$ -	\$ 67,187
Deferred outflows of resources - OPEB related	4,843	36,996	41,839
Other postemployment benefits liability	-	375,724	375,724
Deferred inflows of resources - OPEB related	9,185	228,140	237,325
OPEB (income) expense	(5,064)	1,689	(3,375)

Risk Management

The City participates in self-insurance pools of City/County Insurance Services for general, auto, and workers' compensation liability with self-insurance retention limits per occurrence. The pool pays all claims up to \$5,000,000 and purchases insurance to cover any excess liability up to a limit selected by the participating entity. The deductibles for the coverages are as follows:

General Liability:	\$	-
Auto Liability:	\$	-
Auto Physical Comprehensive:	\$	100
Auto Physical Collision:	\$	500

The City is assessed an annual maximum premium for workers' compensation liability.

Settled claims have not exceeded the coverages listed above in the past five years.

Commitments and Contingent Liabilities

The City is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operation. Claims are generally covered by insurance. In the opinion of City management, based on the advice of Counsel with respect to such litigation and claims, the ultimate disposition of these matters will not have a material adverse effect on the financial position, results of operations, or cash flows of the City's funds.

Tax Abatements

Lincoln County has established an enterprise zone under ORS 285C.050-250 that abates property taxes on new business development within the zone. As a result, the property taxes that the City will receive for the 2022-2023 levy year have been reduced by \$103,136.

Public-Private Partnership

The City entered into a public-private partnership agreement with the Oregon Coast Council for the Arts (OCCA), an Oregon nonprofit corporation for operation of the Performing Arts Center (PAC) and the Visual Arts Center (VAC). The City is the transferor in this arrangement and owns the buildings being used in this agreement. The agreement is set to expire June 30, 2024, unless both parties agree to extend the agreement. Improvements made to the PAC or VAC are shown as capital assets by the City. Equipment used in operations are purchased by OCCA who will ultimately own the assets at the conclusion of the agreement. Capital assets associated with the public-private partnership agreement have a cost of \$1,145,800 and accumulated depreciation of \$564,780.

CITY OF NEWPORT**Notes to Financial Statements**

Year Ended June 30, 2023

Note 4 - Other Information, continuedRestatement Due to Implementation of New Accounting Standard

The City implemented GASB 96, *Subscription-Based Information Technology Arrangements*, in the fiscal year ended June 30, 2023. Beginning balances for the governmental activities were restated due to implementation as follows:

	<u>As originally reported</u>		<u>As restated</u>		<u>Difference</u>
<i>Governmental activities:</i>					
Other capital assets, net of depreciation	\$ 61,922,901	\$	62,151,384	\$	228,483
Subscription payable	-		(228,483)		(228,483)
<i>Business-type activities:</i>					
Other capital assets, net of depreciation	70,819,682		70,856,579		36,897
Subscription payable	-		(28,897)		(28,897)
Net position	(38,752,476)		(38,760,476)		(8,000)

Prior Period Adjustment

Upon implementation of GASB 87, *Leases*, the City erroneously did not record a lease in which they are lessor. The prior period adjustment had no impact on beginning fund balance or beginning net position at June 30, 2022. Beginning balances related to this error were corrected as follows:

	<u>As originally reported</u>		<u>As restated</u>		<u>Difference</u>
<i>Governmental activities:</i>					
Lease receivable	\$ 718,474	\$	3,701,602	\$	2,983,128
Deferred lease resources	(730,591)		(3,881,095)		(3,150,504)
Unearned revenue	(468,322)		(300,946)		167,376
<i>Airport fund:</i>					
Lease receivable	467,856		3,450,984		2,983,128
Deferred lease resources	(485,788)		(3,636,292)		(3,150,504)
Unavailable revenues	(201,662)		(34,286)		167,376

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NEWPORT

Schedule of Proportionate Share of the Net Pension Liability (Asset)

Oregon Public Employees Retirement System

Last 10 Plan Years*

Year Ended June 30,	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered- Employee Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered- Employee Payroll	Plan fiduciary net position as a percentage of the total pension liability
2022	0.02642047%	\$ 4,045,504	\$ 2,971,662	136.14%	84.5%
2021	0.02656675%	3,179,105	2,667,549	119.18%	87.6%
2020	0.02980549%	6,504,583	2,678,690	242.83%	75.8%
2019	0.03157548%	5,461,802	2,809,247	194.42%	80.0%
2018	0.00027085%	4,102,981	2,767,384	148.26%	82.0%
2017	0.02427185%	3,271,855	2,877,270	113.71%	83.0%
2016	0.02977186%	4,469,447	2,444,013	182.87%	81.0%
2015	0.02885827%	1,656,886	2,193,182	75.55%	92.0%
2014	0.02500643%	(566,824)	2,595,985	-21.83%	104.0%

*Information will be accumulated annually until 10 years is presented

Notes to Schedule

Changes in Benefit Terms:

The 2013 Oregon Legislature made a series of changes to PERS that lowered projected future benefit payments from the System. These changes included reductions to future Cost of Living Adjustments (COLA) made through Senate Bills 822 and 861. Senate Bill 822 also required the contribution rates scheduled to be in effect from July 2013 to June 2015 to be reduced. The Oregon Supreme Court decision in *Moro v. State of Oregon*, issued on April 30, 2015, reversed a significant portion of the reductions the 2013 Oregon Legislature made to future System Cost of Living Adjustments (COLA) through Senate Bills 822 and 861. This reversal increased the total pension liability as of June 30, 2015 compared to June 30, 2014 total pension liability. A legislative change that occurred after the December 31, 2017 valuation date affected the plan provisions reflected for financial reporting purposes. Senate Bill 1049, signed into law in June 2019, introduced a limit on the amount of annual salary included for the calculation of benefits. Beginning in 2020, annual salary in excess of \$195,000 (as indexed in future years) will be excluded when determining member benefits. As a result, future Tier 1/Tier 2 and OPSRP benefits for certain active members are now projected to be lower than prior to the legislation.

Changes of Assumptions:

The PERS Board adopted impacting June 30, 2016 including the lowering of the long-term expected rate of return to 7.50 percent and lowering of the assumed inflation to 2.50 percent. For June 30, 2018, the long-term expected rate of return was lowered to 7.20 percent. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and assumptions were updated for merit increases, unused sick leave, and vacation pay were updated. In plan year 2021, the long-term expected rate of return was reduced to 6.90 percent and at the same time, the inflation and payroll growth assumptions were lowered to 2.40 percent and 3.40 percent, respectively.

CITY OF NEWPORT
Schedule of Contributions - Pension
Oregon Public Employees Retirement System
Last 10 Fiscal Years*

Year Ended June 30,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percent of Covered Payroll
2023	\$ 558,232	\$ 558,232	\$ -	\$ 3,401,451	16.41%
2022	567,421	567,421	-	2,971,662	19.09%
2021	530,797	530,797	-	2,667,549	19.90%
2020	538,516	538,516	-	2,678,690	20.10%
2019	413,934	413,934	-	2,809,247	14.73%
2018	394,569	394,569	-	2,767,384	14.26%
2017	265,656	265,656	-	2,877,270	9.23%
2016	258,320	258,320	-	2,444,013	10.57%
2015	208,544	208,544	-	2,193,182	9.51%

*Information will be accumulated annually until 10 years is presented

Notes to schedule

Actuarial Assumptions and Methods Used to Set the actuarially Determined Contributions:

Actuarial valuation	December 31, 2019	December 31, 2017	December 31, 2015	December 31, 2013	December 31, 2011
Effective	July 2021 - June 2023	July 2019 - June 2021	July 2017 - June 2019	July 2015 - June 2017	July 2013 - June 2015
Actuarial cost method	Entry Age Normal				Projected Unit Cost
Amortization method	Level percentage of payroll				
Asset valuation method	Market Value				
Remaining amortization periods	20 years				N/A
Actuarial assumptions:					
Inflation rate	2.4 percent		2.5 percent		2.75 percent
Projected salary increases			3.5 percent		
Investment rate of return	6.9 percent	7.2 percent	7.5 percent	7.75 percent	8 percent

CITY OF NEWPORT

Schedule of the Net Pension Liability and Changes in Net Pension Liability

City of Newport Employees Retirement Plan

Last 10 Plan Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Beginning of Year:									
Total pension liability	\$ 10,727,301	\$ 10,344,999	\$ 9,442,920	\$ 8,635,623	\$ 8,053,710	\$ 7,872,517	\$ 7,246,065	\$ 6,860,012	\$ 6,525,032
Fiduciary net position	8,690,264	10,025,997	8,198,516	7,332,166	7,211,487	6,864,062	5,702,821	5,681,108	5,328,828
Net Pension Liability	2,037,037	319,002	1,244,404	1,303,457	842,223	1,008,455	1,543,244	1,178,904	1,196,204
Changes in Total Pension Liability:									
Service cost	62,655	71,786	94,996	98,316	100,597	120,946	134,359	141,340	166,928
Interest on total pension liability	714,346	679,022	648,002	607,964	533,239	524,396	473,831	461,564	440,163
Difference between expected and actual experience	526,979	301,143	778,918	696,080	407,936	112,457	563,229	53,539	(69,963)
Change of assumptions	-	19,147	(40,473)	(20,624)	362,739	-	392,067	-	-
Benefit payments	(863,428)	(688,796)	(579,364)	(574,439)	(822,598)	(576,606)	(937,034)	(270,390)	(202,148)
Net Change in Total Pension Liability	440,552	382,302	902,079	807,297	581,913	181,193	626,452	386,053	334,980
Changes in Fiduciary Net Position:									
Employer contributions	317,288	396,802	404,045	404,045	404,045	402,347	381,589	362,578	372,150
Transfer from Money Purchase Plan	292,447	303,690	413,184	757,759	242,903	47,198	1,076,001	15,618	-
Transfer to Money Purchase Plan	-	-	-	(6,959)	(389,198)	(228,729)	(636,333)	-	-
Investment income (loss) net of expenses	631,358	(1,307,910)	1,625,989	311,449	328,566	504,959	667,952	(60,573)	207,422
Benefit payments	(863,428)	(688,796)	(579,364)	(567,480)	(433,400)	(347,877)	(300,701)	(270,390)	(202,148)
Administrative expenses	(37,588)	(39,519)	(36,373)	(32,464)	(32,237)	(30,473)	(27,267)	(25,520)	(25,144)
Net Change in Fiduciary Net Position	340,077	(1,335,733)	1,827,481	866,350	120,679	347,425	1,161,241	21,713	352,280
End of Year:									
Total pension liability	11,167,853	10,727,301	10,344,999	9,442,920	8,635,623	8,053,710	7,872,517	7,246,065	6,860,012
Fiduciary net position	9,030,341	8,690,264	10,025,997	8,198,516	7,332,166	7,211,487	6,864,062	5,702,821	5,681,108
Net Pension Liability	\$ 2,137,512	\$ 2,037,037	\$ 319,002	\$ 1,244,404	\$ 1,303,457	\$ 842,223	\$ 1,008,455	\$ 1,543,244	\$ 1,178,904
Fiduciary Net Position as a Percent of									
Total Pension Liability	80.9%	81.0%	96.9%	86.8%	84.9%	89.5%	87.2%	78.7%	82.8%
Covered Payroll									
	1,001,757	1,248,853	\$ 1,513,070	\$ 1,714,551	\$ 1,969,621	\$ 2,335,688	\$ 2,391,031	\$ 2,583,588	\$ 2,592,985
Net Pension Liability as a Percent of									
Covered Payroll	213.4%	163.1%	21.1%	72.6%	66.2%	36.1%	42.2%	59.7%	45.5%

*Information will be accumulated annually until 10 years is presented

CITY OF NEWPORT
Schedule of Employer Contributions
City of Newport Employees Retirement Plan
Last 10 Fiscal Years

<u>Year Ended June 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percent of Covered Payroll</u>
2023	\$ 181,123	\$ 317,288	\$ (136,165)	1,001,757	-13.59%
2022	160,312	396,802	(236,490)	1,248,853	-18.94%
2021	229,455	404,045	(174,590)	1,513,070	-11.54%
2020	263,263	404,045	(140,782)	1,741,551	-8.08%
2019	192,121	404,045	(211,924)	1,969,621	-10.76%
2018	218,489	402,347	(183,858)	2,335,688	-7.87%
2017	302,158	381,589	(79,431)	2,391,031	-3.32%
2016	273,120	362,578	(89,458)	2,583,588	-3.46%
2015	358,599	372,150	(13,551)	2,592,985	-0.52%
2014	405,982	416,372	(10,390)	2,925,079	-0.36%

Notes to schedule

Methods and assumptions used to determine the contribution rates were as follows:

Actuarial cost method: Individual entry age normal, level percentage of pay

Amortization method: Level dollar over a 25-year closed period beginning 7/1/16

Asset valuation method: Market value

Retirement age:	<u>Age</u>	<u>Service</u>	<u>Rate</u>
	55	30+ years	50%
	60	25+ years	50%
	62	na	100%

Marriage: 75% of both males and females with males 3 years older than spouses

Healthy mortality: 2022-2020 PubG-2021; 2019-2011 Health combined RP-2000

Cost of living increases: 1.5% per year

Salary increases: 3% per year

CITY OF NEWPORT
Schedule of Investment Rate of Return
City of Newport Employees Retirement Plan
Last 10 Fiscal Years*

<u>Year Ended June 30,</u>	<u>Rate of Return</u>
2023	6.76%
2022	-16.02%
2021	20.46%
2020	4.26%
2019	4.50%
2018	7.64%
2017	11.69%
2016	-1.06%
2015	3.84%
2014	18.52%

CITY OF NEWPORT
Schedule of Proportionate Share of the Net Other Postemployment
Benefit Liability (Asset)
Oregon Public Employees Retirement System
Last 10 Plan Years*

<u>Year Ended June 30,</u>	<u>Proportion of the Net OPEB Liability</u>	<u>Proportionate Share of the Net OPEB Liability (Asset)</u>	<u>Covered- Employee Payroll</u>	<u>Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered- Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</u>
2022	0.01890809% \$	(67,187) \$	2,971,662	-2.26%	194.60%
2021	0.02102751%	(72,209)	2,667,549	-2.71%	183.90%
2020	0.02311762%	(47,105)	2,678,690	-1.76%	150.09%
2019	0.02587288%	(49,996)	2,809,247	-1.78%	144.38%
2018	0.02602888%	(29,055)	2,767,384	-1.05%	123.99%
2017	0.02348035%	(9,799)	2,877,270	-0.34%	108.88%
2016	0.02372468%	(6,433)	2,444,013	-0.26%	94.15%

*Information will be accumulated annually until 10 years is presented

Notes to Schedule

Changes of Assumptions:

The PERS Board adopted assumption changes that were used to measure the June 30, 2018 total OPEB liability. The changes include lowering of the long-term expected rate of return to 7.20 percent. In addition, healthy retiree participation and healthy mortality assumptions were changes to reflect an updated trends and mortality improvement scale for all groups. In plan year 2021, the long-term expected rate of return was reduced to 6.90 percent and at the same time, the inflation and payroll growth assumptions were lowered to 2.40 percent and 3.40 percent, respectively

CITY OF NEWPORT
Schedule of Contributions to OPEB - RHIA
Oregon Public Employees Retirement System
Last 10 Fiscal Years*

<u>Year Ended June 30,</u>	<u>Statutorily Required Contribution</u>	<u>Contributions in Relation to the Statutorily Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered- Employee Payroll</u>	<u>Contributions as a Percent of Covered Payroll</u>
2023	\$ 33	\$ 33	- \$	3,401,451	0.00%
2022	466	466	-	2,971,662	0.02%
2021	563	563	-	2,667,549	0.02%
2020	1,651	1,651	-	2,678,690	0.06%
2019	12,823	12,823	-	2,809,247	0.46%
2018	12,603	12,603	-	2,767,384	0.46%
2017	11,647	11,647	-	2,877,270	0.40%

*Information will be accumulated annually until 10 years is presented

Notes to Schedule

Actuarial assumptions and methods used to set the actuarially determined contribution rates are the same as those used to set the Oregon Public Employees Retirement Systems' pension contribution rates. See PERS' pension contribution required supplementary information for additional information.

CITY OF NEWPORT

Schedule of Changes in Total OPEB Liability and Related Ratios - Implicit Rate Subsidy

Last 10 Plan Years*

	2022	2021	2020	2019	2018	2017
Service Cost	\$ 51,644	\$ 50,189	\$ 41,333	\$ 37,007	\$ 49,922	\$ 52,534
Interest	10,962	10,382	17,749	17,879	20,531	15,900
Effect of economic/demographic gains or losses	(144,046)	-	(68,017)	-	(71,931)	-
Changes of Assumptions or Other Inputs	11,675	1,589	(5,802)	13,120	(72,379)	(29,592)
Benefit Payments	(20,599)	(31,154)	(31,667)	(22,778)	(26,691)	(14,714)
Net Change in Total OPEB Liability	(90,364)	31,006	(46,404)	45,228	(100,548)	24,128
Total OPEB liability - beginning	466,088	435,082	481,486	436,258	536,806	512,678
Total OPEB Liability - ending	<u>\$ 375,724</u>	<u>\$ 466,088</u>	<u>\$ 435,082</u>	<u>\$ 481,486</u>	<u>\$ 436,258</u>	<u>\$ 536,806</u>
Covered-Employee Payroll	8,681,081	8,166,069	8,970,115	8,923,176	8,806,753	5,103,072
Total OPEB Liability as a Percentage of Covered-Employee Payroll	4.328%	5.708%	4.850%	5.396%	4.954%	10.519%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

*Information will be accumulated annually until 10 years is presented



OTHER SUPPLEMENTARY INFORMATION



CITY OF NEWPORT**Capital Projects Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Intergovernmental	\$ 3,565,416	\$ 288,233	\$ (3,277,183)
Interest earnings	<u>12,080</u>	<u>143,952</u>	<u>131,872</u>
Total Revenues	<u>3,577,496</u>	<u>432,185</u>	<u>(3,145,311)</u>
Expenditures:			
General	7,851,535	3,019,112	4,832,423
Airport improvement program	<u>4,620,098</u>	<u>89,214</u>	<u>4,530,884</u>
Total Expenditures	<u>12,471,633</u>	<u>3,108,326</u>	<u>9,363,307</u>
Excess of Revenues Over Expenditures	<u>(8,894,137)</u>	<u>(2,676,141)</u>	<u>6,217,996</u>
Other Financing Sources (Uses):			
Transfers in	4,981,746	4,756,746	(225,000)
Transfers out	<u>(14,842)</u>	<u>(14,842)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>4,966,904</u>	<u>4,741,904</u>	<u>(225,000)</u>
Net Change in Fund Balance	(3,927,233)	2,065,763	5,992,996
Fund Balance, beginning	<u>3,939,313</u>	<u>3,939,313</u>	<u>-</u>
Fund Balance, ending	<u>\$ 12,080</u>	<u>\$ 6,005,076</u>	<u>\$ 5,992,996</u>

CITY OF NEWPORT
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2023

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 7,479,981	\$ 123,292	\$ 5,662,508	\$ 13,265,781
Receivables:				
Accounts	145,783	317	-	146,100
Taxes	-	28,015	-	28,015
Due from Other Funds	110,000	-	-	110,000
Inventory	45,985	-	-	45,985
Prepaid Items	3,729	-	-	3,729
	<u>7,785,478</u>	<u>151,624</u>	<u>5,662,508</u>	<u>13,599,610</u>
Total Assets	\$ <u>7,785,478</u>	\$ <u>151,624</u>	\$ <u>5,662,508</u>	\$ <u>13,599,610</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 158,641	\$ -	\$ 49,624	\$ 208,265
Payroll and related liabilities	79,799	-	-	79,799
Due to other funds	117,336	-	-	117,336
	<u>355,776</u>	<u>-</u>	<u>49,624</u>	<u>405,400</u>
Total Liabilities	<u>355,776</u>	<u>-</u>	<u>49,624</u>	<u>405,400</u>
Deferred Inflows of Resources:				
Unavailable revenues	-	21,704	-	21,704
	<u>-</u>	<u>21,704</u>	<u>-</u>	<u>21,704</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>21,704</u>	<u>-</u>	<u>21,704</u>
Fund Balances:				
Nonspendable	49,714	-	-	49,714
Restricted	5,250,185	99,077	-	5,349,262
Committed	2,130,769	-	-	2,130,769
Assigned	-	30,843	5,612,884	5,643,727
Unassigned	(966)	-	-	(966)
	<u>7,429,702</u>	<u>129,920</u>	<u>5,612,884</u>	<u>13,172,506</u>
Total Fund Balances	<u>7,429,702</u>	<u>129,920</u>	<u>5,612,884</u>	<u>13,172,506</u>
Total Liabilities and Fund Balances	\$ <u>7,785,478</u>	\$ <u>151,624</u>	\$ <u>5,662,508</u>	\$ <u>13,599,610</u>

CITY OF NEWPORT

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

Year Ended June 30, 2023

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Revenues:				
Taxes:				
Property	\$ -	\$ 628,280	\$ -	\$ 628,280
Other	202,371	-	-	202,371
Franchise fees, privilege taxes, licenses and permits	226,640	-	-	226,640
Intergovernmental	1,168,996	-	-	1,168,996
Charges for services	1,306,299	-	-	1,306,299
System development charges	409,952	-	-	409,952
Interest earnings	156,095	9,570	132,342	298,007
Other revenue	10,867	-	1,000	11,867
	<u>3,481,220</u>	<u>637,850</u>	<u>133,342</u>	<u>4,252,412</u>
Total Revenues				
Expenditures:				
Current:				
General government	659,742	-	5,439	665,181
Public safety	-	-	10,150	10,150
Public works	649,378	-	-	649,378
Culture and recreation	1,969,161	-	-	1,969,161
Capital outlay	56,694	-	867,829	924,523
Debt service:				
Principal	5,452	455,500	-	460,952
Interest	33	231,190	-	231,223
	<u>3,340,460</u>	<u>686,690</u>	<u>883,418</u>	<u>4,910,568</u>
Total Expenditures				
Excess (Deficiency) of Revenues over Expenditures				
	<u>140,760</u>	<u>(48,840)</u>	<u>(750,076)</u>	<u>(658,156)</u>
Other Financing Sources (Uses):				
Transfers in	2,097,161	71,277	2,380,506	4,548,944
Lease proceeds	897	-	-	897
Transfers out	(1,849,042)	-	(672,460)	(2,521,502)
	<u>249,016</u>	<u>71,277</u>	<u>1,708,046</u>	<u>2,028,339</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balances				
	389,776	22,437	957,970	1,370,183
Fund Balances, Beginning				
	7,039,926	107,483	4,654,914	11,802,323
Fund Balances, Ending				
	<u>\$ 7,429,702</u>	<u>\$ 129,920</u>	<u>\$ 5,612,884</u>	<u>\$ 13,172,506</u>

CITY OF NEWPORT
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2023

	<u>Parks and Recreation</u>	<u>Public Parking</u>	<u>Housing</u>
ASSETS			
Cash and Cash Equivalents	\$ 693,686	\$ -	\$ 748,625
Receivables:			
Accounts	-	6,370	-
Due from Other Funds	-	-	-
Inventory	-	-	-
Prepaid Items	<u>189</u>	<u>-</u>	<u>-</u>
 Total Assets	 <u>\$ 693,875</u>	 <u>\$ 6,370</u>	 <u>\$ 748,625</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 36,071	\$ -	\$ 22,125
Payroll and related liabilities	57,437	-	-
Due to other funds	<u>110,000</u>	<u>7,336</u>	<u>-</u>
 Total Liabilities	 <u>203,508</u>	 <u>7,336</u>	 <u>22,125</u>
Fund Balances:			
Nonspendable	189	-	-
Restricted	-	-	-
Committed	490,178	-	726,500
Unassigned	<u>-</u>	<u>(966)</u>	<u>-</u>
 Total Fund Balances	 <u>490,367</u>	 <u>(966)</u>	 <u>726,500</u>
 Total Liabilities and Fund Balances	 <u>\$ 693,875</u>	 <u>\$ 6,370</u>	 <u>\$ 748,625</u>

<u>Building Inspection</u>	<u>Streets</u>	<u>Line Undergrounding</u>	<u>SDC</u>	<u>Agate Beach</u>	<u>Total</u>
\$ 537,441	\$ 593,339	\$ 899,565	\$ 3,057,234	\$ 950,091	\$ 7,479,981
-	124,887	14,526	-	-	145,783
-	-	-	-	110,000	110,000
-	45,985	-	-	-	45,985
<u>27</u>	<u>3,513</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,729</u>
<u>\$ 537,468</u>	<u>\$ 767,724</u>	<u>\$ 914,091</u>	<u>\$ 3,057,234</u>	<u>\$ 1,060,091</u>	<u>\$ 7,785,478</u>
\$ 84,503	\$ 9,547	\$ -	\$ -	\$ 6,395	\$ 158,641
11,884	10,478	-	-	-	79,799
-	-	-	-	-	117,336
<u>96,387</u>	<u>20,025</u>	<u>-</u>	<u>-</u>	<u>6,395</u>	<u>355,776</u>
27	49,498	-	-	-	49,714
441,054	698,201	-	3,057,234	1,053,696	5,250,185
-	-	914,091	-	-	2,130,769
-	-	-	-	-	(966)
<u>441,081</u>	<u>747,699</u>	<u>914,091</u>	<u>3,057,234</u>	<u>1,053,696</u>	<u>7,429,702</u>
<u>\$ 537,468</u>	<u>\$ 767,724</u>	<u>\$ 914,091</u>	<u>\$ 3,057,234</u>	<u>\$ 1,060,091</u>	<u>\$ 7,785,478</u>

CITY OF NEWPORT
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Year Ended June 30, 2023

	<u>Parks and Recreation</u>	<u>Public Parking</u>	<u>Housing</u>
Revenues:			
Taxes:			
Other	\$ -	\$ -	\$ 202,371
Franchise fees, privilege taxes, licenses and permits	-	23,668	-
Intergovernmental	22,250	-	-
Charges for services	685,610	-	-
System development charges	-	-	-
Interest earnings	15,921	194	15,736
Other revenue	10,050	-	-
Total Revenues	<u>733,831</u>	<u>23,862</u>	<u>218,107</u>
Expenditures:			
Current:			
General government	-	4,886	31,471
Public works	-	-	-
Culture and recreation	1,969,161	-	-
Capital outlay	49,947	-	-
Debt service:			
Principal	3,842	-	-
Interest	25	-	-
Total Expenditures	<u>2,022,975</u>	<u>4,886</u>	<u>31,471</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,289,144)</u>	<u>18,976</u>	<u>186,636</u>
Other Financing Sources (Uses):			
Transfers in	1,954,161	-	-
Lease proceeds	-	-	-
Transfers out	(627,236)	(40,000)	-
Total Other Financing Sources (Uses)	<u>1,326,925</u>	<u>(40,000)</u>	<u>-</u>
Net Change in Fund Balances	37,781	(21,024)	186,636
Fund Balances, Beginning	<u>452,586</u>	<u>20,058</u>	<u>539,864</u>
Fund Balances, Ending	<u>\$ 490,367</u>	<u>\$ (966)</u>	<u>\$ 726,500</u>

<u>Building Inspection</u>	<u>Streets</u>	<u>Line Undergrounding</u>	<u>SDC</u>	<u>Agate Beach</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 202,371
-	-	202,972	-	-	226,640
-	1,146,746	-	-	-	1,168,996
600,584	2,238	-	17,867	-	1,306,299
-	-	-	409,952	-	409,952
12,092	17,186	20,850	74,116	-	156,095
-	817	-	-	-	10,867
<u>612,676</u>	<u>1,166,987</u>	<u>223,822</u>	<u>501,935</u>	<u>-</u>	<u>3,481,220</u>
546,845	-	1,560	591	74,389	659,742
-	649,378	-	-	-	649,378
-	-	-	-	-	1,969,161
-	6,747	-	-	-	56,694
605	1,005	-	-	-	5,452
<u>3</u>	<u>5</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33</u>
<u>547,453</u>	<u>657,135</u>	<u>1,560</u>	<u>591</u>	<u>74,389</u>	<u>3,340,460</u>
<u>65,223</u>	<u>509,852</u>	<u>222,262</u>	<u>501,344</u>	<u>(74,389)</u>	<u>140,760</u>
3,000	140,000	-	-	-	2,097,161
-	897	-	-	-	897
-	(999,302)	-	(182,504)	-	(1,849,042)
<u>3,000</u>	<u>(858,405)</u>	<u>-</u>	<u>(182,504)</u>	<u>-</u>	<u>249,016</u>
68,223	(348,553)	222,262	318,840	(74,389)	389,776
<u>372,858</u>	<u>1,096,252</u>	<u>691,829</u>	<u>2,738,394</u>	<u>1,128,085</u>	<u>7,039,926</u>
<u>\$ 441,081</u>	<u>\$ 747,699</u>	<u>\$ 914,091</u>	<u>\$ 3,057,234</u>	<u>\$ 1,053,696</u>	<u>\$ 7,429,702</u>

CITY OF NEWPORT
Nonmajor Debt Service Funds
Combining Balance Sheet
June 30, 2023

	<u>Debt Service</u>	<u>G.O. Debt Service - Governmental</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 30,526	\$ 92,766	\$ 123,292
Receivables:			
Accounts	317	-	317
Taxes	<u>-</u>	<u>28,015</u>	<u>28,015</u>
 Total Assets	 \$ <u>30,843</u>	 \$ <u>120,781</u>	 \$ <u>151,624</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Deferred Inflows of Resources:			
Unavailable revenues	\$ <u>-</u>	\$ <u>21,704</u>	\$ <u>21,704</u>
 Total Deferred Inflows of Resources	 <u>-</u>	 <u>21,704</u>	 <u>21,704</u>
Fund Balances:			
Restricted	-	99,077	99,077
Assigned	<u>30,843</u>	<u>-</u>	<u>30,843</u>
 Total Fund Balances	 <u>30,843</u>	 <u>99,077</u>	 <u>129,920</u>
 Total Liabilities and Fund Balances	 \$ <u>30,843</u>	 \$ <u>120,781</u>	 \$ <u>151,624</u>

CITY OF NEWPORT
Nonmajor Debt Service Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Year Ended June 30, 2023

	<u>Debt Service</u>	<u>G.O. Debt Service - Governmental</u>	<u>Total</u>
Revenues:			
Taxes:			
Property	\$ -	\$ 628,280	\$ 628,280
Interest earnings	819	8,751	9,570
Total Revenues	<u>819</u>	<u>637,031</u>	<u>637,850</u>
Expenditures:			
Debt service:			
Principal	80,500	375,000	455,500
Interest	4,521	226,669	231,190
Total Expenditures	<u>85,021</u>	<u>601,669</u>	<u>686,690</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(84,202)</u>	<u>35,362</u>	<u>(48,840)</u>
Other Financing Sources (Uses):			
Transfers in	71,277	-	71,277
Total Other Financing Sources (Uses)	<u>71,277</u>	<u>-</u>	<u>71,277</u>
Net Change in Fund Balances	(12,925)	35,362	22,437
Fund Balances, Beginning	<u>43,768</u>	<u>63,715</u>	<u>107,483</u>
Fund Balances, Ending	<u>\$ 30,843</u>	<u>\$ 99,077</u>	<u>\$ 129,920</u>

CITY OF NEWPORT
Nonmajor Capital Projects Funds
Combining Balance Sheet
June 30, 2023

	<u>Capital Projects Reserve</u>	<u>Capital Improvements</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ <u>2,551,469</u>	\$ <u>3,111,039</u>	\$ <u>5,662,508</u>
Total Assets	\$ <u><u>2,551,469</u></u>	\$ <u><u>3,111,039</u></u>	\$ <u><u>5,662,508</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ <u>3,262</u>	\$ <u>46,362</u>	\$ <u>49,624</u>
Total Liabilities	<u>3,262</u>	<u>46,362</u>	<u>49,624</u>
Fund Balances:			
Assigned	<u>2,548,207</u>	<u>3,064,677</u>	<u>5,612,884</u>
Total Fund Balances	<u>2,548,207</u>	<u>3,064,677</u>	<u>5,612,884</u>
Total Liabilities and Fund Balances	\$ <u><u>2,551,469</u></u>	\$ <u><u>3,111,039</u></u>	\$ <u><u>5,662,508</u></u>

CITY OF NEWPORT
Nonmajor Capital Projects Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Year Ended June 30, 2023

	Capital Projects Reserve	Capital Improvements	Total
Revenues:			
Interest earnings	\$ 60,866	\$ 71,476	\$ 132,342
Other revenue	1,000	-	1,000
Total Revenues	61,866	71,476	133,342
Expenditures:			
Current:			
General government	-	5,439	5,439
Public safety	10,150	-	10,150
Capital outlay	83,009	784,820	867,829
Total Expenditures	93,159	790,259	883,418
Excess (Deficiency) of Revenues over Expenditures	(31,293)	(718,783)	(750,076)
Other Financing Sources (Uses):			
Transfers in	526,056	1,854,450	2,380,506
Transfers out	(550,426)	(122,034)	(672,460)
Total Other Financing Sources (Uses)	(24,370)	1,732,416	1,708,046
Net Change in Fund Balances	(55,663)	1,013,633	957,970
Fund Balances, Beginning	2,603,870	2,051,044	4,654,914
Fund Balances, Ending	\$ 2,548,207	\$ 3,064,677	\$ 5,612,884

CITY OF NEWPORT**Parks and Recreation Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

Year Ended June 30, 2023

	Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$ 37,500	\$ 22,250	\$ (15,250)
Charges for services	561,500	685,610	124,110
Interest earnings	2,100	15,921	13,821
Other revenue	51,000	10,050	(40,950)
Total Revenues	<u>652,100</u>	<u>733,831</u>	<u>81,731</u>
Expenditures:			
Parks administration	255,293	232,426	22,867
60+ center	262,381	222,756	39,625
Swimming pool	614,170	556,054	58,116
Recreation center	763,053	614,232	148,821
Recreation programs	267,697	232,370	35,327
Sports programs	211,626	165,137	46,489
Interfund loan repayment	27,500	27,500	-
Contingency	78,230	-	78,230
Total Expenditures	<u>2,479,950</u>	<u>2,050,475</u>	<u>429,475</u>
Excess of Revenues Over Expenditures	<u>(1,827,850)</u>	<u>(1,316,644)</u>	<u>511,206</u>
Other Financing Sources (Uses):			
Transfers in	1,978,508	1,954,161	(24,347)
Lease proceeds	70,000	-	(70,000)
Transfers out	(637,236)	(627,236)	10,000
Total Other Financing Sources (Uses)	<u>1,411,272</u>	<u>1,326,925</u>	<u>(84,347)</u>
Net Change in Fund Balance	(416,578)	10,281	426,859
Fund Balance, beginning	<u>590,085</u>	<u>590,086</u>	<u>1</u>
Fund Balance, ending	\$ <u><u>173,507</u></u>	600,367	\$ <u><u>426,860</u></u>
<i>Reconciliation to generally accepted accounting principles</i>			
Due to other funds		<u>(110,000)</u>	
Fund balance, ending - generally accepted accounting principles		\$ <u><u>490,367</u></u>	

CITY OF NEWPORT

Public Parking Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Franchise fees, privilege taxes, licenses and permits	\$ 24,775	\$ 23,668	\$ (1,107)
Fines and forfeitures	76,125	-	(76,125)
Interest earnings	1,300	194	(1,106)
Total Revenues	<u>102,200</u>	<u>23,862</u>	<u>(78,338)</u>
Expenditures:			
Public parking - city-wide	228,369	4,886	223,483
Contingency	53,889	-	53,889
Total Expenditures	<u>282,258</u>	<u>4,886</u>	<u>277,372</u>
Excess of Revenues Over Expenditures	<u>(180,058)</u>	<u>18,976</u>	<u>199,034</u>
Other Financing Sources (Uses):			
Lease proceeds	200,000	-	(200,000)
Proceeds from interfund loan	225,000	-	(225,000)
Transfers out	(265,000)	(40,000)	225,000
Total Other Financing Sources (Uses)	<u>160,000</u>	<u>(40,000)</u>	<u>(200,000)</u>
Net Change in Fund Balance	(20,058)	(21,024)	(966)
Fund Balance, beginning	<u>20,058</u>	<u>20,058</u>	<u>-</u>
Fund Balance, ending	<u>\$ -</u>	<u>\$ (966)</u>	<u>\$ (966)</u>

CITY OF NEWPORT**Housing Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Taxes			
Other	\$ 107,511	\$ 202,371	\$ 94,860
Interest earnings	<u>1,500</u>	<u>15,736</u>	<u>14,236</u>
Total Revenues	<u>109,011</u>	<u>218,107</u>	<u>109,096</u>
Expenditures:			
Affordable housing	1,786	862	924
Oregon housing and community services	41,627	30,609	11,018
Contingency	<u>605,463</u>	<u>-</u>	<u>605,463</u>
Total Expenditures	<u>648,876</u>	<u>31,471</u>	<u>617,405</u>
Net Change in Fund Balance	(539,865)	186,636	726,501
Fund Balance, beginning	<u>539,865</u>	<u>539,864</u>	<u>(1)</u>
Fund Balance, ending	<u>\$ -</u>	<u>\$ 726,500</u>	<u>\$ 726,500</u>

CITY OF NEWPORT**Building Inspection Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Charges for services	\$ 338,026	\$ 600,584	\$ 262,558
Interest earnings	1,400	12,092	10,692
Other revenue	150	-	(150)
Total Revenues	<u>339,576</u>	<u>612,676</u>	<u>273,100</u>
Expenditures:			
Building inspection	684,986	547,453	137,533
Contingency	34,770	-	34,770
Total Expenditures	<u>719,756</u>	<u>547,453</u>	<u>172,303</u>
Excess of Revenues Over Expenditures	<u>(380,180)</u>	<u>65,223</u>	<u>445,403</u>
Other Financing Sources (Uses):			
Transfers in	3,000	3,000	-
Lease proceeds	50,000	-	(50,000)
Total Other Financing Sources (Uses)	<u>53,000</u>	<u>3,000</u>	<u>(50,000)</u>
Net Change in Fund Balance	(327,180)	68,223	395,403
Fund Balance, beginning	<u>372,858</u>	<u>372,858</u>	<u>-</u>
Fund Balance, ending	<u>\$ 45,678</u>	<u>\$ 441,081</u>	<u>\$ 395,403</u>

CITY OF NEWPORT**Streets Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Intergovernmental	\$ 1,229,364	\$ 1,146,746	\$ (82,618)
Charges for services	-	2,238	2,238
Interest earnings	3,700	17,186	13,486
Other revenue	<u>2,000</u>	<u>817</u>	<u>(1,183)</u>
Total Revenues	<u>1,235,064</u>	<u>1,166,987</u>	<u>(68,077)</u>
Expenditures:			
Street maintenance	825,264	656,598	168,666
Contingency	<u>7,780</u>	<u>-</u>	<u>7,780</u>
Total Expenditures	<u>833,044</u>	<u>656,598</u>	<u>176,446</u>
Excess of Revenues Over Expenditures	<u>402,020</u>	<u>510,389</u>	<u>108,369</u>
Other Financing Sources (Uses):			
Transfers in	140,000	140,000	-
Lease proceeds	-	897	897
Transfers out	<u>(999,302)</u>	<u>(999,302)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(859,302)</u>	<u>(858,405)</u>	<u>897</u>
Net Change in Fund Balance	(457,282)	(348,016)	109,266
Fund Balance, beginning	<u>1,049,729</u>	<u>1,049,730</u>	<u>1</u>
Fund Balance, ending	\$ <u><u>592,447</u></u>	701,714	\$ <u><u>109,267</u></u>
<i>Reconciliation to generally accepted accounting principles</i>			
Inventory		<u>45,985</u>	
Fund balance, ending - generally accepted accounting principles		\$ <u><u>747,699</u></u>	

CITY OF NEWPORT

Line Undergrounding Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Franchise fees, privilege taxes, licenses and permits	\$ 160,000	\$ 202,972	\$ 42,972
Interest earnings	<u>2,200</u>	<u>20,850</u>	<u>18,650</u>
Total Revenues	<u>162,200</u>	<u>223,822</u>	<u>61,622</u>
Expenditures:			
Line undergrounding	2,442	1,560	882
Contingency	<u>851,587</u>	<u>-</u>	<u>851,587</u>
Total Expenditures	<u>854,029</u>	<u>1,560</u>	<u>852,469</u>
Net Change in Fund Balance	(691,829)	222,262	914,091
Fund Balance, beginning	<u>691,829</u>	<u>691,829</u>	<u>-</u>
Fund Balance, ending	<u>\$ -</u>	<u>\$ 914,091</u>	<u>\$ 914,091</u>

CITY OF NEWPORT**SDC Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Charges for services	\$ 14,291	\$ 17,867	\$ 3,576
System development charges	387,085	409,952	22,867
Interest earnings	<u>9,250</u>	<u>74,116</u>	<u>64,866</u>
Total Revenues	<u>410,626</u>	<u>501,935</u>	<u>91,309</u>
Expenditures:			
SDC - administration	591	591	-
Contingency	<u>2,965,926</u>	<u>-</u>	<u>2,965,926</u>
Total Expenditures	<u>2,966,517</u>	<u>591</u>	<u>2,965,926</u>
Excess of Revenues Over Expenditures	<u>(2,555,891)</u>	<u>501,344</u>	<u>3,057,235</u>
Other Financing Sources (Uses):			
Transfers out	<u>(182,504)</u>	<u>(182,504)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(182,504)</u>	<u>(182,504)</u>	<u>-</u>
Net Change in Fund Balance	(2,738,395)	318,840	3,057,235
Fund Balance, beginning	<u>2,738,395</u>	<u>2,738,394</u>	<u>(1)</u>
Fund Balance, ending	<u>\$ -</u>	<u>\$ 3,057,234</u>	<u>\$ 3,057,234</u>

CITY OF NEWPORT

Agate Beach Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Other revenue	\$ 27,500	\$ 27,500	\$ -
Total Revenues	<u>27,500</u>	<u>27,500</u>	<u>-</u>
Expenditures:			
Agate beach closure	106,391	74,389	32,002
Contingency	<u>686,695</u>	<u>-</u>	<u>686,695</u>
Total Expenditures	<u>793,086</u>	<u>74,389</u>	<u>718,697</u>
Excess of Revenues Over Expenditures	<u>(765,586)</u>	<u>(46,889)</u>	<u>718,697</u>
Other Financing Sources (Uses):			
Interfund loan to other fund	<u>(225,000)</u>	<u>-</u>	<u>225,000</u>
Total Other Financing Sources (Uses)	<u>(225,000)</u>	<u>-</u>	<u>225,000</u>
Net Change in Fund Balance	(990,586)	(46,889)	943,697
Fund Balance, beginning	<u>990,586</u>	<u>990,585</u>	<u>(1)</u>
Fund Balance, ending	\$ <u><u>-</u></u>	943,696	\$ <u><u>943,696</u></u>
<i>Reconciliation to generally accepted accounting principles</i>			
Due from other funds		<u>110,000</u>	
Fund balance, ending - generally accepted accounting principles		\$ <u><u>1,053,696</u></u>	

CITY OF NEWPORT**Debt Service Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Interest earnings	\$ 160	\$ 819	\$ 659
Total Revenues	<u>160</u>	<u>819</u>	<u>659</u>
Expenditures:			
General debt	<u>88,177</u>	<u>85,021</u>	<u>3,156</u>
Total Expenditures	<u>88,177</u>	<u>85,021</u>	<u>3,156</u>
Excess of Revenues Over Expenditures	<u>(88,017)</u>	<u>(84,202)</u>	<u>3,815</u>
Other Financing Sources (Uses):			
Transfers in	<u>71,277</u>	<u>71,277</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>71,277</u>	<u>71,277</u>	<u>-</u>
Net Change in Fund Balance	(16,740)	(12,925)	3,815
Fund Balance, beginning	<u>43,768</u>	<u>43,768</u>	<u>-</u>
Fund Balance, ending	<u>\$ 27,028</u>	<u>\$ 30,843</u>	<u>\$ 3,815</u>

CITY OF NEWPORT

G.O. Debt Service - Governmental Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Taxes			
Property	\$ 613,669	\$ 628,280	\$ 14,611
Interest earnings	<u>1,100</u>	<u>8,751</u>	<u>7,651</u>
Total Revenues	<u>614,769</u>	<u>637,031</u>	<u>22,262</u>
Expenditures:			
Swimming pool GO debt	<u>602,669</u>	<u>601,669</u>	<u>1,000</u>
Total Expenditures	<u>602,669</u>	<u>601,669</u>	<u>1,000</u>
Net Change in Fund Balance	12,100	35,362	23,262
Fund Balance, beginning	<u>63,716</u>	<u>63,715</u>	<u>(1)</u>
Fund Balance, ending	<u>\$ 75,816</u>	<u>\$ 99,077</u>	<u>\$ 23,261</u>

CITY OF NEWPORT**Capital Projects Reserve Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Interest earnings	\$ 6,225	\$ 60,866	\$ 54,641
Other revenue	<u>-</u>	<u>1,000</u>	<u>1,000</u>
Total Revenues	<u>6,225</u>	<u>61,866</u>	<u>55,641</u>
Expenditures:			
Fire	665,000	-	665,000
Library	20,000	1,706	18,294
Emergency coordinator	<u>251,941</u>	<u>91,453</u>	<u>160,488</u>
Total Expenditures	<u>936,941</u>	<u>93,159</u>	<u>843,782</u>
Excess of Revenues Over Expenditures	<u>(930,716)</u>	<u>(31,293)</u>	<u>899,423</u>
Other Financing Sources (Uses):			
Transfers in	536,056	526,056	(10,000)
Transfers out	<u>(1,187,867)</u>	<u>(550,426)</u>	<u>637,441</u>
Total Other Financing Sources (Uses)	<u>(651,811)</u>	<u>(24,370)</u>	<u>627,441</u>
Net Change in Fund Balance	(1,582,527)	(55,663)	1,526,864
Fund Balance, beginning	<u>2,603,869</u>	<u>2,603,870</u>	<u>1</u>
Fund Balance, ending	<u>\$ 1,021,342</u>	<u>\$ 2,548,207</u>	<u>\$ 1,526,865</u>

CITY OF NEWPORT**Capital Improvements Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Interest earnings	\$ 5,500	\$ 71,476	\$ 65,976
Total Revenues	<u>5,500</u>	<u>71,476</u>	<u>65,976</u>
Expenditures:			
City hall improvements	465,252	19,397	445,855
Library improvements	29,760	20,614	9,146
Fire improvements	156,300	-	156,300
PAC improvements	2,319,338	78,270	2,241,068
VAC improvements	93,787	4,000	89,787
60+ activity center improvements	94,976	17,085	77,891
Recreation center improvements	1,049,127	53,197	995,930
Parks and grounds improvements	1,363,782	597,696	766,086
City hall police improvements	24,000	-	24,000
Total Expenditures	<u>5,596,322</u>	<u>790,259</u>	<u>4,806,063</u>
Excess of Revenues Over Expenditures	<u>(5,590,822)</u>	<u>(718,783)</u>	<u>4,872,039</u>
Other Financing Sources (Uses):			
Transfers in	3,667,312	1,854,450	(1,812,862)
Transfers out	<u>(122,034)</u>	<u>(122,034)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>3,545,278</u>	<u>1,732,416</u>	<u>(1,812,862)</u>
Net Change in Fund Balance	(2,045,544)	1,013,633	3,059,177
Fund Balance, beginning	<u>2,051,044</u>	<u>2,051,044</u>	<u>-</u>
Fund Balance, ending	<u>\$ 5,500</u>	<u>\$ 3,064,677</u>	<u>\$ 3,059,177</u>



CITY OF NEWPORT

Water Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended June 30, 2023

	Budget	Actual	Variance with Final Budget
Revenues:			
Charges for services	\$ 4,630,000	\$ 4,643,198	\$ 13,198
Interest earnings	8,700	39,215	30,515
Other revenue	50,000	12,856	(37,144)
Total Revenues	<u>4,688,700</u>	<u>4,695,269</u>	<u>6,569</u>
Expenditures:			
Water plant	1,647,860	1,555,786	92,074
Water distribution	1,249,154	942,615	306,539
Water administrative programs	1,016,965	988,752	28,213
Contingency	191,212	-	191,212
Total Expenditures	<u>4,105,191</u>	<u>3,487,153</u>	<u>618,038</u>
Excess of Revenues Over Expenditures	<u>583,509</u>	<u>1,208,116</u>	<u>624,607</u>
Other Financing Sources (Uses):			
Lease proceeds	258,000	74,972	(183,028)
Transfers out	(1,045,753)	(1,045,753)	-
Total Other Financing Sources (Uses)	<u>(787,753)</u>	<u>(970,781)</u>	<u>(183,028)</u>
Net Change in Fund Balance	(204,244)	237,335	441,579
Fund Balance, beginning	<u>479,233</u>	<u>479,233</u>	<u>-</u>
Fund Balance, ending	<u>\$ 274,989</u>	716,568	<u>\$ 441,579</u>
Reconciliation to generally accepted accounting principles			
Inventories		654,128	
Capital assets, net		30,352,420	
Compensated absences		(51,213)	
Deferred outflows related to pension		8,353	
Deferred outflows related to OPEB		5,790	
Net pension liability		(334,480)	
OPEB liability		(58,794)	
Deferred inflows related to OPEB		(35,700)	
Long-term debt		(16,801,833)	
Interest payable		<u>(6,005,650)</u>	
Net position at end of year		<u>\$ 8,449,589</u>	

CITY OF NEWPORT

Wastewater Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended June 30, 2023

	Budget	Actual	Variance with Final Budget
Revenues:			
Charges for services	\$ 5,328,019	\$ 5,252,241	\$ (75,778)
Interest earnings	1,600	3,597	1,997
Other revenue	32,795	26,075	(6,720)
Total Revenues	5,362,414	5,281,913	(80,501)
Expenditures:			
Wastewater plant	2,217,028	2,060,932	156,096
Wastewater collections	920,854	750,486	170,368
Wastewater administrative programs	1,156,714	1,142,023	14,691
Total Expenditures	4,294,596	3,953,441	341,155
Excess of Revenues Over Expenditures	1,067,818	1,328,472	260,654
Other Financing Sources (Uses):			
Transfers in	288,025	288,025	-
Lease proceeds	50,000	2,692	(47,308)
Transfers out	(1,648,968)	(1,648,968)	-
Total Other Financing Sources (Uses)	(1,310,943)	(1,358,251)	(47,308)
Net Change in Fund Balance	(243,125)	(29,779)	213,346
Fund Balance, beginning	589,145	589,145	-
Fund Balance, ending	\$ 346,020	559,366	\$ 213,346
<i>Reconciliation to generally accepted accounting principles</i>			
Inventories		245,427	
Capital assets, net		47,006,884	
Compensated absences		(30,436)	
Deferred outflows related to pension		2,744	
Deferred outflows related to OPEB		1,902	
Net pension liability		(109,906)	
OPEB liability		(19,319)	
Deferred inflows related to OPEB		(11,730)	
Long-term debt		(21,027,861)	
Interest payable		(620,955)	
Net position at end of year		\$ 25,996,116	

CITY OF NEWPORT

Stormwater Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Charges for services	\$ 1,065,000	\$ 1,049,886	\$ (15,114)
Interest earnings	<u>1,000</u>	<u>4,933</u>	<u>3,933</u>
Total Revenues	<u>1,066,000</u>	<u>1,054,819</u>	<u>(11,181)</u>
Expenditures:			
Stormwater maintenance	483,394	415,767	67,627
Contingency	<u>6,812</u>	<u>-</u>	<u>6,812</u>
Total Expenditures	<u>490,206</u>	<u>415,767</u>	<u>74,439</u>
Excess of Revenues Over Expenditures	<u>575,794</u>	<u>639,052</u>	<u>63,258</u>
Other Financing Sources (Uses):			
Transfers out	<u>(824,790)</u>	<u>(824,790)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(824,790)</u>	<u>(824,790)</u>	<u>-</u>
Net Change in Fund Balance	(248,996)	(185,738)	63,258
Fund Balance, beginning	<u>311,330</u>	<u>311,332</u>	<u>2</u>
Fund Balance, ending	\$ <u><u>62,334</u></u>	125,594	\$ <u><u>63,260</u></u>
<i>Reconciliation to generally accepted accounting principles</i>			
Capital assets, net		1,130,803	
Compensated absences		(3,982)	
Deferred outflows related to pension		1,158	
Deferred outflows related to OPEB		802	
Net pension liability		(46,364)	
OPEB liability		(8,150)	
Deferred inflows related to OPEB		(4,948)	
Long-term debt		(1,740,000)	
Interest payable		<u>(4,350)</u>	
Net position at end of year		\$ <u><u>(549,437)</u></u>	

CITY OF NEWPORT
Nonmajor Enterprise Funds
Combining Statement of Net Position
June 30, 2023

	Water Debt Service	Wastewater Debt Service	Stormwater Debt Service
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 793	\$ 1,403,975	\$ 122,161
Receivables:			
Accounts, net	5,802	-	-
Property taxes	-	-	-
Total Assets	<u>6,595</u>	<u>1,403,975</u>	<u>122,161</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Restricted for:			
Debt service	6,595	1,403,975	122,161
Capital projects	<u>-</u>	<u>-</u>	<u>-</u>
Total Net Position	<u>\$ 6,595</u>	<u>\$ 1,403,975</u>	<u>\$ 122,161</u>

	G.O. Debt Service	Capital Projects	Total
\$	177,981	\$	5,620,023
	-	554,863	560,665
	102,465	-	102,465
	<u>280,446</u>	<u>6,174,886</u>	<u>7,988,063</u>
	-	<u>206,307</u>	<u>206,307</u>
	-	<u>206,307</u>	<u>206,307</u>
	280,446	-	1,813,177
	-	<u>5,968,579</u>	<u>5,968,579</u>
\$	<u><u>280,446</u></u>	\$	<u><u>5,968,579</u></u>
		\$	<u><u>7,781,756</u></u>

CITY OF NEWPORT
Nonmajor Enterprise Funds
Combining Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2023

	<u>Water Debt Service</u>	<u>Wastewater Debt Service</u>	<u>Stormwater Debt Service</u>
Operating Expenses:			
Contracted services	\$ -	\$ -	\$ -
Total Operating Expenses	<u>-</u>	<u>-</u>	<u>-</u>
Operating Income (Loss)	<u>-</u>	<u>-</u>	<u>-</u>
Nonoperating Revenues (Expenses):			
Interest income	115	32,173	3,429
Property taxes	<u>-</u>	<u>-</u>	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>115</u>	<u>32,173</u>	<u>3,429</u>
Income (Loss) Before Capital Contributions and Transfers	115	32,173	3,429
Capital Contributions	-	-	-
Transfers In	819,965	1,364,839	575,000
Transfers Out	<u>(819,706)</u>	<u>(966,889)</u>	<u>(631,666)</u>
Change in Net Position	374	430,123	(53,237)
Net Position, beginning	<u>6,221</u>	<u>973,852</u>	<u>175,398</u>
Net Position, ending	<u>\$ 6,595</u>	<u>\$ 1,403,975</u>	<u>\$ 122,161</u>

G.O. Debt Service	Capital Projects	Total
\$ -	\$ 396,798	\$ 396,798
-	396,798	396,798
-	(396,798)	(396,798)
34,528	293,825	364,070
2,198,486	-	2,198,486
2,233,014	293,825	2,562,556
2,233,014	(102,973)	2,165,758
-	1,336,021	1,336,021
-	3,251,964	6,011,768
(2,200,000)	(4,563,529)	(9,181,790)
33,014	(78,517)	331,757
247,432	6,047,096	7,449,999
\$ <u>280,446</u>	\$ <u>5,968,579</u>	\$ <u>7,781,756</u>

CITY OF NEWPORT
Nonmajor Enterprise Funds
Combining Statement of Cash Flows
Year Ended June 30, 2023

	Water Debt Service	Wastewater Debt Service	Stormwater Debt Service
Cash Flows from Operating Activities:			
Payments to suppliers	\$ -	\$ -	\$ -
Net Cash provided by (used in) Operating Activities	-	-	-
Cash Flows from Capital and Related Financing Activities:			
Acquisition of capital assets	-	-	-
Grants	-	-	-
Property taxes	-	-	-
Transfers in	819,965	1,364,839	575,000
Transfers out	-	-	-
Principal paid	(453,575)	(660,634)	(514,636)
Interest paid	(366,141)	(306,255)	(117,030)
Net Cash Flows provided by (used in) Capital and Related Financing Activities	249	397,950	(56,666)
Cash Flows from Investing Activities:			
Investment income received	115	32,173	3,429
Net Cash provided by (used in) Investing Activities	115	32,173	3,429
Net Increase (Decrease) in Cash and Cash Equivalents	364	430,123	(53,237)
Cash and Cash Equivalents, beginning	429	973,852	175,398
Cash and Cash Equivalents, ending	\$ <u>793</u>	\$ <u>1,403,975</u>	\$ <u>122,161</u>
Noncash Capital and Related Financing Activities:			
Transfers out	\$ <u>(819,706)</u>	\$ <u>(966,889)</u>	\$ <u>(631,666)</u>

	<u>G.O. Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
\$	<u>-</u>	\$ <u>(396,798)</u>	\$ <u>(396,798)</u>
	<u>-</u>	<u>(396,798)</u>	<u>(396,798)</u>
	-	(3,128,296)	(3,128,296)
	-	825,685	825,685
	2,192,851	-	2,192,851
	-	3,251,964	6,011,768
	-	(1,307,265)	(1,307,265)
	(1,070,476)	-	(2,699,321)
	<u>(1,129,524)</u>	<u>-</u>	<u>(1,918,950)</u>
	<u>(7,149)</u>	<u>(357,912)</u>	<u>(23,528)</u>
	<u>34,528</u>	<u>293,825</u>	<u>364,070</u>
	<u>34,528</u>	<u>293,825</u>	<u>364,070</u>
	<u>27,379</u>	<u>(460,885)</u>	<u>(56,256)</u>
	<u>150,602</u>	<u>6,080,908</u>	<u>7,381,189</u>
\$	<u><u>177,981</u></u>	\$ <u><u>5,620,023</u></u>	\$ <u><u>7,324,933</u></u>
\$	<u><u>(2,200,000)</u></u>	\$ <u><u>(3,256,264)</u></u>	\$ <u><u>(7,874,525)</u></u>



CITY OF NEWPORT**Water Debt Service Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Interest earnings	\$ 15	\$ 115	\$ 100
Total Revenues	<u>15</u>	<u>115</u>	<u>100</u>
Expenditures:			
Water general debt	70,504	69,527	977
Water revenue bonds	<u>753,664</u>	<u>750,179</u>	<u>3,485</u>
Total Expenditures	<u>824,168</u>	<u>819,706</u>	<u>4,462</u>
Excess of Revenues Over Expenditures	<u>(824,153)</u>	<u>(819,591)</u>	<u>4,562</u>
Other Financing Sources (Uses):			
Transfers in	<u>819,965</u>	<u>819,965</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>819,965</u>	<u>819,965</u>	<u>-</u>
Net Change in Fund Balance	(4,188)	374	4,562
Fund Balance, beginning	<u>6,221</u>	<u>6,221</u>	<u>-</u>
Fund Balance, ending	<u>\$ 2,033</u>	<u>\$ 6,595</u>	<u>\$ 4,562</u>

CITY OF NEWPORT**Wastewater Debt Service Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Interest earnings	\$ 2,350	\$ 32,173	\$ 29,823
Total Revenues	<u>2,350</u>	<u>32,173</u>	<u>29,823</u>
Expenditures:			
General debt	266,838	265,838	1,000
DEQ debt	<u>1,189,267</u>	<u>701,051</u>	<u>488,216</u>
Total Expenditures	<u>1,456,105</u>	<u>966,889</u>	<u>489,216</u>
Excess of Revenues Over Expenditures	<u>(1,453,755)</u>	<u>(934,716)</u>	<u>519,039</u>
Other Financing Sources (Uses):			
Transfers in	<u>1,364,839</u>	<u>1,364,839</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>1,364,839</u>	<u>1,364,839</u>	<u>-</u>
Net Change in Fund Balance	(88,916)	430,123	519,039
Fund Balance, beginning	<u>973,852</u>	<u>973,852</u>	<u>-</u>
Fund Balance, ending	<u>\$ 884,936</u>	<u>\$ 1,403,975</u>	<u>\$ 519,039</u>

CITY OF NEWPORT**Stormwater Debt Service Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Interest earnings	\$ 691	\$ 3,429	\$ 2,738
Total Revenues	<u>691</u>	<u>3,429</u>	<u>2,738</u>
Expenditures:			
2018 stormwater debt	380,740	379,405	1,335
DEQ debt	<u>253,261</u>	<u>252,261</u>	<u>1,000</u>
Total Expenditures	<u>634,001</u>	<u>631,666</u>	<u>2,335</u>
Excess of Revenues Over Expenditures	<u>(633,310)</u>	<u>(628,237)</u>	<u>5,073</u>
Other Financing Sources (Uses):			
Transfers in	<u>575,000</u>	<u>575,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>575,000</u>	<u>575,000</u>	<u>-</u>
Net Change in Fund Balance	(58,310)	(53,237)	5,073
Fund Balance, beginning	<u>175,398</u>	<u>175,398</u>	<u>-</u>
Fund Balance, ending	<u>\$ 117,088</u>	<u>\$ 122,161</u>	<u>\$ 5,073</u>

CITY OF NEWPORT

G.O. Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Taxes			
Property	\$ 2,150,000	\$ 2,194,044	\$ 44,044
Interest earnings	<u>5,800</u>	<u>34,528</u>	<u>28,728</u>
Total Revenues	<u>2,155,800</u>	<u>2,228,572</u>	<u>72,772</u>
Expenditures:			
Water general obligation debt	<u>2,201,000</u>	<u>2,200,000</u>	<u>1,000</u>
Total Expenditures	<u>2,201,000</u>	<u>2,200,000</u>	<u>1,000</u>
Net Change in Fund Balance	(45,200)	28,572	73,772
Fund Balance, beginning	<u>171,880</u>	<u>171,879</u>	<u>(1)</u>
Fund Balance, ending	\$ <u><u>126,680</u></u>	200,451	\$ <u><u>73,771</u></u>
<i>Reconciliation to generally accepted accounting principles</i>			
Unavailable revenues		<u>79,995</u>	
Net position at end of year		\$ <u><u>280,446</u></u>	

CITY OF NEWPORT**Capital Projects Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Intergovernmental	\$ 4,187,610	\$ 1,336,021	\$ (2,851,589)
Interest earnings	<u>14,500</u>	<u>293,825</u>	<u>279,325</u>
Total Revenues	<u>4,202,110</u>	<u>1,629,846</u>	<u>(2,572,264)</u>
Expenditures:			
Water	8,524,432	2,481,498	6,042,934
Wastewater	1,992,385	894,036	1,098,349
Stormwater	<u>710,186</u>	<u>277,528</u>	<u>432,658</u>
Total Expenditures	<u>11,227,003</u>	<u>3,653,062</u>	<u>7,573,941</u>
Excess of Revenues Over Expenditures	<u>(7,024,893)</u>	<u>(2,023,216)</u>	<u>5,001,677</u>
Other Financing Sources (Uses):			
Transfers in	3,251,964	3,251,964	-
Transfers out	<u>(1,307,265)</u>	<u>(1,307,265)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>1,944,699</u>	<u>1,944,699</u>	<u>-</u>
Net Change in Fund Balance	(5,080,194)	(78,517)	5,001,677
Fund Balance, beginning	<u>7,357,469</u>	<u>6,047,096</u>	<u>(1,310,373)</u>
Fund Balance, ending	<u>\$ 2,277,275</u>	<u>\$ 5,968,579</u>	<u>\$ 3,691,304</u>

CITY OF NEWPORT
Internal Service Funds
Combining Statement of Net Position
June 30, 2023

ASSETS	<u>Public Works</u>	<u>City Facility</u>	<u>Total</u>
Current Assets:			
Cash and cash equivalents	\$ 876,098	\$ 892,609	\$ 1,768,707
Receivables:			
Accounts, net	-	30,552	30,552
Prepaid expenses	81	899	980
Total Current Assets	<u>876,179</u>	<u>924,060</u>	<u>1,800,239</u>
Noncurrent Assets:			
Capital assets:			
Land and construction in progress	599,340	-	599,340
Other capital assets, net	244,520	86,835	331,355
Total Capital Assets	<u>843,860</u>	<u>86,835</u>	<u>930,695</u>
Total Noncurrent Assets	<u>843,860</u>	<u>86,835</u>	<u>930,695</u>
Total Assets	<u>1,720,039</u>	<u>1,010,895</u>	<u>2,730,934</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Items	6,488	4,130	10,618
Other Postemployment Benefits Related Items	4,496	2,862	7,358
Total Deferred Outflows of Resources	<u>10,984</u>	<u>6,992</u>	<u>17,976</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	21,298	125,514	146,812
Payroll and related liabilities	52,062	44,896	96,958
Accrued compensated absences	44,993	16,944	61,937
Long-term obligations due within one year	30,655	8,741	39,396
Total Current Liabilities	<u>149,008</u>	<u>196,095</u>	<u>345,103</u>
Long-Term Obligations Due in More than One Year	<u>437,161</u>	<u>278,414</u>	<u>715,575</u>
Total Liabilities	<u>586,169</u>	<u>474,509</u>	<u>1,060,678</u>
DEFERRED INFLOWS OF RESOURCES			
Other Postemployment Benefits Related Items	27,726	17,649	45,375
Total Deferred Inflows of Resources	<u>27,726</u>	<u>17,649</u>	<u>45,375</u>
NET POSITION			
Net Investment in Capital Assets	694,925	(828)	694,097
Unrestricted	422,203	526,557	948,760
Total Net Position	<u>\$ 1,117,128</u>	<u>\$ 525,729</u>	<u>\$ 1,642,857</u>

CITY OF NEWPORT**Internal Service Funds****Combining Statement of Revenues, Expenses and Changes in Net Position**

Year Ended June 30, 2023

	<u>Public Works</u>	<u>City Facility</u>	<u>Total</u>
Operating Revenues:			
Service charges and fees	\$ 1,162,911	\$ 299,165	\$ 1,462,076
Intergovernmental	-	12,887	12,887
Miscellaneous	3,107	43,266	46,373
	<u>1,166,018</u>	<u>355,318</u>	<u>1,521,336</u>
Total Operating Revenues			
Operating Expenses:			
Salaries and wages	1,116,733	896,724	2,013,457
Contracted services	17,376	39,266	56,642
Property services	18,367	322,998	341,365
Operating supplies	29,675	38,588	68,263
Utilities	-	525,468	525,468
Depreciation and amortization	45,094	3,259	48,353
Repairs and maintenance	3,129	237,691	240,820
Charges for services	68,783	86,064	154,847
Miscellaneous	15,905	149,228	165,133
	<u>1,315,062</u>	<u>2,299,286</u>	<u>3,614,348</u>
Total Operating Expenses			
Operating Income (Loss)	<u>(149,044)</u>	<u>(1,943,968)</u>	<u>(2,093,012)</u>
Nonoperating Revenues (Expenses):			
Interest income	22,724	17,402	40,126
Interest expense	(1,230)	(988)	(2,218)
Gain (loss) on sale of capital assets	(2,891)	-	(2,891)
	<u>18,603</u>	<u>16,414</u>	<u>35,017</u>
Total Nonoperating Revenues (Expenses)			
Income (Loss) Before Capital Contributions and Transfers	(130,441)	(1,927,554)	(2,057,995)
Transfers In	-	3,298,913	3,298,913
Transfers Out	-	(1,221,957)	(1,221,957)
Change in Net Position	(130,441)	149,402	18,961
Net Position, beginning	<u>1,247,569</u>	<u>376,327</u>	<u>1,623,896</u>
Net Position, ending	<u>\$ 1,117,128</u>	<u>\$ 525,729</u>	<u>\$ 1,642,857</u>

CITY OF NEWPORT
Internal Service Funds
Combining Statement of Cash Flows
Year Ended June 30, 2023

	<u>Public Works</u>	<u>City Facility</u>	<u>Total</u>
Cash Flows from Operating Activities:			
Services provided to other funds	\$ 1,162,911	\$ 268,613	\$ 1,431,524
Payments for interfund services used	(68,783)	(86,064)	(154,847)
Payments to suppliers	(80,081)	(1,297,964)	(1,378,045)
Payments to employees	(996,669)	(830,735)	(1,827,404)
Other revenues	<u>3,107</u>	<u>56,153</u>	<u>59,260</u>
Net Cash provided by (used in) Operating Activities	<u>20,485</u>	<u>(1,889,997)</u>	<u>(1,869,512)</u>
Cash Flows from Noncapital and Related Financing Activities:			
Transfer in	-	3,298,913	3,298,913
Transfer out	<u>-</u>	<u>(999,603)</u>	<u>(999,603)</u>
Net Cash Flows provided by (used in) Noncapital and Related Financing Activities	<u>-</u>	<u>2,299,310</u>	<u>2,299,310</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition of capital assets	(28,064)	(222,354)	(250,418)
Principal paid	(15,468)	(2,230)	(17,698)
Interest paid	<u>(1,230)</u>	<u>(988)</u>	<u>(2,218)</u>
Net Cash Flows provided by (used in) Capital and Related Financing Activities	<u>(44,762)</u>	<u>(225,572)</u>	<u>(270,334)</u>
Cash Flows from Investing Activities:			
Investment income received	<u>22,724</u>	<u>17,402</u>	<u>40,126</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(1,553)</u>	<u>201,143</u>	<u>199,590</u>
Cash and Cash Equivalents, beginning	<u>877,651</u>	<u>691,466</u>	<u>1,569,117</u>
Cash and Cash Equivalents, ending	<u>\$ 876,098</u>	<u>\$ 892,609</u>	<u>\$ 1,768,707</u>

CITY OF NEWPORT
Internal Service Funds
Combining Statement of Cash Flows, continued
Year Ended June 30, 2023

	<u>Public Works</u>	<u>City Facility</u>	<u>Total</u>
Reconciliation of Operating Income (Loss) to Net Cash Flows from Operating Activities:			
Operating income (loss)	\$ (149,044)	\$ (1,943,968)	\$ (2,093,012)
Adjustments to reconcile operating income (loss) to net cash flows provided by (used in) operating activities:			
Depreciation and amortization	45,094	3,259	48,353
(Increase) decrease in assets and deferred outflows of resources:			
Accounts receivable	-	(30,552)	(30,552)
Prepaid expenses	10	(839)	(829)
Deferred outflows of resources - pension related	124,401	76,583	200,984
Deferred outflows of resources - other postemployment benefits related	(1,679)	(1,125)	(2,804)
Increase (decrease) in liabilities and deferred inflows of resources:			
Accounts payable	4,361	16,114	20,475
Accrued liabilities	(2,784)	1,429	(1,355)
Accrued leave	23,129	(3,351)	19,778
Net pension liability	67,989	47,102	115,091
Net other postemployment benefits liability	1,781	2,008	3,789
Deferred inflows of resources - pension related	(107,966)	(66,578)	(174,544)
Deferred inflows of resources - other postemployment benefits related	15,193	9,921	25,114
Net Cash Flows provided by (used in) Operating Activities	<u>\$ 20,485</u>	<u>\$ (1,889,997)</u>	<u>\$ (1,869,512)</u>
Noncash Capital and Related Financing Activities:			
Lease proceeds and lease assets	\$ 117,515	\$ 37,153	\$ 154,668
Transfers out	<u>-</u>	<u>(222,354)</u>	<u>(222,354)</u>
Net Noncash Capital and Related Financing Activities	<u>\$ 117,515</u>	<u>\$ (185,201)</u>	<u>\$ (67,686)</u>

CITY OF NEWPORT**Public Works Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Charges for services	\$ 1,162,911	\$ 1,162,911	\$ -
Interest earnings	38,400	22,724	(15,676)
Other revenue	<u>17,500</u>	<u>3,107</u>	<u>(14,393)</u>
Total Revenues	<u>1,218,811</u>	<u>1,188,742</u>	<u>(30,069)</u>
Expenditures:			
Public works administration	533,628	507,826	25,802
Engineering services	1,128,269	801,571	326,698
Contingency	<u>104,391</u>	<u>-</u>	<u>104,391</u>
Total Expenditures	<u>1,766,288</u>	<u>1,309,397</u>	<u>456,891</u>
Excess of Revenues Over Expenditures	<u>(547,477)</u>	<u>(120,655)</u>	<u>426,822</u>
Other Financing Sources (Uses):			
Lease proceeds	<u>79,600</u>	<u>117,515</u>	<u>37,915</u>
Total Other Financing Sources (Uses)	<u>79,600</u>	<u>117,515</u>	<u>37,915</u>
Net Change in Fund Balance	(467,877)	(3,140)	464,737
Fund Balance, beginning	<u>805,962</u>	<u>805,959</u>	<u>(3)</u>
Fund Balance, ending	\$ <u><u>338,085</u></u>	802,819	\$ <u><u>464,734</u></u>
Reconciliation to generally accepted accounting principles:			
Capital assets, net		843,860	
Compensated absences		(58,433)	
Deferred outflows related to pension		6,488	
Deferred outflows related to OPEB		4,496	
Net pension liability		(259,769)	
OPEB liability		(45,661)	
Deferred inflows related to OPEB		(27,726)	
Long-term debt		<u>(148,946)</u>	
Net position at end of year		\$ <u><u>1,117,128</u></u>	

CITY OF NEWPORT

City Facility Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended June 30, 2023

	Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$ 1,212,211	\$ 12,887	\$ (1,199,324)
Charges for services	299,165	299,165	-
Interest earnings	3,400	17,402	14,002
Other revenue	1,000	43,266	42,266
Total Revenues	1,515,776	372,720	(1,143,056)
Expenditures:			
Facilities administration	491,638	438,329	53,309
City hall facility	237,229	223,080	14,149
Fire facilities	93,241	58,215	35,026
Library facility	120,913	96,215	24,698
Parks facilities and grounds	924,896	817,444	107,452
City public restrooms	235,876	194,167	41,709
Pier & boardwalks	21,502	11,436	10,066
Performing arts center	173,627	166,885	6,742
Visual arts center	91,296	88,464	2,832
Street lights	425,000	399,957	25,043
Contingency	285,800	-	285,800
Total Expenditures	3,101,018	2,494,192	606,826
Excess of Revenues Over Expenditures	(1,585,242)	(2,121,472)	(536,230)
Other Financing Sources (Uses):			
Transfers in	3,912,007	3,298,913	(613,094)
Lease proceeds	36,000	37,153	1,153
Transfers out	(2,812,465)	(999,603)	1,812,862
Total Other Financing Sources (Uses)	1,135,542	2,336,463	1,200,921
Net Change in Fund Balance	(449,700)	214,991	664,691
Fund Balance, beginning	538,658	538,659	1
Fund Balance, ending	\$ 88,958	753,650	\$ 664,692
Reconciliation to generally accepted accounting principles:			
Capital assets, net		86,835	
Compensated absences		(22,006)	
Deferred outflows related to pension		4,130	
Deferred outflows related to OPEB		2,862	
Net pension liability		(165,363)	
OPEB liability		(29,067)	
Deferred inflows related to OPEB		(17,649)	
Long-term debt		(87,663)	
Net position at end of year		\$ 525,729	



STATISTICAL SECTION



STATISTICAL SCHEDULES

This section of the City of Newport's Annual Comprehensive Financial Report presents detailed information for understanding what the financial statements, note disclosures, and required supplementary information indicate about the City's overall financial health. The information is presented in five categories: financial trends, revenue capacity, debt capacity, demographic and economic information, and operating information.

FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

REVENUE CAPACITY

These schedules contain information to help the reader assess the City's most significant local revenue source, property taxes.

DEBT CAPACITY

The schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.

DEMOGRAPHIC AND ECONOMIC INFORMATION

Presented in these schedules are demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

OPERATING INFORMATION

These schedules present service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services it provides and the activities it performs.

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports from the relevant fiscal years.

Note: Some schedules reflect ten-years worth of data while others do not; this is mainly due to data not being available. The schedules not complete will be completed as the years go on.

Schedule 1
CITY OF NEWPORT, OREGON
NET POSITION BY COMPONENT
 Last Ten Fiscal Years
 (accrual basis of accounting)

	2014	2015	2016	2017	2018
Governmental Activities					
Net investment in capital assets	\$ 32,776,862	\$ 36,828,050	\$ 47,957,375	\$ 55,462,857	\$ 61,363,627
Restricted	791,582	18,367,842	12,536,216	9,818,841	16,131,218
Unrestricted	18,471,205	5,038,816	2,279,339	3,050,358	965,685
Total governmental activities net position	<u>52,039,649</u>	<u>60,234,708</u>	<u>62,772,930</u>	<u>68,332,056</u>	<u>78,460,530</u>
Business-type activities					
Net investment in capital assets	34,062,589	31,271,352	35,038,648	37,154,863	32,912,784
Restricted	1,176,784	4,548,076	3,199,262	2,922,277	1,305,902
Unrestricted	2,722,774	3,620,402	3,001,169	(1,520,208)	(1,759,533)
Total business-type activities net position	<u>37,962,147</u>	<u>39,439,830</u>	<u>41,239,079</u>	<u>38,556,932</u>	<u>32,459,153</u>
Total City of Newport					
Net investment in capital assets	66,839,451	68,099,402	82,996,023	92,617,720	94,276,411
Restricted	1,968,366	22,915,918	15,735,478	12,741,118	17,437,120
Unrestricted	21,193,979	8,659,218	5,280,508	1,530,150	(793,848)
Total net position	<u>\$ 90,001,796</u>	<u>\$ 99,674,538</u>	<u>\$ 104,012,009</u>	<u>\$ 106,888,988</u>	<u>\$ 110,919,683</u>
				Note 1	Note 2

In the last ten years, the net position of governmental activities increased by approximately 95.2 percent \$49,560,239. This increase is broken down as follows: Capital Assets less related debt increased by \$39,752,704. Restricted assets grew \$18,606,489 while the Unrestricted fell by \$8,798,954 for a net gain of \$9,807,535.

During the same time frame (ten years), the net position of the business-type activities have increased by 11.3 percent or \$4,833,005. This increase is broken down as follows: Capital Assets less related debt increased by \$5,600,162. Restricted assets grew \$6,604,972 while the Unrestricted fell by \$7,372,129 for a net loss of \$767,157.

- Note 1: GASB 68 adopted (defined benefit pension reporting)
- Note 2: GASB 75 adopted (post-employment benefit reporting)
- Note 3: GASB 87 adopted (lease reporting)
- Note 4: GASB 96 adopted (subscription reporting)

Source: City of Newport 2014-2023 Annual Financial Reports

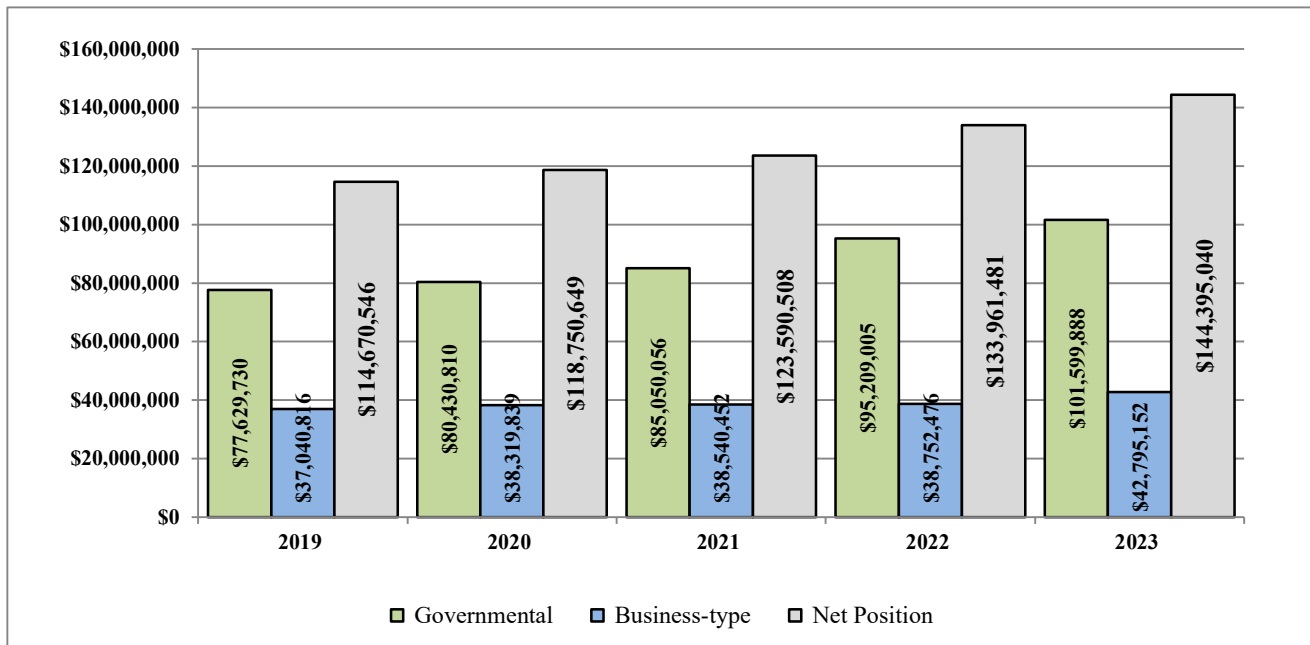
Schedule 1
CITY OF NEWPORT, OREGON
NET POSITION BY COMPONENT, continued
 Last Ten Fiscal Years
 (accrual basis of accounting)

2019	2020	2021	2022	2023	
					Governmental Activities
\$ 61,753,931	\$ 64,567,300	\$ 67,056,257	\$ 69,303,793	\$ 72,529,566	Net investment in capital assets
17,622,044	11,819,747	12,194,072	17,892,449	19,398,071	Restricted
(1,746,245)	4,043,763	5,799,727	8,012,763	9,672,251	Unrestricted
<u>77,629,730</u>	<u>80,430,810</u>	<u>85,050,056</u>	<u>95,209,005</u>	<u>101,599,888</u>	Total governmental activities net position
					Business-type activities
35,237,692	41,614,582	42,154,618	36,602,565	39,662,751	Net investment in capital assets
1,873,545	2,800,428	2,883,876	7,449,999	7,781,756	Restricted
(70,421)	(6,095,171)	(6,498,042)	(5,300,088)	(4,649,355)	Unrestricted
<u>37,040,816</u>	<u>38,319,839</u>	<u>38,540,452</u>	<u>38,752,476</u>	<u>42,795,152</u>	Total business-type activities net position
					Total City of Newport
96,991,623	106,181,882	109,210,875	105,906,358	112,192,317	Net investment in capital assets
19,495,589	14,620,175	15,077,948	25,342,448	27,179,827	Restricted
(1,816,666)	(2,051,408)	(698,315)	2,712,675	5,022,896	Unrestricted
<u>\$ 114,670,546</u>	<u>\$ 118,750,649</u>	<u>\$ 123,590,508</u>	<u>\$ 133,961,481</u>	<u>\$ 144,395,040</u>	Total net position

Note 3

Note 4

Governmental, Business-type, and Total Net Position
 last 5 fiscal years



Schedule 2
CITY OF NEWPORT, OREGON
CHANGE IN NET POSITION
 Last Ten Fiscal Years
 (accrual basis of accounting)

	2014	2015	2016	2017	2018
Expenses					
Governmental activities:					
General government	2,620,714	5,446,621	6,271,284	6,708,369	7,070,473
Public safety	6,013,687	5,185,741	7,122,338	6,475,521	6,611,040
Highways and streets (public works)	1,530,448	1,905,912	1,391,446	1,694,645	1,858,877
Economic development	1,815,605	-	-	-	-
Culture and recreation	2,265,394	2,600,685	2,680,451	2,941,138	3,872,839
Airport operations	795,401	-	-	-	-
Facilities & parks	704,184	-	-	-	-
Interest on long-term debt	411,693	758,037	716,647	641,681	583,024
Total governmental activities expenses	<u>16,157,126</u>	<u>15,896,996</u>	<u>18,182,166</u>	<u>18,461,354</u>	<u>19,996,253</u>
Business-type activities					
Water	3,276,390	3,622,964	5,016,453	6,094,409	7,271,364
Sewer	2,834,964	4,334,154	3,383,671	3,456,552	2,539,598
Stormwater	-	-	-	-	-
Capital projects	-	247,936	-	-	-
Total business-type activities expenses	<u>6,111,354</u>	<u>8,205,054</u>	<u>8,400,124</u>	<u>9,550,961</u>	<u>9,810,962</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government (1)	421,764	3,517,226	2,617,314	2,774,718	2,540,739
Public safety	-	429,024	493,593	388,197	465,808
Highways and streets (public works)	205,010	441,582	435,731	452,828	463,743
Economic development	140,926	-	-	-	-
Culture and recreation	585,687	691,150	607,228	799,377	836,585
Airport operations	532,163	-	-	-	-
Operating grants and contributions	-	127,365	188,354	54,964	816,211
Capital grants and contributions	2,804,362	5,978,209	1,743,842	3,441,549	1,941,312
Total governmental activities program revenues	<u>4,689,912</u>	<u>11,184,556</u>	<u>6,086,062</u>	<u>7,911,633</u>	<u>7,064,398</u>
Business-type activities					
Water	3,328,473	3,573,859	3,537,147	4,056,102	4,455,924
Sewer	3,813,260	3,841,320	3,831,317	4,029,679	4,066,006
Stormwater	-	-	-	-	-
Total business-type activities program revenues	<u>7,141,733</u>	<u>7,415,179</u>	<u>7,368,464</u>	<u>8,085,781</u>	<u>8,521,930</u>
Total program revenues	<u>11,831,645</u>	<u>18,599,735</u>	<u>13,454,526</u>	<u>15,997,414</u>	<u>15,586,328</u>
General Revenues					
Governmental activities:					
Taxes:					
Property taxes used for general purposes	7,777,047	6,245,760	6,342,098	6,482,576	6,629,032
Property taxes used for debt service	-	2,408,623	2,393,393	2,677,775	3,038,201
Transient room taxes	2,964,050	3,167,392	3,569,523	3,743,308	4,248,219
Franchise fees	835,533	724,801	1,421,518	1,350,193	1,259,130
Fines & forfeitures	156,070	-	-	-	-
Motor fuel	-	1,308,389	761,637	817,131	166,966
Cigarette, liquor, marijuana and const excise tax (CET)	-	240,401	274,987	303,930	550,546
Other taxes	1,603,594	-	-	-	-
Intergovernmental (+grants)	850,074	-	-	-	-
Loss on disposal	-	-	-	-	-
Interest earnings	217,720	106,880	148,909	201,725	290,164
Other revenue	675,871	379,998	505,102	391,231	287,475
Gain on sale of capital assets	-	-	-	1,650,272	-
Total governmental activities general revenues	<u>15,079,959</u>	<u>14,582,244</u>	<u>15,417,167</u>	<u>17,618,141</u>	<u>16,469,733</u>
Transfers	229,192	(172,072)	(782,845)	(1,509,294)	6,638,046
Total governmental activities	<u>15,309,151</u>	<u>14,410,172</u>	<u>14,634,322</u>	<u>16,108,847</u>	<u>23,107,779</u>

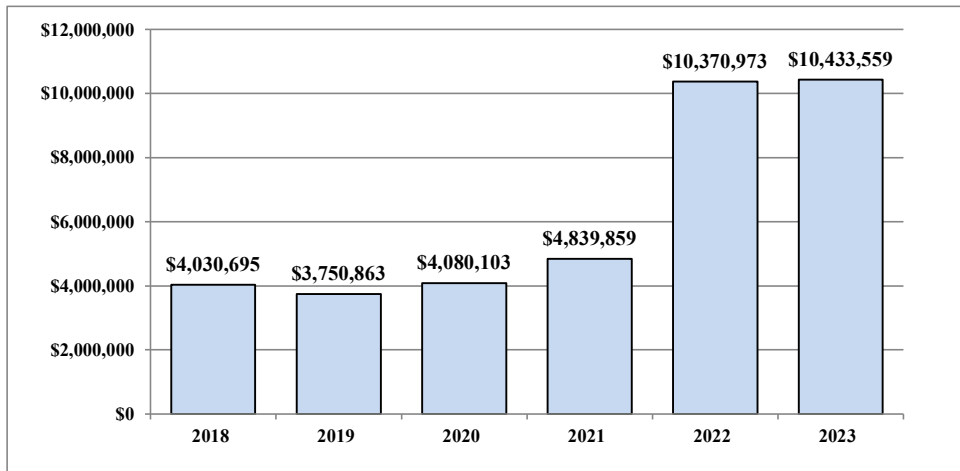
Schedule 2
CITY OF NEWPORT, OREGON
CHANGE IN NET POSITION
 Last Ten Fiscal Years
 (accrual basis of accounting)

2019	2020	2021	2022	2023	
					Expenses
					Governmental activities:
6,974,042	8,797,823	9,312,659	7,260,423	8,835,335	General government
7,024,000	7,715,840	6,758,875	6,161,819	7,285,141	Public safety
1,737,166	756,036	829,487	1,716,106	1,879,645	Highways and streets (public works)
-	-	-	-	-	Economic development
4,136,018	3,453,213	3,105,869	3,896,058	4,399,758	Culture and recreation
-	-	-	-	-	Airport operations
-	-	-	-	-	Facilities & parks
614,849	502,835	432,110	332,785	281,736	Interest on long-term debt
<u>20,486,075</u>	<u>21,225,747</u>	<u>20,439,000</u>	<u>19,367,191</u>	<u>22,681,615</u>	Total governmental activities expenses
					Business-type activities
6,319,871	8,826,163	8,936,513	4,968,698	4,407,378	Water
4,153,178	11,495,261	5,608,368	7,051,610	6,995,775	Sewer
-	2,230,813	849,782	1,108,625	969,025	Stormwater
-	-	-	-	-	Capital projects
<u>10,473,049</u>	<u>22,552,237</u>	<u>15,394,663</u>	<u>13,128,933</u>	<u>12,372,178</u>	Total business-type activities expenses
					Program Revenues
					Governmental activities:
					Charges for services:
1,907,132	2,295,466	2,358,023	2,766,485	2,972,772	General government (1)
545,777	336,567	309,448	263,606	191,656	Public safety
1,082,894	220,060	284,630	-	2,238	Highways and streets (public works)
-	-	-	-	-	Economic development
854,680	1,166,184	1,183,586	852,627	1,024,308	Culture and recreation
-	-	-	-	-	Airport operations
789,799	1,011,200	1,046,120	2,549,596	2,698,364	Operating grants and contributions
1,333,493	82,678	34,716	2,586,959	716,052	Capital grants and contributions
<u>6,513,775</u>	<u>5,112,155</u>	<u>5,216,523</u>	<u>9,019,273</u>	<u>7,605,390</u>	Total governmental activities program revenues
					Business-type activities
4,327,951	7,869,378	6,489,606	4,372,465	5,979,219	Water
4,242,558	13,443,236	6,347,619	4,572,868	5,252,241	Sewer
-	1,034,954	1,328,165	1,019,359	1,049,886	Stormwater
<u>8,570,509</u>	<u>22,347,568</u>	<u>14,165,390</u>	<u>9,964,692</u>	<u>12,281,346</u>	Total business-type activities program revenues
<u>15,084,284</u>	<u>27,459,723</u>	<u>19,381,913</u>	<u>18,983,965</u>	<u>19,886,736</u>	Total program revenues
					General Revenues
					Governmental activities:
					Taxes:
6,822,818	8,573,616	9,177,229	9,933,802	10,447,411	Property taxes used for general purposes
3,358,110	2,076,870	2,090,303	1,940,111	1,955,441	Property taxes used for debt service
4,402,983	3,743,320	4,993,876	6,666,570	6,974,069	Transient room taxes
1,325,445	1,434,629	1,426,122	1,670,419	1,406,020	Franchise fees
-	-	-	-	-	Fines & forfeitures
190,099	870,500	974,226	-	-	Motor fuel
536,675	692,108	790,287	-	-	Cigarette, liquor, marijuana and const excise tax (CE)
-	-	-	998,891	915,136	Other taxes
-	-	-	-	-	Intergovernmental (+grants)
-	-	-	-	-	Loss on disposal
585,896	384,856	146,477	153,673	1,036,051	Interest earnings
365,973	275,991	192,559	371,642	183,425	Other revenue
-	-	-	-	-	Gain on sale of capital assets
<u>17,587,999</u>	<u>18,051,890</u>	<u>19,791,079</u>	<u>21,735,108</u>	<u>22,917,553</u>	Total governmental activities general revenues
<u>(1,198,499)</u>	<u>862,782</u>	<u>50,644</u>	<u>(1,084,691)</u>	<u>(1,450,445)</u>	Transfers
<u>16,389,500</u>	<u>18,914,672</u>	<u>19,841,723</u>	<u>20,650,417</u>	<u>21,467,108</u>	Total governmental activities

Schedule 2
CITY OF NEWPORT, OREGON
CHANGE IN NET POSITION, continued
 Last Ten Fiscal Years
 (accrual basis of accounting)

	2014	2015	2016	2017	2018
General Revenues, continued					
Business-type activities					
Property taxes used for debt service	1,823,865	1,928,761	1,783,433	1,902,502	1,745,661
Interest earnings	10,623	67,944	49,845	82,773	111,477
Other revenue	-	376,389	-	-	-
Total business-type activities general revenues	1,834,488	2,373,094	1,833,278	1,985,275	1,857,138
Transfers	(229,192)	172,072	782,845	1,509,294	(6,638,046)
Total business-type activities	1,605,296	2,545,166	2,616,123	3,494,569	(4,780,908)
Change in Net Position					
Governmental activities	3,841,937	9,697,732	2,538,222	5,559,126	10,175,924
Business-type activities	2,635,675	1,755,291	1,584,463	2,029,389	(6,069,940)
Total Change in net position	6,477,612	11,453,023	4,122,685	7,588,515	4,105,984
Net position - beginning, as restated	83,524,184	90,001,796	99,674,538	104,012,009	106,888,988
Prior period adjustments	-	(1,780,281)	214,786	(4,711,536)	(75,289)
Net position - ending	<u>\$ 90,001,796</u>	<u>\$ 99,674,538</u>	<u>\$104,012,009</u>	<u>\$106,888,988</u>	<u>\$110,919,683</u>

Change in Net Position
last five years



Note 1: In the 2014-15 Fiscal Year, the City Facilities programs were moved from Public Works to the General Government category.

Note 2: GASB 87 adopted. Beginning net position has been restated.

Note 3: GASB 96 adopted. Beginning net position has been restated.

Source: City of Newport 2014-2023 Annual Financial Reports

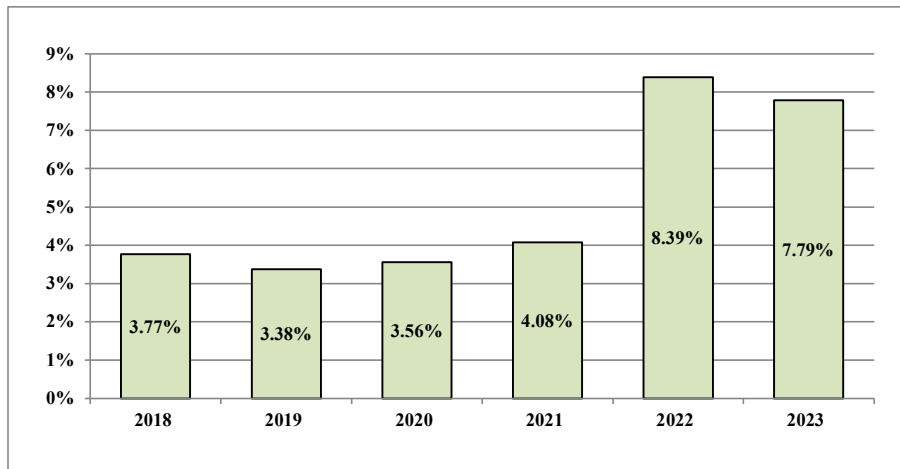
Schedule 2
CITY OF NEWPORT, OREGON
CHANGE IN NET POSITION
 Last Ten Fiscal Years
 (accrual basis of accounting)

2019	2020	2021	2022	2023	
					General Revenues, continued
					Business-type activities
1,749,192	1,970,103	2,168,090	2,209,388	2,198,486	Property taxes used for debt service
116,536	296,819	88,293	62,368	434,539	Interest earnings
-	79,552	60,234	69,012	42,038	Other revenue
1,865,728	2,346,474	2,316,617	2,340,768	2,675,063	Total business-type activities general revenues
1,198,499	(862,782)	(50,644)	1,084,691	1,450,445	Transfers
3,064,227	1,483,692	2,265,973	3,425,459	4,125,508	Total business-type activities
					Change in Net Position
2,417,200	2,801,080	4,619,246	10,302,499	6,390,883	Governmental activities
1,161,687	1,279,023	1,036,700	261,218	4,034,676	Business-type activities
3,578,887	4,080,103	5,655,946	10,563,717	10,425,559	Total Change in net position
110,919,683	114,670,546	118,750,649	123,812,607	133,969,481	Net position - beginning, as restated
171,976	-	(816,087)	(414,843)	-	Prior period adjustments
<u>\$114,670,546</u>	<u>\$118,750,649</u>	<u>\$123,590,508</u>	<u>\$133,961,481</u>	<u>\$144,395,040</u>	Net position - ending

Note 2

Note 3

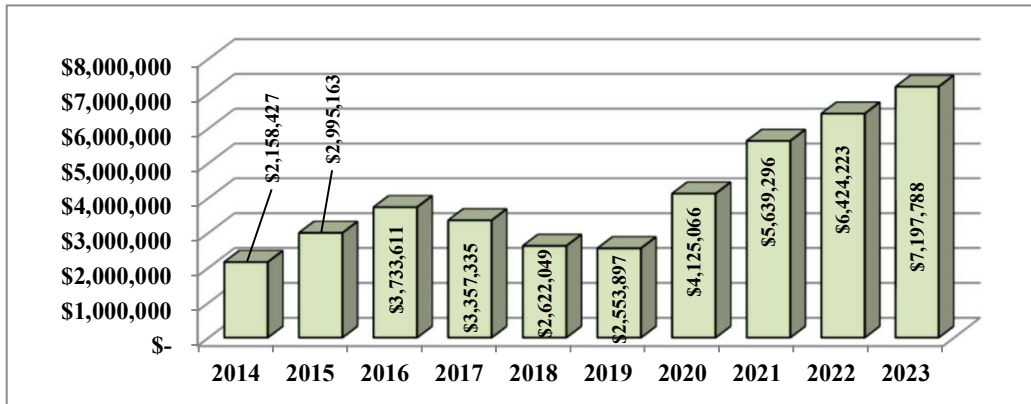
Year to Year Percentage Change in Net Position
 last five years



Schedule 3
CITY OF NEWPORT, OREGON
FUND BALANCES OF GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	2014	2015	2016	2017	2018
General Fund					
Nonspendable	\$ 7,713	\$ 111	\$ 1,002	\$ -	\$ 3,746
Committed	-	176,067	-	-	-
Unassigned	2,150,714	2,818,985	3,732,609	3,357,335	2,618,303
Total General Fund	<u>2,158,427</u>	<u>2,995,163</u>	<u>3,733,611</u>	<u>3,357,335</u>	<u>2,622,049</u>
All other governmental funds					
Nonspendable	17,949	65,900	8,127	16,391	3,271
Restricted	791,582	18,367,842	12,316,651	9,635,599	15,857,053
Committed	5,440,021	4,076,374	2,333,999	2,564,502	1,482,887
Assigned	11,774,636	-	-	1,347,435	1,362,885
Unassigned	320,212	-	-	(9,017)	(9,477)
Total all other governmental funds	<u>18,344,400</u>	<u>22,510,116</u>	<u>14,658,777</u>	<u>13,554,910</u>	<u>18,696,619</u>
Total fund balances of governmental funds	<u>\$ 20,502,827</u>	<u>\$ 25,505,279</u>	<u>\$ 18,392,388</u>	<u>\$ 16,912,245</u>	<u>\$ 21,318,668</u>

General Fund Total Fund Balance
 Last Ten Fiscal Years



Source: City of Newport 2014-2023 Annual Financial Reports

Schedule 3
CITY OF NEWPORT, OREGON
FUND BALANCES OF GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

2019	2020	2021	2022	2023	
					General Fund
\$ 18,861	\$ 7,888	\$ 50,010	\$ 41,595	\$ 2,330	Nonspendable
-	-	-	-	-	Committed
2,535,036	4,117,178	5,589,286	6,382,628	7,195,458	Unassigned
<u>2,553,897</u>	<u>4,125,066</u>	<u>5,639,296</u>	<u>6,424,223</u>	<u>7,197,788</u>	Total General Fund
					All other governmental funds
21,533	84,056	111,564	139,184	88,687	Nonspendable
17,494,059	12,755,625	13,123,615	17,626,456	19,090,857	Restricted
1,295,160	1,168,074	1,715,105	2,008,547	2,130,769	Committed
1,779,369	2,665,961	2,959,942	4,698,682	5,643,727	Assigned
-	(37,768)	(3,518)	-	(966)	Unassigned
<u>20,590,121</u>	<u>16,635,948</u>	<u>17,906,708</u>	<u>24,472,869</u>	<u>26,953,074</u>	Total all other governmental funds
<u>\$ 23,144,018</u>	<u>\$ 20,761,014</u>	<u>\$ 23,546,004</u>	<u>\$ 30,897,092</u>	<u>\$ 34,150,862</u>	Total fund balances of governmental funds

**Governmental Funds Total Fund Balance
and Annual Percentage Change**

Last Ten Fiscal Years

Fiscal Year	Fund Balance	% Change
2014	\$ 20,502,827	-
2015	25,505,279	24.40%
2016	18,392,388	-27.89%
2017	16,912,245	-8.05%
2018	21,318,668	26.05%
2019	23,144,018	8.56%
2020	20,761,014	-10.30%
2021	23,546,004	13.41%
2022	30,897,092	31.22%
2023	34,150,862	10.53%

The total governmental fund balance has increased by 66.57 percent over the last ten years. The average change in percent over the ten years is a 7.55 percent growth.

Schedule 4
CITY OF NEWPORT, OREGON
CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	2014	2015	2016	2017	2018
Revenues					
Taxes	\$ 12,234,880	\$ 11,757,609	\$ 12,607,792	\$ 12,927,595	\$ 14,327,621
Franchise fees, privilege taxes, licenses, and permits	1,722,388	1,676,410	1,441,951	1,560,734	1,496,719
Intergovernmental	3,854,436	7,279,349	2,627,484	4,480,147	3,258,664
Charges for services	1,572,840	4,019,705	3,896,832	3,928,927	4,088,450
Fines and forfeitures	156,070	164,816	117,404	128,048	114,747
Leases & rents	153,240	-	-	-	-
System development charges	-	-	-	-	-
Interest earnings	217,720	106,880	148,909	201,725	287,572
Other revenue	1,521,326	495,178	639,290	562,370	454,365
Total revenues	<u>21,432,900</u>	<u>25,499,947</u>	<u>21,479,662</u>	<u>23,789,546</u>	<u>24,028,138</u>
Expenditures					
General government	2,379,674	5,471,035	6,345,215	6,499,792	6,218,707
Public safety	5,395,473	4,935,829	5,339,330	5,616,027	6,033,231
Highways and streets (public works)	1,428,723	1,396,889	873,861	1,038,748	1,034,352
Culture and recreation	2,097,976	2,252,354	2,329,955	2,627,593	3,018,475
Economic development	1,653,453	-	-	-	-
Facilities & Parks	704,184	-	-	-	-
Airport Operations	848,953	-	-	-	-
Materials & Services	96,853	-	-	-	-
Debt service	1,752,501	-	-	-	-
Principal	-	1,274,980	1,582,639	2,984,432	1,745,000
Interest	-	758,037	761,502	679,509	624,442
Capital outlay	4,578,983	9,652,113	11,318,251	8,984,654	5,944,630
Total expenditures	<u>20,936,773</u>	<u>25,741,237</u>	<u>28,550,753</u>	<u>28,430,755</u>	<u>24,618,837</u>
Excess (deficiency) of revenues over (under) expenditures	<u>496,127</u>	<u>(241,290)</u>	<u>(7,071,091)</u>	<u>(4,641,209)</u>	<u>(590,699)</u>
Other financing sources (uses)					
Debt issuance	8,239,500	5,456,000	-	1,548,404	6,849,577
Proceeds from sale of capital assets	-	-	-	1,657,500	-
Premium on debt issuance	381,973	-	-	-	-
Transfers in	5,076,982	5,525,894	4,103,145	6,003,534	7,276,372
Lease proceeds	-	-	-	-	-
Transfers out	(4,847,790)	(5,697,966)	(3,961,468)	(6,048,372)	(9,128,827)
Total other financing sources (uses)	<u>8,850,665</u>	<u>5,283,928</u>	<u>141,677</u>	<u>3,161,066</u>	<u>4,997,122</u>
Prior period adjustments	-	(40,186)	(183,477)	-	-
Net change in fund balances	<u>\$ 9,346,792</u>	<u>\$ 5,002,452</u>	<u>\$ (7,112,891)</u>	<u>\$ (1,480,143)</u>	<u>\$ 4,406,423</u>

Ratio of Total Debt Service Expenditures to Total Noncapital Expenditures

Total debt service expenditures	\$ 1,752,501	\$ 2,033,017	\$ 2,344,141	\$ 3,663,941	\$ 2,369,442
Total noncapital expenditures	<u>15,960,144</u>	<u>16,089,124</u>	<u>16,446,553</u>	<u>18,921,017</u>	<u>18,285,974</u>
Ratio of total debt service expenditures less refundings to total noncapital expenditures	<u>10.98%</u>	<u>12.64%</u>	<u>14.25%</u>	<u>19.36%</u>	<u>12.96%</u>

Source: City of Newport 2014-2023 Annual Financial Reports

Schedule 4
CITY OF NEWPORT, OREGON
CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

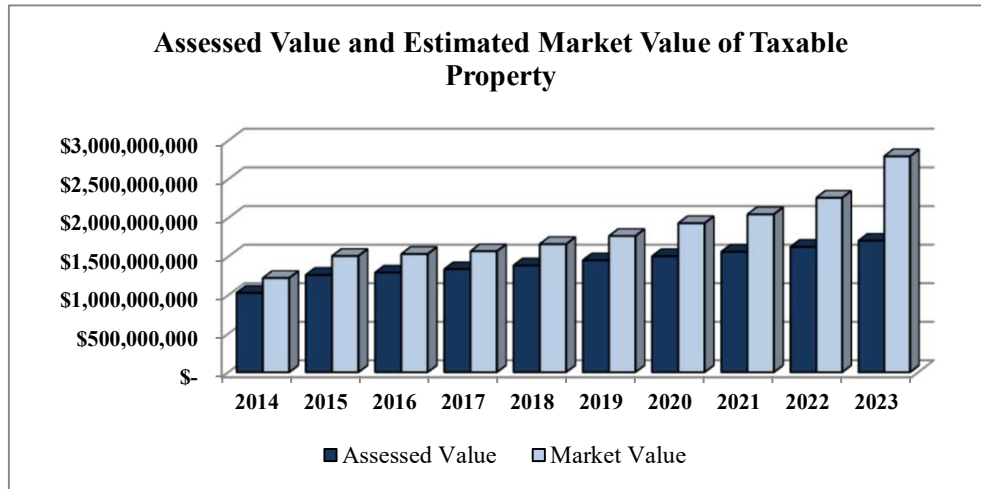
2019	2020	2021	2022	2023	
					Revenues
\$ 14,883,660	\$ 14,731,874	\$ 16,700,277	\$ 19,027,722	\$ 19,721,306	Taxes
1,576,701	1,839,736	1,850,692	1,902,279	1,647,411	Franchise fees, privilege taxes, licenses, and permits
2,399,402	2,905,961	2,651,968	5,513,999	3,774,416	Intergovernmental
4,649,068	2,715,811	2,625,180	3,017,512	3,441,783	Charges for services
128,525	150,209	129,867	174,491	151,892	Fines and forfeitures
-	-	-	-	-	Leases & rents
-	-	-	475,190	409,952	System development charges
582,067	380,280	142,675	149,817	1,018,649	Interest earnings
480,612	256,286	192,415	399,770	420,327	Other revenue
<u>24,700,035</u>	<u>22,980,157</u>	<u>24,293,074</u>	<u>30,660,780</u>	<u>30,585,736</u>	Total revenues
					Expenditures
5,680,845	6,067,872	4,806,118	6,075,984	6,770,130	General government
6,273,966	6,528,173	6,011,154	6,329,104	6,934,881	Public safety
912,425	503,594	486,222	553,396	649,378	Highways and streets (public works)
3,070,872	2,806,195	2,079,283	2,592,122	3,091,280	Culture and recreation
-	-	-	-	-	Economic development
-	-	-	-	-	Facilities & Parks
-	-	-	-	-	Airport Operations
-	-	-	-	-	Materials & Services
-	-	-	-	-	Debt service
2,120,000	1,664,500	1,740,500	1,680,171	1,867,588	Principal
649,128	501,528	438,398	377,422	320,510	Interest
3,108,644	3,215,274	4,222,198	3,023,971	3,981,158	Capital outlay
<u>21,815,880</u>	<u>21,287,136</u>	<u>19,783,873</u>	<u>20,632,170</u>	<u>23,614,925</u>	Total expenditures
					Excess (deficiency) of revenues over (under) expenditures
<u>2,884,155</u>	<u>1,693,021</u>	<u>4,509,201</u>	<u>10,028,610</u>	<u>6,970,811</u>	
					Other financing sources (uses)
277,500	-	-	-	-	Debt issuance
-	-	-	-	-	Proceeds from sale of capital assets
-	-	-	-	-	Premium on debt issuance
5,631,722	7,844,765	4,991,776	7,400,235	11,392,740	Transfers in
-	-	-	181,060	55,286	Lease proceeds
(6,968,027)	(11,920,790)	(6,715,987)	(9,908,131)	(15,165,067)	Transfers out
<u>(1,058,805)</u>	<u>(4,076,025)</u>	<u>(1,724,211)</u>	<u>(2,326,836)</u>	<u>(3,717,041)</u>	Total other financing sources (uses)
-	-	-	(350,686)	-	Prior period adjustments
<u>\$ 1,825,350</u>	<u>\$ (2,383,004)</u>	<u>\$ 2,784,990</u>	<u>\$ 7,351,088</u>	<u>\$ 3,253,770</u>	Net change in fund balances
\$ 2,769,128	\$ 2,166,028	\$ 2,178,898	\$ 2,057,593	\$ 2,188,098	Total debt service expenditures
20,239,597	18,014,771	15,957,948	17,165,565	19,032,103	Total noncapital expenditures
					Ratio of total debt service expenditures less refundings to total noncapital expenditures
<u>13.68%</u>	<u>12.02%</u>	<u>13.65%</u>	<u>11.99%</u>	<u>11.50%</u>	

Schedule 5
CITY OF NEWPORT, OREGON
ASSESSED VALUE AND ESTIMATED MARKET VALUE OF TAXABLE PROPERTY
 Last Ten Fiscal Years

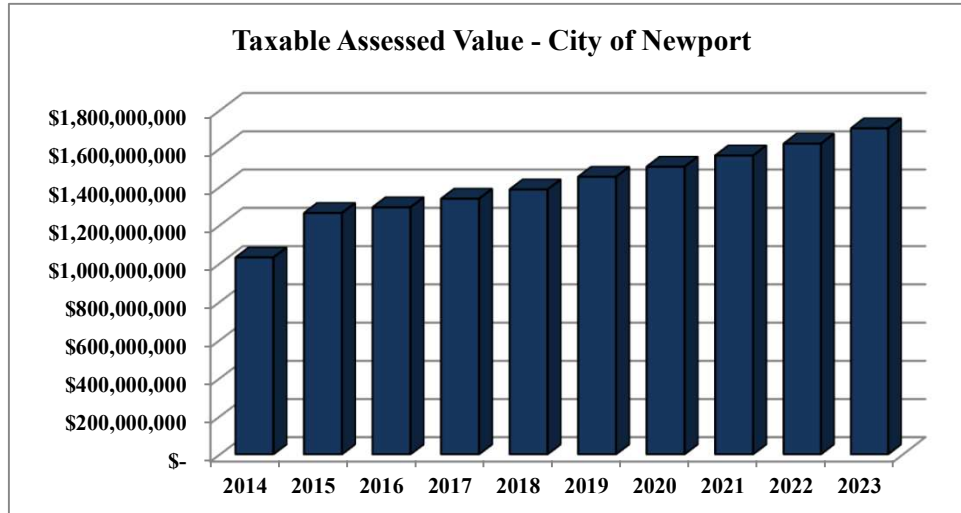
Fiscal Year Ended June 30,	Taxable Assessed Value	Direct Tax Rate Per \$1,000 of Assessed Value	Urban Renewal District Assessed Value	Total Assessed Value	Estimated Market Value	Assessed Value as a % of Market Value
2014	1,030,390,405	5.5938	135,875,197	1,166,265,602	1,222,412,409	95.41%
2015	1,263,033,051	5.5938	136,869,617	1,399,902,668	1,508,268,831	92.82%
2016	1,292,794,735	5.5938	138,719,427	1,431,514,162	1,533,699,076	93.34%
2017	1,337,383,961	5.5938	162,028,890	1,499,412,851	1,569,196,193	95.55%
2018	1,385,786,447	5.5938	180,183,069	1,565,969,516	1,662,018,005	94.22%
2019	1,452,221,107	5.5938	207,584,349	1,659,805,456	1,766,719,111	93.95%
2020	1,504,939,337	5.5938	219,494,051	1,724,433,388	1,931,905,479	89.26%
2021	1,563,166,867	5.5938	259,618,108	1,822,784,975	2,047,158,163	89.04%
2022	1,625,399,477	5.5938	257,637,331	1,883,036,808	2,260,563,647	83.30%
2023	1,705,023,920	5.5938	278,395,741	1,983,419,661	2,797,039,007	70.91%

Source: Lincoln County Tax Assessor

Schedule 5
CITY OF NEWPORT, OREGON
ASSESSED VALUE AND ESTIMATED MARKET VALUE OF TAXABLE PROPERTY
 Last Ten Fiscal Years



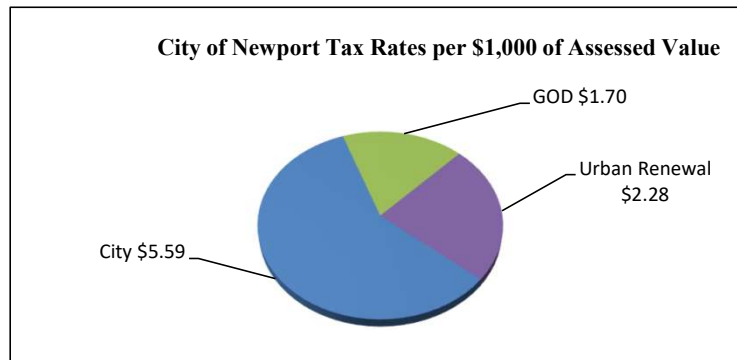
The "gap" between the market value and the assessed value is important to note. Oregon statutes allow the assessed value on a single piece of property to rise no more than three percent annually up to the market value, where the assessed value is capped. Currently, the assessed value is 70.91 percent of market value. Current economic conditions will have an effect on the market value of properties, but the extent of the effect is not known at this time.



Schedule 6
CITY OF NEWPORT, OREGON
DIRECT AND OVERLAPPING TAX RATES (1)
 Last Ten Fiscal Years

City of Newport Direct Rates

Fiscal Year Ended June 30,	Basic Rate	General Obligation Debt Service	Total Before Urban Renewal	Newport Urban Renewal	Total Direct Rate
2014	5.59	1.54	7.14	1.24	8.37
2015	5.59	1.91	7.51	1.22	8.72
2016	5.59	1.82	7.41	1.31	8.72
2017	5.59	1.81	7.41	1.66	9.07
2018	5.59	1.72	7.31	1.76	9.07
2019	5.59	1.61	7.20	1.90	9.10
2020	5.59	1.69	7.28	2.03	9.31
2021	5.59	1.81	7.41	2.17	9.58
2022	5.59	1.79	7.39	2.22	9.60
2023	5.59	1.70	7.29	2.28	9.57



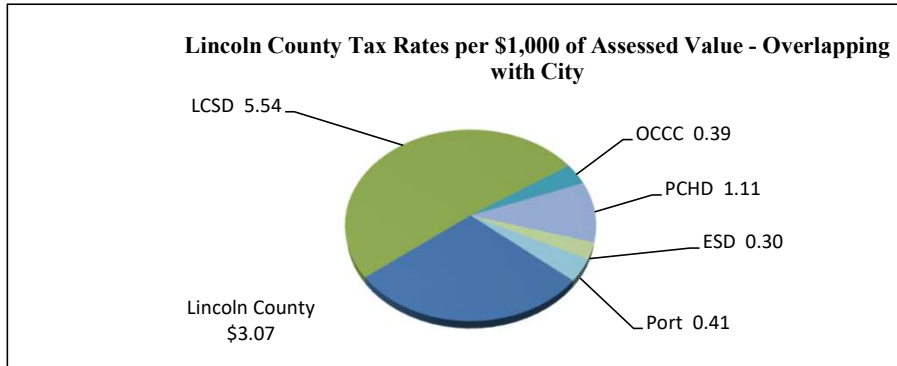
(1) - Rate per \$1,000 of assessed value
 City = City of Newport
 GOD = General Obligation Debt

Source: Lincoln Tax Assessor

Schedule 6
CITY OF NEWPORT, OREGON
DIRECT AND OVERLAPPING TAX RATES
 Last Ten Fiscal Years

Overlapping Rates

Lincoln County	Lincoln County School District	Oregon Coast Community College	Pacific Communities Health District	ESD Lincoln/Benton Counties	Port of Newport	Total Direct & Overlapping Rates
3.21	5.68	0.35	0.36	0.30	0.63	18.91
3.21	5.64	0.46	0.36	0.30	0.61	19.30
3.21	5.64	0.44	0.36	0.30	0.61	19.29
3.21	5.64	0.44	1.23	0.30	0.59	20.47
3.21	5.62	0.43	1.21	0.30	0.57	20.41
3.18	5.62	0.39	1.12	0.26	0.31	19.99
2.63	4.85	0.37	1.09	0.26	0.43	18.93
2.60	4.92	0.39	1.09	0.26	0.42	19.24
2.59	5.57	0.38	1.05	0.26	0.48	19.93
3.07	5.54	0.39	1.11	0.30	0.41	20.40



LCSD = Lincoln County School District
 OCCC = Oregon Coast Community College
 PCHD = Pacific Communities Health District

ESD = ESD Lincoln/Benton Counties
 Port = Port of Newport

Schedule 7
CITY OF NEWPORT, OREGON
PRINCIPAL PROPERTY TAXPAYERS
Fiscal Years 2023 and 2014

Taxpayer	2023		% of		2014		% of	
	Taxable Assessed Value	Rank	Total Taxable Assessed Value		Taxable Assessed Value	Rank	Total Taxable Assessed Value	
Northwest Natural Gas Company	\$ 42,221,000	1	2.48%		\$ 72,556,700	1	7.04%	
Central Lincoln PUD	31,153,000	2	1.83%		64,137,900	2	6.22%	
Hallmark Inns and Resorts	22,716,430	3	1.33%		8,764,980	6	0.85%	
Fred Meyer Stores/Kroger Co.	17,717,680	4	1.04%		10,804,660	5	1.05%	
Shilo Inns	14,689,170	5	0.86%		15,649,500	3	1.52%	
Wal Mart Real Estate	12,901,720	6	0.76%		14,270,700	4	1.38%	
Charter Communications	12,185,000	7	0.71%		6,316,880	10	0.61%	
Oregon Brewing Co.	12,177,520	8	0.71%		-	0	0.00%	
RV Agate Beach	11,064,050	9	0.65%		-	0	0.00%	
King Hoof LLC & Coast Hwy LLC	9,757,090	10	0.57%		-	0	0.00%	
Port of Newport	-		0.00%		8,109,070	7	0.79%	
EY Inc. and E W & J B Inc.	-		0.00%		6,967,860	8	0.68%	
SPM Little Creek LLC	-		0.00%		6,483,030	9	0.63%	
Total	\$ 186,582,660		10.94%		\$ 214,061,280		20.77%	
Total taxable assessed value, all properties	\$ 1,705,023,920				\$ 1,030,390,405			

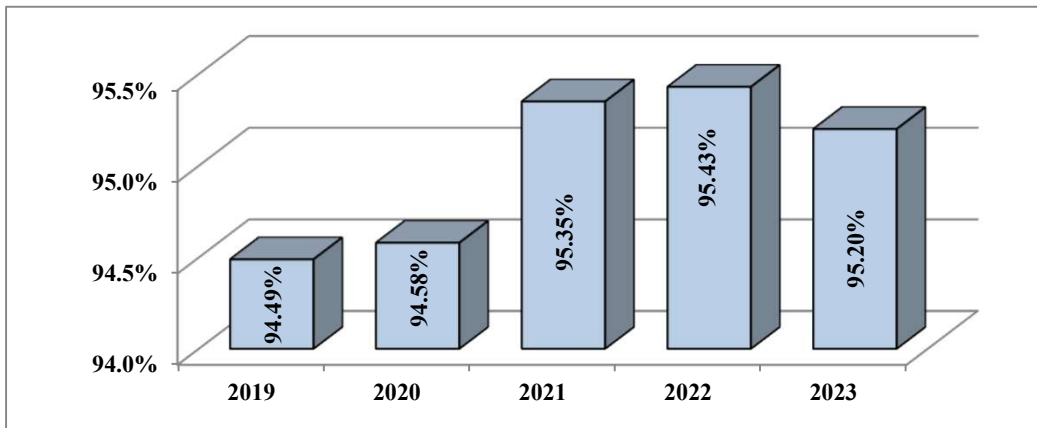
The above Total Taxable percentage of the Top Ten Taxpayers is normally graphed. However the information will be accumulated yearly, until 10 years are reported.

Source: Lincoln County Tax Assessors

Schedule 8
CITY OF NEWPORT, OREGON
PROPERTY TAX LEVIES AND COLLECTIONS
 Last Ten Fiscal Years

Fiscal Year Ended June 30,	Tax Levy as Extended by the Assessor (1)	Collected within the Fiscal Year of the Levy	Percentage Collected	Collections In Subsequent Years	Total Collections to Date	Percentage of Levy as Extended
2015	\$ 10,567,908	\$ 9,751,502	92.27%	\$ 432,387	\$ 10,183,889	96.37%
2016	10,743,889	9,927,597	92.40%	487,728	10,415,325	96.94%
2017	11,289,267	10,493,168	92.95%	472,582	10,965,750	97.13%
2018	11,682,522	10,831,481	92.72%	465,102	11,296,583	96.70%
2019	12,259,650	11,584,279	94.49%	337,822	11,922,101	97.25%
2020	12,929,064	12,228,144	94.58%	317,000	12,545,143	97.03%
2021	13,718,120	13,080,524	95.35%	193,327	13,273,851	96.76%
2022	14,312,387	13,658,358	95.43%	139,642	13,798,000	96.41%
2023	14,929,145	14,211,846	95.20%	-	14,211,846	95.20%

Percentage of Taxes Collected in the Year Assessed



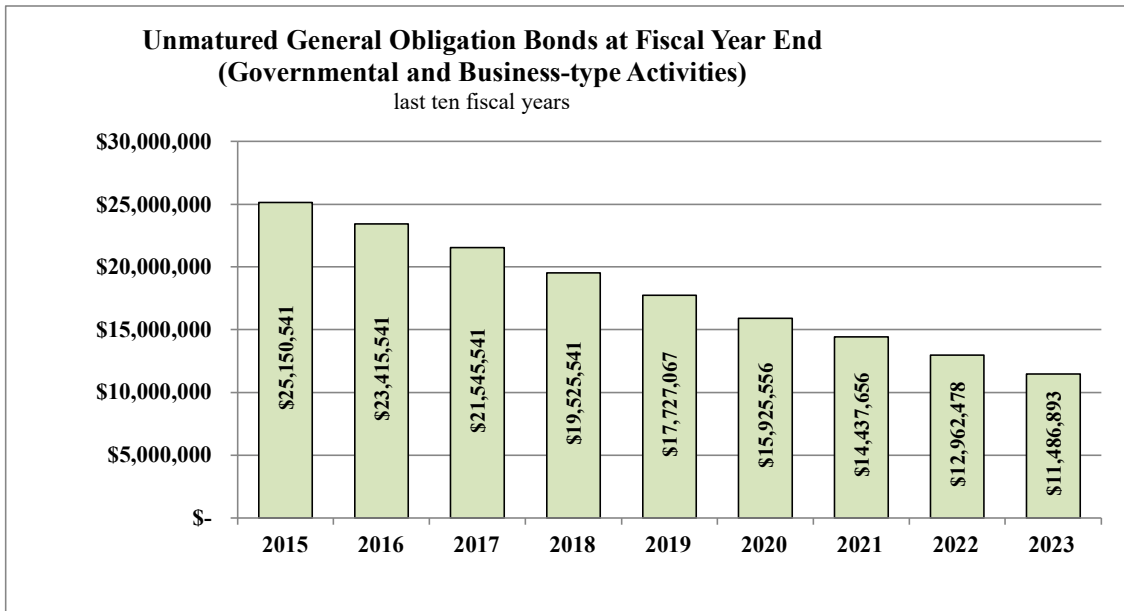
The City has chosen to calculate the property tax collection rate based on the gross amount of the levy as extended by the Lincoln County Assessors. The resulting rate is a lower percentage, but for comparative purposes it can be applied to future years' levies without having to estimate discounts and adjustments. This method of calculating the collection rate is the same one used for the budget. In past annual reports the collection percentage was based on a net levy, which included discounts and adjustments. Using the new method, the five-year average first-year collection rate is 95.01 percent of the levy as extended by the assessors.

There are three ways in which property tax revenue can be adversely affected by a slowdown in the economy: 1) market value falls below assessed value; 2) assessed value falls; and 3) the rate of tax collection falls. Because of the healthy gap between market values and assessed values, there would be lag time before a downturn would directly affect the market value limit on assessed value. In the second situation, assessed values will not fall quickly. It is more likely that the rate of growth of the assessed value will slow. The third factor has the potential to have a more immediate effect. A one percentage point drop in the tax collection rate would translate into a \$150,000 decrease in current tax revenues. The City will monitor the tax collection rate to gauge its effect on 2023-24 revenues. The tax collection rate will also be a factor in the preparation of the 2024-25 budget.

Sources: Lincoln County Tax Assessor
 (1) Levy as extended by the Lincoln County Assessor.

Schedule 9
CITY OF NEWPORT, OREGON
SCHEDULE OF DEBT PER CAPITA AND DEBT AS A PERCENTAGE OF PERSONAL INCOME
 Last Ten Fiscal Years

Fiscal Year Ended June 30,	GOVERNMENTAL ACTIVITIES				
	General Obligation Bonds	Revenue Bonds	Urban Renewal (UR) TIF Bonds (1)	Notes Payable	Leases and Subscriptions
2015	\$ 7,850,000	\$ 1,270,000	\$ 11,820,000	\$ 226,776	\$ 57,778
2016	7,655,000	995,000	10,721,000	213,132	24,694
2017	7,440,000	715,000	9,559,000	-	-
2018	7,200,000	420,000	8,349,000	-	-
2019	7,216,476	392,500	7,187,167	-	-
2020	6,902,377	317,000	5,873,529	-	289,794
2021	6,563,282	241,500	4,513,874	-	222,099
2022	6,199,184	133,329	3,262,250	-	685,264
2023	5,805,085	52,829	1,974,614	-	519,018



As the above chart indicates, there has been a nearly linear reduction in the amount of the outstanding general obligation debt. The trend will continue as the existing bonds approach retirement.

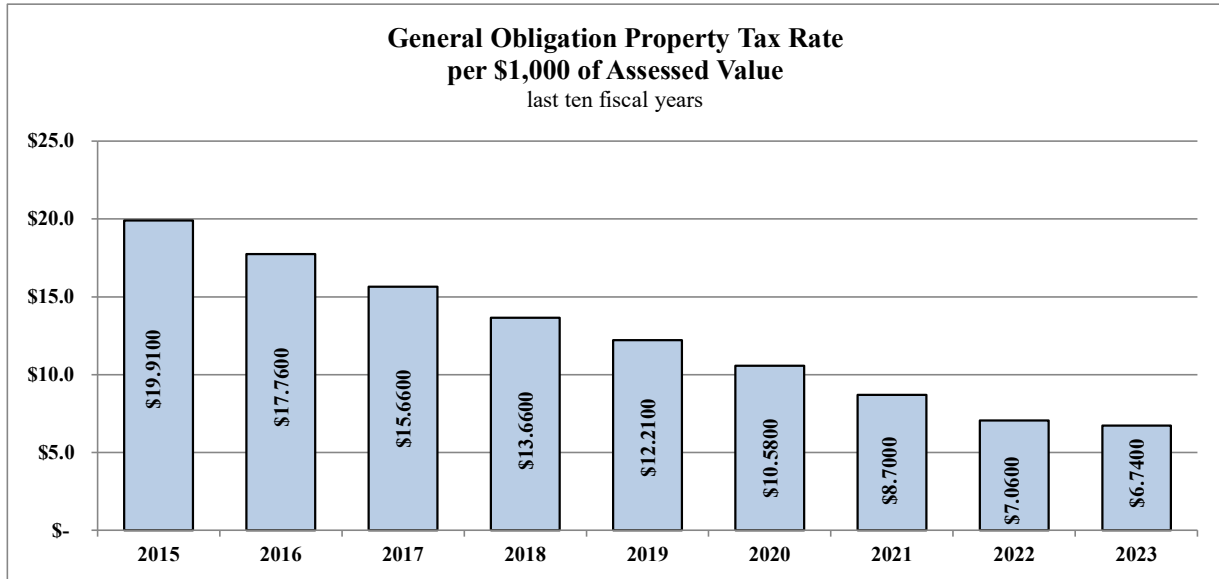
(1) TIF-Tax Increment Financing

(2) Includes \$20,964,243.00 State of Oregon Revolving Fund loan for Water and Wastewater projects

Source: City of Newport 2014-2023 Annual Financial Reports

Schedule 9
CITY OF NEWPORT, OREGON
SCHEDULE OF DEBT PER CAPITA AND DEBT AS A PERCENTAGE OF PERSONAL INCOME
 Last Ten Fiscal Years

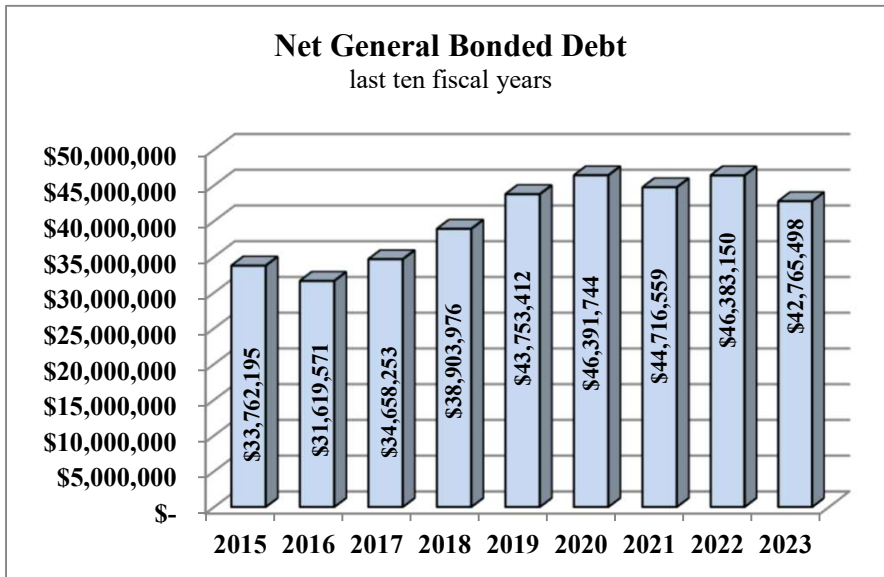
BUSINESS-TYPE ACTIVITIES						Total Outstanding Debt	% of Personal Income	Debt per Capita
General Obligation Bonds	Water Revenue Bonds (2)	Sewer Revenue Bonds (2)	Stormwater Revenue Bonds	Notes Payable	Leases and Subscriptions			
\$ 17,300,541	\$ 6,412,987	\$ 3,560,000	\$ -	\$ 794,505	\$ -	49,292,587	26.89	1,270
15,760,541	7,300,213	3,135,000	-	767,888	-	46,572,468	24.20	1,155
14,105,541	9,286,091	3,129,104	-	739,941	-	\$ 44,974,677	22.16	1,063
12,325,541	9,506,606	6,275,681	3,248,000	710,789	-	48,035,617	22.21	1,071
10,510,591	8,843,892	14,673,029	2,958,000	680,378	-	52,462,033	23.42	1,130
9,023,179	7,781,433	20,433,757	2,667,000	648,552	-	53,936,621	22.58	1,138
7,874,374	7,061,743	21,440,596	2,367,000	615,252	-	50,899,720	19.07	970
6,763,294	10,872,530	21,843,830	2,058,000	580,417	186,792	52,584,890	19.24	983
5,681,808	10,455,491	20,964,243	1,740,000	543,881	333,217	48,070,186	n/a	n/a



As the above chart indicates, there has been a nearly linear reduction in the amount of the outstanding general obligation debt. The trend will continue as the existing bonds approach retirement.

Schedule 10
CITY OF NEWPORT, OREGON
RATIO OF GENERAL BONDED DEBT (1) TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA
 Last Ten Fiscal Years

Fiscal Year Ended June 30,	Population (2)	Assessed Value	General Obligation Bonds	General Revenue Obligations
2015	10,165	\$ 1,263,033,051	\$25,150,541	\$ 11,242,987
2016	10,190	1,292,794,735	23,415,541	11,430,213
2017	10,215	1,337,383,961	21,545,541	13,130,195
2018	10,125	1,385,786,447	19,525,541	19,450,287
2019	10,210	1,452,221,107	17,727,067	26,867,421
2020	10,256	1,504,939,337	15,925,556	31,199,190
2021	10,591	1,563,166,867	14,437,656	31,110,839
2022	10,755	1,625,399,477	12,962,478	34,907,689
2023	10,888	1,705,023,920	11,486,893	33,212,563



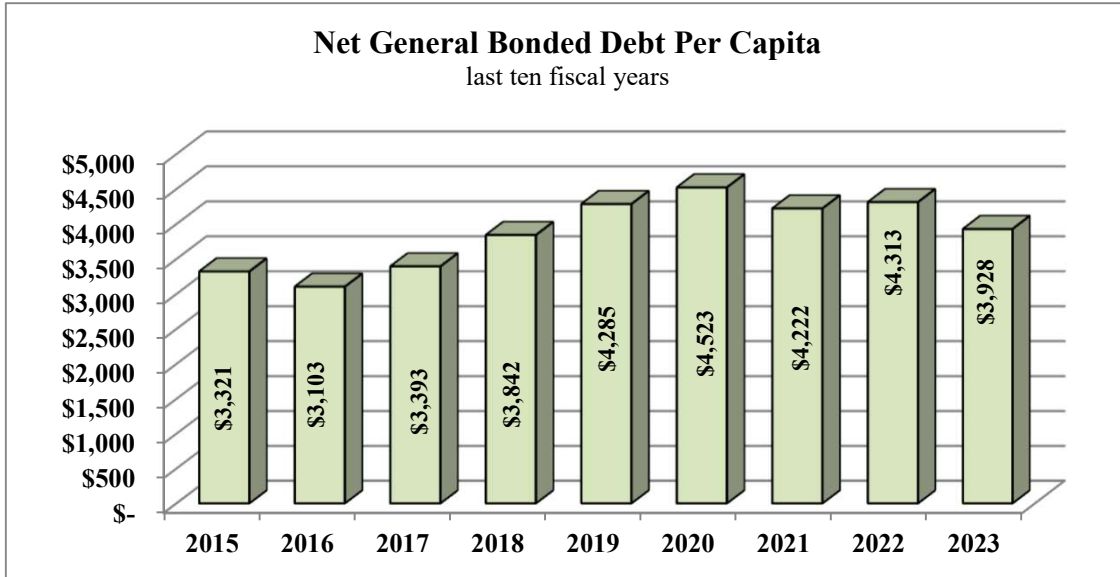
(1) General bonded debt includes general obligation bonds and other bonded debt financed with any general governmental resources.

(2) Portland State University, Population Research and Census Center

Source: City of Newport 2014-2023 Annual Financial Reports

Schedule 10
CITY OF NEWPORT, OREGON
RATIO OF GENERAL BONDED DEBT (1) TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA
 Last Ten Fiscal Years

Less: Amounts Available in Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita	Net Bonded Debt as a Percent of Personal Income
\$ 2,631,333	\$ 33,762,195	2.67%	3,321	1842%
3,226,183	31,619,571	2.45%	3,103	1643%
17,483	34,658,253	2.59%	3,393	1708%
71,852	38,903,976	2.81%	3,842	1799%
841,076	43,753,412	3.01%	4,285	1953%
733,002	46,391,744	3.08%	4,523	1942%
831,936	44,716,559	2.86%	4,222	1675%
1,487,017	46,383,150	2.85%	4,313	1697%
1,933,958	42,765,498	2.51%	3,928	n/a

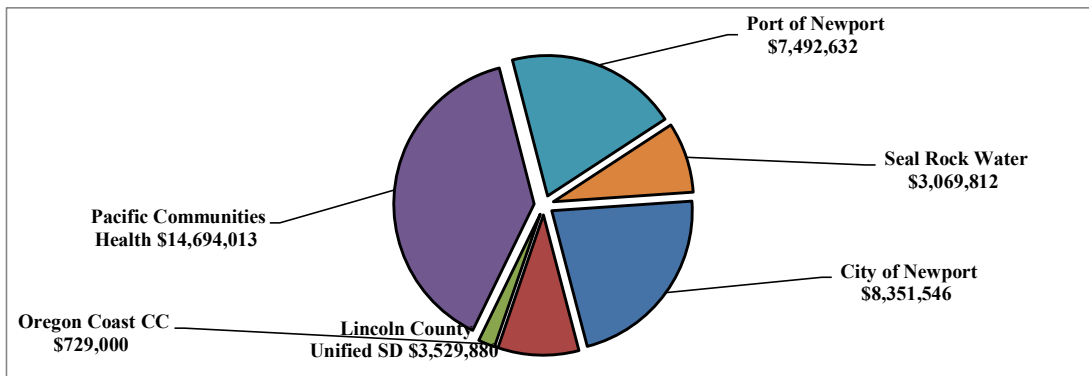




Schedule 11
CITY OF NEWPORT, OREGON
COMPUTATION OF DIRECT AND OVERLAPPING DEBT (1)
as of June 30, 2023

Jurisdiction	Net Outstanding Debt	Percentage Applicable to the City of Newport (1)	Amount Applicable to the City of Newport
DIRECT DEBT			
City of Newport (2)	\$ 8,351,546	100.00%	\$ 8,351,546
OVERLAPPING DEBT			
Lincoln County Unified School District	19,720,000	17.90%	3,529,880
Oregon Coast Community College	4,050,000	18.00%	729,000
Pacific Communities Health District	41,345,000	35.54%	14,694,013
Port of Newport	10,815,000	69.28%	7,492,632
Seal Rock Water District	4,722,787	65.00%	3,069,812
Total overlapping debt	80,652,787		29,515,337
Total direct and overlapping debt	\$ 89,004,333		\$ 37,866,883

Direct and Overlapping Debt Applicable to the City of Newport



(1) Source - State of Oregon, Treasury Department, the overlapping debt percentage is determined by the percent of real market value the City shares between itself and another issuer. This data is provided to the Treasury Department annually by the Oregon Department of Revenue.

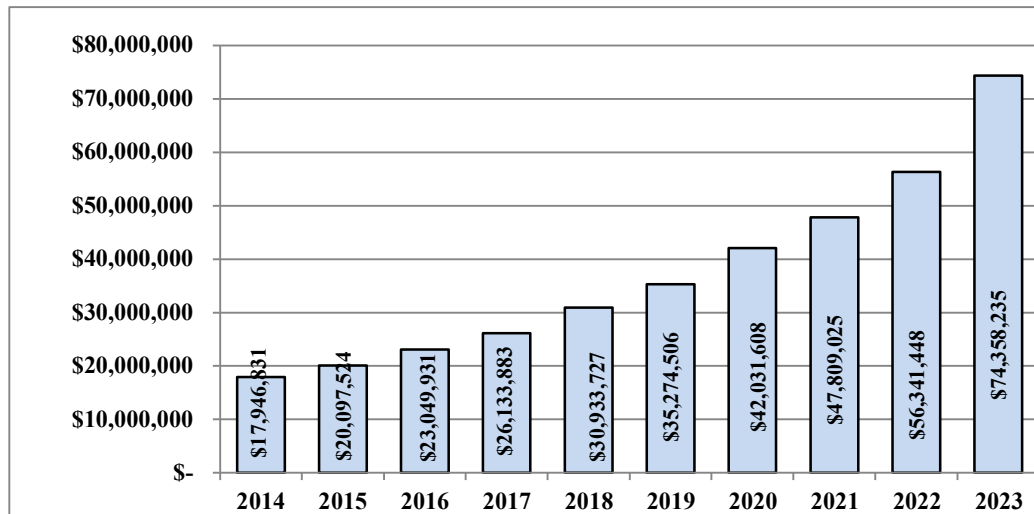
(2) City of Newport net outstanding debt

General obligation bonds	\$ 5,805,085
Revenue bonds	52,829
Urban renewal TIF bonds	1,974,614
Notes payable	-
Leases and subscriptions	519,018
Total City of Newport net outstanding debt	8,351,546

Schedule 12
CITY OF NEWPORT, OREGON
COMPUTATION OF LEGAL DEBT MARGIN
 Last Ten Fiscal Years

	2014	2015	2016	2017
Debt limitation	\$ 36,672,372	\$ 45,248,065	\$ 46,010,972	\$ 47,075,886
Total net debt applicable to limitation	18,725,541	25,150,541	22,961,041	20,942,003
Legal debt margin	<u>\$ 17,946,831</u>	<u>\$ 20,097,524</u>	<u>\$ 23,049,931</u>	<u>\$ 26,133,883</u>
Ratio of net debt applicable to the debt limitation	<u>51.06%</u>	<u>55.58%</u>	<u>49.90%</u>	<u>44.49%</u>

Legal Debt Margin
 last ten fiscal years



Sources: Lincoln County Tax Assessors and Notes to the Basic Financial Statements

Schedule 12
CITY OF NEWPORT, OREGON
COMPUTATION OF LEGAL DEBT MARGIN
 Last Ten Fiscal Years

2018	2019	2020	2021	2022	2023	
\$ 49,860,540	\$ 53,001,573	\$ 57,957,164	\$ 61,414,745	\$ 67,816,909	\$ 83,911,170	Debt limitation
18,926,813	17,727,067	15,925,556	13,605,720	11,475,461	9,552,935	Total net debt applicable to limitation
<u>\$ 30,933,727</u>	<u>\$ 35,274,506</u>	<u>\$ 42,031,608</u>	<u>\$ 47,809,025</u>	<u>\$ 56,341,448</u>	<u>\$ 74,358,235</u>	Legal debt margin
<u>37.96%</u>	<u>33.45%</u>	<u>27.48%</u>	<u>22.15%</u>	<u>16.92%</u>	<u>11.38%</u>	Ratio of net debt applicable to the debt limitation

Legal debt margin calculation for Fiscal Year

True cash value	\$ 2,797,039,007
General obligation debt limit - 3% of true cash value	3%
General obligation debt limit	83,911,170
Gross general obligation bonded debt principal	
General obligation bonds	\$ 5,805,085
2009 A&B Water GO Bonds	5,681,808
Less: Debt service monies available	
Debt Service Fund:	1,933,958
Net debt subject to the three percent limitation	<u>9,552,935</u>
Legal debt margin	<u>\$ 74,358,235</u>

The lower the ratio of net debt applicable to the debt limitation, the greater the legal capacity to issue general obligation debt. However, the ratio indicates little about the City's economic condition and political atmosphere concerning the ability to issue additional general obligation debt.

Schedule 13
CITY OF NEWPORT, OREGON
PLEGGED REVENUE COVERAGE
 Last Ten Fiscal Years (*)

2015 A & B Urban Renewal Bonds (Coverage requirement equals 125%)

Fiscal Year Ended June 30,	Operating Revenues	Less: Operating Expenses	Net Available Resources	Principal	Debt Service Interest	Total	Coverage Percentage
2015	\$ 1,909,275	\$ -	\$ 1,909,275	\$ 942,000	\$ 273,078	\$ 1,215,078	1.57
2016	1,988,661	75,354	1,913,307	1,152,000	365,159	1,517,159	1.26
2017	2,350,631	96,067	2,254,564	1,162,000	355,049	1,517,049	1.49
2018	2,601,060	108,937	2,492,123	1,210,000	307,916	1,517,916	1.64
2019	3,013,477	114,045	2,899,432	1,255,000	261,529	1,516,529	1.91
2020	3,166,541	110,685	3,055,856	1,294,000	222,817	1,516,817	2.01
2021	3,437,916	105,614	3,332,302	1,345,000	172,035	1,517,035	2.20
2022	3,665,691	120,805	3,544,886	1,227,000	127,642	1,354,642	2.62
2023	4,033,729	132,666	3,901,063	1,268,000	85,772	1,353,772	2.88

Operating data is from the combined Urban Renewal data.

2014 and 2019 Water Borrowings (Coverage requirement equals 125%)

Fiscal Year Ended June 30,	Operating Revenues	Less: Operating Expenses	Net Available Resources	Principal	Debt Service Interest	Total	Coverage Percentage
2016	\$ 3,504,294	\$ 2,291,711	\$ 1,212,583	\$ 131,174	\$ 209,814	\$ 340,988	3.56
2017	3,691,435	2,418,006	1,273,429	159,402	171,585	330,987	3.85
2018	3,784,986	2,616,157	1,168,829	165,825	165,161	330,986	3.53
2019	4,095,824	2,897,199	1,198,625	172,507	158,480	330,987	3.62
2020	4,557,583	2,938,154	1,619,429	702,459	260,540	962,999	1.68
2021	4,283,371	3,037,968	1,245,403	719,690	243,558	963,248	1.29
2022	4,315,123	3,122,000	1,193,123	740,213	222,960	963,173	1.24
2023	4,656,054	3,347,437	1,308,617	417,039	201,181	618,220	2.12

Operating data is from the Water Fund Statement of Revenues.

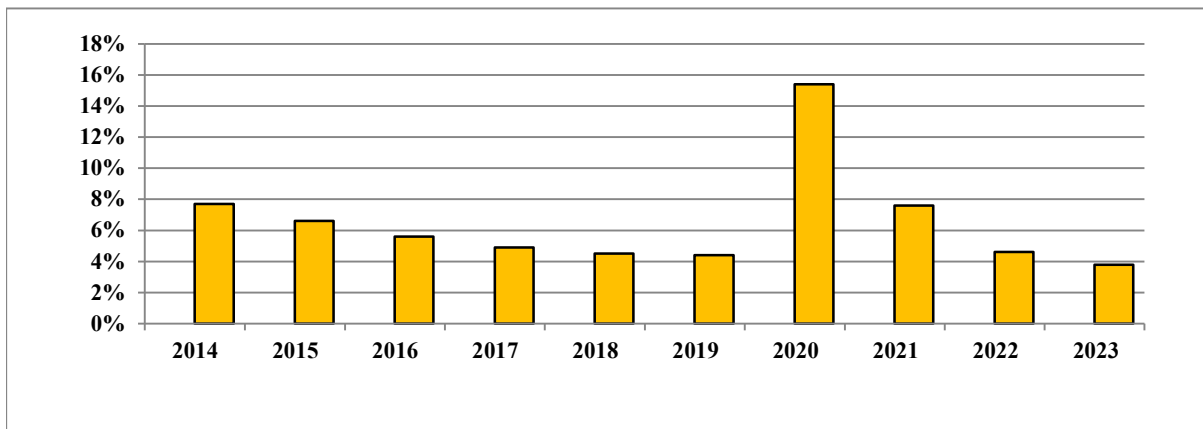
The amount of net available resources for bond coverage is determined by subtracting operating expenses from operating revenues. Interest payments on property assessments are deducted from operating revenues. Operating expenses are reduced by the amount of depreciation taken for the fiscal year, if any.

Schedule 14
CITY OF NEWPORT, OREGON
DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Fiscal Years

Fiscal Year Ended June 30,	City of Newport Population(1)	Lincoln County Population(1)	Personal Income(2)	Per Capita Personal Income(2)	Newport School Enrollment(3)	Unemployment Rate (4) Lincoln County
2014	10,095	46,890	\$ 1,737,712	\$ 37,059	1,908	7.7%
2015	10,165	47,225	1,832,982	38,814	1,965	6.6%
2016	10,190	47,735	1,924,237	40,311	2,024	5.6%
2017	10,215	47,960	2,029,283	42,312	2,085	4.9%
2018	10,125	48,210	2,163,060	44,867	2,147	4.5%
2019	10,210	48,260	2,240,027	46,416	2,212	4.4%
2020	10,256	50,395	2,389,106	47,408	2,278	15.4%
2021	10,591	50,868	2,669,654	52,482	2,346	7.6%
2022	10,755	51,090	2,733,008	53,494	2,481	4.6%
2023	10,888	51,588	n/a	n/a	2,642	3.8%

Over the last ten years, the City's population has increased by 7.86 percent (793). From 2013 to 2021 per capita personal income has risen by 44.35 percent (\$16,435) in the Newport statistical area. As of Fiscal Year 2021-22 (per capita data lags one year), per capita personal income was \$53,494 for Lincoln County, and \$62,303 for the state as a whole. For the ten-year period, enrollment in the Lincoln County Public School District increased by 38.47 percent (734 students).

Lincoln County Unemployment Rate
 last 10 fiscal years



Sources:

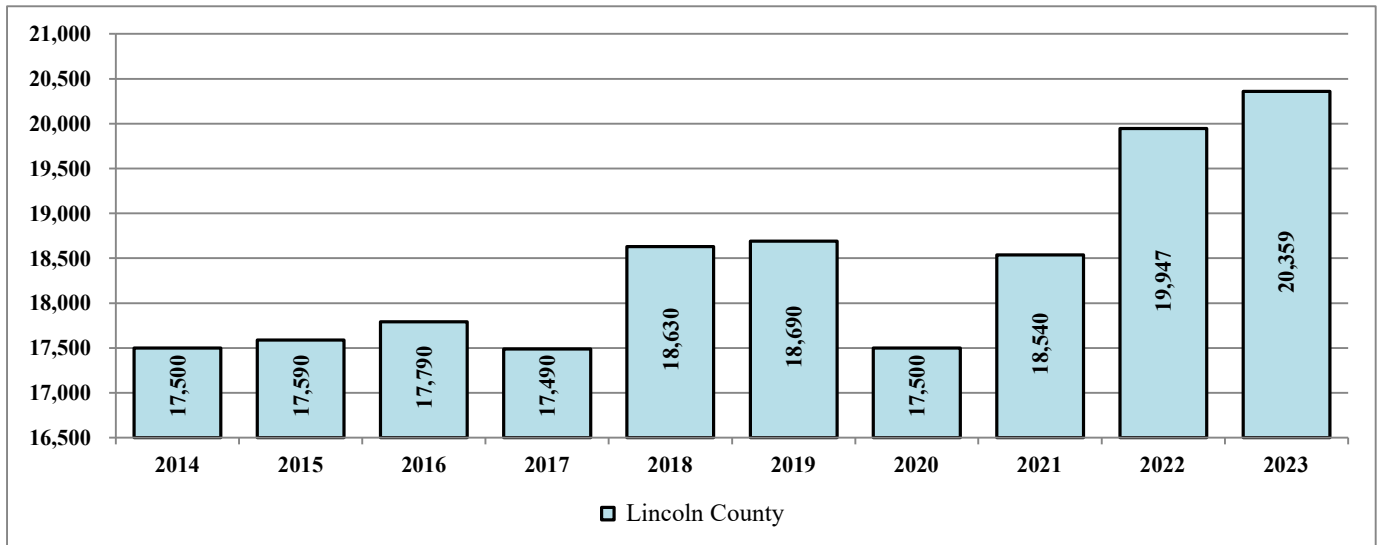
- (1) Portland State University, Population Research and Census Center
- (2) U. S. Department of Commerce, Bureau of Economic Analysis (2022 is the most current data available)
- (3) Oregon Department of Education, Oregon Coast Community College, Lincoln County School District
- (4) State of Oregon, Employment Department



Schedule 15
CITY OF NEWPORT, OREGON
NEWPORT AREA PRINCIPAL EMPLOYERS
for the Fiscal Years ended June 30, 2014, and June 30, 2023

Employer	2023			2014		
	Number of Employees	Rank	% of Total Employment	Number of Employees	Rank	% of Total Employment
Lincoln County	522	1	2.56%	440	1	2.51%
OSU Hatfield Marine Science Center/NOAA	454	2	2.23%	310	3	1.77%
Samaritan Health Services	385	3	1.89%	378	2	2.16%
Pacific Seafood/Trident	297	4	1.46%	84	10	0.48%
Fred Meyer	270	5	1.33%	134	7	0.77%
Lincoln County School District	258	6	1.27%	192	4	1.10%
Wal Mart	163	7	0.80%	120	9	0.69%
City of Newport	157	8	0.77%	130	8	0.74%
Pacific Shrimp/Pacific Surimi	150	9	0.74%	150	5	0.86%
Central Lincoln PUD	129	10	0.63%	135	6	0.77%
Totals	2,785		13.68%	2,073		11.85%
Total employment in Lincoln County	20,359			17,500		

Lincoln County Employment
last ten fiscal years



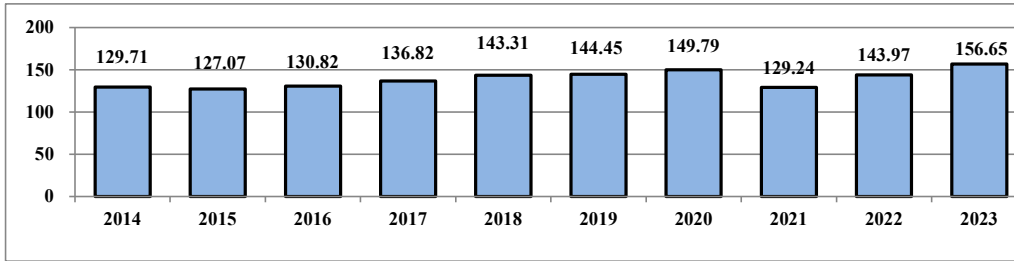
The percentage of top ten employers to total jobs for Lincoln Counties has been quite stable over the ten-year period. The figures range from a low of 9.37 percent in 2018 to a high of 23.66 percent in 2017. Total employment in Lincoln County has increased by 16.34 percent (2859 jobs) over the last ten years. For the ten-year period, the low point was 17,490 jobs in June 2017, and the high point was 20,359 jobs in June 2023. National and international economic instability will likely have an adverse effect in the coming years, although at this time the extent is unknown.

Sources:
Economic Development Alliance - Lincoln County
Oregon Employment Department

Schedule 16
CITY OF NEWPORT, OREGON
EMPLOYEE FULL-TIME EQUIVALENTS (FTE) BY FUNCTION
 Last Ten Fiscal Years

Function	2014	2015	2016	2017	2018
GOVERNMENTAL FUNDS					
General Government					
Administration	13.10	11.70	13.75	15.25	15.25
Economic Development	-	0.25	0.25	0.50	0.50
Planning	3.70	2.45	2.95	2.45	2.45
Building Inspection	1.30	1.80	1.80	1.80	1.90
Total General Government	18.10	16.20	18.75	20.00	20.10
Public Safety					
Fire	12.00	12.00	13.00	13.00	14.00
Police	24.00	25.00	25.00	27.00	27.00
Municipal Court	0.75	0.70	0.70	0.70	0.70
Total Public Safety	36.75	37.70	38.70	40.70	41.70
Highways and Streets					
Street Fund	5.08	5.00	5.00	5.00	5.00
Airport	3.00	3.00	3.00	2.00	3.00
Total Highways and Streets	8.08	8.00	8.00	7.00	8.00
Culture and Recreation					
Recreation	21.50	20.25	20.25	23.73	26.42
Library	11.54	12.39	11.89	11.89	11.89
Total Culture and Recreation	33.04	32.64	32.14	35.62	38.31
Total Governmental Funds	95.97	94.54	97.59	103.32	108.11
Proprietary Funds					
Proprietary					
Water	11.08	11.10	11.10	11.10	10.60
Wastewater	8.08	8.00	9.00	9.00	9.50
Stormwater	-	-	-	-	-
Total Proprietary Funds	19.16	19.10	20.10	20.10	20.10
Internal Service					
Public Works Services	14.58	13.43	13.13	13.40	7.50
City Facility	-	-	-	-	7.60
Total Internal Service	14.58	13.43	13.13	13.40	15.10
Total Proprietary Funds	33.74	32.53	33.23	33.50	35.20
Grand Total - All Full-time Equivalents	129.71	127.07	130.82	136.82	143.31

Total Full-time Equivalents
last ten fiscal years



Source: City of Newport Budget 2013-2022

Schedule 16

CITY OF NEWPORT, OREGON
EMPLOYEE FULL-TIME EQUIVALENTS (FTE) BY FUNCTION

Last Ten Fiscal Years

2019	2020	2021	2022	2023	
GOVERNMENTAL ACTIVITIES					
General Government					
15.75	15.74	15.46	16.51	19.00	Administration
0.50	0.50	0.50	1.50	1.45	Economic Development
2.60	2.00	1.75	2.25	3.45	Planning
2.37	2.97	2.22	2.72	2.57	Building Inspection
<u>21.22</u>	<u>21.21</u>	<u>19.93</u>	<u>22.98</u>	<u>26.47</u>	Total General Government
Public Safety					
14.00	14.00	11.50	12.50	16.64	Fire
27.35	29.35	24.85	26.85	30.85	Police
0.60	0.60	0.60	0.60	0.60	Municipal Court
<u>41.95</u>	<u>43.95</u>	<u>36.95</u>	<u>39.95</u>	<u>48.09</u>	Total Public Safety
Highways and Streets					
4.50	2.25	2.25	2.25	2.50	Street Fund
3.00	3.00	3.00	3.00	3.00	Airport
<u>7.50</u>	<u>5.25</u>	<u>5.25</u>	<u>5.25</u>	<u>5.50</u>	Total Highways and Streets
Culture and Recreation					
26.68	30.30	22.28	23.98	24.06	Recreation
12.10	12.10	8.85	9.10	9.60	Library
<u>38.78</u>	<u>42.40</u>	<u>31.13</u>	<u>33.08</u>	<u>33.66</u>	Total Culture and Recreation
<u>109.45</u>	<u>112.81</u>	<u>93.26</u>	<u>101.26</u>	<u>113.72</u>	Total Governmental Activities
BUSINESS-TYPE ACTIVITIES					
Enterprise					
10.25	10.25	10.25	10.25	10.00	Water
10.25	10.25	10.25	10.25	10.00	Sewer
-	2.25	2.25	2.25	2.50	Stormwater
<u>20.50</u>	<u>22.75</u>	<u>22.75</u>	<u>22.75</u>	<u>22.50</u>	Total Enterprise
Internal Service					
8.50	8.73	7.73	9.73	10.00	Public Works Services
6.00	5.50	5.50	10.23	10.43	City Facility
<u>14.50</u>	<u>14.23</u>	<u>13.23</u>	<u>19.96</u>	<u>20.43</u>	Total Internal Service
<u>35.00</u>	<u>36.98</u>	<u>35.98</u>	<u>42.71</u>	<u>42.93</u>	Total Business-type Activities
<u>144.45</u>	<u>149.79</u>	<u>129.24</u>	<u>143.97</u>	<u>156.65</u>	Grand Total - All Full-time Equivalents

Fiscal Year	Total FTE	Annual Percentage Change	Total Percentage Change from 2014
2014	129.71	-	-
2015	127.07	-2.04%	-2.04%
2016	130.82	2.95%	0.86%
2017	136.82	4.59%	5.48%
2018	143.31	4.74%	10.48%
2019	144.45	0.80%	11.36%
2020	149.79	3.70%	15.48%
2021	129.24	-13.72%	-0.36%
2022	143.97	11.40%	10.99%
2023	156.65	8.81%	20.77%

The average annual rate of change over ten year period is 2.36%.

Schedule 17
CITY OF NEWPORT, OREGON
OPERATING INDICATORS BY FUNCTION
 Last Ten Fiscal Years

Function	2015	2016	2017	2018	2019
GOVERNMENTAL ACTIVITIES					
General Government					
Planning and Community Development					
Number of planning applications	54	51	73	74	58
Total permits issued	477	580	692	730	638
Multi-family units permitted	-	-	-	28	113
Single-family units permitted	28	23	7	19	16
Electrical permits issued	289	333	307	306	251
Building Maintenance					
Square footage of buildings maintained	NA	206,780	206,780	233,780	233,780
Work orders completed	NA	2,228	2,250	2,203	2,001
Man hours completed	NA	NA	NA	16,653	21,993
Public Safety					
Police					
Total arrests	784	706	785	1,079	1,087
Traffic citations issued	565	735	902	1,603	1,268
Abandoned vehicle calls	100	99	114	129	180
Animal problem calls	NA	86	136	152	210
Fire					
Overlapping calls for fire and EMS services	NA	NA	NA	NA	NA
Total calls for emergency fire and EMS services	2,060	2,294	2,059	2,170	2,131
Total transport (N2 and N3)	NA	NA	NA	8	25
Highways and Streets					
Street Fund					
Miles of painted paving marking	12.00	0.50	10.00	9.25	9.25
Thermoplastic marking	0.90	-	0.30	0.70	0.70
Miles of improved streets (asphalt and cobbled)	NA	NA	NA	NA	NA
Miles of gravel streets	NA	NA	NA	NA	NA
Culture and Recreation					
Parks & Recreation					
Number of participants in classes, Senior Center activities, sports programs, and aquatic programs	20,620	55,750	25,935	28,545	30,514
Library					
Total number of library items borrowed	253,831	299,867	297,263	296,799	255,916
Total number of reference questions	24,355	23,065	20,821	20,553	17,789
Total number of registered users	NA	NA	NA	NA	NA
Total wireless sessions	NA	NA	NA	NA	NA
BUSINESS-TYPE ACTIVITIES					
Sewer					
Dry tons of biosolids applied annually	530	547	537	525	764
Millions of gallons of wastewater treated annually	640	694	818	652	573
Water					
Millions of gallons of water treated annually	732	748	764	821	821
Miles of water pipe maintained annually	NA	NA	NA	95	96
Number of fire hydrants maintained in the water system	NA	NA	NA	653	634
Stormwater					
Miles of stormwater pipe maintained annually	NA	NA	NA	NA	NA

Source: City of Newport Departmental records.

Schedule 17
CITY OF NEWPORT, OREGON
OPERATING INDICATORS BY FUNCTION
 Last Ten Fiscal Years

2020	2021	2022	2023	
				GOVERNMENTAL ACTIVITIES
				General Government
				Planning and Community Development
57	42	69	63	Number of planning applications
652	720	727	819	Total permits issued
-	66	-	82	Multi-family units permitted
11	30	22	44	Single-family units permitted
279	296	338	350	Electrical permits issued
				Building Maintenance
233,780	233,780	233,780	233,780	Square footage of buildings maintained
2,001	2,001	NA	796	Work orders completed
16,867	13,285	11,572	2,720	Man hours completed
				Public Safety
				Police
816	914	793	625	Total arrests
965	596	1,097	613	Traffic citations issued
189	224	304	452	Abandoned vehicle calls
126	130	201	108	Animal problem calls
				Fire
NA	NA	543	572	Overlapping calls for fire and EMS services
1,924	2,183	2,330	2,398	Total calls for emergency fire and EMS services
13	-	1	1	Total transport (N2 and N3)
				Highways and Streets
				Street Fund
9.25	9.25	NA	9.25	Miles of painted paving marking
2.70	2.70	NA	2.70	Thermoplastic marking
NA	NA	52.10	52.10	Miles of improved streets (asphalt and cobbled)
NA	NA	10.84	10.84	Miles of gravel streets
				Culture and Recreation
				Parks & Recreation
7,250	48,515	87,821	47,996	Number of participants in classes, Senior Center activities, sports programs, and aquatic programs
				Library
209,819	124,326	192,835	222,399	Total number of library items borrowed
11,899	5,097	7,700	26,047	Total number of reference questions
NA	10,302	9,530	10,089	Total number of registered users
NA	28,890	84,960	119,968	Total wireless sessions
				BUSINESS-TYPE ACTIVITIES
				Sewer
658	757	696	706	Dry tons of biosolids applied annually
599	660	636	637	Millions of gallons of wastewater treated annually
				Water
752	767	773	780	Millions of gallons of water treated annually
90	91	93	93	Miles of water pipe maintained annually
520	582	651	651	Number of fire hydrants maintained in the water system
				Water
NA	NA	23.4	23.6	Miles of water pipe maintained annually

Schedule 18
CITY OF NEWPORT, OREGON
CAPITAL ASSET STATISTICS BY FUNCTION
 Last Ten Fiscal Years

Function	2015	2016	2017	2018	2019
GOVERNMENTAL ACTIVITIES					
Public Safety					
Police Stations	1	1	1	1	1
Fire Stations	3	3	3	3	3
Culture and Recreation					
Parks & Recreation					
Number of developed park sites	NA	NA	NA	15	15
Acres of developed park land	NA	NA	NA	NA	NA
Library					
Number of libraries	1	1	1	1	1
Number of volumes	83,194	84,806	82,599	81,068	77,978
Number of audio books online	53,883	53,699	68,839	75,788	27,802
Number of E-Books online	5,045	19,560	45,559	48,478	48,438
BUSINESS-TYPE ACTIVITIES					
Enterprise					
Sewer					
Numbers of sewer treatment plant	1	1	1	1	1
Number of sewer customers	4,324	4,345	4,338	4,349	4,894
Water					
Number of water customers	4,528	4,539	4,545	4,542	5,090
Number of water treatment plants	1	1	1	1	1

Source: City of Newport departmental records

Schedule 18
CITY OF NEWPORT, OREGON
CAPITAL ASSET STATISTICS BY FUNCTION
 Last Ten Fiscal Years

2020	2021	2022	2023	
				GOVERNMENTAL ACTIVITIES
				Public Safety
1	1	1	1	Police Stations
3	3	3	3	Fire Stations
				Culture and Recreation
				Parks & Recreation
15	15	15	15	Number of developed park sites
NA	NA	29.25	29.25	Acres of developed park land
				Library
1	1	1	1	Number of libraries
77,642	68,398	67,083	69,915	Number of volumes
36,022	186,613	35,057	37,391	Number of audio books online
63,664	678,554	57,720	60,044	Number of E-Books online
				BUSINESS-TYPE ACTIVITIES
				Enterprise
				Sewer
1	1	1	1	Numbers of sewer treatment plant
4,858	4,923	4,420	4,229	Number of sewer hookups
				Water
4,613	5,301	4,640	4,496	Number of water hookups
1	1	1	1	Number of water treatment plants



AUDIT COMMENTS AND DISCLOSURES



INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

To the Honorable Mayor and City Council
City of Newport
Newport, Oregon

We have audited the basic financial statements of the City of Newport (the City) as of and for the year ended June 30, 2023, and have issued our report thereon dated December 12, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- **Deposit of public funds with financial institutions (ORS Chapter 295)**
- **Indebtedness limitations, restrictions and repayment**
- **Budgets legally required (ORS Chapter 294)**
- **Insurance and fidelity bonds in force or required by law**
- **Programs funded from outside sources**
- **Highway revenues used for public highways, roads, and streets**
- **Authorized investment of surplus funds (ORS Chapter 294)**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C)**
- **State school fund factors and calculation**

In connection with our testing nothing came to our attention that caused us to believe the City was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

**INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS,
CONTINUED**

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.


Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Restriction on Use

This report is intended solely for the information and use of the City Council and management of the City of Newport and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

Aldrich CPAs + Advisors LLP

By:



Andrew Maffia, CPA, Partner
Salem, Oregon
December 12, 2023

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and City Council
City of Newport
Newport, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Newport (the City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 12, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*, CONTINUED

City Newport's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Aldrich CPAs + Advisors LLP

Salem, Oregon
December 12, 2023

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Honorable Mayor and City Council
City of Newport
Newport, Oregon

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Newport's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of City's major federal programs for the year ended June 30, 2023. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE, CONTINUED

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2023-002. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-002 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE, CONTINUED**

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Aldrich CPAs + Advisors LLP

Salem, Oregon
December 12, 2023

CITY OF NEWPORT
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal AL (Assistance Listing) Number</i>	<i>Pass-through Number</i>	<i>Passed- through to Subrecipients</i>	<i>Expenditures</i>
Federal Aviation Administration				
Airport Improvement Program	20.106	AIP27	\$ -	\$ 33,342
		AIP29	-	6,870
		AIP32	-	44,100
<i>Total Airport Improvement Program</i>			-	84,312
<i>Total Federal Aviation Administration</i>			-	84,312
Department of Transportation				
COVID-19 - Highway Planning and Construction (Federal-Aid Highway Program)	20.205		-	154,295
<i>Total Department of Transportation</i>			-	154,295
Department of the Treasury				
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		-	1,071,808
<i>Total Department of the Treasury</i>			-	1,071,808
Environmental Protection Agency				
Passed through Business Oregon				
Drinking Water State Revolving Fund	66.468	117001	-	8,100
<i>Total Environmental Protection Agency</i>			-	8,100
Department of Homeland Security				
Passed through Oregon Office of Emergency Management				
Hazard Mitigation Grant	97.039	HMGP-PF-FM-5195-OR-2	-	58,092
<i>Total Department of Homeland Security</i>			-	58,092
Total Expenditures of Federal Awards			\$ -	\$ 1,376,607

CITY OF NEWPORT

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of City of Newport under programs of the federal government for the year ended June 30, 2023. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are presented on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - Indirect Costs

The City does not use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance. The City allocates indirect costs as allowed by each grant.

CITY OF NEWPORT
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Significant deficiency(ies) identified?	Yes
Material weakness(es) identified?	No
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal control over major program:	
Significant deficiency(ies) identified?	Yes
Material weakness(es) identified?	No
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance, 2 CFR section 200.516(a)?	Yes

Identification of major programs:

Federal Assistance Listing Number

21.027

Name of Federal Program or Cluster

Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish Between Type A and Type B programs:	\$750,000
--	-----------

Auditee qualified as a low-risk auditee under the Uniform Guidance 2 CFR section 200.520	Yes
--	-----

CITY OF NEWPORT

Schedule of Findings and Questioned Costs

Year Ended June 30, 2023

Section II - Financial Statement Findings

Finding 2023-001

Criteria

Internal controls should include processes and procedures to ensure all journal entries posted to the general ledger are reviewed and approved by somebody other than the preparer prior to posting.

Condition

Several journal entries were posted during the year which were prepared and reviewed by the same individual.

Cause

Prior to this fiscal year, journal entries were prepared by the Assistant Finance Director and the Finance Director would review the entries. The Finance Director was promoted to Finance Director in fiscal year 2023 and the Assistant Finance Director position was vacant the entire fiscal year resulting in some journal entries being prepared and reviewed by the same individual.

Effect

Errors could be made in posting journal entries or inappropriate entries could be made.

Recommendation

We recommend management implement internal control procedures to ensure all journal entries made are reviewed prior to posting.

Views of Responsible Officials

Fiscal year 2022-23 was a challenging year for the City of Newport due to staff turnover and vacancies for key positions. The Assistant Finance Director was Interim Finance Director from July 2022 to December 2022, and was promoted to Finance Director on December 22, 2022. The Assistant Finance Director position was vacant for fiscal year 2022-23 despite multiple job posting attempts to fill the position. Therefore, the Finance Director was preparing and reviewing journal entries prior to posting due to staff vacancy. An Assistant Finance Director was hired on July 24, 2023. The Assistant Finance Director prepares all journal entries and the Finance Director reviews the journal entries.

Section III - Federal Award Findings and Questioned Costs

Finding 2023-002

21.027 Coronavirus State and Local Fiscal Recovery Funds

Noncompliance with Procurement, Suspension and Debarment and Significant Deficiency in Internal Controls

Criteria:

2 CFR Part 200.214 indicates "the regulations in 2 CFR part 180 restrict awards, subawards, and contracts with certain parties that are debarred, suspended or otherwise excluded from or ineligible for participation in Federal assistance programs or activities".

Condition:

The City did not maintain documentation or have appropriate processes and procedures in place to ensure that prior to awarding contracts to outside parties the suspended or debarred list was checked to ensure the potential awardee was not prohibited from receiving federal funds.

Cause:

The City did not have policies and procedures in place to ensure the suspended and debarred list was checked consistently nor did they retain documentation of the list being checked prior to contracts being awarded to awardees.

CITY OF NEWPORT

Schedule of Findings and Questioned Costs

Year Ended June 30, 2023

Effect:

The City could award contracts to suspended or debarred parties.

Questioned Costs:

None

Recommendations:

We recommend the City implement processes and procedures to ensure the suspended and debarred listing is checked prior to awarding contracts to outside parties. In addition, we recommend the City maintain documentation of this check being performed.

Views of Responsible Officials:

Fiscal year 2022-23 was a challenging year for the City of Newport due to staff turnover and vacancies for key positions in Engineering, Public Works and Finance. Processes were in place to ensure that vendors were not on the suspended or debarred list prior to awarding contracts. However, due to key staff turnover, the documentation was not available to verify that the process was followed. The Finance Department and Engineering will work on a checklist to make sure all adequate written documentation is centrally kept with the awarded contract before awarding the contract.

CITY OF NEWPORT

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2023

Section IV - Schedule of Prior Audit Findings

2022-001

Criteria

Internal controls should include review procedures to identify and correct errors in the trial balance and supporting schedules.

Condition

Errors in ending account balances and supporting schedules were identified during the course of the audit resulting in adjustments for the financial statements to be presented in accordance with generally accepted accounting principles and for supporting schedules to agree to amounts presented in the financial statements.

Status:

This finding has been corrected.

2022-002

Program:

20.106 Airport Improvement Program
Federal Aviation Administration

Criteria:

Proper oversight, review procedures and controls should be established to ensure the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA) are accurate and adequately supported.

Condition:

Amounts reported on the original SEFA were not adequately supported and listed under the wrong grant number which has different applicable compliance requirements.

Status:

This finding has been corrected.

2022-003

Program:

20.106 Airport Improvement Program
Federal Aviation Administration

Criteria:

Proper oversight, review procedures and controls should be established to ensure the reports submitted are accurate.

Condition:

Amounts reported on the Request for Advance or Reimbursement and Federal Financial Report submitted for AIP29, project #17023, were incorrect.

Status:

This finding has been corrected.

**CITY OF NEWPORT
RESOLUTION NO. 4002**

**A RESOLUTION ADOPTING A CORRECTIVE PLAN OF ACTION FOR FINDINGS
RELATED TO THE 2022-23 FISCAL YEAR AUDIT**

- **WHEREAS**, the City of Newport’s, 2022-23 Fiscal Year (FY) audit is complete and the Annual Comprehensive Financial Report (ACFR) has been issued and approved by the Audit Committee and the City Council.

- **WHEREAS**, the City of Newport’s 2022-23 FY audit contained two findings reported in the Single Audit Report, these are considered deficiencies and a corrective action plan is necessary to be filed with the Oregon Secretary of State and the Federal (Audit) Clearinghouse,

WHEREAS, upon receipt of an audit report under ORS 297.465(2), the governing body of a municipal corporation shall determine the measures it considers necessary to address any deficiencies disclosed in the report. The governing body shall adopt a plan of action to address the deficiencies. The plan must include the estimated period of time necessary to complete the planned actions. This resolution must be filed within 30 days after filing an audit report with the Secretary of State under ORS 297.465.

THE CITY OF NEWPORT RESOLVES AS FOLLOWS:

- 1) The City Council adopts the Corrective Action Plan for the audit findings for the Annual Comprehensive Financial Report for the Year Ended June 30, 2023 marked Attachment A.
- 2) This resolution will become effective immediately upon passage.

Adopted by the Newport City Council on January 2, 2024.

Jan Kapplin, Mayor

Attest:

Erik Glover, City Recorder



CITY OF NEWPORT – FINANCE
169 SW COAST HIGHWAY
NEWPORT, OR 97365

January 2, 2024

Background Information:

The Auditor has issued the 2022/2023 Annual Comprehensive Finance Report. As part of the financials, the Single Audit Report is complete but still in the draft stage waiting for the Corrective Action Plan. In the Single Audit Report, the auditor has issued two findings, one for the Financial Statements and one in the Federal Awards. City staff has prepared and attached the Corrective Action Plan to address these two findings, and they are presented for your review.

Financial Statement Finding (2023-001):

Finding: Prior to this fiscal year, journal entries were prepared by the Assistant Finance Director and the Finance Director would review the entries. The Assistant Finance Director was promoted to Finance Director in fiscal year 2023 and the Assistant Finance Director position was vacant the entire fiscal year resulting in some journal entries being prepared and reviewed by the same individual. Errors could be made in posting journal entries or inappropriate entries could be made. We recommend management implement internal control procedures to ensure all journal entries made are reviewed prior to posting.

Personnel to Effect Change: Finance Director (Steve Baugher) and Assistant Finance Director (Eric Carpenter)

City Response and Corrective Action Plan: Fiscal year 2022-23 was a challenging year for the City of Newport due to staff turnover and vacancies for key positions. The Assistant Finance Director was Interim Finance Director from July 2022 to December 2022, and was promoted to Finance Director on December 22, 2022. The Assistant Finance Director position was vacant for fiscal year 2022-23 despite multiple job posting attempts to fill the position. Therefore, the Finance Director was preparing and reviewing journal entries prior to posting due to staff vacancy. An Assistant Finance Director was hired on July 24, 2023. The Assistant Finance Director is now preparing all journal entries and the Finance Director is reviewing the journal entries.

Anticipated Completion Date(s): July 24, 2023

Federal Award Finding and Questioned Cost (2023-002):

Finding: The City did not have policies and procedures in place to ensure the suspended and debarred list was checked consistently nor did they retain documentation of the list being checked prior to

contracts being awarded to awardees. The City could award contracts to suspended or debarred parties. We recommend the City implement processes and procedures to ensure the suspended and debarred listing is checked prior to awarding contracts to outside parties. In addition, we recommend the City maintain documentation of this check being performed.

Personnel to Effect Change: Finance Director (Steve Baugher), Capital Projects & Grant Accountant (Linda Wertman), Grants Manager (Catherine Rigby), and City Engineer (Interim Chris Beatty)

City Response and Corrective Action Plan: Fiscal year 2022-23 was a challenging year for the City of Newport due to staff turnover and vacancies for key positions in Engineering, Public Works and Finance. Processes were in place to ensure that vendors were not on the suspended or debarred list prior to awarding contracts. However, due to key staff turnover, the documentation was not available to verify that the process was followed. The Finance Department, Engineering, and Grant Manager will work on a checklist to make sure all required written documentation is obtained. The written documentation will be centrally kept by the Capital Projects and Grant Accountant with the awarded contract before executing the contract. The checklist will include that the suspended and debarred list is checked to make sure the awardee is not on the list and retain documentation of the list being checked.

Anticipated Completion Date(s): March 31, 2024

CITY MANAGER REPORT AND RECOMMENDATIONS



Meeting Date: January 2, 2024

Agenda Item:

From the Government Finance Officers Association (GFOA) Announcing that the City of Newport has been awarded the GFOA Certificate of Achievement which is the Highest Form of Recognition in the Area of Governmental Accounting and Financial Reporting for the Fiscal Year Ended June 30, 2022.

Background:

Congratulations to Finance Director Steve Baugher, members of the Finance Department, and the other City departments, for excellence in providing full transparency to communicate the City of Newport's financial story. This is the third award the City has received. It is unusual for a community the size of the City of Newport to receive this award. Former Finance Director Mike Murzynsky had applied for the award twice before we were successful on the third attempt. Again, congratulations to Finance Director Steve Baugher and to Aldrich CPAs + Advisors, LLP, for their assistance in helping us achieve this status.

Recommendation:

None.

Fiscal Effects:

None.

Alternatives:

Do not adopt the plan, or as suggested by the City Council.

Respectfully submitted,

A handwritten signature in blue ink that reads "Spencer Nebel".

Spencer Nebel
City Manager



GOVERNMENT FINANCE OFFICERS ASSOCIATION
NEWS RELEASE

FOR IMMEDIATE RELEASE

11/7/2023

For more information contact:
Michele Mark Levine, Director/TSC
Phone: (312) 977-9700
Fax: (312) 977-4806
Email: mlevine@gfoa.org

(Chicago, Illinois)—Government Finance Officers Association of the United States and Canada (GFOA) has awarded the Certificate of Achievement for Excellence in Financial Reporting to **City of Newport** for its annual comprehensive financial report for the fiscal year ended June 30, 2022. The report has been judged by an impartial panel to meet the high standards of the program, which includes demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the report.

The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

Government Finance Officers Association (GFOA) advances excellence in government finance by providing best practices, professional development, resources, and practical research for more than 21,000 members and the communities they serve.



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Newport
Oregon**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

CITY MANAGER REPORT AND RECOMMENDATIONS



Meeting Date: January 2, 2024

Agenda Item:

From the Quality Review Team (Mayor and Council President) -- Evaluation of the City Manager and City Attorney.

Background:

Annually the City Council conducts an evaluation of the City Manager and City Attorney. The evaluation process is coordinated by the quality review team which consists of the Mayor and City Council President. A formal written review is conducted every two years with an informal verbal review being utilized in years in which a written review is not conducted. The quality review team met with both the City Manager and City Attorney to discuss the evaluations. In addition, an executive session was held for Council to share their comments regarding the work performance for both of these positions. The attached reports from the quality review team summarize the comments made by the City Council in executive session and in the individual meetings that were held with the City Manager and City Attorney. These reports are attached for your review.

Recommendations:

I recommend the City Council consider the following motion:

I move to accept the report from the quality review team regarding the evaluation summaries for the City Manager and City Attorney.

Fiscal Effects:

None.

Alternatives:

None recommended.

Respectfully submitted,

A handwritten signature in blue ink that reads "Spencer Nebel".

Spencer Nebel
City Manager

CITY ATTORNEY EVALUATION SUMMARY

GOALS FOR THE UPCOMING YEAR:

1. Continue tracking and reporting on legal issues to Council and Administration
2. Timely review of contracts/ordinances, etc.
3. Assist Council in new City Manager Search
4. Update City Utility Billing Codes to fully comply with City Ordinances
5. Update 2022 Public Contracting rules with corresponding purchasing policy
6. Update Telecom franchises that have expired over past few years
7. Organize/review previous City Attorneys' legal files

JOB-RELATED STRENGTHS:

1. Dedication and loyalty to City
2. Thorough reviews and advice to Council
3. Legal knowledge and attention to ethics
4. Excellent use of and relationships with external legal resources - i.e. LOC, CIS, OGE
5. Keeps Council aware of conflict-of-interest issues

PLANS TO STRENGTHEN PERFORMANCE:

1. Develop plan to extend City's legal capacity - i.e. support staff, paralegal
2. Keep explanations more concise
3. Seek and utilize feedback from Council, City Administration and Departments
4. Committed to taking more personal time

SUMMARY:

David is dedicated to maintaining high standards of legal work for the City. He is thorough, highly competent and responsive to Council. He exceeds expectations. The Council relies upon him and trusts/appreciates his research and advice.

City Attorney

Date

Mayor

Date

City Manager Evaluation Summary

Goals for the Upcoming Year:

Spencer will be retiring sometime between July 1 and October 1. He has provided the City Council with a detailed City Manager Workplan memo dated 12/4/23.

On-going City Manager duties and responsibilities:

Goals include: 1) Retention and hiring of staff; 2) Develop the annual goals for the city; 3) Develop the annual budget; 4) Support the City Manager recruitment; 5) Complete the Personnel Manual; 6) Finalize the water and sewer code and practice changes; 7) Implement workplace culture changes; 8) Work on road improvement funding initiative if directed by Council.

Transition in Managers:

1) Orient and support new Manager; 2) Complete work on Administrative Manual; 3) Clean up Road improvement policy; 4) Street system map and policy; 5) Continued advocacy for Big Creek Dam; 6) South Beach URA- assist as needed to facilitate engineering (as directed by Council).

Job related Strengths- This is a short list of some key strengths.

- 1) Knowledge and experience in all aspects of city management
- 2) Excellent communication skills
- 3) Management of staff
- 4) Community and agency relations
- 5) Thorough knowledge of budget and financing
- 6) Patience and kindness in dealing with Council, staff and public.

Summary-

Spencer has done an exceptional job of leading the city through challenging times. Despite significant staffing shortages, funding challenges and diverse pressures critical city functions have been maintained and progress has been made on virtually all Council priorities. He exceeds expectations and continues to work on preparing the city for changes to come. He is proposing to continue with the same pay and benefits until retirement.

City Manager

Date

Mayor

Date

CITY MANAGER REPORT AND RECOMMENDATIONS



Meeting Date: January 2, 2024

Agenda Item:

From the Quality Review Team (Mayor and Council President) - Compensation for the City Manager and City Attorney.

Background:

Compensation is set by the City Council for the City Manager and City Attorney. I have not requested any adjustment in my compensation since I plan to retire in July 2024. I did speak with the quality review team regarding a request to continue on with the City as a contractor following my retirement through the end of September in order to assist the transition with new city manager and to work on several special projects. Based on the quality review team's support of this concept, I will develop a contract for review by Council to discuss this work. In addition, I have indicated a willingness to continue with city manager responsibilities, in the event that my successor cannot start until after July 1. This would impact my ability to work on the other special projects, however it would create stability in the transition between city managers for the City.

City Attorney, David Allen, is requesting a compensation adjustment increasing the salary for the City Attorney from \$122,514 to \$135,000 (\$11,250) per month. It should be noted that at the time David Allen accepted the job of city attorney, he requested a reduced salary from what was being paid to the previous City Attorney, Steve Rich. The quality review team is recommending that this increase be granted. The quality review team indicates that this compensation aligns with comparable positions in other jurisdictions. The compensation for city attorney has not been adjusted, other than cost-of-living adjustments, since David Allen has been hired to fill this position.

Recommendation:

I recommend the City Council consider the following motions as recommended by the quality review team:

I move to adjust the annual compensation for the City Attorney from \$122,514 to \$135,000 (\$11,250/month) effective January 1, 2024.

I move to request that the Mayor and Council President discuss a proposed contract with City Manager, Spencer Nebel, for Council review, and authorize to initiate professional services following his retirement as city manager through September 30, 2024, to address various projects and to facilitate the transition of city managers.

Fiscal Effects:

Any funding adjustments for compensation will be done in a future supplement budget for the City Attorney.

Alternatives:

None recommended.

Respectfully submitted,

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

Spencer Nebel
City Manager

**City Manager and City Attorney Evaluation and Compensation Recommendations to
City Council from Quality Review Team (Mayor and City Council President)**

The City Manager (Spencer Nebel) and City Attorney (David Allen) directly report to the City Council. Council annually evaluates their job performance. On even numbered years a full evaluation is conducted by the City Council. On odd numbered years the review is less formal with direction from the Mayor and City Council President acting as the Quality Review Team.

This year the QA Team received input from the Council at an Executive Session on 12/04/23 and subsequently met with the Manager and Attorney twice each. The Evaluation Summaries for each employee are attached and the QA Team recognizes the excellent performance of each.

Compensation Recommendations

Spencer Nebel- Spencer will be retiring during the coming year between July 1 and Oct. 1 depending upon a start date for the new City Manager. He is proposing to work on special projects including the completion of the Administrative Manual, finalizing the water and sewer code and practice changes, updating the street system map and policy, and other projects as directed by Council and requested by the new City Manager. He is proposing to remain at his current compensation. The QA Team recommends this plan.

David Allen- David has been in his position for approximately 4 years. His initial compensation was based upon his being new to the City Attorney position. He is requesting consideration of a compensation increase at this time commensurate with City Attorney salaries and in comparable jurisdictions and in recognition of his consistent above-expectation job performance. The QA Team strongly recommends an approximate 10% increase from current salary of \$122,514 to \$135,000 (\$11,250/month). This aligns with comparable positions in other jurisdictions. We note that the previous city attorney received salary increases totaling over 10% during the first 4 years of employment. We further note that had David been hired at the same salary as the previous city attorney in 2020 his current salary would have been \$136,058. The new salary is comparable to other city management salaries.

City Council President

Date

Mayor

Date

CITY MANAGER REPORT AND RECOMMENDATIONS



Meeting Date: January 2, 2024

Agenda Item:

From City Manager Spencer Nebel -- Request to Carry Over 40 hours of Vacation Time.

Background:

Under City policy there is a cap of 240 hours of vacation time that can be carried over each calendar year. Our policy provides that an employee may request a payout of a maximum of 40 hours per year, if the vacation hours exceed the accrual limits. As an alternative, the policy allows the city manager or designee to grant written permission for a carryover amount in excess of 240 hours. In reviewing my own use of time, my current vacation accrual is 290 hours. Since the City Council is my employer, I am making this request to Council. I would request that Council consider carrying over 40 hours of time into the next calendar year.

There is also a cap on the amount the City pays out for retirement, which is 300 hours of vacation time. If, upon my retirement in July, my vacation time exceeds 300 hours, the maximum that would be paid out would be 300 hours. I am requesting that Council allow me to carry over 40 hours of my surplus vacation accumulation into the 2024 calendar year.

Recommendation:

I recommend the city Council consider the following motion:

I move to authorize a carryover of an additional 40 hours of vacation time over the 240 annual cap for City Manager, Spencer Nebel, into the 2024 calendar year.

Fiscal Effects:

None at this time. There is a maximum payout of 300 hours of vacation time upon retirement. This could increase the amount of my payout when I retire in July.

Alternatives:

Do not grant the carryover, or as suggested by the City Council.

Respectfully submitted,

Spencer Nebel
City Manager



VACATION CARRYOVER EXCEPTION REQUEST

Under City policy, the maximum accrual for vacation benefits is 240 hours. Although an employee's accrual may exceed this amount during the year, the maximum accrual amount is the amount that can be carried over from one calendar year to the next without written permission of the City Manager or designee. The City in certain circumstances, at its sole discretion, may choose to pay an employee for vacation time accrued in excess of the maximum accrual rather than allowing for the carryover of vacation time over the maximum accrual. In no instance will the City pay for more than 40 hours per year.

Date: 12-28-23

Employee Name: Spencer R. Nebel

Current Number of Vacation Hour's Accrued: 290 hrs

Number of Vacation Hours Over the 240 Hours Cap Requested to Be Carried Over: 40 ~~30~~ hrs.

Justification for the Request: Schedule has not permitted me to use these additional hours

Employee Signature: [Signature]

Reviewed by Supervisor/Department Head	
Comments: _____	
Supervisor/Department Head	Date

APPROVAL (REQUESTS FOR EXCEPTIONS TO VACATION CARRYOVER MUST BE APPROVED BY THE CITY MANAGER)	
Request Approved as Requested	<input type="checkbox"/> Yes <input type="checkbox"/> No
Request Approved with Modifications	<input type="checkbox"/> Yes _____ hours approved
Reason for Denial/Modification _____	
City Manager	Date

HUMAN RESOURCES USE	
Hours of Current Vacation Accrual	Hours Over the Maximum Accrual
Hours approved for Carryover _____	
Date Payroll Notified: _____	Copy to Employee & Supervisor: _____ Initials: _____

PAYROLL USE	
Date of Pay Period Carryover: _____	Initials: _____

CITY MANAGER REPORT AND RECOMMENDATIONS



Meeting Date: January 2, 2024

Agenda Item:
2023 Annual Report.

Background:

The annual report of Council and Department actions for the year 2023 is attached for your review. The report includes annual highlights of various Council actions by the numbers, and a summary of actions taken by the City Council and Urban Renewal Agency. In addition, there are reports from each department summarizing the annual highlights. I appreciate the roles of Council and staff in meeting various service needs for the citizens of Newport. I think it will be beneficial to share this report with city manager candidates to give them an idea of various matters the City has been involved with in 2023.

Recommendation:

No action is required.

Fiscal Effects:

None.

Alternatives:

None recommended.

Respectfully submitted,

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

Spencer Nebel
City Manager

City of Newport Annual Report of City Council Actions for 2023



**Back row: Councilor Beatriz Botello, Councilor Ryan Parker, Councilor Cynthia Jacobi,
Councilor Robert Emond.**

Front row: Councilor CM Hall, Mayor Jan Kaplan, Council President Dietmar Goebel.

Table of Contents

Twenty Significant City Actions in 2023.....	2
2023 Council Actions by the Numbers	8
City Council Meetings	8
Council Actions	8
Financial Matters	8
Other Council Activities.....	9
URA Activities	9
Highlights of City Council Activities	10
Highlights of the Urban Renewal Agency Activities	17
Highlights of Activities by Department.....	18
Community Development Department - Derrick Tokos, Director	18
Public Works Department - Justin Scharbrough and Steve Stewart, Acting Co-Directors	24
Police Department - Jason Malloy, Chief	28
Fire Department & Emergency Management - Rob Murphy, Chief	30
Emergency Management Annual Report 2023 “Be Prepared...Not Scared!”	33
Library - Laura Kimberly, Director	35
Newport Municipal Airport - Lance Vanderbeck, Director	49
Human Resources Department - Barb James, Director	54
Information Technology - Travis Reeves, Acting IT Director	55
Finance Department - Steve Baugher, Director	57
Assistant City Manager/City Recorder’s Office - Erik Glover, Assistant City Manager	58
Parks and Recreation Department - Mike Cavanaugh, Director	62
Engineering Department - Chris Beatty, Acting City Engineer	68
Happy Holidays!	80

MEMO

December 28, 2023

TO: Mayor and City Council

FROM: Spencer Nebel, City Manager

SUBJECT: Annual Report for the 2023 Calendar Year

Each year it has been my tradition to take some time at the end of the year to reflect on the accomplishments and issues that were tackled by the City Council and staff of the City of Newport over the past 12 months. This reporting includes 20 significant issues that I have identified as particularly noteworthy during the year. This is followed by Council activity by the numbers, highlights of Council activities conducted through the course of the year, and departmental reports summarizing the activities throughout the course of 2023.

I would like to express my appreciation to the Mayor and members of Council their dedicated service to the citizens of Newport during this past year. Members of the Council spent many hours during the year reading various reports, in various meetings and communicating with constituents while guiding the general direction of policies that impact the community. I would also like to thank City staff that has worked with personnel shortages, significant delays receiving materials, challenges to secure contracted services impacting projects, and other similar challenges that make tough jobs even harder. Finally, I want to thank the citizens of Newport who continue to be supportive of this community and its local government.

Twenty Significant City Actions in 2023

Personnel

1. Organizational Meeting -- At the first meeting in 2023 Mayor Sawyer, Councilors Parker, Hall and Kaplan were sworn into office for a two-year term for Mayor and four-year terms for the re-elected Councilors. Overall, it was good that the Mayor and re-elected Council members all had at least four years of service on the City Council giving stability to a Council that has seen significant turnover in the past six years. Congratulations to the Council members for their re-elections to represent the citizens of the City of Newport.

2. Resignation of Mayor Dean Sawyer -- On Friday, July 7, 2023, an article was published by OPB that indicated that the Mayor, as an individual, had posted hateful memes on Facebook over a number of years. This action directly contradicted the values that the City Newport places on diversity, ethnicity, race, age, gender identity, sexual orientation, self-identity and other perspectives. Mayor Sawyer acknowledged

the postings were hurtful and inappropriate and took responsibility for his postings. Mayor Sawyer resigned as mayor of the City Newport on Monday, July 10. The City statement on diversity equity and inclusion states: “racism and bigotry are never to be supported or tolerated, and instead are to be identified and condemned”. Overall, the commitment on diversity, equity and inclusion helped guide resolution of this matter by both Mayor Sawyer and members of the City Council. Mayor Sawyer took the appropriate action to step down as Mayor. It was based on his recognition that this would be best for the City of Newport. Mayor Sawyer served the city well in many ways during his tenure in elected office. It was unfortunate that he took inappropriate and hurtful actions that ended his tenure. Following Mayor Sawyer's resignation, Council requested applications to fill the Mayor's vacancy, and Council President Jan Kaplan was appointed to fill the remainder of Mayor Sawyer's term, which will expire January 6, 2025. Council then declared a vacancy for Councilor's Kaplan's Council seat, requested applications, and appointed Robert Emond to serve the remainder of Councilor Kaplan's term which will run until January 4, 2027.

3. City Manager Retirement – City Manager, Spencer Nebel, indicated early in 2023 that it was his intention to retire during the summer of 2024. City Council hired a recruitment firm (Jensen Strategies) to assist the City Council to recruit candidates for a city manager to begin service in July 2024. Interviews for a new city manager will be conducted in April, 2024.

4. Workforce Shortages – The “great resignation” has impacted employers across the country, including the City of Newport. There are a variety of reasons for this phenomena, however the simplest explanation is that there are more jobs than and employees to fill those jobs. This trend has been predicted over the years based on the fact that the baby boomer generation would be retiring from the workforce, and subsequent generations to fill these positions are smaller in numbers than the baby boomers. These labor conditions have not existed since the late 1940s and early '50s when there were many so opportunities for job seekers. As an example, situation, while Oregon's population is growing, the working population is growing at a significantly slower rate. The population in 2013 in Oregon for people between the ages of 18 to 64 was 2.463 million. The population of the same age group in 2022 was 2.595 million, which was an increase of 5.4%. During that same time, Oregon's population growth for all ages increased by 16.1%. This illustrates the reason for this shortage of employees, since the working age population is growing at a slower rate than the nonworking population in the state. This is being reported throughout the country. During the course of the past two years, the City of Newport Human Resources Department has had to fill 116 positions, ranging from lifeguards to department director positions. This has been particularly challenging in areas where there is a limited number of applicants to fill these positions. Furthermore, we have seen a much higher rate of turnover as employees have other job opportunities to explore. The City currently has several vacancies in department head positions, including IT Director, Public Works Director and City Engineer. Furthermore, departments have experienced shortages in staffing at various times throughout the course of the year. This creates frustration when the same level of service is expected by the public, however, there are fewer bodies to do that work. I appreciate the efforts of the Human Resources Department. This department has stepped up to keep the process moving with recruiting, interviewing, and hiring quality employees for the City, despite these challenges. I appreciate all of the departments and their staff who have stepped up during these shortages to keep essential services moving. This has been a real challenge in many departments!

Infrastructure

5. Big Creek Dam – The City continues to move forward with its most significant infrastructure project, the replacement of the Big Creek earthen dams. These dams were built on soils that will not sustain a seismic event. Following the evaluation of various alternatives, including alternate water supplies, the City Council determined that a roller-compacted concrete (RCC) dam is the preferred solution. RCC is a type of concrete that is commonly used in the construction of dams due to its strength and durability. This construction method involves placing concrete in layers and compacting it with heavy rollers to create a dense and strong structure. The City Council has initiated the design and permitting processes for this structure, with the design and permitting expected to continue until 2028. The City has received funding, including a \$14 million appropriation from the State legislature, to pay for the design and permitting process and has secured a \$60 million federal authorization from Congress which will allow federal funds to be used for this project. The authorization is not an appropriation, and the City will need to be seeking federal appropriations in order to secure federal funding over the next few years for this project. City Council has extended the engineering services agreement of record through December 31, 2026, with the dam engineer, HDR Engineering, Inc., authorized a task order for public outreach and stakeholder support services in an amount not to exceed \$433,000, and authorized task orders in the amounts of \$1.7 million and \$5.9 million for detailed dam design services. This will be a long-term project for the City, however, significant progress has been made on the funding front and with the initiation of the design for this critical infrastructure project.

6. Wastewater Treatment Plant Master Plan – The City has conducted a Wastewater Treatment Plant Master Plan to identify needs of both infrastructure renewal and future capacity issues at the wastewater treatment plant. The preliminary report has been presented to the City outlining another significant investment that needs to be renewed in future years. The price tag of the various improvements over the life of the plan to address both renewal of existing infrastructure and future capacity issues, exceeds \$100 million. The City Council has taken steps to secure funding for the most immediate portions of this work through State revolving loan funds and was successful in receiving a State appropriation of \$3.8 million to help offset these first phases of work. This master plan is going to be finalized and will be presented to the City Council in 2024.

7. Performing Arts Center Improvements (PAC) – The City, working with the Oregon Coast Council of the Arts (OCCA), awarded a bid for renovations to the Performing Arts Center allowing for multiple events to occur at the same time. OCCA has been raising funds for the phase VII PAC improvements for many years. This funding, along with City funding, will allow for facility improvements to take place in 2024.

8. Slide on Oceanview Drive – Mother Nature, in combination with deteriorating infrastructure, resulted in a slide that resulted in the temporary closing of Oceanview Drive to traffic. The landslide/sinkhole occurred just north of the NW 25th Street intersection on October 25, 2023. Subsequent erosion undermined the entire southbound lane and took out the sanitary sewer in this location. A second slide occurred immediately north of the slide area. Temporary bypass sewage pumping has been in place while a new sewer line is being installed. Work was contracted to stabilize the entire slope area and replace 220 feet of sanitary sewer impacted by the slide.

9. Drought Condition in the Pacific Northwest -- The Pacific Northwest has been subjected to drought conditions a number of times during the past five years, including 2023. The Lincoln County Board of Commissioners declared a drought emergency effective on August 2. The City Newport implemented a stage one alert for voluntary water curtailment for customers of the City's water system. The City has not experienced any water production issues from this drought. The primary motivation for the voluntary water curtailment is to protect the remaining water resources in the Siletz River. The City has, in recent years, shifted the use of water from the Siletz River to earlier in the year when the flows in the Siletz are substantially higher. By keeping the reservoir full until later in the summer, the City can reduce its use of Siletz River water during the time when the Siletz River is most impacted by drought. The new dam will reduce the reliance of the city drawing water from the Siletz River by storing larger amounts of water. This will substantially reduce reliance on the Siletz River, particularly when it is least able to provide water. The City has appointed a water conservation workgroup to identify further ways to permanently reduce water consumption in the community.

Economic Development

10. Building and Land Use Activity -- The City of Newport continued to see a trend of multiyear increases in the number of building permits issued. The number of permits has increased each year since 2019. A number of projects underway in the city included Wyndhaven Ridge Apartments phase II. Wilder Subdivision phases IIC and IIF; construction of a new hotel immediately to the north of The Whaler hotel; renovation of the former Builders FirstSource building to house Harbor Freight Tools; renovations at the Oregon Coast Aquarium; Nye Beach mixed use commercial/residential projects; the Samaritan Coastal Rehabilitation Facility; construction of a new Toyota dealership site in South Beach, and other similar projects.

11. Hotel Construction -- For the first time in many years, a number of actions have been undertaken to facilitate the construction of new hotel facilities in Newport. A hotel is currently under construction immediately to the north of The Whaler hotel. A conditional use permit was issued to build a 47-unit hotel with commercial space at the ground level at the south end of the Bayfront, and the City has been working with the developer on the development of a new hotel in South Beach. The additional hotel space will help accommodate visitors in the Greater Newport Area, particularly with limitations being in place on vacation rentals in the city and county.

12. Airport Property -- The municipal airport has continued to see construction of new box hangars at the airport, and the City Council authorized a sales option for acreage that is currently leased to McWatkins, LLC. This area is set up for light industrial uses. The City's goal is to utilize the property at the airport to increase economic opportunity within the City of Newport.

13. Taxi and Rideshare Regulations -- After number of work sessions, meetings and public hearings, the City Council adopted Ordinance 2201, further deregulating taxi cab businesses and incorporating regulations to allow transportation network companies (TNC) to provide rideshare services within the City of Newport.

14. Urban Renewal Activities -- The City's Urban Renewal Agency had a busy year in acquiring several properties, including 641 SW Coast Hwy., 143 SW Coast Hwy. (former gas station adjacent to City Hall) and 415-425 SW Coast Hwy., property located immediately to the south of the kite shop on US 101. These properties were

acquired to position the City to help guide redevelopment of the City Center area. The Urban Renewal Agency also appropriated funding to address both traffic issues, as well as facilitate economic redevelopment in this important zone. This study will help guide a final determination as to whether to implement a couplet as part of the long-term transportation plan to help facilitate revitalization, or look at an option of removing parking from US 101 and improving 9th Street as a secondary parallel street to this business corridor. Finally, the Urban Renewal Agency is positioning property owned in South Beach on the NE corner of US 101 and SE 35th Street for redevelopment. A proposal from Hallie Development has been preliminarily accepted by the Agency with a public hearing planned prior to considering conveying the property to Hallie Development for development. This would allow a food truck pod, an enclosed retail and restaurant spaces, and entertainment space as part of that proposed development.

Miscellaneous Community Issues

15. The City's Financial Status – While in the short term, the City's General Fund and funds supported by the General Fund are in good financial health, the long term financial commitments that the City needs to make in various infrastructure, facilities, parks, and others is underfunded. The City Council has given preliminary approval to request a vote to increase funding for street rehabilitation through an increase in the local gas tax for the May 2024 election. In addition, an additional source of revenue will be necessary to make the necessary reinvestment in various buildings and facilities ranging from City Hall, Library, PAC, VAC and various parks in the community in order to keep those facilities viable for use over the next generations. The City's utility funds will need to secure additional revenues in order to meet infrastructure needs in this community in future years, as well. This will place a greater burden on the ratepayers in the future in order to maintain the essential services that are necessary to assure that clean, safe drinking water is available to all our citizens 24/7 and that the wastewater is treated and clean before it is discharged into the ocean. In addition, the City's storm water system will require significant reinvestment in the future. The City has been successful in obtaining outside funding to assist in a number of these projects, however there will be local shares that will require repayment over time by the ratepayers in order to support those changes.

16. Paid Bayfront Parking – Addressing parking turnover and future development on the Bayfront was addressed in a parking study commissioned by the City prior to COVID-19. Due to COVID-19 implementation of the recommendations from the study were delayed. City Council moved forward with implementing these recommendations in 2023. The plan puts into place Bayfront paid permit and hourly parking. These funds will be used to reinvest in the resources necessary to provide the physical parking areas, as well as the management of parking in the Bayfront area. This will reduce the costs to city taxpayers, since these costs will be supported by both visitors and residents who actually utilize the spaces in the Bayfront area. This is a user fee that will share the expense of providing parking with the many visitors that come to Newport. In addition, the parking provision will ease parking requirements that will facilitate the development or redevelopment at property on the Bayfront.

17. Homelessness – A significant countywide effort has been underway during the course of 2023 to address homelessness on a regional basis. The City of Newport, along with the other six Lincoln County cities, Lincoln County, and the Community Services Consortium, have been actively engaged in discussions throughout the past

year to develop a five-year strategic plan to better manage and reduce homelessness in Lincoln County. As part of these discussions, the City implemented one of the early ordinances in the state to bring our camping provisions into compliance with federal court decisions and state law. The City has appropriated money to help facilitate solutions to homelessness, pending the recommendations coming from the countywide steering committee. The City is financially participating with the County on providing winter shelter seven days a week, providing a shelter to stay warm and dry in Newport. A strategic plan will be reviewed and adopted by various local units of government early in 2024.

18. Expanded Housing – A number of housing projects were under construction in 2023 with additional projects being proposed for construction. Wyndhaven Ridge phase II will be adding a total of 78 market rate units at the intersection of NE 31st and NE Harney Streets. Wyndhaven Ridge phase III will add another 90 units. Construction is currently projected for 2024.

Wilder Subdivision saw 26 homes built during 2023. Of those homes, 20 have received occupancy permits with the remaining six in the finishing stages of construction.

Oregon State University has obtained land use approval for the construction of a 77-unit multifamily building with parking in the Wilder Planned Development area. It is anticipated that construction will take place in 2024. The City has been reviewing plans to construct 60 to 75 market-rate apartments on the south side of SE 35th Street, across from the Neolha Point townhomes. The City is awaiting building plans for this project.

Nye Beach has seen a 10-unit mixed-use development occur between NW 1st Street and NW 2nd Street. These units have filled the lots that have been vacant for many years in this neighborhood.

A pre-application meeting has been held on the next phase of the Wilder Subdivision expansion which would be north and east of Harborton. This would include 75 units, 20 of those units being apartments. It is anticipated that these plans will be submitted early in 2024. Since COVID-19, the City has seen a significant increase in the construction of residential units within the City of Newport. This is much-needed to address housing availability within the community.

19. Recreational Immunity – The City of Newport has been the focus of a challenge to recreational immunity which will draw much attention on a statewide basis. In this particular case, it was reported that an individual slipped and fell while walking their dog on an improved trail owned by the City on the way to Agate Beach. The Trial Court granted summary judgment in favor of the City, based on its recreational immunity defense. The Plaintiff appealed this judgment arguing that there are issues as to whether their principal purpose for walking on the trail was for recreation, or to access the beach. The Court of Appeals decided that there is an issue as to whether the individual was participating in a recreational activity by walking the dog, or was only using the trail to access the beach. The City was joined by the League of Oregon Cities to petition the Oregon Supreme Court to review the decision of the Appeals Court. The Supreme Court opted not to take up this matter. The case will go back to the District Court to determine the facts of this case. Recreational Immunity is designed to provide landowners protection when they allow their properties to be utilized by the general public for recreational purposes. This particular court case has put into question

whether recreational immunity protection will actually exist in a number of circumstances relating to the use of trails and other recreational facilities. Efforts are underway to legally clarify state statute as it relates to recreational immunity. This may be considered in the legislative short session that will occur in 2024.

20. Sister City Exchanges -- Because of COVID-19, a number of exchanges with Newport's Sister City of Mombetsu, Japan, were delayed. In 2023, four exchanges occurred between the City of Newport and Mombetsu. In February, an adult delegation from Newport was led by Councilor Parker and Special Projects Director, Peggy Hawker, bringing a group from Newport to enjoy the winter festival in Mombetsu. In May, a delegation from the City of Mombetsu visited Newport to continue the tradition of adult exchanges on a five-year basis. (again, this was delayed due to COVID-19) At the end of June, Councilor Goebel and Tracy Crews chaperoned a group of Newport youth to participate in various activities in Mombetsu, and finally in August, a youth group from Mombetsu completed the fourth exchange of the year by enjoying a five-day visit to Newport. The Sister City Committee helps coordinate activities for the exchanges. Furthermore, Assistant City Manager, Erik Glover, did an extensive amount of work in order to facilitate these exchanges, particularly with Peggy Hawker's retirement and a vacancy in the Deputy City Recorder position. There is a significant amount of coordination both for the groups that visit Mombetsu, as well as for hosting the groups that come to Newport. The Sister City relationship between the City of Mombetsu and the City of Newport remains strong after 57 years following the signing of a Sister City agreement between these two Cities.

2023 Council Actions by the Numbers

City Council Meetings

Regular City Council Meetings Held	22
Special City Council Meetings Held	6
Work Sessions Held	22
Executive Sessions Held	12
Town Meetings	0
Council Tours	1

Council Actions

Minutes Approved	48
Committee Minutes Received	100
Oregon Liquor Cannabis Commission Licenses Issued	6
Citizen Appointments Ratified	39
Special Event Fee Waivers	2
Quasi-judicial Hearings or Continued Hearings	1
Ordinances Adopted	13
Resolutions Adopted	40
Orders Adopted	2
Public Hearings and Continued Hearings	35

Financial Matters

Leases Approved	7
Supplemental Budgets Adopted	5

Local Contract Review Board Contracts Awarded	21
Local Contract Review Board Change Orders Approved	6
Other Council Activities	
Proclamations Issued	13
Presentations/Recognitions at Council Meetings	16
URA Activities	
URA Meetings	15
URA Executive Meetings	8

Highlights of City Council Activities

- Heard a year-end report of the activities of the City Council for the calendar year ending 2022
- Administered the oath of office to Mayor Dean Sawyer and Councilors Ryan Parker, CM Hall, and Jan Kaplan who were all re-elected to the City Council in 2022
- Elected Councilor Kaplan as Council President for the 2023 calendar year
- Set a two-year meeting schedule for the City Council through the next organizational meeting which will take place on January 6, 2025
- Established Councilors as liaison to City boards and committees as well as voting members on internal committees and external committees
- Heard an annual report from the Parks and Recreation Advisory Committee regarding Parks Master Plan implementation
- Accepted evaluation reports for the City Manager and City Attorney
- Heard several reports from Public Works Director, David Powell, on updates to the Wastewater Master Plan
- Heard reports from the Vision 2040 Advisory Committee on the annual progress in meeting Vision objectives
- Approved an intergovernmental agreement with Oregon Department of Transportation to fund NE Harney Street bike and pedestrian improvements in the amount of \$1.3 million
- Heard a report on a grant awarded by the Federal Highway Administration to improve access to Yaquina Head Outstanding Natural Area, including a new shared use path on US 101 that will extend on the west side of Highway 101 between Lighthouse Drive and Oceanview Drive. The total grant award was nearly \$6 million for this and other work surrounding the Natural Area
- Approved grants for nonprofit social service agencies in a total amount of \$20,000
- Heard several reports and held several public hearings to ultimately approve an ordinance deregulating taxicabs and allowing transportation network carrier (rideshare) operations in the city of Newport
- Adopted Resolution No. 3965 to establish a City Council stipend/compensation workgroup. To date, we have not received a sufficient number of resident applications to establish this committee. This should be something revisited in 2024
- Approved Resolution No. 3964, a resolution establishing a City of Newport flag policy
- Confirmed a limited emergency to repair an effluent conveyance pipeline and gravity sanitary sewer on SE Marine Science Drive
- Authorized funding for the July 4 fireworks display
- Approved five legislative white papers for presentation by Council in Salem during the League of Oregon Cities "City Day at the Capitol"
- Authorized a combination of two part-time positions (Safety Officer and Human Resources Assistant) into a full-time position
- Conducted the annual day-long City Council goal setting session on Monday, January 30
- Adopted Ordinance No. 2205 annexing territory to the City of Newport and establishing zoning in this territory for property acquired by the South Beach Church
- Authorized a fuel supply contract with Philip 60 for the airport
- Approved an agreement for the Oregon Coast Council for the Arts for improvements to the Performing Arts Center

- Applied for a safe drinking water revolving loan from the Oregon Health Authority that would be financed by the Pacific Communities Health District emergency water storage for the hospital and city
- Approved an intergovernmental agreement for a coordinated office on homelessness as part of House Bill 4123 pilot project to reduce homelessness in Newport and Lincoln County
- Approved the reclassification of two positions in the Parks and Recreation Department
- Authorized a goods and services agreement to implement pay parking on the Bayfront
- Authorized an agreement with SolidsDude Solutions, LLC to retain former wastewater treatment plant supervisor, Andrew Grant, on a contractual basis while we pursued recruitment and hiring of a new wastewater treatment plant superintendent
- Adopted Ordinance No. 2226 amending camping provisions in the Newport zoning ordinance to address federal court decisions and state laws that made certain provisions of code noncompliant
- Accepted an agreement for participating with Lincoln County on a pilot project regarding funding for abandoned RVs and trailers
- Considered support for various legislative issues that were part of the 2023 legislative session
- Authorized an application for an Oregon Parks and Recreation local government grant for the Agate Beach Neighborhood and Dog Park.
- Appropriated funding to cover anticipated expenses to address sanitary sewer at Schooner Landing and repairs to the affluent pipeline. The City had a significant number of unanticipated expenses in wastewater during the 2023 calendar year.
- City Council authorized Council travel to Washington DC to continue efforts to secure funding for Big Creek Dam
- Authorized the purchase of equipment from Pall Water in the amount of \$400,000 to implement the water treatment excess recirculation (XR) project. This is the one remaining project that was identified when we had water production issues in 2020.
- Approved Ordinance No. 2202 implementing short-term rental recommendations from the final Short-term Rental Work Group.
- Approved Ordinance No. 2207 adopting the Newport Housing Capacity Analysis and related goals and policies
- Adopted Ordinance No. 2208, an ordinance amending the Newport Municipal Code relating to public contracting
- Approved Ordinance No. 2201 amending taxicab provisions, and providing for rideshare company operations in the City of Newport
- Accepted the annual audit for the year ending June 30, 2022
- Authorized a legislative request for \$7.6 million funding for wastewater plant improvements
- Established payment schedules and closed out two Clean Water State Revolving Fund Loan agreements for the Nye Beach Pump Station Grinder, and other improvements, including Agate Beach
- Appropriated funding to pursue legal remedies regarding construction issues for the aquatic center pool and building
- Authorized participation in opioid settlements with various responsible corporations
- Approved a resolution opting out of the Attorney General's model contracting rules and adopting public contracting rules for the City of Newport

- Adopted Ordinance No. 2209, an ordinance amending the historic resource inventory removing the 1886 building located on SW Bay Boulevard from this inventory due to its disrepair
- Made changes to the Bike and Pedestrian Advisory Committee bylaws
- Modified vending areas on the Bayfront on public property and within right-of- ways
- Authorized a letter requesting funding from the state legislature to complete the improvements at the Performing Arts Center
- Adopted Ordinance No. 2210 requiring emergency signage at lodging establishments in tsunami inundation areas
- Approved various marketing grants as recommended by the Destination Newport Committee
- Submitted a survey response regarding the need to recycle for the community. These surveys will be the basis to implement a statewide plan to utilize funds collected by manufacturers to offset costs for disposal of packaging, These collected funds will be provided for waste and recycling operations
- Authorized the submission of a Clean Water State revolving fund loan application or \$15.3 million for various wastewater system improvements. This funding will be broken up into three separate loan packages for various work at the wastewater plant in order to take advantage of potential principal forgiveness on a portion of the loan amount.
- Submitted requests for capital funding as part of the 2023 legislative session
- Approved an integrated pest management program; extended the FEMA hazard mitigation grant for the access road design and raw water pipeline; advocated for, and successfully obtained, legislation through House Bill 3211 to address the transfer of water rights impacting Big Creek Dam
- Determined that it was in the best interest to sell the Abbey Street Pier building located at 669 S. Bay Boulevard
- Provided comment on the FEMA proposed rules for the national flood insurance program
- Discussed referring to voters an ordinance increasing the city's gas tax. Council opted to wait until the May 2024 election to consider this initiative
- Approved rate increases for Thompson's Sanitary Service, Inc.
- Heard an appeal of a Planning Commission decision denying a conditional use permit for a 47-room hotel with ground floor commercial space on the Bayfront. Following a hearing, the City Council reversed the Planning Commission decision and granted a conditional use permit for this project
- Adopted the Newport Housing Production Strategy that was developed in the course of the previous year
- Held a special meeting to welcome the 2023 Mombetsu delegation. The delegation was sworn in as honorary members of the Newport City Council and participated in a variety of activities during their visit to Newport
- Approved Ordinance No. 2212 modifying the City's process for reviewing and making recommendations on liquor license applications to the Oregon Liquor and Cannabis Commission
- Approved Ordinance No. 2211 revising the name of the Destination Newport Committee to Discover Newport Committee
- Approved modifications to the Covenants, Conditions and Restrictions relating to property sold by the Urban Renewal Agency to The Whaler hotel in order to facilitate the construction of a new hotel at that location

- Adopted a resolution prohibiting the use of fireworks in the city between June 6 and October 15 due to fire conditions
- Reviewed and adopted resolutions approving property and debt taxes, fees, accepting state shared revenues, and adopting a budget for the fiscal year 2023 - 2024
- Provided funding for the replacement of the Newport Sea Lion docks
- Modified lease provisions for the standard airport land leases for hangers
- Continued the agreement with the Newport Chamber of Commerce to provide tourism marketing service for the City
- Held a special meeting to discuss social media comments made by Mayor Sawyer. Mayor Sawyer submitted a letter apologizing for his actions and resigning his position as Mayor of the City of Newport
- Adopted Ordinance No. 2213 establishing trash enclosure standards for multifamily commercial and industrial buildings
- Declared a vacancy in the position of mayor following the resignation of Mayor Sawyer. Council authorized advertising the vacancy and interviews were conducted at the August 14 work session, with appointment occurring at a special meeting following the work session
- Approved a three-year contract with the Newport Professional Firefighters Local 4619
- Authorized the shifting of a purchase of a hybrid 2023 Ford to a gasoline model due to supply chain problems
- Approved a resolution authorizing an application for a technical assistance grant to evaluate the feasibility of a rental housing maintenance code for the City of Newport
- Newport Chamber of Commerce Executive Director, Wayne Patterson, was introduced to the City Council.
- City Council held a series of meetings and public hearings to consider allowing a purchase option for City property leased by McWatkins, LLC, at the Newport Municipal Airport
- Authorized an agreement for funding for the Nye Neighborhood Association
- Authorized a letter of support to address resiliency issues relating to US 101 in the Beverly Beach area
- Sent a student delegation to Mombetsu, Japan, as part of the Sister City Exchange
- Authorized an extension of a water revolving loan fund grant that taken in conjunction with the Lincoln Soil and Water Conservation District regarding water quality issues on the Siletz River
- Appointed Councilor Jacobi as a member and Spencer Nebel as alternate, to the Lincoln County Consortium for solid waste management
- Hosted the student delegation from Mombetsu
- Selected Advantage Realty as a broker for the sale of the Abbey Street Pier building
- Held a special work session and a special City Council meeting to conduct interviews for mayor and to appoint a mayor to fill the vacancy. Sandy Roumagoux, Jan Kaplan and Mark Charles Phillips were interviewed for mayor at the special meeting. The City Council voted to approve Jan Kaplan as mayor of the City of Newport for the balance of the mayor's term expiring January 6, 2025
- Approved a resolution modifying the membership to the Police Advisory Committee
- Declared a vacancy on City Council due to the appointment of Councilor Jan Kaplan as mayor and approved a schedule to fill this vacancy
- Elected City Councilor Dietmar Goebel as Council President to replace Jan Kaplan who was serving as Council President before his appointment as the mayor

- Initiated a stage one alert for volunteer water curtailment for the City of Newport. This was primarily to encourage conservation to reduce the need to draw water from the Siletz River
- Authorized a task order to proceed with design and permitting issues for Big Creek Dam with HDR Engineering
- Heard a report from the Oregon Government Ethics Commission regarding House Bill 2805 which provides that the Oregon Government Ethics Committee has authority to enforce the Oregon Public Meetings law
- Authorized City funding to participate in the countywide proposal for winter sheltering in Lincoln County
- Discussed possible changes to the makeup of appointments on the Airport Committee
- Provided work on a draft for City Climate Mitigation priorities plan
- Amended the agreement with the Performing Arts Center for phase VII improvements to the Performing Arts Center, and Council awarded a bid to Richards Remodeling and Construction in the amount of just over \$2 million for this work
- Held a special City Council work session to interview candidates to fill the vacancy on City Council. Applications were received from Scout Hockema, Robert Emond, Mark C. Phillips, Stephen Hickman and Fernando Garza. Following interviews at a special City Council meeting, the Council appointed Robert Emond to fill the balance of the vacated term ending January 4, 2027
- Adopted Ordinance No. 2214 establishing an administrative framework for metering public parking
- Administered the oath of office to Councilor Robert Emond who began his term on the City Council on October 16
- Approved Ordinance No. 2215 amending the Newport Municipal Code relating to parking requirements for development and redevelopment in special parking areas
- Discussed the possibility of joining the National League of Cities as a direct member
- Adopted a resolution in support of establishing a Continuum of Care for Linn, Benton and Lincoln Counties
- Authorized a grant agreement for Source Water Protection plan in the amount of \$30,000
- Initiated a request for proposals for executive recruitment services. The City Council received four proposals, interviewed three professional firms and selected Jensen Strategies, Inc. to help facilitate the replacement of the City Manager who is retiring on or around July 1, 2024
- Authorized the use of action minutes for Council, Boards and Commissions beginning in November 2023
- Confirmed a limited emergency to repair damage caused by a slide on Oceanview Drive
- Authorized a grant agreement with Oregon Parks and Recreation for the Agate Beach Neighborhood and Dog Park in the amount of \$390,000
- The City utilized General Fund money to purchase equipment for the Water Fund and Storm Water Fund due to the limited capacity of those funds to pay for those improvements. This is a departure from past practice and efforts are being made to shore up the finances for the City's utility funds
- The Council approved a resolution setting fees and terms for use of certain public parking areas along the Bayfront as part of the paid parking project

- Council indicated that it is their intent to move forward with funding to repair roads by increasing the City's gas tax. The City will have to act in February in order to have this on the spring ballot
- Council discussed the possibility of banning the sale and use of fireworks in the City of Newport. A public hearing has been scheduled early in 2024 to continue this discussion
- Council heard a report on the status of various goals and objectives for the first quarter of the year
- Purchased a Hydrovac jetter truck in the amount of \$584,000
- Heard a presentation from Morant McLeod on the strategic plan funded by HB 4123 to address homelessness in Lincoln County
- Approved a memorandum of understanding between the Oregon Department of Human Services, the City of Newport, and Lincoln County for the placement of two Conex storage containers for emergency supplies at the municipal airport
- Rules of conduct were presented to the Council for the Library. These rules will take effect 30 days after their presentation to City Council and will help assist in issues of the various behaviors that are contrary to the rules but are not criminal acts enforceable by the police
- Authorized funding for the July 4, 2024 fireworks display
- Heard a report on work place culture initiatives
- Heard a report for the holiday tree lighting taking place on Monday, November 27. While the holiday tree sustained damage from a lengthy wind and rain event, it is still standing and providing holiday cheer for those driving by City Hall
- Executed a task order with HDR Engineering in an amount not to exceed \$5.9 million for continuation of the dam design project
- Council authorized the purchase and sale agreement for the Abbey Street Pier building located at 669 SW Bay Boulevard to Ocean Bento, LLC in the amount of \$710,000
- Held a public hearing and determined that certain tidelands located outside of the city but owned by the City are surplus and should be sold to the Yakona Nature Preserve and placed in conservancy. A hearing has been scheduled in January on the sale of these tidelands
- I reviewed a schedule for the executive recruitment of a new city manager with Eric Jensen of Jensen Strategies.
- Heard an annual progress report from the Parks and Recreation Advisory Committee on the implementation of various segments of the Parks System Master Plan
- Approved Resolution No. 4001 which will continue charging system development charges for conversion of commercial buildings for residential use as required by HB 2984
- Adopted an order acknowledging the withdrawal of a conditional use permit application for the Lincoln County Animal Shelter
- Appropriated funding for repairs of the Oceanview Drive landslide as allowed under the limited emergency
- Authorized the distribution of the SAIF dividend to the employees to reward safe work performance during the course of the year.
- Authorized the conversion to a four-day 10-hour workweek for general office and other department work as determined feasible by each department of the City in 2024
- Heard a report on PFAS class action litigation and its potential impact on the City of Newport as a recipient of settlement funds

- Reviewed the budget calendar for the fiscal year beginning July 1, 2024 and ending June 30, 2025.
- In a special meeting, authorized an additional \$100,000 in funding to extend the sewer replacement as partial emergency repairs to Oceanview Drive

Highlights of the Urban Renewal Agency Activities

Highlights of Urban Renewal Activities include:

- Elected Councilor Goebel as Chair and Councilor Hall as Vice-Chair of the Urban Renewal Agency through January 6, 2025
- Approved several supplemental budgets through the course of the year
- Approved the annual audit
- Approved the purchase for undeveloped commercial property at 641 SW Coast Highway
- Approved an amendment to the Covenants, Conditions and Restrictions relating to the property sold by the Agency to The Whaler hotel in 1992
- Approved a budget for the fiscal year beginning July 1, 2023
- Purchased property located at 143 SW Coast Highway which was a former gas station located adjacent to City Hall
- Appropriated funding for the Urban Renewal Agency's cash match for the City Center Downtown Revitalization project in the amount of \$150,000. Utilized \$180,000 in transportation growth management (TGM) grant funds to initiate this project in 2024
- Approved the purchase of property and building at 415-425 SW Coast Highway
- Authorized financial participation for the redevelopment of NW Biggs Street between NW 58th Street and NW 60th Street with the Health District for the proposed residential drug treatment center and extended outpatient program
- Discussed a policy on criteria for acquiring property by the Urban Renewal Agency in the City Center area
- Authorized a grant application to address asbestos in Urban Renewal buildings that will be removed from property at 415-425 SW Coast Highway
- Extended the occupancy for 30 days for the South Beach Church
- Scheduled a public hearing on a proposal from Hallie Development for developing the Urban Renewal Property in South Beach, with that hearing taking place in January 2024

This is a summary of the highlights of actions taken by the City Council and the Urban Renewal Agency through the 2023 calendar year. I appreciate the effort and time that the Mayor and Council put into their responsibilities to represent the citizens of the City of Newport. Many hours are spent as volunteers to attend meetings, reading agenda packets, reviewing minutes of the various committees, serving as liaisons to various committees, and providing the general policy and direction for the City. The dedication to public service is greatly appreciated by myself and staff. Thank you very much for your services during 2023.

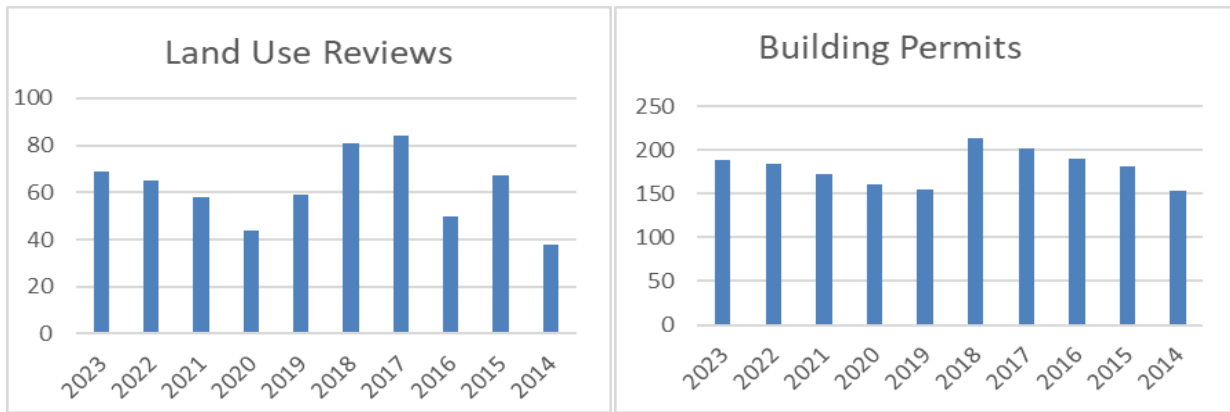
Highlights of Activities by Department

Community Development Department - Derrick Tokos, Director 2023 Operational Highlights

BUILDING AND LAND USE PERMIT FIGURES

The following is a summary of building and land use activity through December 12, 2023 and related trend data.

	Building Permits	Electrical Permits	Plumbing Permits	Mechanical Permits (Eff: 7/16)	Construction Value	Land Use Actions
2023	188 (\$340,591.84)	366 (\$95,391.34)	90 (\$26,311.60)	145 (\$32,678.43)	\$47,510,758	69 (\$31,918.00)
2022	184 (\$391,715.49)	320 (\$62,616.85)	79 (\$38,111.42)	170 (\$25,294.87)	\$42,807,059	65 (\$17,322.00)
2021	173 (\$146,903.01)	322 (\$42,969.14)	56 (\$11,670.47)	141 (\$17,811.69)	\$14,345,994	58 (\$23,980.00)
2020	161 (\$134,727.86)	285 (\$46,693.62)	72 (\$25,412.99)	161 (\$19,434.69)	\$21,200,985	44 (\$13,392.00)
2019	155 (\$269,840.32)	271 (\$52,560.87)	80 (\$36,110.39)	153 (\$16,416.32)	\$24,141,503	59 (\$24,803.00)



Status of SIGNIFICANT Construction Projects

Abbey Hotel. 47 unit hotel with 2,000+ sq. ft. of commercial on the south end of the Bayfront. Conditional use permit approved and property has closed. Developer is attempting to engage with adjacent condominium owners to partner on the reconstruction of the retaining wall adjacent to the site. Due to lending environment, developer anticipates plan review in 2024 with construction in 2025.

Wyndhaven Ridge Phase II. Market rate 1, 2 and 3-bedroom apartments at the intersection NE 31st and NE Harney Street. A total of 78 units are being built. Staff met with the developer on 2/10/22 to review frontage improvement requirements, which will be completed once units are finished. Height adjustment application approved with no appeal. Building permits reviewed and issued. Buildings 1-4 are complete, Buildings 5-7 and Recreation Center to be finished by March. Carports are being installed. Sidewalk improvements and street paving is complete.

Wyndhaven Ridge Phase III. Market rate 1, 2 and 3-bedroom apartments at the intersection of NE 36th St and NE Harney St. A total of 90 units will be built. Pre-application meeting held and developer is performing traffic analysis to determine if a signal warrant is met at US 101 and NE 36th. Site development permit issued so they can perform final grading. DEQ 1200-C permit is also being updated. Construction anticipated in 2024, with completion in 2025. City is seeking \$875,000 in infrastructure funding from the state for off-site wastewater and street improvements needed in conjunction with this project.

Wilder Phases 2C and 2D. A 26 lot residential subdivision. Developer upsized the outlet in the downstream storm drainage pond that the City recently acquired next to SE 40th Street, increasing its capacity. Improvement agreement with developer executed, and plat recorded 9/8/22. Fowler Homes has received occupancy on 20 of the units, with the remaining 6 in the finish stage of construction.

Whaler Hotel Expansion. A new 26-unit hotel that is to be located immediately north of the existing Whaler Motel. Conditional use permit and design review approval granted by Planning Commission in May of 2021. Owner modified the design as plans progressed, and the Commission approved the design modifications at its 2/14/22 meeting. Building permit application submitted, reviewed, and approved. Plans for partial remodel of the existing Whaler were submitted 9/12/22 and have also been reviewed and approved. Both the new hotel and the remodel of the existing hotel are in the framing stage of development.

City of Newport / Department of Forestry Shared Use Facility. A Memorandum of Understanding was executed between the Oregon Department of Forestry and City of Newport in January 2022 for the construction of a shared use facility. ODF prepared an appraisal of the City's Northside Fire Station and came to an agreement with the City and an adjacent land owner who they have acquired property from. City approved ODF's minor replat application to reconfigure the properties and there was no appeal. Council approved a transfer agreement and sold the Northside Fire Station property to the State of Oregon. The Newport Fire Department will continue to occupy the existing building until the new facility goes under construction. ODF's architect intends to submit building

plans for review before the end of 2023. Construction is likely to start in the spring/summer of 2024.

Harbor Freight Tools. Former Builders First Choice at NW 6th St and US 101. Tenant improvement plans have been reviewed and approved and development agreement has been executed for required frontage improvements. Construction is underway on the interior remodel and roofing. The developer is also in the process of constructing sidewalk and related frontage improvements.

Oregon State University Student Housing. 77 unit multi-family building and associated parking in the Wilder planned development. A design/build project that will ultimately be managed by HMSC. Improvement agreement will be needed for off-site drainage improvements that will include dredging of the SE 40th Street pond. HMSC obtained land use approval and site grading/underground utilities permit has been reviewed and issued. Building permit applications anticipated to occur in November.

Elm Street Apartments. Site is situated on the south side of SE 35th Street across from the Neolha Point Townhouses. Plan is to construct 60-75 market rate apartments. Preliminary design complete and pre-application meeting held. Awaiting building plans.

Oregon Coast Aquarium Renovation Phase 2. This component of the project includes a remodel of the cafeteria, new exhibit space, and site improvements. Building plans reviewed, approved, and ready to issue. Aquarium to sequence work in a manner that minimizes impacts to guests. Permit for the cafeteria work was issued and those improvements are complete. Permit has been issued for the gallery work, which will begin after the summer season. Frontage improvements (sidewalks/crosswalks/ramp work) are being designed and will be installed with the gallery expansion, which is now in the framing stage of construction.

Nye Beach Mixed Use - A ten unit mixed use development along NW Coast Street between NW 1st and NW 2nd. A mixed use building with over 1,100 sq. ft. of first floor commercial and four apartments is being framed and two duplexes are substantially finished. First duplex on 2nd Street received occupancy and construction of the second duplex on the same street has started. Finish work is being performed on the duplex on 1st Street and the mixed use building. Sidewalk and ramps on the west side of Coast St between 1st and 2nd street will be replaced and a new mid-block crossing will be installed.

South Beach Church. New 20,000 sq. ft. church and private school at SE 40th/Harborton. The 11.98 acre site has been annexed into the City, and a conditional use permit has been approved. Awaiting building plan submittal. Church is looking to amend its conditional use permit to include a new membrane structure that they can use for worship services while the new facility is under construction. The new conditional use application is expected to be submitted by the end of the year.

Samaritan Coastal Stars Rehab Facility. 8,300 sq. ft. office and outpatient facility with 16 person residential unit. NW Biggs in Agate Beach. Received conditional use approval. Building plans have been submitted, reviewed and are ready to issue.

Toyota of Newport Dealership. New 26,000 sq. ft. auto dealership in South Beach. A conditional use permit was approved and building plans were reviewed and issued. Developer is positioning the project for construction early 2024.

Bi-Mart Cascade Farm and Outdoor Store. 32,000 sq. ft. facility to be constructed at the northeast corner of US 101 and SE 40th Street. Developer is conducting Traffic Impact Analysis. Awaiting building permit submittal.

Upcoming Wilder Phase. Informal pre-application meeting held on next phase, north and east of Harborton. Will include 75 units, 20 of which will be apartments. Developer is putting together applications for subdivision and final development plan approval, which they intend to submit early 2024.

Significant Planning/Urban Renewal Projects

City Center Revitalization Project. Project builds off of the recently adopted Northside Transportation System Plan by identifying how private side development regulations in the City Center area should be modified to complement future transportation improvements and facilitate mixed use development (i.e. residential over retail). Project will also develop a framework for a building facade improvement grant/loan program. A TGM grant from the state has been secured and a scope of work has been developed (\$300k total, with half coming from the state). An RFP was issued and proposals were received and scored on 11/30/22. A preferred consulting team has been selected and a contract has been negotiated. Awaiting receipt of intergovernmental funding agreement so project can start.

Redevelopment of Urban Renewal Agency's 2.3 acres US 101/SE 35th Street Property. This property, situated at the northeast corner of the US 101/35th Street intersection is being positioned for redevelopment now that the highway and signal improvements are completed. Agency is looking to attract retail/service uses. An RFP was issued in May of 2022 with proposals due in August. The Agency has identified, and is wrapping up negotiations with Hallie Development Company, who responded to the RFP. A draft development agreement was presented to the Agency at its 12/4/23 meeting and a public hearing on the agreement is scheduled for 1/16/23. The redevelopment concept included food carts and micro retail/restaurant space.

South Beach / US 101 Island Annexation. Involves the annexation of about 150 acres in South Beach that is surrounded by the Newport city limits. Includes a rebate program to incentivize sewer connections once the annexation is complete. Council initiated the process in January. Will require a boundary survey, TPR analysis, owner outreach, and coordination with the Seal Rock Water District regarding outstanding bond debt. Work to begin in earnest in late 2023 or early 2024.

Rental Housing Maintenance Code Feasibility Study. A priority action item in the City's recently adopted Housing Production Strategy, the study will evaluate the feasibility of the City putting in place a rental housing maintenance code to help ensure that Newport's rental housing stock is well maintained, improving the health, safety and well-being of its occupants. A grant application was filed with the Oregon Department of Land Conservation and Development on 7/31/23 and the City was notified in September that the project would not receive funding. Additional grant funds should become available in the upcoming short legislative session.

Big Creek Watershed Forest Resource Assessment. While the City controls a significant amount of property within the watershed, it does not have a plan for how those lands should be managed nor has it taken steps to identify how best to prioritize future acquisitions. This project addresses both points by (1) inventorying the condition of forest resources on public and private lands within the Big Creek Watershed; (2) identifying management strategies for publicly owned lands that achieve high quality habitat and improve water quality; (3) developing a strategic action plan to inform implementation of management strategies and future land purchases; and (4) conducting outreach to landowners in the watershed to develop relationships and a mutual understanding of short- and long-term property management goals. Full funding for the project is included in the FY 23/24 budget.

NE Harney Street and US 20/Moore Intersection Improvements. Project will include construction of sidewalk on the west side of NE Harney St. between US 20 and NE 3rd St., connecting to the crossing at US 20. It is part of a larger project where the City will be installing bike lanes on the east side of NE Harney between US 20 and NE 3rd St.; improving ADA access at the US 20, NE 3rd, and NE 7th Street intersections with NE Harney; and replacing standard bike lanes with buffered bike lanes on the east side of NE Harney St. between NE 3rd St. and NE 7th St. The City will build up to and tie into the US 20/Moore intersection improvement project that the state will be funding. City awarded \$1.3 million in Safe Routes to Schools funds. Total project cost \$2.18 million. Design work will be completed in 2024 with construction in 2025.

Parking Study Implementation. Effort will implement Ord. No. 2163 (2020) that calls for the use of meters coupled with annual permits to manage demand for available parking in a manner that improves turnover and safety. Ord. No. 2164 established a parking advisory committee to assist City staff with plan refinements. While metering is limited to the Bayfront, implementation of new permit parking requirements may extend to Nye Beach in addition to the Bayfront, depending upon the committee's recommendations. Advisory committee is currently focused on implementing metering and permit parking solutions on the Bayfront. Parking vendor has been selected and is under contract. Pay stations and License Plate Recognition enforcement equipment have been delivered and programmed. City is wrapping up programming of the e-permitting and parking enforcement software. Regulatory and "text to park" signage has not yet been delivered. City refurbished Bayfront lots in mid-September and staked holder outreach is being performed from September to November. Paystations to be installed for official launch in January, on weekends only (specifically the weekend of 1/20/23). Free courtesy e-permits will be offered from January to April of 2024. Paid permits will be required in May of 2024, when the pay stations become effective seven days a week.

Yaquina Bay Estuary Management Plan Update. The State of Oregon, through its Department of Land Conservation and Development (DLCD), is partnering with Lincoln County, Newport, and Toledo to update the Yaquina Bay Estuary Management Plan. This plan provides land use and natural resource policy guidance for how development and related activities should occur within the bay and its estuarine areas. The existing plan is almost 40 years old and is sorely in need of an update. DLCD is the lead agency for this planning effort, with funding being provided by the National Oceanic and Atmospheric Administration. The end product of this planning effort will be used to inform updates to the City's Comprehensive Plan and land use regulations that apply to in-water

development. A Steering Committee and Policy Advisory Committee completed their work and a draft of the new plan was recently released. Plan adoption at the local level will begin around the end of 2023.

Housing Production Strategy Implementation. At a 6/12/23 work session, the Planning Commission considered topic areas outlined in the Housing Productions Strategy (HPS) as potential barriers to the construction of needed housing. Following that discussion, the Commission expressed an interest in seeing a draft set of code amendments that respond to those concerns. A draft set of amendments was reviewed by the Commission on 12/11/23 with a hearing to be scheduled in early 2024. If adopted, the changes would provide greater flexibility for housing developers struggling to meet certain dimensional standards, building height limitations and parking requirements. The revisions also allow transitional housing as a community service use in commercial and industrial zoned areas. Lastly, the Commission is taking steps to simplify standards for constructing Recreational Vehicle Parks.

Committee Work, Meetings, Conferences

Between October and December, Community Development Department staff have supported and/or attended meetings of the Newport City Council, Urban Renewal Agency, Planning Commission, Bike and Pedestrian Committee, Parking Advisory Committee, Emergency Preparedness Committee, AOC/LOC Transportation Funding Forum, LOC Conference Panels (Funding Infrastructure and UGB Expansions), Lincoln County Natural Hazards Mitigation Plan Quarterly Meeting, Oregon Planning Association Conference Panel (Housing Infrastructure), Port Commission Meeting (Parking), Historical Society Meeting (Parking), Bornstein Seafood (Parking), Newport High School Civics Classes (various topics), Lincoln County Estuarine Resilience Action Planning Meeting, Mid-Coast Water Infrastructure Legislative Field Tour, Land Use Legal Issues Virtual Workshop, and DLCD Capacity and Urbanization Technical Advisory Committee Meeting.

Public Works Department - Justin Scharbrough and Steve Stewart, Acting Co-Directors 2023 Operational Highlights

WTP

This year the WTP produced over 725 million gallons of finished water without outages or setbacks. We also completed several strategic projects:

- Floc tank and piping repainted.
- The XR project is out for bid.
- Thru November we have provided 16 MG of water to Seal Rock.
- The 71st pump station and tank are now on the fiber network.
- Replaced anodes in Clearwell.



WWTP

This year, the WWTP Crew completed several major construction projects and initiated strategic planning and implementation of critical projects.

- Hired a new Supervisor and Operator.
- Completed centrifuge rebuild.
- Completed clarifiers 1 and 2 rebuild.
- Installed pump at the influent pump station.





WW Collections

- Added a new pump station to our system (Schooner).
- Setup bypass pump for NW Oceanview.
- Worked with boring contractors to help avoid lateral strikes. (tons of boring!)
- Cleaned trouble lines.
- Helped contractor replace seal at Bayfront Pump station.



Water Distribution

The Water Distribution Division successfully operated the distribution system this past year with minor interruptions to service.

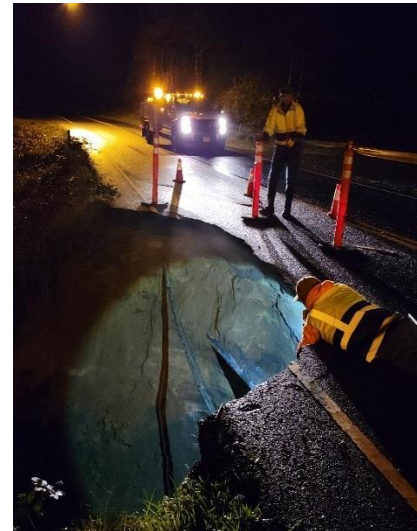
- Progressed on the Lead and Copper Rules.
- Completed 1059 field locates up from 827.
- Completed 1018 service orders up from 892.
- Completed many water service installations.
- Repaired multiple main breaks. (Picture from Fogarty and 9th)



Streets

Maintaining our street network is always a challenge. Potholes, gravel roadway maintenance, dust control, striping, and vegetation management are just a few. This past year was focused on painting:

- Torched down over 30 bike sharrows.
- Brook St. improvement project, where we removed 5 yards of vegetation from the sidewalk, repaired damaged concrete to the crosswalk ramp, and refreshed the parking "t's" and yellow curb paint.
- Rebuilding of Rocky Way Rd.
- Every stop bar and crosswalk painted in the City.
- Painted the yellow curb and green loading zones around the high and middle schools.



Facilities Maintenance

The Facilities Maintenance Division had a particularly challenging year because one staff member had to prioritize and complete all fix-its (work orders). Nonetheless, the FM Division accomplished a lot of work this past year:

- City Hall HVAC work.
- Coordinated with many contractors.
- Cleanout of multiple buildings.
- Tons of lighting repairs were made city-wide.



Administration

This has been a very busy year for the Administration Division of Public Works. We have taken numerous items to City Council for consideration including:

- Cathodic Protection Project
- Stantec/WTP XR System Project
- Emergency declaration on Effluent pipeline repair
 - Emery and Sons/OSU Pump Station
- Schooner Landing Sewer Bypass Project
- Enterprise Fleet Management/Ford Mavericks received
 - Installation planning for Radios/Lights to be added to the Mavericks
- Bayfront Parking/Signage Project
- Installation of Security Cameras
- Dust Abatement Project
- Centerline Striping/Crosswalk Painting/Bike Sharrows Project
- Touch A Truck event and National Night Out Event
- Landslide Issues on NW Oceanview Dr/NW 25th Street

This was a busy time for Public Works with the resignation of David Powell, PW Director in June, 2023. The responsibilities were passed on to the PW Superintendent, Justin Scharbrough as well as WTP Supervisor, Steve Stewart to take on the role of Acting Public Works Director. Duties for all in Public Works increased to handle all the tasks to be sure that all of Operations as well as the two plants continued to function fully with the resignation of the director. This was a challenging year, since the City Engineer and Assistant City Engineer both left towards the end of 2023, so staff in PW had to take on many new duties to accommodate the departures.



Police Department - Jason Malloy, Chief 2023 Operational Highlights

2023 showed several personnel changes and improved staffing at NPD. In the past year, we were able to hire three entry-level police officers and one lateral police officer. All four officers successively completed all phases of training and are assigned to a patrol shift as a solo officer. For the first time in quite a few years, our patrol staffing is nearly full. This has allowed us better response times to calls, and much more proactive police work. We have worked tirelessly on establishing a positive work culture, and we are focusing and ways to improve the retention of our police officers.

In February Spencer Nebel, Erik Glover, and I travelled to Coos Bay to visit and tour the Devereux Center. We also met with the Coos Bay City Manager and Police Chief regarding their response to the unhoused and their relationship with the Devereux Center. We identified several resources that may be applicable and successful in Newport.

The annual Seafood and Wine Festival occurred Feb. 23-26. Poor weather cancelled the event on 2/23. Newport PD did not have a presence at the Festival site, but enhanced patrols throughout the City. The event was very busy and officers stayed busy with calls for service and traffic stops. 12 persons were arrested over the weekend in Newport and 12 total DUII's were arrested throughout the County.

Newport celebrated Independence Day on July 4. Newport prohibited the use of all fireworks in the City this year. While some fireworks were seen, there was very limited use. There were many people in the City, but Police events were not excessive.

In August, NPD and the City of Newport hosted National Night Out at the Rec Center. The event was well attended by over 1000 visitors and well received by attendees. We received many positive comments regarding the event from both visitors and vendors. It was great to see all of the City Departments work together to provide a fun and educational event.

For the month of October, all NPD staff displayed pink patches on uniforms to support the Pink Patch Project to bring attention to the fight against breast cancer and to support breast cancer research organizations in combating the devastating disease.

I attended the IACP Conference in San Diego, CA. The conference was very informative. I attended training sessions in homeless response, mental health response and recruitment and retention. I also met with many vendors in the exhibiter hall and reviewed items such as new training equipment, software and emergency response equipment. The Police Department selected a new Department Chaplain, Don Dinerstein. After many years of service, Department Chaplain Glen Small retired form Police Chaplain duties. Chaplain Dinerstein completed the Basic Chaplain's Academy at DPSST in October.

NPD took delivery of two Ford F-150 Lightning Trucks. The trucks went in service in December. While it took over two years to take delivery, it seems it was worth the wait. The trucks have a purpose to be used in administration. We will monitor their use and efficiency as it relates to gas savings compared to charging costs.

The Police Department took delivery of its Live Scan computer. This allows our trained staff to take fingerprints electronically and submit the prints to the Oregon State Police Fingerprint Bureau electronically. This is much more efficient than taking prints with ink, and the results are expedited. Prints are used for City employees, and persons/vendors seeking clearance to access the Police Department. We are looking at ways to implement fingerprinting for the general public.

NPD received our re-accreditation award at the annual Oregon Chief's Conference in April 2023. A very big thank you and appreciation to Accreditation Manager Lt. Brent Gainer. Lt. Gainer devoted a lot of time to ensuring all of our required information and proofs were in place for a successfully re-accreditation.

Significant Events

On 2/27/23, a person was arrested for DUII after driving their vehicle into the Big Creek Reservoir. At the time of the incident, officers and City staff were unable to verify a vehicle was in the Reservoir. On 3/1/23, with the assistance of the Sheriff's Office's drone, the vehicle was located in about 11 feet of water, and 120' from the shore. With the assistance of a diver, the vehicle was removed.

Officers responded to several weather-related events in February. Newport saw rare snow and several days of freezing temperatures.

In August, Newport Officers responded to a shooting on Yaquina Bay Bridge. The shooting resulted in the death of one subject. The investigation was concluded and referred to the DA's office. No criminal charges were filed.

NPD saw a rise in drug overdoses during the year. Officers worked continually on multiple drug investigations. NPD officers executed four search warrants in December, which resulted in numerous arrests for Fentanyl-related drug charges, weapons violations and several recovered stolen items.



Thanks to our NPD Veterans

City of Newport Food Drive with Officers Emma Paranto and Abraham Felix.



Fire Department & Emergency Management - Rob Murphy, Chief 2023 Operational Highlights

Staffing

2023 has been a year of growth and development for the Fire Department. We brought on 2 firefighters in 2023. One in January and one in April. At the end of 2023, 4 of our firefighters have successfully completed probation. In July, one of our Engineers, Chris Rampley, left the Department on a medical retirement. We will be testing for his position on January 9th and 10th. We are also conducting a firefighter recruitment to fill the future open firefighter position.

FF Kaden Keogh Badge Pinning



Calls of Note

- March: Fully involved car fire at McDonalds threatening 2 cars parked on either side. Minor damage to one of the other vehicles. Crews got the fire quickly extinguished.
- May: 2 car crash on Hwy 101 near NW 58th Street. One patient critically injured, 4 minor patients. One person had to be extricated.
- July: Major brush fire south of Waldport started by fireworks. Multiple agencies called, over 12 homes threatened. NFD assisted with a chief officer, a brush engine and a tender.
- Also, a brush fire later in the month at the Yakona Nature Preserve in South Beach, east of King Slough. NFD responded with 2 brush engines, a chief officer and a tender.
- August: Brush Fire along Big Creek near Agate Beach State Park. NFD responded with two brush engines and 2 chief officers. The fire was extinguished using portable pumps drafting water out of Big Creek. Also, in August there was a fire at Burger King in their vent system above their flame broiler. The fire was extinguished by their fire suppression system. The restaurant was ordered closed by the Fire Marshal until their kitchen could be cleaned and suppression system restored and inspected.
- September: We provided mutual aid to Toledo Fire Department for a fire above one of the paper machines at GP Mill. We assisted with incident command, an engine and a ladder truck. This was a multi-agency multi-alarm response. We had nearly 40 firefighters on scene.

Training

During 2023 Newport Fire Department had 4 volunteers start Firefighter 1 Academy with a total of 3 completing them. During the year NFD had 10 personnel attend "Live Fire" training, 7 personnel attend "Aerial Apparatus Operator" class and 7 personnel attend a "Mobile Water Supply" class. Newport Fire Department participated in several multi agency training opportunities during the year such as: Advanced fire behavior, wildland fire training, Toledo Fire and other agencies. Newport Fire Department submitted and received 12 certifications for personnel through Oregon Department of Public Safety and Standards Training (DPSST) throughout the year. Newport Fire Department personnel

documented 2,881 hours of training for the year which is about the same from previous calendar year.

Rope Rescue Team Training at lighthouse Rope Rescue Team Training with Coast Guard



Operations

In February 2023, the department hired a probationary firefighter due to one probationary leaving for another department.

In May 2023, the department hired a probationary firefighter to fill an open slot. In 2023, four probationary firefighters completed their twelve-month probationary period. During the probationary period, the firefighters were tasked to complete a quarterly packet, which included various components of firefighting; they were also assigned to conduct training exercises, lectures, and facility preplans with a final exam each quarter.

In 2023, all of the Standard Operation Guidelines (SOG) were completed, and in January 2024, the SOGs will be distributed to the Fire Chief and Captains to review each SOG and make any additions or corrections; the task will take approximately three to four months to complete. Once the document has been reviewed, all corrections will be made and distributed to all shifts for implementation. Implementation will commence on July 1, 2024.

In 2023, the review of the training division was completed, and the training officer was tasked to administer training to all shifts and volunteers; this process is still being evaluated for effectiveness.

Fire Prevention

Full-time Fire Prevention ended in July of 2023 when Engineer Chris Rampley had to take a medical retirement after a long-term light duty assignment in fire prevention. Since July, fire prevention duties have been taken by Asst. Chief/Fire Marshal Tom Sakaris and Myself. Chief Sakaris handles most inspections with my backing him up and I handled most of the plan reviews with him backing me up.

Prevention - Plans Review

65 building plans and fire sprinkler plans have been reviewed this year in conjunction with the City Planning Department. In addition, we have held site visits with contractors, zoom meetings with design and architecture firms, and online building plans review.

Prevention - Enforcement

35 False Fire Alarm notices have been filed with three businesses for a total of \$13,225.00 in fines. The City allows 3 false fire alarms per year before a facility receives a fine. NFD has worked with building owners, business managers, and fire alarm service companies to reduce the number of false fire alarm calls. We also shut down two businesses due to imminent safety hazards and multiple fire code violations.

Public Education

We have completed Fire Prevention in the Newport Schools. The students received the Friendly Firefighter along with a show and tell of the Engine. 1st and 2nd grades learned about smoke detectors along with making a smoke detector project. 3rd and 4th grades learned about home escape plans. 5th grade focused on Cooking and home safety and reviewed home escape. All students were sent home with smoke detector information and home escape plan paper. All together we did prevention for over 900 kids from Yaquina View Elementary, Same Case Elementary, South Beach Christian School, Mouse Factory Preschool, Montessori Preschool, Head Start Preschool and ABC Preschool.

Big thanks to Andy Parker Zac Garcia, Shannon Miller, Anne Mefford and Josh Malloy for their help with prevention this Year.



Statistics

2023 has been a busy year for Newport Fire Department. We responded to 2,309 calls for service. This is about 1% lower than YTD 2022 of 2330 calls. We have run 926 medical calls and approximately 1383 fire calls. In 2023 we had 605 overlapping calls more than 26% of the time. This is up from 2022 (it was 23.3% of the time). Mutual aid this year is about the same as 2022. We have provided mutual aid 22 times and have received it 8 times. We gained 2 new volunteers this year and 7 volunteers left. Finally, of our 2,309 calls so far this year 297 were in Newport RFPD.

Summary

2023 continued our growth and development that started in 2022. We continue to work on training and professional development. In 2024 we will continue our focus on training and serving our community. We remain dedicated to our mission to serve all of our community.

Newport Fire's Holiday Engine



Emergency Management Annual Report 2023 “Be Prepared...Not Scared!”

2023 Operational Highlights

The following highlight of events held in 2023 show how Newport is getting prepared.

Access Newport’s Prepare in a Year guide at

www.newportoregon.gov/emergency/beprepared

People and families that plan for emergencies will:

- Help keep people safe
- Limit property damage
- Know what to do during and after a disaster
- Support community preparedness
- Help their community get back up and running after a disaster

Taking simple actions to protect against disaster helps you, your family, and your community. Make a Plan - Sign Up for Alerts - Text NEWPORT to 888777.



DART exercise held at the Newport Airport

A Disaster Airlift Response Team (DART) exercise was held at Newport Airport. Volunteer Pilots flew in emergency supplies across Washington and Oregon. Newport CERT volunteers unloaded food from planes and loaded the Lincoln County Food Share van with 1200 pounds of donated food.

This exercise increases preparedness and emergency response across the region.

Evacuation drills were also held at Safe Haven Hill, Hatfield Tsunami Building, all City Buildings and Newport Schools. Learn More at www.odart.org

Red Cross Shelter Exercise - Set up stations for Intake, Feeding, and Dormitory
Staff and Volunteers learned to assemble equipment and operate shelter work stations.



Staff and Volunteers learned to assemble equipment and operate shelter work stations

Spanish and Mam Interpreters for Community Café and National Night out events



Spanish and Mam Interpreters for Community Café and National Night out events

Spanish Emergency Preparedness resources were provided at large community events with over 2,000 in combined attendance



First cache of emergency supplies at Agate Beach and Newport Middle School

First cache of emergency supplies at Agate Beach and Newport Middle School



Everyone needs to be 4-weeks ready with water, food, first aid kits, battery powered radio, flashlights, tent or plastic sheeting, sleeping bags or blankets. Learn more at www.ready.gov/kit

Library - Laura Kimberly, Director 2023 Operational Highlights

Oregon (OLA) Library Legislative Day

OLA's Library Legislative Day was **Wednesday, February 15, 2023** at the State Library of Oregon in Salem. The Library Director advocated and shared stories with our legislators about the important work happening in Oregon libraries.

Library Legislative Day included lots of fun activities:

- Learning about OLA's legislative agenda for 2023 and tips for speaking with legislators
- Attending scheduled meetings with our local legislators
- Helping legislators donate children's books to their local libraries
- Supporting the State Library by attending their budget hearing
- Chatting informally with colleagues, legislators, and their staff at OLA's evening (5:00-6:30 pm) reception



Pictured: Senator Kevin Mannix, Oregon Library Association President Star Khan, and Newport Public Library Director Laura Kimberly



The American Library Association (ALA) has announced the theme for Banned Books Week 2023: “Let Freedom Read!” Banned Books Week, which takes place

from October 1 - 7, 2023. Banned Books Week is an annual event celebrating the freedom to read. It was launched in 1982 in response to a sudden surge in the number of challenges to books in schools, bookstores and libraries. Banned Books Week highlights the value of free and open access to information and brings together the entire book community – librarians, booksellers, publishers, journalists, teachers, and readers of all types – in shared support of the freedom to seek and express ideas.

ALA is one of the founders of Banned Books Week and a member of the Banned Books Week Coalition, an international alliance of diverse organizations joined by a commitment to raise awareness about intellectual freedom issues and to celebrating and defending the right to read during Banned Books Week and beyond.

TOP 13 MOST CHALLENGED BOOKS OF 2022

The American Library Association received 3,288 challenges to library-owned or library-sponsored materials in 2022, up from 2,871 in 2021. Below are the top 13 most challenged.

1. GUTTER by Brian Koppelman and Gregory Kirschel
2. ALL AMERICAN BOYS by Jason Reynolds and Vera Williams
3. THE GIVER by Lois Lowry
4. THE HOUSE ON CHERRY STREET by Jacqueline Woodson
5. THE HONOLULU STRIKE by Jason Reynolds and Vera Williams
6. THE HONOLULU STRIKE by Jason Reynolds and Vera Williams
7. THE HONOLULU STRIKE by Jason Reynolds and Vera Williams
8. THE HONOLULU STRIKE by Jason Reynolds and Vera Williams
9. THE HONOLULU STRIKE by Jason Reynolds and Vera Williams
10. THE HONOLULU STRIKE by Jason Reynolds and Vera Williams
11. THE HONOLULU STRIKE by Jason Reynolds and Vera Williams
12. THE HONOLULU STRIKE by Jason Reynolds and Vera Williams
13. THE HONOLULU STRIKE by Jason Reynolds and Vera Williams

AMERICAN LIBRARY ASSOCIATION

CENSORSHIP BY THE NUMBERS

In 2022, the American Library Association received the highest number of challenges to library-owned or library-sponsored materials in 100 years. Below are the top 13 most challenged books, up from 2,871 in 2021. Below are the top 13 most challenged.

WHO INITIATES CHALLENGES?

- 30% Individual citizens
- 20% School boards
- 15% Religious organizations
- 10% Parents
- 5% Government officials
- 5% Other

WHERE DO CHALLENGES TAKE PLACE?

- 40% Public libraries
- 40% School libraries
- 20% Community libraries
- 10% Other

BOOKS AND BEYOND

- 42% Books
- 21% E-books
- 15% Audiobooks
- 10% Videos
- 12% Other

CENSORSHIP ON THE RISE

The unprecedented number of reported book challenges in 2022 marks the highest number of unique titles targeted since 1982, up from 1,000 in 2021.

NUMBER OF UNIQUE TITLES CHALLENGED BY YEAR

1982: 1,000
2021: 2,871
2022: 3,288



Susan Schuytema designed our new Banned Books Library Card!



Big Thanks to Everyone Who Helped Us Celebrate Summer Reading!

Summer Reading Programs

We signed up 406 readers--every new sign-up will help us reach our goal! We have programs for all ages groups: the Read to Me program for ages 0-4, the Children's Summer Reading Program for ages 5-11, the Teen Summer Reading Program for teens in the 6th through 12th grades, and the Adult Summer Reading Program for ages 18 and up.

Children and teens will win a free book when their reading logs are completed at the end of the summer, and adults are welcome to enter a raffle ticket for each book they read or listen to throughout the summer. Raffle winners are drawn on Fridays and the Grand Prize will be drawn on August 18th, so get your tickets in now! Children and teens are welcome to come in and pick up their prizes after week 8, the second week in August. We will happily distribute prizes from August 8th through August 31st!

It has been our pleasure to host live programs in Literacy Park and in the Library again this summer.

We hope you have enjoyed the summer so far, and look forward to seeing you at our August events!

Teens



Teen Life Skills: Financing College

Teens in grades 6th - 12th were invited to come learn about financing college on Thursday, November 9th from 3:45 - 4:45 pm. This will be part of our monthly Teen Life Skills series!

Teen Life Skills: Job Seeking Skills

Teens in grades 6th - 12th were invited to come learn job seeking skills on Thursday, August 10th from 3:30 - 4:30 pm. This will be part of our monthly Teen Life Skills series!





Teen Life Skills: Car Maintenance

Teens in grades 6th - 12th were invited to come learn car maintenance skills on Thursday, September 14th from 3:30 - 4:30 pm. This will be part of our monthly Teen Life Skills series!

Teens made amazing art at Teen Third Thursday: Paint with Bob Ross in January.



Adult Programming

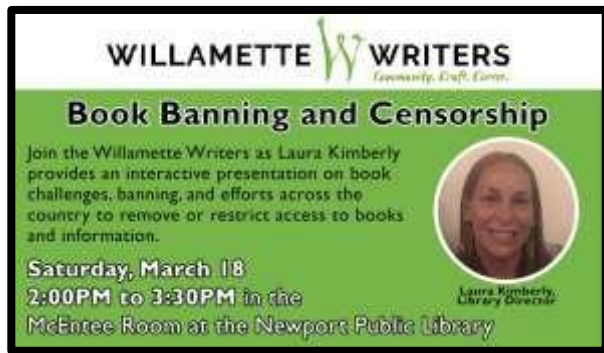
March Willamette Writers Coast Chapter: Book Banning and Censorship

The Willamette Writers Coast Chapter invited Laura Kimberly, the Newport Public Library Director to provide an interactive presentation on book challenges, banning and efforts across the country to remove or restrict access to books and information on Saturday, March 18 from 2:00 pm-3:30 pm in the McEntee Meeting Room. There were 36 people who attended this presentation.

Many books are banned and challenged today. A challenge is an attempt to remove or restrict materials, based upon the objections of a person or group. A banning is the removal of those materials.

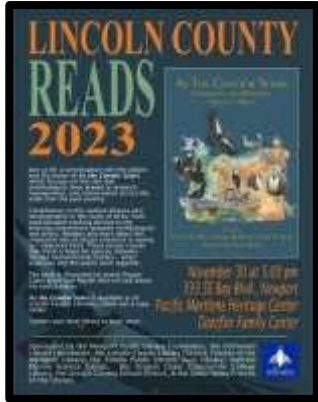
The efforts to censor state and local boards of education, libraries and librarians and the minds of the citizenry has an ominous impact on our individual freedoms and our right to be educated, to know and to make our own decisions. In this time of intense political polarization, library staff in every state are facing an unprecedented number of attempts to ban books.

The American Library Association's Office for Intellectual Freedom tracked 729 challenges to library, school and university materials and services in 2021, resulting in more than 1,597 individual book challenges or removals.



Most current targeted books are by or about black or LGBTQIA+ persons. However, George Orwell's 1984, Mark Twain's *The Adventures of Huckleberry Finn*, Maya Angelou's *I Know Why the Caged Bird Sings*, and recently in the state of Kansas, E.B. White's *Charlotte's Web*, are among the thousands of books banned some place in this country.

Lincoln County Reads 2023: *As the Condor Soars*



Join us for a conversation with the editors and illustrator of *As the Condor Soars*, which focuses on the role that ornithologists have played in research, management, and the conservation across the state over the past century.

Lincoln County READS 2023 took place on November 30 at 5:00 pm at the Pacific Maritime Heritage Center in the Doerfler Family Center at 333 SE Bay Blvd., Newport. There were 35 attendees for this wonderful program.

Contributors to this volume discuss new developments in the study of birds from sophisticated tracking devices to the evolving connections between ornithologists and artists.

Readers also learn about the important role of citizen scientists in saving our treasured birds. These essays convey that there is hope for species recovery-despite environmental threats-when scientists and the public work together.

The book is illustrated by noted Oregon Coast artist Ram Papish who will talk about his contributions.

As the Condor Soars is available at all Lincoln County Libraries-check out a copy today! Contact your local library to learn more.

Sponsored by the Newport Public Library Foundation, the Driftwood Library Foundation, the Lincoln County Library District, Friends of the Waldport Library, the Toledo Public Library, Guin Library/Hatfield Marine Science Center, the Oregon Coast Community College Library, the Lincoln County School District, & the Siletz Valley Friends of the Library.

Discover Local Resources Speaker Series

The Newport Public Library hosted a Discover Local Resources Speaker Series in collaboration with Leadership Lincoln! This series took place on Tuesdays from 4:30-5:30 pm in the McEntee Meeting Room, beginning on April 4th. The speakers were, in order of appearance:



- 4/4: **Lonnie Martinez**, from the State of Oregon Employment Department
- 4/11: **Sonia Graham**, from the 60+ Activity Center
- 4/18: **Keith Barns**, from Lincoln County Veterans Services
- 4/25: **Paul Villaescusa**, from Lincoln County Behavioral Health
- 5/2: **Brittany Kosydar**, from the Oregon Cascades West Council of Governments
- 5/9: **Lori Ellingston**, from Agate Financial Planners
- 5/16: **Sena Benson-Arb**, from Lincoln County Mental Health

What's Happening with Overdoses in Lincoln County?

The overdose crisis is affecting Lincoln County, Oregon. Join us for an evening of learning about harm reduction, substance use, and overdose prevention in our community on Thursday, November 2 at 5 p.m. in the McEntee Meeting Room of the Newport Public Library, 35 NW Nye Street.



Hosted by Isabelle Cisco, Overdose prevention Coordinator for Lincoln County Public Health, the conversation explored themes around substance use disorder and overdose trends in our local area. We had 9 attendees for this program.

Cisco demonstrated the use of Naloxone kits, available for free at the Library. Naloxone is a life-saving medication that temporarily reverses the effects of an opiate overdose. This program was sponsored by the City of Newport and Newport Public Library.

Seed and Read Garden and “Grow with Us” Seed Library



Celebrate the Grand Opening of the Newport Seed Library and the Seed and Read Garden at the Newport Public Library

The Newport Public Library is thrilled to announce the grand opening of the Newport Seed Library and the Seed and Read Garden on Friday, April 14, from 10 am-5 pm at the Newport Public Library, 35 NW Nye Street Newport, OR 97365.

The public was invited to attend the ribbon cutting ceremony at 3:30 pm in the Seed and Read Garden space located down by the lower Library parking lot. The celebration included a full day of activities, such as refreshments, seed-to-go kits, guessing jars, raffles, planting seeds in the new garden space, and much more. We had over 150 people who attended the grand opening and associated activities.

The Newport Seed Library is a collection of open-pollinated and heirloom seeds that can be *borrowed* to plant and grow at home in your own garden. By saving seeds as a community, we will help create local seed stocks that are better acclimated to our unique climate and which support an abundant and genetically diverse landscape. The Newport Seed Library aims to support gardener of all skill levels and help them learn how to grow, harvest, and save seeds.

The Newport Seed Library is established in partnership with the Lincoln County Chapter of the Oregon Master Gardener Association, with support from the Seal Rock Garden Club, Toledo Feed and Seed, the Newport Public Library Foundation, Food Hero, Select Seeds of Connecticut, and Adaptive Seeds. The Seed and Read Garden is funded with support from donations to the Newport Public Library Foundation.

This free celebration was funded in part by the Seal Rock Espresso and Bakery, Seal Rock Garden Club, Newport Public Library Foundation, the Newport Public Library, and the City of Newport.



Collaboration Celebrations

Bloom Newport on Saturday, May 20 from 3-7 pm

Bloom Newport celebrated the creativity, culture, cuisine, community, and commerce that makes Newport unique and vibrant on Saturday, May 20 from 3-7 pm. This community celebration was presented by the Oregon Coast Council for the Arts, Newport Parks & Recreation, Newport Public Library, Newport 60+ Activity Center. We had over 350 attendees.

Voice and Stories

The Newport Parks and Recreation Department, 60+ Center, Newport Public Library, and Oregon Coast Council for the Arts invited the public to attend a FREE and FUN event, "Voices and Stories" on Saturday, July 29th from 11 am -3 pm at the Newport Public Library, 35 NW Nye Street. Attendees had an opportunity to check out a human library book, enjoy music, participate in a community art project, enjoy food from a local food truck, listen to an author and more. We had over 200



attendees.

Library Exhibits

Oregon's Dino-Story Exhibit

Dinosaurs, fossils, and fun - oh my! We are excited to partner with the Museum of Natural and Cultural History to bring a full exhibit uncovering the mysteries of Oregon in the age of the dinosaurs. Explore fossil evidence, dig deep into time, and discover what makes a dinosaur a dinosaur. Come visit us at the Newport Public Library, 35 NW Nye Street from July 27 through August 15.

This exhibit and the programs are made possible thanks to the support of the Museum of Natural and Cultural History, Newport Public Library Foundation, Newport Public Library, and City of Newport.



Celebrate Hispanic Heritage Month at Newport Public Library from Friday, September 15th to Sunday, October 15th!



Explore the captivating Charro Attire Exhibition presented in partnership with Comunidad y Herencia Cultural, a nonprofit dedicated to serving the Latinx community. Discover the rich history and artistry of Latino culture through four exquisitely dressed mannequins, adorned in authentic handmade Charro Attire—a tradition dating back over 500 years. This exhibition, an ode to Charrería, not only pays homage to the past but also connects present generations with their heritage. Our mission is to be a welcoming space for all, promoting education and unity.

We welcomed attendees to visit the Charro Attire Exhibition from Friday, September 15th - Sunday, October 15th at the Newport Public Library, 35 NW Nye Street Newport, OR 97365 during our library operating hours.

The Charro Attire Exhibition was generously made possible through the sponsorship of the Latino Partnership Program of the Oregon Community Foundation. This initiative assists non-profit organizations in promoting Latino/x educational events, celebrations, and community gatherings. The Newport Public Library is truly appreciative of this support.

This exhibition was made possible thanks to the support of Latino Partnership Program of the Oregon Community Foundation, Comunidad y Herencia Cultural, the City of Newport, and Newport Public Library. The Charro Attire Exhibit is free and open to the public. We had over 400 people enjoy this magnificent exhibit.

City of Newport Food Drive

The City of Newport is hosting a Food Drive now through Wednesday, December 20th! All donated non-perishable food will benefit Food Share of Lincoln County.



The drop-off locations are:

- Newport City Hall, at 169 SW Coast Hwy
- City Admin Office
- Police and Fire Departments
- Engineering and Community Planning Departments
- Newport Recreation and Aquatic center, at 225 SE Avery St
- 60+ Activity Center, at 20 SE 2nd St
- Newport Fire Department, at 245 NW 10th St
- Newport Airport, at 135 SE 84th St
- Newport Public Library, at 35 NW Nye St.

Cultural Programming

Día de los Niños/Día de los Libros at the Newport Armory

The City of Newport and various local community organizations were proud to present a Día de los Niños/Día de los Libros celebration on Sunday, April 30 from 1-3 pm at the Newport Armory located at 541 SW Coast Hwy in Newport, OR 97365.

This annual event is a celebration of children, books, and culture, and provides a fun and educational opportunity for families in the community. Attendees enjoyed a variety of free activities such as crafts, games, snacks, and more. In addition to the fun-filled activities, the event also featured free books for children while supplies last. Parents and guardians were encouraged to bring their children and participate in this exciting and enriching event.



The Newport Public Library and Newport Police Department were proud to co-lead and partner with putting together this event and encouraged all interested parties to attend this amazing celebration of children, books, and culture.

Thanks to everyone who helped make our Hispanic/Latino Heritage Month Community Celebration a ton of fun!



Hispanic/Latino Heritage Month Community Celebration

Celebrate Hispanic Heritage Month with the Newport Public Library on Wednesday, October 4th, from 4:00 pm to 7:00 pm in the McEntee Meeting Room of the Newport Public Library, 35 NW Nye Street Newport, OR 97365.

Enjoy live music, captivating performances, talented artists, and a variety of food and crafts suitable for the entire family. This event was a wonderful opportunity for our community to come together and celebrate this vibrant aspect of our culture. This Hispanic/Latino Heritage Month Community Celebration was free and welcomed individuals of all ages.

You also had the opportunity to view the 'Comunidad y Herencia Cultural' Charro Attire exhibit, showcasing traditional handmade charro attire, in the Reading Room from September 15th to October 15th.

This program was made possible thanks to the support of the Latino Family Foundation of Oregon Community Foundation, the Newport Public Library, Newport Public Library Foundation, and the City of Newport. We had over 200 attendees.

Día de los Muertos Community Altar

Join us at Newport Public Library and be a part of our Día de los Muertos community altar event, running from October 31st through November 4th during our regular business hours. We invited attendees to bring a cherished photo or memento to honor a lost family member, friend, pet, or even a historical figure close to your heart. Our inclusive event welcomed everyone in the community, regardless of background, to share in this beautiful tradition. After placing an item, we encouraged attendees to revisit the library on November 4th to collect their cherished possession.

The ofrenda, which means “offering” in Spanish, is a significant part of any Día de los Muertos celebration because it brings us closer to loved ones who have passed away. The altar is often made up of three levels: the top level represents where higher powers reside, the middle level represents the earth where we live, and the lower level represents the dead.

This program was sponsored by the City of Newport and Newport Public Library, and the Newport Public Library Foundation. We had a great response to our community altar.



Día de los Muertos Celebration

Join us on Wednesday, November 1, from 4:00 pm to 6:30 pm in the McEntee Meeting Room at the Newport Public Library, 35 NW Nye St., Newport, Oregon 97365. Come together as a community to remember our loved ones and celebrate el Día de los Muertos with traditional games and activities, sugar skull crafts, a community altar, snacks, and the Catrin

and Catrina Contest, while supplies last.

This program was sponsored by the City of Newport, Newport Public Library, and the Newport Public Library Foundation. We had 25 attendees.

Catrin and Catrina Contest

Join us on Wednesday, November 1st for Newport Public Library's first ever Catrina's and Catrine's contest, during the Day of the Dead Celebration, where you can show off your best Day of the Dead outfits and makeup. Competition will be held on Wednesday, November 1st at 5:15 pm in the McEntee Meeting Room. All contestants MUST register and be approved by Newport Public Library staff prior to contest check-in at 4:45 p.m. We had 25 participants.



The Curiosity Cabinets Food Demonstrations on March 3 and March 10

The Curiosity Cabinets offers an opportunity to be curious about different cultures through foods. Sharing foods, recipes, and ideas helps form bonds in the community with individuals from various cultural backgrounds.

Sharing and appreciating recipes, ideas, photos, videos, and knowledge related to food and culture encourages people to want to have a deeper understanding of other cultures as well as own culture. It can be started as a very simple curiosity such as, "How do I eat this?" or "What food do our neighbors eat?" We will have a microgreen display in the Library in May of 2023 as part of the Curiosity Cabinets project.

We offered a variety of food demonstrations focusing on various cultures at the OSU Extension Office. These free food demonstrations were open to all ages and children were welcome to attend.

These programs were made possible in part by a grant from Oregon Humanities (OH), a statewide nonprofit organization and an independent affiliate of the National Endowment for the Humanities, which funds OH's grant program. Oregon Humanities offers programs and publications that help Oregonians connect, reflect, and learn from one another.

Pictured are photographs of the Curiosity Cabinets, the display from February 2023, microgreens that a patron grew with one of our kits, and dumplings made at the January food demonstration.



Special Thanks to Our Sponsors and Community Partners

Curiosity Cabinets at the Newport Public Library is brought by a collaborative effort of community groups, businesses, organizations and individual members.

Un agradecimiento a los socios de la comunidad

Los Gabinetes de Curiosidades en la Biblioteca Pública de Newport son fruto de un esfuerzo colaborativo de grupos comunitarios, empresas, organizaciones y miembros de la comunidad.



Teen Intern

The Library received a grant through the State Library of Oregon for a teen intern during the summer of 2023. We hired Tasha Hazdra, who is also a long-time teen volunteer. Teen

interns were responsible for a connected learning project. Tasha's connected learning project was putting together our Library of Things catalog of items that will soon be available for check-out. Tasha worked over 100 hours over the course of five weeks.



Tasha's last day of her internship (pictured above) and Tasha with Library of Things items (pictured below)



Newport Municipal Airport - Lance Vanderbeck, Director
2023 Operational Highlights

Calendar 2023 number comparison to 2021 - 2023:

2021: 6,966 logged operations. 84,316 gallons pumped, 65,101 gallons Jet-A, 19,215 gallons AV gas. 396 crew cars and 574 rental cars. Jet traffic 200

2022: 6,400 logged operations. 85,126 gallons pumped, 73,936 gallons of Jet-A, 11,190 gallons of AV-gas, 325 crew cars, and 572 rental cars. Total jet traffic is 195.

2023: As of December 5, 2023: 5,829 logged operations. 75,146 gallons sold. 65,049 gallons of Jet-A, 10,097.55 gallons of AV-gas. 535 Rental cars and 314 crew cars.

\$4,364,362 awarded in Federal AIP Granting since 2020.
\$186,784.55 annual revenue from 50 lease agreements.

Airport Director Lance Vanderbeck was voted in has President of the Oregon Airport Managers Association (OAMA). Newport hosted fall conference for Oregon Airport Managers Association (OAMA). It was a successful event bringing around 100 participants to Newport. Working with Lincoln County, the Port of Newport, and Economic Development Alliance of Lincoln County on air service for Newport.

Utilizing FAA Bipartisan Infrastructure funding to build T-hangars on the airport. World Fuel provided \$15,000 in funding for a new FMU card reader at the av-gas self-serve tank with renewal of contract.

Completion of FAA AIP 27 Storm drain rehabilitation. The north storm drain has been Weko sealed to strengthen the pipe and help protect the airfield during a seismic event. FAA has approved grant funding for AIP 32 of \$150,000 for the design phase of obstruction removal project.

ODAV held their board meeting in April 2023 in Council Chambers in Newport. This was Director Betty Stansbury's last meeting before her retirement. The new Director of Aviation for the State is Kenji Sugahara. Kenji will be officially starting in May 2023.

A crew car was approved for purchase with funds from insurance for replacement of the stolen crew car. 1996 Chrysler LHS, with 67,000 miles, for \$5,200 from Wilson Auto in Corvallis. Dealership is replacing the bushings and working on time for pick up.

Philip DeVita HMMH and Stephen Barrett LEED-AP Barrett Energy Resources Group. Schedule for this project is showing completion at the end of December 2023.

Oregon Department of Human Services. ODHS is the lead State agency for Emergency Support Function 6 (Mass Care) and State Recovery Function 4 (Social Services) of the State's Comprehensive Emergency Management Plan (CEMP). Under this plan, ODHS is responsible for Mass Care, which includes sheltering, feeding, hydration, evacuee support, reunification, and distribution of emergency supplies to people affected by a disaster, as well as human and social services to help people recover.

Provided tour of airport for members of council on October 30. Tour was very helpful getting Councilor's more familiar with the airport layout.

Have increased the airport Facebook following to 1,319 people from around the world. Our highest post to date reached 25,000 people.
<https://www.facebook.com/newportairportnp>



USAF C-17 Globemaster III Newport fly by.



USCG Gulfstream V/C-37A



Full Jet Apron



MH-47 Chinooks

Provided 28 items for consideration by City Council

January 3, 2023 Agenda: Item 5.D Council ratified the mayor's reappointments of Daniel McCrea and Susan Reese - Painter to the airport Committee for the terms ending on December 31, 2024.

January 3, 2023 Agenda: Item 9.A Council approved the authorization of task order no. 7 for the airport obstruction removal phase I design and bidding services. Motion by Councilor Goebel, seconded by Councilor Kaplan, to authorize the City Manager to execute with Precision Approach Engineering Task Order No. 7 for obstruction removal phase I design and bidding services for FAA AIP Project No. 3-41-0040-032-2022 in the amount of \$150,000. Motion carried in vote.

January 17, 2023 Agenda: Item 6.D Council approved the recommendation to lease T-Hangar 10 to JFT Holdings LLC. Motion by Councilor Hall, seconded by Councilor Goebel, to authorize a lease for JFT Holdings LLC, C/O Parker Johnstone for T-hangar 10 with monthly revenue at \$200 a month for the lease. Motion carried in vote.

January 30, 2023 Agenda: Item 3.G Presented airport goals to council.

February 6, 2023 Agenda: Item 7.C Communication from the Airport Committee; Accept the proposal from World Fuel Services for Jet- A and 100 LL Aviation Gasoline for the Newport Municipal Airport. Motion was made to authorize the City Manager and City Attorney to negotiate a fuel supply agreement in Phillips 66 branding agreement for review and approval by the local contract review board at a future meeting. Motion carried in vote

February 21, 2023 Agenda: Item 5.F Ratify the Mayor's Appointment of Doug Lystra to the Airport Committee for a Term Expiring 12-31-2024. City Manager recommended, as part of the Consent Calendar, that the City Council Ratify the Mayor's Appointment of Doug Lystra, as regular member to the Airport Committee replacing Ken Brown for a term ending 12/31/24.

February 21, 2023 Agenda: Item 7.C Communication from the Airport Committee; to approve the lease for hangar site "A" to Laurel M. Bourret, and Terminate the Lease with Dean Sawyer. Recommend motion to City Council was to move to terminate the land lease of hangar site "A" with Dean Sawyer effective on date of lease is entered into with Laurel Bourret for hangar site "A" located at the Newport Municipal Airport, with the lease expiring on June 30, 2030. Motion carried in vote.

March 6, 2023 Agenda: Item 8.E Discussion and Possible Support for House Bill 3257 Establishes 17-member Task Force on Electric Aircraft. Motion by Councilor Jacobi, seconded by Councilor Parker, to authorize the Mayor and City Manager to submit a letter of support to Representative Gomberg and Senator Anderson for House Bill 3257, a bill that establishes a task force on electric aircraft and expands use of grant funds awarded by the Oregon Department of Aviation to include electric aircraft charging infrastructure. Motion carried in a voice vote.

March 20, 2023 Agenda: Item 7.B From the Airport Advisory Committee; Recommendation not to proceed with exploration of Solar Power for the Airport. Motion by Councilor Jacobi, seconded by Councilor Parker, to reaffirm the Council's objective to evaluate development of a solar farm on airport property. Motion carried in a voice vote

April 03, 2023 Agenda: Item 7.C Communication from the Airport Committee; to Approve the lease for hangar site "C1" to Daniel B. McCrea, and Terminate the Lease with South Beach Property investments LLC. Motion was made by Councilor Kaplan, seconded Councilor Hall by I move to consent to sale and assignment of Hangar Site C1 and to terminate the land lease of hangar site "C1" with South Beach Property Investments LLC. Effective on the date a lease is entered into with Daniel B. McCrea for hangar site "C1" located at the Newport Municipal Airport, with the lease expiring on

September 30, 2032. Motion carried in voice vote.

April 17, 2023 Agenda: Item 7.A Communication from the Airport Committee; Recommendation for a Ground Lease Adjacent to Hangar A-4 Requested by Doug Lystra. Motion was made by Councilor Jacobi, Seconded by Councilor Hall to deny the recommendation from the airport committee for a land lease adjacent to hangar A-4. Motion carried in voice vote.

April 17, 2023 Agenda: Item 7.B Communication from the Airport Committee; Recommendation for a Land Lease for Parking Next to hangar D-4 Leased by Daniel B. McCrea. Motion made by Councilor Jacobi, seconded by Councilor Botello, I move to refer the recommendation to issue a noncommercial aircraft hangar ground lease to the City Manager and City Attorney for review with a report and recommendation to the City Council at a future meeting on this recommendation. Motion carried in voice vote.

April 17, 2023 Agenda: Item 8.C Reconsideration of Airport Hangar land Lease to Laurel Bourret. Motion was made by Councilor Goebel, Seconded by Councilor Hall I move to rescind the land lease of hangar site "A" with Laurel Bourret authorized by Council on February 21, 2023, and authorize a land lease of hangar site "A" with Laurel Bourret for a full 15-year initial term, and to terminate the existing land lease of hangar site "A" with Dean Sawyer located at the Newport Municipal Airport effective on the date a lease is entered into with Laurel Bourret. Motion carried in voice vote.

June 5, 2023 Agenda: Item 7.D Communication from the Airport Committee; Recommending Authorization of Ground Leases for Hangars CN and CS to Anderson Building and Land, LLC. Motion was made by Councilor Jacobi, seconded by Councilor Kaplan; I move to authorize the City Manager to execute a lease of hanger site CN to Anderson Building and Land, LLC, and upon signing the new lease, terminate hangar lease 3414 with James "Jim" Seavers. Second motion was made by Councilor Jacobi, seconded by Councilor Kaplan; I move to authorize the City Manager to execute a lease of hangar site CS to Anderson Building and Land, LLC, and upon signing the new lease, terminate hanger lease 2921 with Bruce Mate. Both motions carried in vote.

June 20, 2023 Agenda: Item 7.C From the Airport Committee; Regarding Modification to Section 11 of the Airport Land Leases for Hangers Regarding Restriction on Assignment and Sublease. Motion was made by Councilor Jacobi, seconded by Councilor Kaplan; I move to authorize the use of the clarified language on transferred leases as authorized for lots CN and CS to Anderson Building and Land, LLC. by the City Council on June 5, 2023, and future leases. Motion carried in vote.

June 20, 2023 Agenda: Item 9.C Approval of Change Order No. 3 with Michels Corporation for the Storm Pipe Rehabilitation and Outfall 'F' Erosion and Slope Repair in the Amount of \$874,904. Motion was made by Councilor Parker, seconded by Councilor

Goebel; I move to approve Change Order No 3 with Michels Corporation for Storm Pipe Rehabilitation in the amount of \$874,904. Motion carried in vote.

Attended July 17, 2023 council work session. 3 executive session time 3.A Scheduling an Executive Session Pursuant to ORS 192.660(2)(e) to discuss real property transactions.

Attended July 17, 2023 regular session item 7.B Communication from the Airport Committee - T-hangar rental lease with Dwight Shaneyfelt and Nancy Moore. Motion was made by Councilor Goebel, Seconded by Councilor Jacobi; I move to authorize the termination of a T- hangar rental lease with Greg and Terry Herbert and approve a new T-hangar rental lease to Dwight Shaneyfelt and Nancy Moore for T-hangar 3.

Attended the August 6, 2023 regular council meeting for item 6.A Communication from Mark Watkins and Allen Wells regarding amendment to the McWatkins airport lease to allow a purchase option of the property.

Attended the August 21, 2023 regular session council meeting for item 8.C report on amending the airport lease agreement with McWatkins, LLC to include purchase option. A public hearing was scheduled for September 5, 2023 to determine if it in the public interest to potentially sell property currently leased to McWatkins, LLC, by allowing a purchase option to be included in the existing lease. Motion passed 5-1.

September 5, 2023 Council meeting. Meeting held a public hearing to determine if airport property leased to McWatkins, LLC, is no longer needed for public use and if it is in the public interest to add a purchase option to the lease agreement.

September 5, 2023. Council Work Session. Provided a report to City Council on landing fees at Newport in comparison to other airports in Oregon. This item was suggested by the Budget Committee to be reviewed in preparation for Fiscal Year 23-24.

September 18, 2023 Council meeting. Discussion of Appointments to the Airport Committee. The airport Committee has been made up of a mix of individuals that do not hold specific financial interest in airport operations. All but one member currently holds lease with the City of Newport for Airport property.

Attended the October 2, 2023 City Council meeting. Authorization to approve the transfer of the contract and change orders for storm pipe rehabilitation and outfall F erosion and slope repair dated January 22, 2021, from Michels Corporation to Michels Trenchless, Inc

Attended the November 6, 2023 City Council meeting. Public hearing and consideration of whether it is in the public interest to add purchase option to the City of Newport's airport property lease with McWatkins, LLC.

Attended the November 20, 2023 City Council meeting. Communication from the airport committee regarding authorization to terminate hangar lease 3252 with Michael and Michelle Monsanto for Hangar site 3 and authorize new lease with LBL Properties, LLC. November 20, 2023 Authorization of a memorandum of understanding between the Oregon Department of Human Services, the City of Newport, and Lincoln County for the placement of two Conex storage containers at the municipal airport. November 20, 2023 provided report on compensation of membership for the airport committee.

Human Resources Department - Barb James, Director 2023 Operational Highlights

2023 Recruitment Activity

- 47 positions filled
- 271 applications screened

Implemented interim changes in Public Works due to departure of Public Works Director
Hired Kathy Steenkolk into the part-time HR Specialist position

Special Projects

Job descriptions revised for all non-represented positions in an attempt to remain competitive in a changing job market

Job descriptions developed for new positions: HR Specialist, System Administrator I, System Administrator II, Bilingual Community Engagement Specialist, Administrative Lieutenant, Communications Specialist, Accounting Technician-Receivables

Participated in Workplace Culture Work Groups (Salary, Benefits, Leadership Training)

Developed and/or revised City policies for, Paid Holiday Benefit, Selectable Holiday, Travel Policy, Tuition Reimbursement Program, Paid Leave Oregon, Work Schedules

Continued work on Employee Handbook revisions

Monthly Lunch and Learn EAP Webinars completed for the year

Participated in National Night Out

IAFF Negotiations Completed

NeoGov Modules - Learn and Perform implementation teams identified and implementation scheduled to begin in 2024

Safety

Health and Safety Fair coordinated and held on 8/14/23

Revised by-laws for Safety Committee

Working on Safety Champion implementation for each department

New Safety Committee members identified and required training provided

OSHA Safety Consultation held for Parks Maintenance staff to ensure appropriate PPE and safety procedures are used/followed for homeless camp clean-ups

AED training for all employees completed with the assistance of the Fire Chief. AED's ordered for all areas missing AED's, including City vehicles.



George Torres, Matt Hall and Aaron Erickson from Public Works at the Safety Fair

Sonia Graham perusing the booths at the Safety Fair



Information Technology - Travis Reeves, Acting IT Director 2023 Operational Highlights

Customer Service

1. 1935 Helpdesk tickets
2. Website: 214k sessions, 178k users
3. Email: ~840k
4. 200 desktop, 30 tablet, 89 phone, 87 managed network devices
5. 19,976 page views of broadcasted public meetings; ~7400 unique visitors.

Innovative Technology

1. Full-time GIS Technician hired.
 - a. The power of GIS has really been brought to the forefront this last year with numerous completed projects, including: -
 - i. Continued expansion of our use of ESRI ARCGIS ONLINE, enabling access to GIS data online for our public and internal use.
 - ii. Authoritative data source access OEM and WVCC.
 - iii. Newport Fire Department Map-books and Wall maps with county-wide accessibility.
 - iv. Combine hydrant data from Newport, Toledo, Lincoln City, Yachats, Waldport in countywide collaborative effort.
 - v. Continued collaborative efforts between members of the CCGISUG (one of the best acronyms ever, I might add...)
 - vi. Migrated and restructured data for efficient utilization via ArcGIS Online using Field Maps and ArGiSPro.
 - vii. Numerous tutorial workbooks.
 - viii. Numerous edits and data clean-ups for Water, Stormwater and Sanitary/Sewer.
 - b. Continuing to develop and expand the integration of GIS into city operations remains a goal.
2. Many website updates and modifications.
3. The Sound System in the Council Chambers has been updated for better feedback suppression and updated microphones.
4. The Audio-Visual system in the council chambers has been upgraded to facilitate better resolution in our streams

Connectivity

1. Uptime 99.991% with high availability architecture
2. Updated starlink equipment for better transport in emergency situations
3. Tested failover to StarLink backup solution regularly this year.

4. A hardware failure on one of the controllers on one of the Storage Area Networks provided an opportunity to test disaster recovery connectivity. Failover to the
5. redundant SAN located at public works proved successful, and the city continued operation without downtime.
6. Tested new COW Cell on Wheels for the Fire department

Cyber Security

1. Security Assessment
 - a. Updates to our City network infrastructure have proved themselves this year with a decrease in false positives in our Security and Event Monitoring systems
2. Security Cameras and Access Control doors
 - a. A dozen or so more security cameras have been added to the system, including outlying pump stations and updated 4k cameras at the Library
 - b. Security Camera monitoring software upgraded to Milestone, for better camera access.
3. DarkTrace
 - a. The DarkTrace security monitoring appliance was introduced to the network last year and has proven exceedingly valuable. It has detected, in real-time, numerous threats and security anomalies, and responded in acting to intervene where required. Frequent alerts provide detailed information on the current state of the network 24/7.

Finance Department - Steve Baugher, Director 2023 Operational Highlights

Below are the Finance Department highlights for the 2023 year:

1. 2020-21 Annual Comprehensive Financial Report (ACRF) was awarded to the City of Newport by the Government Finance Officers Association (GFOA) for excellence in financial reporting on 03/01/23. The 2021-22 ACFR was awarded to the City of Newport by GFOA on 11/7/23.
2. The 2023-24 budget process was started in December 2022 and completed on June 19, 2023 despite staff vacancies.
3. The Finance Department implemented GASB 87 (lease accounting standards) for the 2021-22 audit. GASB 96 (subscription accounting standards) was implemented for the 2022-23 audit.
4. The Finance Department has been meeting all of its responsibilities and duties despite staff vacancies that occurred in 2022-23. Kay Keady was fulfilling the role of Accounts Payable Clerk from June 2023 until November 2023. Steve Baugher was fulfilling the role of Finance Director and Assistant Finance Director until July 2022.
5. The Finance Department welcomes Eric Carpenter, Assistant Finance Director, to the Finance team on 07/24/23. Steve Baugher was promoted to Finance Director on 12/22/22.
6. Watersmart (a web-based platform for customers to monitor their water usage) and Invoice Cloud (a web-based platform for customers to receive invoices online, set up autopay, and pay their bills online) was implemented in 2022. Rebecca Morrow has provided many hours of support in 2023 to make sure information is flowing between Caselle (accounting software), Watersmart, and Invoice Cloud. We currently have 55.5% of customers signed up for Watersmart/Invoice Cloud.
7. Rebecca Morrow has also provided several hours of account analysis and research to resolve various billing errors in the utility system. Examples were finding faulty meters that were not reporting water usage, customers not set up on the correct services, alerting customers of possible water leaks, etc.
8. We have also been reviewing the current utility ordinance and policies for possible improvements and clarity of current utility policies. Eric Glover, Assistant City Manager, has been a big help in developing a new proposed utility ordinance and policy with the goal of implementing in early 2024. The new policies will also help with clarifying delinquency notices, shutoffs, and documentation of property liens.
9. Jozelle Cason and Kay Keady have been reviewing the vacation rental statement billing system to help improve the process.
10. Oregon Paid Leave was implemented in 2023. John DuBois and Barbara James, Human Resources Director, successfully implemented the new program for the City of Newport.



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Newport Oregon

For its Annual Comprehensive Financial Report For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrell
Executive Director/CEO



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Newport Oregon

For its Annual Comprehensive Financial Report For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrell
Executive Director/CEO

Assistant City Manager/City Recorder's Office - Erik Glover,
Assistant City Manager
2023 Operational Highlights

2023 has been a very busy year for all departments, with most dealing with challenges in staffing, and the City Recorder's Department is no exception.

Departmental staff includes: Jeanne Tejada, Deputy City Recorder
Erik Glover, Assistant City Manager/City Recorder

Peggy Hawker, retired as Special Projects Director in March 2023, after a long career with the City of Newport.

Jeanne Tejada was hired as the Deputy City Recorder in November 2023, after several recruitment cycles, and after a lengthy vacancy period for much of the last year, and the previous year.

Some of the highlights of the year include:

Support and staffing for the following Council/Committee meetings:

- City Council;
- Urban Renewal Agency;
- Budget Committee;
- Finance Work Group;
- Airport Committee;
- Destination Newport Committee;
- Water Supply Management and Conservation Work Group;
- Public Arts Committee;
- Retirement Board of Trustees;
- Sister City Committee;
- Vision 2040 Advisory Committee.

These Committees are critical to the smooth and efficient operation of the City. Some show more exciting results than others however, all conduct important work in service to the City of Newport.

PUBLIC ARTS COMMITTEE

The City Recorder's Office creates the agendas, minutes, packets, and supporting documentation for the Public Arts Committee .

In 2023 City Recorder Staff supported the Public Arts Committee as it worked diligently on a variety of initiatives in its quest for enhancing the City's quality of life. Those initiatives include:

- Managing the Project for the Replacement of the Ambassador at Don and Ann Davis Park. City Recorder staff drafted, released, and managed the project contracting, and award process, and the subsequent public dedication.
- Staff assisted the Committee with creating a Rotating Art Sculpture Program, similar to Florence, Oregon and releasing a proposal for entries.

- Staff assisted the Committee with managing a project to install concrete rotating art sculpture bases at the Performing Arts Center.
- Staff assisted staff and volunteers from the VAC with weather-protective coating on the wood Eckstein sculpture.
- The Committee has been working on a comprehensive public art website, with QR codes for public art. The website will include listings, locations, and information on each public art piece in the city.
- Staff worked with Engineering, and Attorney to expedite the review of a concrete base to facilitate donated art “Pegasus”

Sister City Committee

The City Recorder’s Office prepares the agendas, minutes, packets, and supporting documentation for Sister City Committee Meetings.

- Staff spent time participating in a number of monthly staff meetings with Mombetsu, Japan staff and support for the Sister City Committee.
- Staff spent time planning one adult exchange to Newport, one adult exchange from Newport, one youth exchange from Newport, one youth exchange to Newport with the Sister City Committee, various home stays, other City staff and Mombetsu City Staff.
- The City purchased, donated, and shipped one of this year’s Nye Beach banners to Mombetsu as part of the Banner Exchange Program. The banner was chosen as the favorite by Mombetsu City Staff and we were pleased to be able to acquire that banner for them.
- Staff spent time on obtaining a new display/storage cabinet for the Sister City historic gifts, and work to get a display cabinet in a more public facing facility such as Rec Center, or 60+ to put the items on more prominent display.

Destination Newport Committee

Prepared the agendas, minutes, packets, and supporting documentation, and associated follow up for Destination Newport Committee Meetings.

Vision 2040 Committee

Prepared the agendas, minutes, packets, and supporting documentation associated follow up for Committee Meetings.

- Staff drafted the annual progress report for the Vision 2040.

Miscellaneous

- Assisted in the Diversity, Equity and Inclusion efforts of the City through ensuring that as many City documents, news media releases or forms are translated into Spanish.
- Drafted and distributed press releases; provided information and assistance to staff and public, and many more day-to-day routine responsibilities.
- Provided ethics orientations/trainings to all incoming City staff.
- Administered Oaths of Office to incoming elected officials, and City staff as necessary.

- Drafted ordinances, resolutions, RFPs, agreements, forms, proclamations, and other documents as requested.
- Administered the City Council's social service non-profit grants.
- Assisted cross-departmentally on a variety of initiatives and efforts such as the Ride Share Ordinance, drafting the uncollectible debts policy, coordinating municipal code amendments to clean up water/sewer utility account billing process and practice at the City.
- Coordinated and managed the Risk Management functions of the City, to include insurance renewals, general liability, auto, fleet management and internal and external claim filings/responses.
- Drafted and coordinated RFP to designate an agent of record for various City insurance coverages.
- Processed a variety of routine and complex special event permits, and performed work towards digitizing the special event permit application process.
- Processed a variety of routine and complex public records requests.
- Drafted a variety of administrative policies for the City Administrative Policy Manual
- Served as Public Information Officer for the City.
- Coordinated attendance at the Newport Today Radio Show.
- Provided staff support to the Council-authorized workgroup pertaining to Water Supply Management and Conservation.
- Managed or assisted in a variety of workplace culture/employee appreciation events, activities or functions such as staff lunches, Halloween decoration judging, Employee Appreciation BBQ etc. We plan to maintain or increase the number and frequency of events for 2024 as 2023 events were well received.
- Managed a variety of community events such as the Annual Community Tree Lighting ceremony and post-lighting community gathering in City Hall, the Community Halloween Trick-or-Treating event.
- Provided staff support for a variety of Council conferences such as the League of Oregon Cities Conference, and LOC City Day at the Capitol.
- Drafted a variety of grant applications such as risk management grants, and managed the project if awarded.
- Managed all the Committee Member tracking and management efforts of the City.
- Managed and coordinated the tracking of City Council, and Department specific goals in coordination with Vision 2040 efforts.
- Staff attended a variety of continued learning experiences such as the Northwest Clerks Institute, the Oregon Public Risk Management Association, Lincoln Leadership, the Oregon Association of Municipal Records and others.
- Prepared a variety of emergency orders such as for Oceanview Drive Slide/Sinkhole
- Coordinated meals for City Council and a variety of other meetings
- Coordinated the public comment process for City Council meetings

- Worked with City Attorney, and/or CIS to ensure legal compliance for various initiatives
- Assisted and coordinated various special meetings pertaining to elected official issues.
- Coordinated the conversion to action minutes for City Council and all committees, which was well received by Staff as a number of staffing challenges are apparent.
- Served as Acting City Manager as necessary to cover City Manager time away
- Participated and assisted in a number of regional meetings, such as the MWVCOG regional City Manager meetings, and LOC Small Cities meetings.
- Staff conducted training sessions on Granicus system use for relevant committee staffers.
- Drafted and modified forms and processes, and a draft fee schedule to support updates to the Municipal Code related to water/sewer/stormwater items
- Managed and drafted various documents, meetings, and implementation of items related to Workplace Culture improvements, an ongoing initiative since at least 2021, to ensure Newport is operating as an employer of choice which is all too important following the Great Resignation.
- Managed the process to procure temporary employee housing (rentals) to facilitate City Council goals.
- Drafted various forms and policies to support the reinstatement of the City Municipal Lien process for water/sewer/stormwater utility accounts bills
- Served as lead on an initiative to cleanup back dated water/sewer/stormwater account billing matters for City of Newport
- Participated in elected official facility tours of Newport, in conjunction with other staff and consultants.
- Designed, developed, and drafted a City Recorder's Office Training Manual which covers the responsibilities/functions of the CRO and includes various deadlines, contacts, responsibilities and applicable ORS, OAR, and City policies to help ensure organizational continuity.
- Held site visits on various infrastructure items such as a water break on Golf Course Drive, and emergency repairs on Oceanview Drive
- Attended various EOC briefings, and visited various worksites during inclement weather shutdowns of the City due to exceptional snow volumes in early 2023.
- Served as primary contact on the successful resolution of follow items regarding a utility billing matter which went to litigation

Parks and Recreation Department - Mike Cavanaugh, Director 2023 Operational Highlights

Aquatic Center Highlights

1. Ultraviolet (UV) systems were installed for all 3 pools in the Aquatic Center. This is an exciting facility upgrade that has helped us to reduce maintenance needs, reduce chlorine usage, and create a safer and healthier swimming pool experience for the community.



***Aquatic Center - Pool UV System**

2. 2023 was a busy year for programming at the Aquatic Center. Staff planned and executed 17 special events and taught a total of 733 swim lessons in 2023.



**Aquatic Center - Variety of Programs & Events
(Swim Lessons, Mermaid School, Halloween Pumpkin Dive)**



Recreation Center Highlights

- Newport Parks and Recreation held a concert in the park with Sturtz, a folk band from Colorado. 178 people attended the concert on Betty Wheeler field.



Recreation Center - Concert in the Park

- The Autumn Fest Art Show at the Recreation Center was the biggest yet with almost 90 booths sold. We had so many artists, we expanded into the aerobics room for the first time. Door count was estimated to be about 1400 people.



Recreation Center - Autumn Fest Art Show

- Low Tide Learning Classes continues to be a success with 3 sold out classes last spring. This year we also added a sold-out Berry Walk on the Ocean to Bay Trail at Agate Beach, and a more animal focused Tidepool Excursion to Neptune State Park which also sold out.



Recreation Center - Low Tide Learning

60+ Activity Center Highlights

- The 60+ Activity Center held two successful Job & Volunteer Fairs with approximately 15 vendors at each and over 100 participants in total.



60+ Center - Job & Volunteer Fair

- Through funds received from Age+, the 60+ Activity Center was able to hold four vaccination clinics, resulting in approximately 225 vaccinations distributed. Individuals receiving vaccines were offered a \$25 gift card. In total, the 60+ Activity Center will receive \$12,780 from Age+ for hosting the vaccination clinics plus reimbursement for the total gift cards distributed at the clinics. The first vaccination clinic was held in conjunction with a Health & Wellness fair that drew over 70 participants.



60+ Center - Vaccination Clinic

- In conjunction with the Veterans Service Office, the Cascades West Council of Governments, and members of the 2022/2023 Leadership Lincoln class, the 60+ Activity Center began offering monthly birthday celebration lunches. All seniors who celebrate a birthday in the given month, and all Veterans regardless of age who celebrate a birthday in that month, are invited to bring along a friend, play bingo, and enjoy a complementary meal (and free bingo). This popular event has been attracting approximately 25 guests per month.

Sports Highlights

- The Sports Division experienced a dynamic year, witnessing the resurgence of programs in a post-COVID era. The youth baseball league, in particular, attracted over 13,000 spectators throughout the season, boasting close to 50 participating teams.
- Incorporating technology into our sports initiatives has proven beneficial in creating enjoyable and lasting experiences for our community. This year, we ventured into livestreaming and digital practice plans and we are eager to extend our influence by further embracing technology in the departments.



Sports - 1st-6th Grade Basketball

Park Maintenance & Custodial Highlights

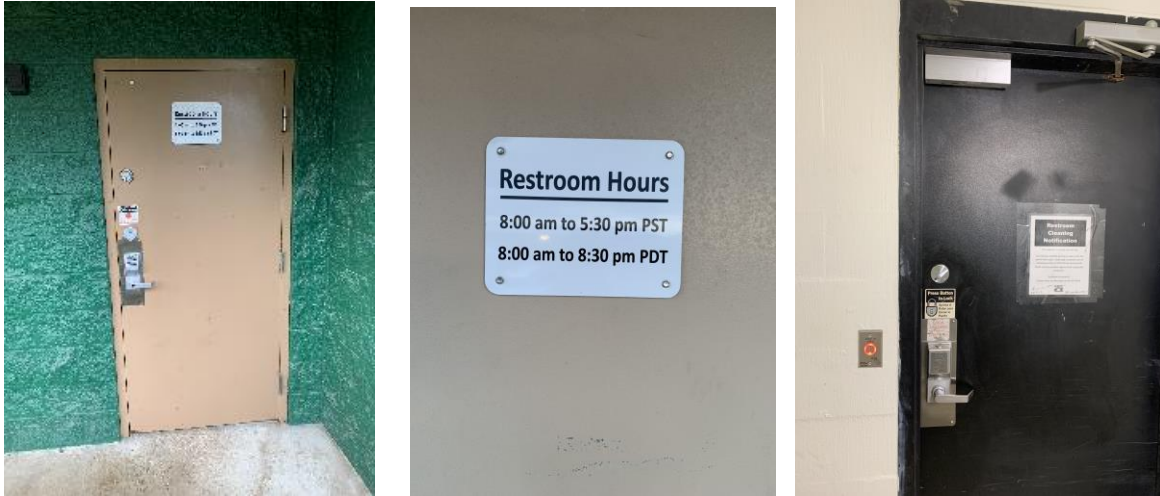
- David's Chair Program was started and placed next to the restroom at Don and Ann Davis. The purpose of the program is to provide beach access for people facing mobility challenges. Anyone with mobility impairments including needing assistance with wheelchairs, scooters, walkers, canes, or crutches can use the chair free of charge. The Newport chair is currently available for use Friday through Sunday with several scheduled time slots of use on each day. The City hopes to expand the service during the summer months.

Park Maintenance used the new Toro Dingo to level out the spot of the shed. Parks removed the old bench in front of the restroom to pour a new concrete pad. Parks then poured a new pad in front of the shed. A contractor installed electrical inside to run lights and power to charge the chair and run an air compressor to clean the chair after each use.



Parks - David's Chair Program

- Another significant accomplishment is installing the maglock system on our public restrooms. We are currently 50% through the changing of the locks. They don't appear much different as the old locks, but they function automatically. We have set open times for Pacific Standard Time (PST) and Pacific Daylight Time (PDT).



Parks - Maglock Locking System

- Along with the new locking system Parks is giving the interiors of the public restrooms a face lift with a new coat of paint standardizing the color and if they need new dispenser's, soap or paper products.



Parks - Restroom Renovations

Engineering Department - Chris Beatty, Acting City Engineer 2023 Operational Highlights

Engineering Department Function

Engineering works closely with other departments providing the following core services:

1. Managing the assessment, planning, design and construction of the City's infrastructure (storm, sanitary, water, street) and facilities.
2. Providing project and construction management services for the City's capital improvement projects
3. Monitoring public infrastructure improvements on privately funded development project.
4. Managing permits for construction and other activities in the right-of-way.

Staff

- Brian Crawford was hired as Project (Admin) Assistant. His first day was August 22, 2023. Brian has been involved in the Big Creek Dam Replacement Project, particularly coordinating fish passage mitigation. This involves contacting multiple property owners to obtain permission to enter their property to assess potential mitigation. This is a critical component of the project
- Aaron Collett left his City Engineer position the City at Newport for another job opportunity. His last day at the City was November 3, 2023.
- Clare Paul retired from her Assistant Engineer position at the City of Newport. Her last day was December 5, 2023.
- Chris Beatty is currently the Acting City Engineer. His normal job position at the City is Senior Project Manager.
- Based on the 2022/2023 approved budget, there currently is three (3) job openings in the Engineering Department. City Engineer, Assistant City Engineer, and Project Manager.

Project Activity

- **25-23070 - Oceanview Drive Slide Repair (*Photos below*)**
 - The initial roadway slide on Oceanview Drive occurred in October 2023. The temporary slide repair, consisting of placing rock armoring on the slope in the immediate area of the initial slide along with replacing a damaged 8" sanitary sewer pipe (approx. 40-feet long), was completed.
 - Construction of the permanent slope repair plan had begun when the Newport area experienced extreme rainfall amounts over a period of several days. During this period, a second, larger slide occurred damaging more of the 8" sanitary sewer pipe (approximately 80-feet).
 - It was decided by the Acting City Engineer and Acting Public Works Director, that it was in the best interest of the City to replace the entire section of sewer pipe between manholes adjacent to the slide areas with new 8" PVC pipe (approx. 220-feet long) to avoid having several splices in a deteriorated truss pipe that is very fragile. The City Manager agreed.
- **26-22039 - Schooner Landing Sewer Bypass (*Photos below*)**
 - The Schooner Landing Resort located off NW 66th Drive in Agate Beach has

undergone substantial soil erosion and geological movement that has compromised the overall stability of a portion of the site. This has resulted in demolition/condemnation of buildings and has had impacts on the public sanitary sewer pipe that runs through the property in an easement. This includes a crushed pipe that has limited the sewers capacity and stability.

- The sewer bypass-system project consists of the installation of a pump (lift) station that will be connected to an existing upstream 8” sewer pipe. Downstream from the pump station, a short force main and gravity overflow pipe will discharge to a terminal manhole where flow will change from a pressure system to a gravity system. From the terminal manhole an 8” HDPE gravity sewer line will be installed and connected to an existing downstream manhole.
 - Project is nearly complete. Surface restoration work remains.
- **21050 - Install Pedestrian Activated Rapid Flashing Beacon at US 20 and Eads Street Crosswalk (*Photo below*)**
 - 2023 City Council goal A-5(c).
 - Design complete. Design is complete and ODOT permit has been executed.
 - Project will be bid for construction in January 2024.
 - **15017 - Ferry Slip Road Utility Line Undergrounding (Phase 3) (*photo below*)**
 - Plans are being prepared for the transfer lines from overhead services to underground services to several adjacent properties along the undergrounding corridor(s). Coordination with City staff is coordinating Central Lincoln PUD for each connection. Project bidding to occur in winter 2024. Construction tentatively scheduled for summer 2024. Phase 3 to include more extensive public outreach component than prior phases due to the nature of work occurring on private properties
 - **21017 - Highway 101 / SE 32nd (RRFB) Rectangular Rapid Flashing Beacon Project (*Photo Below*)**
 - All work has been completed with the exception of installing 12 decorative streetlights on foundations that have been installed
 - The project is in the close-out phase with the ODOT permit
 - **21045 - Parking Study Implementation (Phase 1) (*Photo Below*)**
 - The Bayfront Parking Lot Refurbishment Project is desired by the City as part of the implementation of the upcoming paid parking program in the Bayfront area. These improvements will provide upgraded aesthetics to three (3) City-owned parking lots in the bayfront area as well as extending the service life of the existing surfacing in each parking lot
 - Installation of ten (10) parking kiosk concrete foundations. Owner to provide installation of kiosk’s following foundation construction and curing.
 - Removal and replacement of approximately 35 traffic sign posts, anchor sleeves, and concrete. Materials for new sign posts, anchor sleeves, and sign mounting hardware to be provided by the Owner
 - Installation of approximately 25 traffic sign posts and anchor sleeves, and concrete. Materials for new sign posts and anchor sleeves to be provided

- by the Owner
 - Project has been completed
- **20018 - PAC Remodel & 21029 PAC HVAC Control System (*photo below*)**
 - Design completed in 2022
 - Bid documents complete in 2022. Projects were initially bid together which resulted in an inflated bid that exceeded the available budget
 - Project bid separately project in 2023
 - Construction is underway
- **Big Creek Trash Enclosure Building(s) (*Photos below*)**
 - Initiated by the former Public Works Director, David Powell, the project is a cooperative effort between the City, Thompsons Sanitary Service (TSS), and the four (4) residents along SE Big Creek Road to the east of NE Iler Street. The goal of the project was to eliminate garbage truck travel on NE Big Creek Road due to safety and maintenance concerns. The garbage truck drivers report safety issues trying to navigate the narrow and, at times unstable road surface. Additionally, the heavy garbage trucks greatly contribute to pothole and damage to the road
 - Sheds have been constructed and are ready for operation
- **19002 - Water System Master Plan Update**
 - **2023 City Council goal A-1(c).**
 - RFQ is complete and ready for posting on OregonBuys.
 - Posting on OregonBuys schedule for first week of January 2024
- **25-22036 - NE 57th Street / NE 60th Street Traffic Improvement Project**
 - **2023 City Council goal A-5(e).**
 - Projects were combined per City Counsel past approval
 - Solicitation for survey and conceptual design will be issued in January 2024
- **11025 - Big Creek Dam Replacement 1 and 2**
 - Executed agreement with Oregon Water Resources Department providing access the remaining \$10M of \$14M total lottery bond funds to be used for design, permitting, fish passage mitigation and water rights for replacement of Big Creek Dams. The additional \$4M was previously executed
 - Task Order #22 was authorized by City Council in the November 20, 2023 meeting
 - Task Order #22 adds funds to the design consultant's, HDR Engineering, Inc., contract in the amount of \$5.9M. Prior consultant design fees amounted to \$3.8M
 - Task Order #22 includes Preliminary design (30%), fish passage mitigation, environmental permitting, water rights, and public outreach. These tasks are currently underway
 - Design phase is schedule is assumed to be a four-year window
- **20008 - Recreation Center Child Care and Entrance Improvements:**
 - Project went out to bid to 5 select, potential bidders. Bid opening was June

- 22, 2023. No bids were received
 - Engineering requested a quote from one other concrete contractor that had interest in bidding. This bid was excessive and adequate funding was not available
 - Will try re-bidding the project in January 2024 for construction spring 2024
- **21006 - Water Treatment Plant Excess Recirculation (XR) Upgrade and Storage Building**
 - The Project consists of constructing an excess recirculation, ground improvements, and storage building. The XR system is the base bid for the project and the storage building is an additive alternate
 - The XR system upgrades is the top priority of this project and needs to be completed by mid-May as the water Treatment Plant will need to shut down for some of the work and disruption to the fish plants will be minimized during peak season
 - Project is currently out for bids on OregonBuys. Bid Opening is on January 5, 2024
- **16013 - Main Tanks Replacement**
 - **2023 City Council goal A-1(a).**
 - Currently design is approximately 40%-50% complete
 - Final design could be completed within approximately 6 months if original Engineer of Record continues design. If a new solicitation is required, an extended added period of time will be required
 - FEMA application has been submitted for funding. The project was phased; phase 1 - design, phase 2 construction
 - This project has a 90% (FEMA) 10% (City) match
 - Further design can begin any time if City funding is available. Design costs incurred can apply as the City's match. This would include such things as engineering design, archeological studies, and environmental studies
 - Notice of Award is expected in the next few months
- **17020 - 54th Street Pump Station Improvements**
 - **2023 City Council goal A-1(b).**
 - Currently design is approximately 60% complete
 - Final design could be completed within approximately 6 months if original Engineer of Record continues design. If a new solicitation is required, an extended added period of time will be required
 - FEMA application has been submitted for funding. The project was phased; phase 1 - design, phase 2 construction
 - This project has a 90% (FEMA) 10% (City) match.
 - Further design can begin any time if City funding is available. Design costs incurred can apply as the City's match. This would include such things as engineering design, archeological studies, and environmental studies
 - Notice of Award is expected in the next few months
- **15035 - Golf Course Drive Water System Improvements**
 - Currently design is approximately 40% complete.
 - Funding to be included in FEMA grant for the 54th Street pump station

- project
 - Project to start on the east side of Highway 101 from 54th Street to 42nd Street. This portion of the project will replace and upsize an existing 4” water main
 - At 41st Street the new pipe alignment will head east across the golf course and connect to an existing water main at the end of Golf Course Drive. This will provide a looping system for redundancy
 - A future project will then take place to replace the undersize and deteriorated pipe on Golf Course Drive along with replacing service lines to each property
- **21053 - Big Creek Dam #2 Spillway Hazard Mitigation (*Photo below*)**
 - Project ongoing. Initial phase of grout injection and mitigation complete in 2021
 - Monitoring continued throughout 2022 (with unspent original budget)
 - Additional mitigation work occurred November 2022, sealing seeps and adding two additional underdrain grates
 - Design of 30-inch and 90-inch pipes to be started early 2024 to achieve minimum 10-year life of pipes/dam while new dam is being designed/constructed
- **21020 - Feasibility Study/Cost Estimate for Infill of Sidewalk on Elizabeth Street**
 - **2023 City Council goal A-5(a).**
 - Topographic survey has been completed
 - Preliminary design to be completed in winter 2024 with in-house engineering staff
 - Feasibility study and cost estimate will be completed per goal
- **21059 - Agate Beach Stairway Terminus**
 - Design is complete and ready to bid
 - Bidding and construction pending approval from State Parks which is being coordinated by Michael Cavanaugh
- **17009 - Big Creek Bridge - Abutment Repairs**
 - Preparing solicitation for fee proposals for repair design. Solicitation for survey and conceptual design will be issued in January 2024
- **21004 - Recreation Center Pool Repair**
 - Initial survey of point along the pool perimeter was completed November 21 2022. Second survey was performed on May 22, 2023. These surveys were to determine if pool was still settling. Additional surveys will take place on a 6-month interval
 - Additional survey took place on December 19, 2023 to obtain other elevations such as door frames and manholes
 - All survey information has been provided to the City’s legal staff and consultants for potential litigation measures
- **Miscellaneous Private Development Projects with Public Improvements**
 - Jackson Toyota of Newport

- Whaler Hotel Expansion
- Harbor Freight (*see photo below*)
- SW 30th and SW Coho Street Improvements
- NW 15th Street Reconstruction
- 1274 SE Shermer Court Street Construction

Photos (by project)

- 25-23070 - Oceanview Drive Slide Repair



Temporary Slide Repair



Initial Slide 8" Sewer Pipe Repair



24" Storm Pipe Replacement



Complete 24" Storm Repair Across Oceanview Drive Towards Walmart



Broken 8" Sewer Pipe at 2nd Slide



Rock Armoring for New Slope

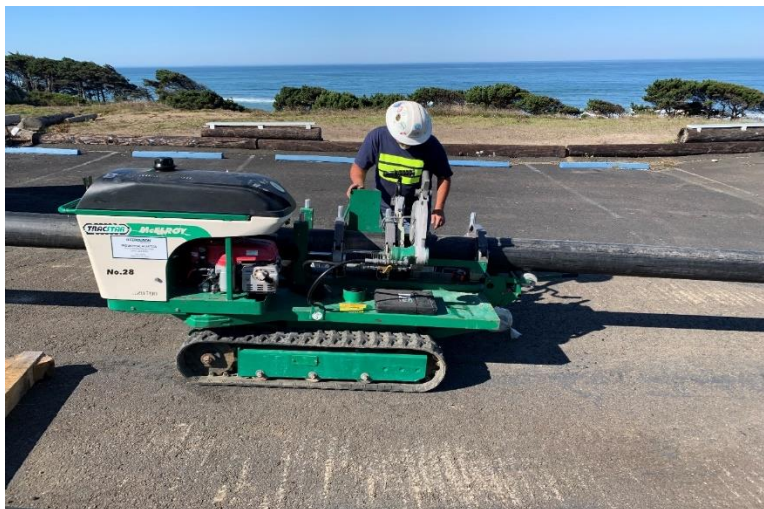


Rock Armoring for New Slope / Final Sanitary Sewer Repair in Progress

- **26-22039 - Schooner Landing Sewer Bypass**

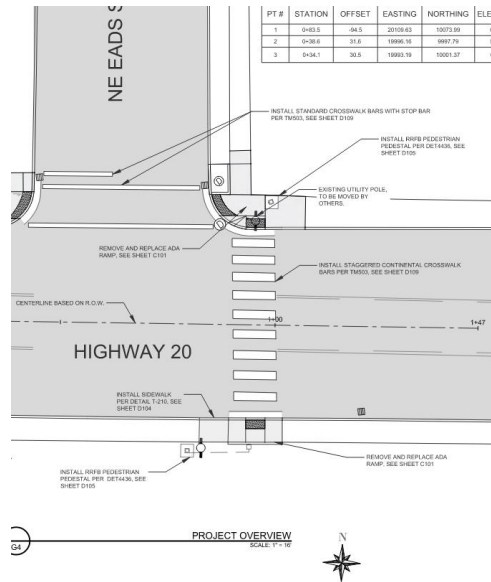


New Pump Station



Welding New Sewer Pipe Joints

- **21050 - Install Pedestrian Activated Rapid Flashing Beacon at US 20 and Eads Street Crosswalk**



- 15017 - Ferry Slip Road Utility Line Undergrounding (Phase 3)



Placing Underground Conduit as Part of Phase 2

- 21-017 - Highway 101 / SE 32nd (RRFB) Rectangular Rapid Flashing Beacon Project



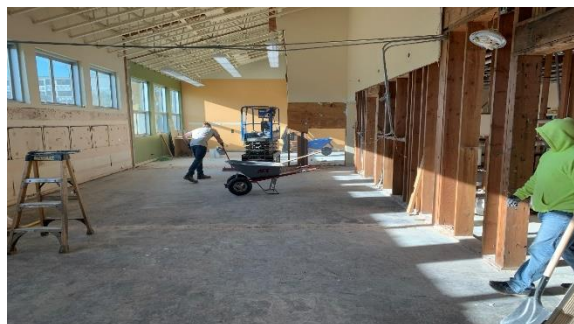
Hwy. 101 Center Median Flashing Beacon

- 21-045 Parking Study Implementation (Phase 1)



Bay Boulevard Parking Lot Reconstruction

- 20018 PAC Remodel & 21029 PAC HVAC Control System



Building Remodel

- **Big Creek Trash Enclosure Building(s)**

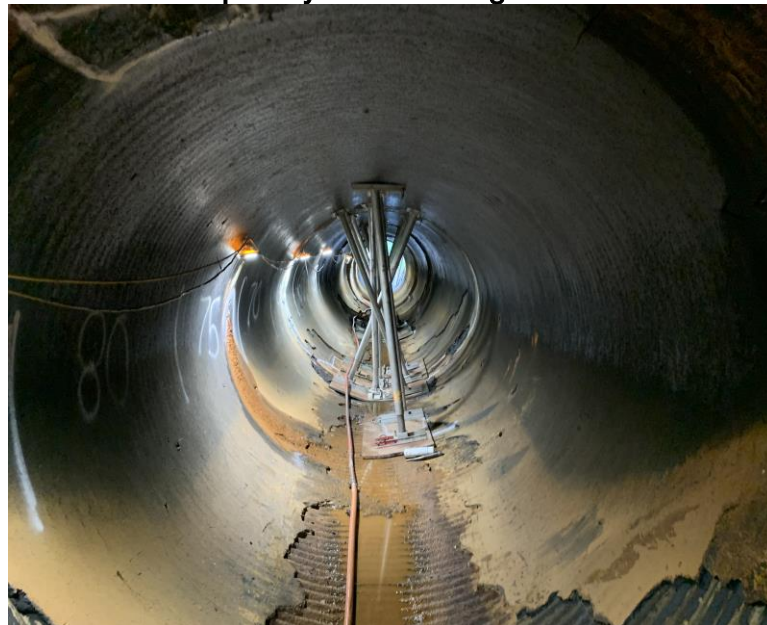


Concrete Pad for Trash Enclosures



Finished Trash Enclosures

- **21053 - Big Creek Dam #2 Spillway Hazard Mitigation**



Spillway Mitigation Repairs

- Harbor Freight



NW 6th Street Sidewalk Improvements

Happy Holidays!



Spencer Nebel, Barb James, and Erik Glover spreading some Holiday cheer!

Respectfully submitted,

Spencer R. Nebel
City Manager

CITY MANAGER REPORT AND RECOMMENDATIONS



Meeting Date: January 2, 2024

Agenda Item:

Consideration and Potential Approval of an Intergovernmental Partnership Agreement with the Oregon Building Codes Division for the use of the ePermit System.

Background:

The City of Newport utilizes the statewide e-permit system for building, plan, review and inspection programs. This software is made available to municipalities at no charge. We have been utilizing this system since January 2016. The State is requesting that a new intergovernmental partnership agreement replace the existing one. There are two specific changes in this agreement. The first provides a maximum not to exceed payment of \$50,000 for those jurisdictions that drop out of the system and wish to reinstall ePermitting capabilities. In addition, there would be a charge for jurisdictions that ask the Building Codes Division to add custom functionality to the ePermit system. In addition, a new provision is included in the agreement that will provide the ability of jurisdictions to provide electronic plan review services, provided those localities comply with associated third-party agreements.

Recommendation:

I recommend the City Council consider the following motion:

I move to approve an intergovernmental partnership agreement with the State of Oregon through the Business of Consumer and Business Services Building Codes Division for use of the ePermit system and related services and authorize the Mayor to sign the document upon final review by the City Attorney.

Fiscal Effects:

None to the City since we do not anticipate requesting any additional services.

Alternatives:

Forego approval of the agreement and pursue other ePermit software solutions, or as suggested by the City Council.

Respectfully submitted,

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

Spencer Nebel
City Manager



**STAFF REPORT
CITY COUNCIL AGENDA ITEM**

Date: January 2, 2024

Title: Consideration and Potential Approval of an Intergovernmental Partnership Agreement with the Oregon Building Codes Division for use of the e-Permit System

Prepared by: Derrick I. Tokos, AICP, Community Development Director

Recommended Motion: I move the Council approve an intergovernmental partnership agreement with the State of Oregon, acting by and through the Department of Consumer and Business Services Building Codes Division, for use of the ePermit System and related services and authorize the Mayor to sign the document, upon final review by the City Attorney.

Background Information: The City of Newport implements a building plan review and inspection program under authority granted by ORS Chapter 455. In 2008, the State of Oregon Building Codes Division was charged with implementing a statewide ePermit system that provides individuals in the building trades and members of the general public with the capability of accessing building permit records online. The software is made available to municipalities, at no charge, so that they may use it to carry out their building permitting and inspection responsibilities. The Building Codes Division selected Accela, Inc. as the software vendor. In 2015, the City of Newport executed an Intergovernmental Partnership Agreement with the Building Codes Division to use the ePermit system, and transitioned to the new system in January of 2016.

This new Intergovernmental Partnership Agreement will replace the existing one, and it responds to two principal issues. First, a new Section 4 has been added addressing compensation and payment to the Building Codes Division, with a maximum not-to-exceed amount of \$50,000. Jurisdictions may continue to use the existing ePermit system at no charge. However, if a city/county wants the Building Codes Division to reinstall ePermit capabilities that they had discontinued using, then there will be a charge for that service. Also, jurisdictions that ask the Building Codes Division to add custom functionality will be charged for that work. The second issue relates to plan review of electronic documents. A new paragraph two was added to Exhibit A of the agreement. It points out that the Building Codes Division software (i.e. the ePermit system) will provide the basic ability for jurisdictions to provide electronic plan review services and that localities using their software must comply with associated third-party agreements. This gets at the contractual relationship between Bluebeam software, which is commonly used with the ePermit system to provide building plan review comments, and responses, in an electronic format. The City of Newport currently provides electronic plan review services and has one or more Bluebeam licenses. HB 2415 (2021) requires all jurisdictions that offer building plan review services accept and perform electronic plan reviews by January 1, 2025. The same bill also requires that jurisdictions use the ePermit system or software with equivalent functionality.

Fiscal Notes: There are no fiscal impacts associated with these amendments, as the City is not looking to modify or enhance its use of the ePermit system at this time.

Alternatives: Request changes to the agreement, forgo approval and pursue other ePermit software solutions, or as suggested by Council.

Attachments:

Draft Intergovernmental Partnership Agreement for ePermit Services (IGA# PO-44000-00027501)
Existing Intergovernmental Partnership Agreement
HB 2415 (2021)

INTERGOVERNMENTAL PARTNERSHIP AGREEMENT
ePermit System and Services

THIS INTERGOVERNMENTAL PARTNERSHIP AGREEMENT (“Agreement”) is effective when all required signatures have been obtained by and between The State of Oregon, acting by and through the Department of Consumer and Business Services (“DCBS” or “Agency”), Building Codes Division (“BCD”) and the City of Newport (“Jurisdiction”), a political subdivision of the State of Oregon. BCD and the Jurisdiction may collectively be referred to herein as the Parties and individually as a Party. The Parties enter into this Agreement to cooperate and share services pursuant to the authority granted under ORS 455.185. The purpose of this Agreement is to encourage economic development through construction and to experiment and innovate for administration of building inspection programs. It is in the best interest of BCD and Jurisdiction’s leaders to ensure that construction-related development activities proceed in a manner that is quick, efficient, and practical. Having a flexible and responsive system requires sufficient staff and resources to be available to construction businesses. By partnering, BCD and Jurisdiction can explore new ways to maximize the use of scarce resources. This Agreement supersedes and amends and replaces in its entirety any pre-existing intergovernmental partnership agreement for the ePermit System and Services between Jurisdiction and BCD.

DCBS:

Celina Patterson
e-Permitting Manager
1535 Edgewater Street NW
PO Box 14470
Salem, OR 97309
(503) 373-0855

Jurisdiction:

Derrick Tokos
Community Development Director
169 SW Coast Hwy
Newport, OR 97365
(541) 574-0627
d.tokos@newportoregon.gov

RECITALS

- A. Oregon Revised Statute ORS 455.095 provides that DCBS shall develop and implement a system that provides electronic access to building permitting information. The statute also requires DCBS to make the system accessible for use by municipalities in carrying out the building inspection programs administered and enforced by the municipalities.
- B. The Department of Administrative Services Procurement Office, on behalf of DCBS, issued a Request for Proposal (RFP) for a statewide electronic permit system and

associated products and services. Accela, Inc. was the successful proposer. DCBS and Accela Inc. executed a contract in August, 2008 (“ePermit contract”), by which Accela, Inc. licensed to DCBS ePermitting system software, an Integrated Voice Recognition (IVR) system and provided related configuration, implementation and hosting services (collectively the “ePermit System”).

- C. The ePermit contract provided that the ePermit System and related Services would be available to municipalities (“Participating Jurisdictions”).
- D. BCD is the division of DCBS that implements and administers the ePermitting system.
- E. Jurisdiction has requested that BCD provide access to the ePermitting System and related Services to Jurisdiction and to implement the Jurisdiction as a Participating Jurisdiction as set forth in the ePermitting contract.
- F. BCD is willing, upon the terms of and conditions of this Agreement, to provide access to Jurisdiction to the ePermitting System and related Services and to implement Jurisdiction as provided herein.

1. DEFINITIONS.

- 1.1. As used in this Agreement, the following words and phrases shall have the indicated meanings.
- 1.2. “Agreement” means this Regional Partnership Agreement.
- 1.3. “ePermitting Contract” has the meaning set forth in Recital B and includes all amendments.
- 1.4. “ePermit System” means the entire system including the ePermitting software, licensed, implemented and configured pursuant to the ePermit contract and related Services including hosting, mobile applications and IVR.
- 1.5. “Jurisdiction” has the meaning set forth in the first paragraph of this Agreement.

2. TERM, RENEWAL AND MODIFICATIONS.

- 2.1. Term. This Agreement is effective, and will be considered fully executed, upon signature by both parties, and shall remain in effect until termination of this Agreement as provided herein. Unless otherwise terminated as provided herein, this Agreement will be in effect for the period that Jurisdiction administers and enforces a building inspection program. This Agreement will automatically renew if or when the Jurisdiction’s program assumption is renewed for an additional period.
- 2.2. Agreement Modifications. Notwithstanding the foregoing, or any other provision of the Agreement, BCD may propose a modified Agreement or new intergovernmental agreement for Jurisdiction access to the ePermit System. BCD will propose such

modified Agreement or new intergovernmental agreement with at least 60 days written notice prior to expiration of the Jurisdiction's current program assumption period. The new intergovernmental agreement or modified Agreement will be effective on the effective date of the renewal of Jurisdiction's program assumption. If the parties cannot agree to the new intergovernmental agreement or modified Agreement, this Agreement will terminate effective on the renewal date of Jurisdiction's program assumption. Additionally, during the term of this Agreement, BCD may propose modifications to this Agreement; such modifications will become effective upon mutual agreement by the parties in accordance with section 19 of this Agreement.

3. PERFORMANCE AND DELIVERY.

3.1 Responsibilities of BCD.

3.1.1. BCD shall use its best efforts to provide Jurisdiction access to the ePermit System and related Services. BCD shall use best efforts to provide the Jurisdiction with satisfactory access on a parity with all other jurisdictions implemented by BCD to the ePermit System.

3.1.2. BCD will implement the Jurisdiction's access using the process according to the ePermitting Implementation Methodology set forth in Exhibit E. If a Work Order Contract is used to implement a specific city or county, a copy of that Work Order Contract will be provided in Exhibit D.

3.1.3. Upon implementation, Jurisdiction will have access to the System and the functionality, as described in Exhibit E.

3.1.4. BCD will provide technical support for the ePermit program. Support is available 8:00 a.m. to 5:00 p.m. Monday through Friday, except for state-observed holidays and from 8:30-10:00 am on Mondays when ePermitting staff holds its weekly staff meeting. The general support structure shall be as follows:

3.1.4.1. State ePermitting team provides technical support to participating city or county.

3.1.4.2. Accela provides technical support to State ePermitting team.

In the event that the State team is unable to communicate a solution to the participating city or county, the State team will facilitate communication between Accela and participant.

3.1.5 BCD will provide software that fulfills the Jurisdiction's basic requirement for accepting and reviewing electronic plans.

3.2. Responsibilities of Jurisdiction.

3.2.1. Jurisdiction agrees to the requirements of Exhibit A.

3.2.2. Jurisdiction agrees to abide by the terms and conditions of the Software License set forth in Exhibit B.

3.2.3. Jurisdiction agrees to abide by the implementation model that is identified in Exhibit E.

4. COMPENSATION AND PAYMENT

4.1 Not-to-Exceed Compensation. The maximum, not-to-exceed compensation payable by Jurisdiction to BCD under this contract, which includes any allowable expenses, is \$50,000.00.

4.2 Invoicing. Jurisdiction's continued existing use shall not result in any costs payable to BCD. However, BCD may invoice Jurisdiction for additional services rendered under Exhibit E. BCD will submit all invoices to Jurisdiction upon completion of the services. Invoices must be paid within 30 days of receipt.

5. REPRESENTATIONS AND WARRANTIES.

5.1 Representations of Jurisdiction. Jurisdiction represents and warrants to BCD as follows:

5.1.1. Organization and Authority. Jurisdiction is a political subdivision of the State of Oregon (or an intergovernmental entity formed by political subdivisions of the State of Oregon under ORS Chapter 190) duly organized and validly existing under the laws of the State of Oregon. Jurisdiction has full power, authority and legal right to make this Agreement and to incur and perform its obligations hereunder. Jurisdiction has assumed and administers a building inspection program under ORS 455.148 to ORS 455.153.

5.1.2. Due Authorization. The making and performance by Jurisdiction of this Agreement (1) have been duly authorized by all necessary action of Jurisdiction and (2) do not and will not violate any provision of any applicable law, rule, and regulation.

5.1.3. Binding Obligation. This Agreement has been duly executed and delivered by Jurisdiction and constitutes a legal, valid and binding obligation of Jurisdiction, enforceable according to its terms.

5.1.4. Jurisdiction has reviewed the ePermit Contract and ePermit System and is knowledgeable of the ePermit system functionality and performance and has entered into this Agreement based on its evaluation of the ePermit Contract and the ePermit System

5.2. Representations and Warranties of BCD. BCD represents and warrants to Jurisdiction as follows:

5.2.1. Organization and Authority. BCD is a division of DCBS, an agency of the state government and BCD has full power, authority and legal right to make this

Agreement and to incur and perform its obligations hereunder.

5.2.2. Due Authorization. The making and performance by BCD of this Agreement (1) have been duly authorized by all necessary action of BCD and DCBS and (2) do not and will not violate any provision of any applicable law, rule, and regulation.

5.2.3. Binding Obligation. This Agreement has been duly executed and delivered by BCD and constitutes a legal, valid and binding obligation of BCD and DCBS; it is enforceable according to its terms.

5.2.4. Performance Warranty. BCD will use its best efforts to provide Jurisdiction access to the ePermit System according to the ePermit contract. Notwithstanding the foregoing, Jurisdiction understands and agrees that the ePermit System is composed of software and services provided by third parties and BCD has no responsibility to Jurisdiction for the functionality or performance of the ePermit System.

5.3. The warranties set forth above are in addition to, and not in lieu of, any other warranties set forth in this Agreement or implied by law.

6. ACCESS TO RECORDS AND FACILITIES.

6.1. Records Access. DCBS, BCD, the Secretary of State's Office of the State of Oregon, the Federal Government, and their duly authorized representatives may access the books, documents, papers and records of the Jurisdiction that are directly related to this Agreement, for the purpose of making audits, examinations, excerpts, copies and transcriptions.

6.2. Retention of Records. Jurisdiction shall retain and keep accessible all books, documents, papers, and records that are directly related to this Agreement for a minimum of six (6) years, or such longer period as may be required by other provisions of this Agreement or applicable law, following the termination of this Agreement.

6.3. Public Records. Jurisdiction is deemed the Custodian for the purposes of public records requests regarding requests related to Jurisdiction's building inspection program.

7. JURISDICTION DEFAULT.

Jurisdiction shall be in default under this Agreement upon the occurrence of any of the following events:

7.1. Jurisdiction fails to perform, observe or discharge any of its covenants, agreements or obligations set forth herein.

7.2. Any representation, warranty or statement made by Jurisdiction herein is untrue in any material respect when made.

8. BCD DEFAULT.

BCD shall be in default under this Agreement upon the occurrence of any of the following events:

- 8.1. BCD fails to perform, observe or discharge any of its covenants, agreements, or obligations set forth herein; or
- 8.2. Any representation, warranty or statement made by BCD herein is untrue in any material respect when made.

9. TERMINATION BY JURISDICTION.

Jurisdiction may terminate this Agreement in its entirety as follows:

- 9.1. For its convenience, upon at least six calendar months advance written notice to BCD, with the termination effective as of the first day of the month following the notice period;
- 9.2. Upon 30 days advance written notice to BCD, if BCD is in default under this Agreement and such default remains uncured at the end of said 30-day period or such longer period, if any, as Jurisdiction may specify in the notice; or
- 9.3. Immediately upon written notice to BCD, if Oregon statutes or federal laws, regulations or guidelines are modified, changed or interpreted by the Oregon Legislative Assembly, the federal government or a court in such a way that Jurisdiction no longer has the authority to meet its obligations under this Agreement.

10. TERMINATION BY BCD.

BCD may terminate this Agreement as follows:

- 10.1. For its convenience, upon at least twenty-four calendar months advance written notice to Jurisdiction, with the termination effective as of the first day of the month following the notice period.
- 10.2. Upon termination of the ePermit Contract with such reasonable notice to Jurisdiction as feasible under the terms of the ePermit Contract.
- 10.3. Immediately upon written notice to Jurisdiction if Oregon statutes or federal laws, regulations or guidelines are modified, changed or interpreted by the Oregon Legislative Assembly, the federal government or a court in such a way that DCBS no longer has the authority to meet its obligations under this Agreement.
- 10.4. Upon 30 days advance written notice to Jurisdiction, if Jurisdiction is in default under this Agreement and such default remains uncured at the end of said 30 day period or such longer period, if any, as BCD may specify in the notice.
- 10.5. Immediately, in the event that Jurisdiction no longer administers and enforces a

building inspection program.

11. EFFECT OF TERMINATION.

11.1. No Further Obligation. Upon termination of this Agreement in its entirety, BCD shall have no further obligation to provide access to the ePermit System and related Services to Jurisdiction.

11.2. Survival. Termination or modification of this Agreement pursuant to sections 9 and 10 above, shall be without prejudice to any obligations or liabilities of either party already accrued prior to such termination or modification. However, upon receiving a notice of termination, Jurisdiction shall immediately cease all activities under this Agreement, unless expressly directed otherwise by BCD in the notice of termination.

11.3. Minimize Disruptions. If a termination right set forth in section 9 or 10 is exercised, both parties shall make reasonable good faith efforts to minimize unnecessary disruption or other problems associated with the termination.

11.4. Jurisdiction Data. Jurisdiction may obtain a copy of all of its data related to its usage of ePermitting, for usage in a move into a Jurisdiction-administered electronic system, by submitting a written request to BCD as part of Jurisdiction's notice of termination, or within 60 days of termination of this agreement. BCD will request the data from Accela, and Accela will provide the data in the same format as the Accela database.

12. NOTICE.

Except as otherwise expressly provided in this Agreement, any communications between the parties hereto or notices to be given hereunder shall be given in writing by personal delivery, facsimile, or mailing the same, postage prepaid to Jurisdiction or BCD at the addresses or numbers set forth on page one of this agreement, or to such other addresses or numbers as either party may indicate pursuant to this section. Any communication or notice so addressed and mailed shall be effective five (5) days after mailing. Any communication or notice delivered by facsimile shall be effective on the day the transmitting machine generates a receipt of the successful transmission, if transmission was during normal business hours of the recipient, or on the next business day, if transmission was outside normal business hours of the recipient. To be effective against BCD, any notice transmitted by facsimile must be confirmed by telephone notice to BCD's ePermitting Manager. To be effective against Jurisdiction, any notice transmitted by facsimile must be confirmed by telephone notice to Jurisdiction's City Manager. Any communication or notice given by personal delivery shall be effective when actually delivered.

13. SEVERABILITY.

The parties agree that if any term or provision of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the

remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular term or provision held to be invalid.

14. COUNTERPARTS.

This Agreement may be executed in several counterparts, all of which when taken together shall constitute one agreement binding on all parties, notwithstanding that all parties are not signatories to the same counterpart. Each copy of this Agreement so executed shall constitute an original.

15. GOVERNING LAW, CONSENT TO JURISDICTION.

This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon without regard to principles of conflicts of law. Any claim, action, suit or proceeding (collectively, "Claim") between BCD (and/or any other division, agency or department of the State of Oregon) and Jurisdiction that arises from or relates to this Agreement shall be brought and conducted solely and exclusively within a circuit court in the State of Oregon of proper jurisdiction. In no event shall this section be construed as a waiver by the State of Oregon of any form of defense or immunity, whether sovereign immunity, governmental immunity, immunity based on the eleventh amendment to the Constitution of the United States or otherwise, from any Claim or from the jurisdiction of any court. Jurisdiction, by execution of this agreement, hereby consents to the in personam jurisdiction of said courts.

16. COMPLIANCE WITH LAW.

The parties shall comply with all state and local laws, regulations, executive orders and ordinances applicable to the Agreement. All employers, including BCD and Jurisdiction, that employ subject workers who provide Services in the State of Oregon shall comply with ORS 656.017 and provide the required Workers' Compensation coverage, unless such employers are exempt under ORS 656.126.

17. ASSIGNMENT OF AGREEMENT, SUCCESSORS IN INTEREST.

The parties agree there will be no assignment or delegation of the Agreement, or of any interest in this Agreement, unless both parties agree in writing. The parties agree that no services required under this Agreement may be performed under subcontract unless both parties agree in writing. The provisions of this Agreement shall be binding upon and shall inure to the parties hereto, and their respective successors and permitted assignees.

18. NO THIRD-PARTY BENEFICIARIES.

BCD and Jurisdiction are the only parties to this Agreement and are the only parties entitled to enforce its terms. Nothing in this Agreement gives, is intended to give, or shall be construed to give or provide any benefit or right, whether directly, indirectly or otherwise, to third persons any greater than the rights and benefits enjoyed by the general public unless such third persons are individually identified by

name herein and expressly described as intended beneficiaries of the terms of this Agreement.

19. WAIVER.

The failure of either party to enforce any provision of this Agreement shall not constitute a waiver by that party of that or any other provision. No waiver or consent shall be effective unless in writing and signed by the party against whom it is asserted.

20. AMENDMENT.

No amendment, modification or change of terms of this Agreement shall bind either party unless in writing and signed by both parties and when required by the Department of Administrative Services and Department of Justice. Such amendment, modification or change, if made, shall be effective only in the specific instance and for the specific purpose given. Jurisdiction, by signature of its authorized representative, hereby acknowledges that it has read this Agreement, understands it, and agrees to be bound by its terms and conditions.

21. HEADINGS.

The headings and captions to sections of this Agreement have been inserted for identification and reference purposes only and shall not be used to construe the meaning or to interpret this Agreement.

22. CONSTRUCTION.

This Agreement is the product of extensive negotiations between BCD and representatives of Jurisdiction. The provisions of this Agreement are to be interpreted and their legal effects determined as a whole. An arbitrator or court interpreting this Agreement shall give a reasonable, lawful and effective meaning to the Agreement to the extent possible, consistent with the public interest.

23. INDEPENDENT CONTRACTOR.

The parties agree and acknowledge that their relationship is that of independent contracting parties and that neither party is an officer, employee, or agent of the other as those terms are used in ORS 30.265 or otherwise.

24. LIMITATION OF LIABILITY.

24.1. Jurisdiction agrees that BCD shall not be subject to any claim, action, or liability ARISING IN ANY MANNER WHATSOEVER OUT OF ANY ACT OR OMISSION, INTERRUPTION, OR CESSATION OF ACCESS OR SERVICE UNDER THIS AGREEMENT. THE STATE SHALL NOT BE LIABLE OR RESPONSIBLE FOR ANY DIRECT, INDIRECT SPECIAL OR CONSEQUENTIAL DAMAGES SUSTAINED BY THE POLITICAL SUBDIVISION, INCLUDING, BUT NOT LIMITED TO, DELAY, INTERRUPTION OF BUSINESS ACTIVITIES, OR LOST RECEIPTS THAT MAY RESULT

IN ANY MANNER WHATSOEVER FROM ANY ACT OR OMISSION, INTERRUPTION, OR CESSATION OF SERVICE.

24.2. EXCEPT FOR LIABILITY ARISING UNDER SECTION 27 NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT. NEITHER PARTY SHALL BE LIABLE FOR ANY DAMAGES OF ANY SORT ARISING SOLELY FROM THE TERMINATION OF THIS AGREEMENT OR ANY PART HEREOF IN ACCORDANCE WITH ITS TERMS.

25. FORCE MAJEURE.

Neither BCD nor Jurisdiction shall be held responsible for delay or default caused by fire, civil unrest, labor unrest, natural causes, or war which is beyond the reasonable control of BCD or Jurisdiction, respectively. Each party shall, however, make all reasonable efforts to remove or eliminate such cause of delay or default and shall, upon the cessation of the cause, diligently pursue performance of its obligations under this Agreement.

26. TIME IS OF THE ESSENCE.

Time is of the essence in the performance of all under this Agreement.

27. CONTRIBUTION

27.1. If any third party makes any claim or brings any action, suit or proceeding ("Third Party Claim") against a party (the "Notified Party") with respect to which the other party ("Other Party") may have liability, the Notified Party must promptly notify the Other Party in writing of the Third Party Claim and deliver to the Other Party a copy of the claim, process, and all legal pleadings with respect to the Third Party Claim. Either party is entitled to participate in the defense of a Third Party Claim, and to defend a Third Party Claim with counsel of its own choosing. Receipt by the Other Party of the notice and copies required in this paragraph and meaningful opportunity for the Other Party to participate in the investigation, defense and settlement of the Third Party Claim with counsel of its own choosing are conditions precedent to the Other Party's liability with respect to the Third Party Claim.

27.2. With respect to a Third Party Claim for which BCD is jointly liable with the Jurisdiction (or would be if joined in the Third Party Claim), BCD shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by the Jurisdiction in such proportion as is appropriate to reflect the relative fault of BCD on the one hand and of the Jurisdiction on the other hand in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of BCD on the one hand and of the Jurisdiction on the other hand shall be determined by reference to, among other things, the parties' relative intent,

knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. BCD's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law if BCD had sole liability in the proceeding.

27.3. With respect to a Third Party Claim for which the Jurisdiction is jointly liable with BCD (or would be if joined in the Third Party Claim), the Jurisdiction shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by BCD in such proportion as is appropriate to reflect the relative fault of the Jurisdiction on the one hand and of BCD on the other hand in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of the Jurisdiction on the one hand and of BCD on the other hand shall be determined by reference to, among other things, the parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. The Jurisdiction's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law if it had sole liability in the proceeding.

28. AGREEMENT DOCUMENTS IN ORDER OF PRECEDENCE.

This Agreement consists of the following documents that are listed in descending order of precedence:

- This Agreement less all exhibits;
- Exhibit A - Jurisdiction Obligations
- Exhibit B - ePermit License Agreement
- Exhibit C - ePermit Contract (not attached, but made available to Jurisdiction)
- Exhibit D-Work Order Contract
- Exhibit E - Implementation Model

All attached and referenced exhibits are hereby incorporated by reference.

29. MERGER CLAUSE. This Agreement and attached exhibits constitute the entire agreement between the parties on the subject matter hereof. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. No waiver, consent, modification or change of terms of this Agreement shall bind all parties unless in writing and signed by both parties and all necessary State approvals have been obtained.

Such waiver, consent, modification or change, if made, shall be effective only in the specific instance and for the specific purpose given. The failure of BCD to enforce any provision of this Agreement shall not constitute a waiver by BCD of that or any other provision.

[Signature on following page]

DRAFT

JURISDICTION, BY EXECUTION OF THIS AGREEMENT, HEREBY ACKNOWLEDGES THAT JURISDICTION HAS READ THIS CONTRACT, UNDERSTANDS IT, AND AGREES TO BE BOUND BY ITS TERMS AND CONDITIONS.

A. Jurisdiction

By: _____ Date: _____

Printed Name: _____

Title: _____

B. State of Oregon, Acting by and through its Department of Consumer and Business Services, Building Codes Division

Reviewed By: _____ Date: _____

Printed Name: Dawn Bass

Title: Deputy Administrator

Executed By: _____ Date: _____

Printed Name: Miriha Aglietti

Title: Designated Procurement Officer

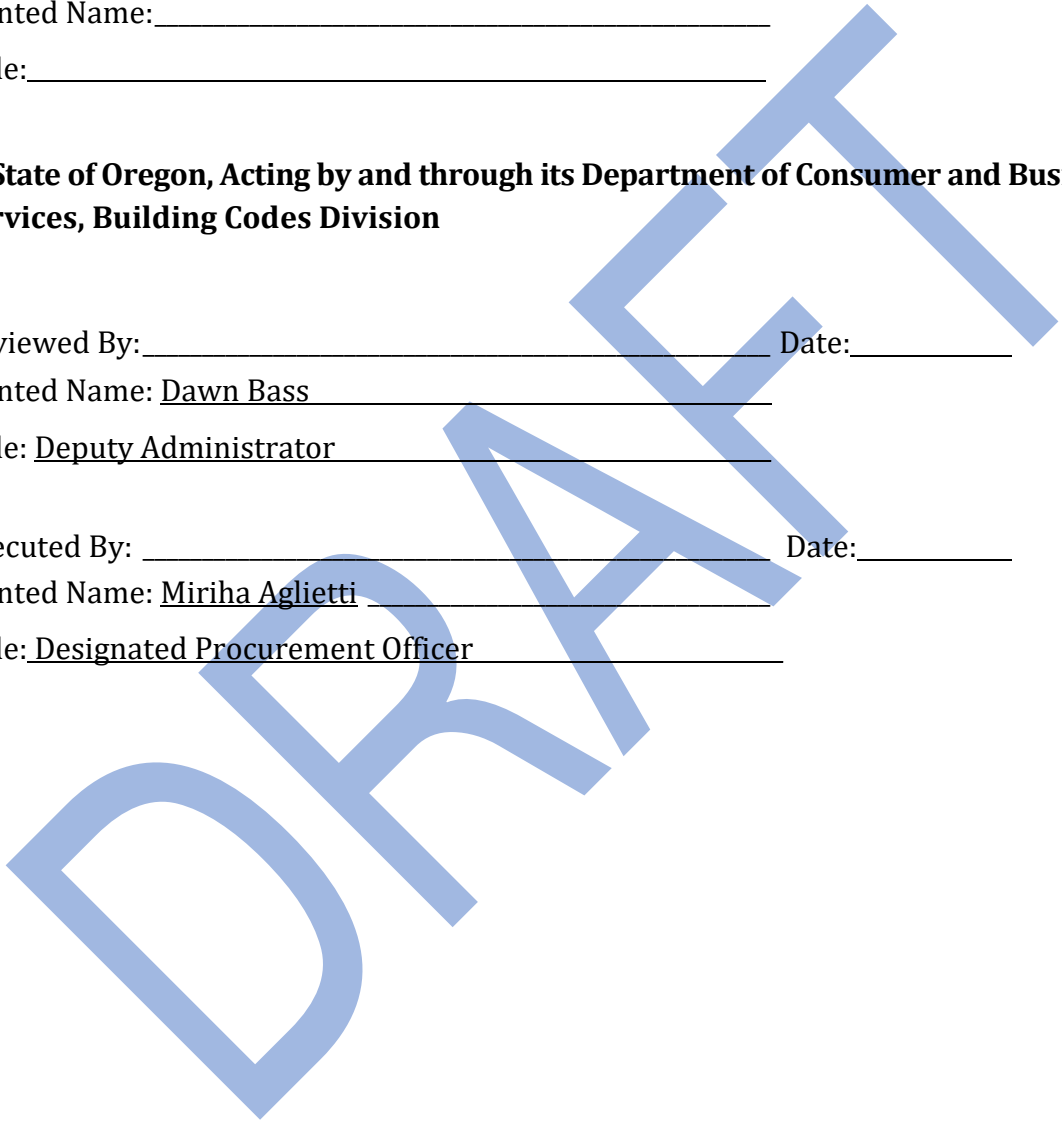


Exhibit A Jurisdiction Obligations

Jurisdiction Software

As part of the state hosted system, any software being used by Jurisdiction to support either the building permitting system or any supplemental products being purchased from Accela, must be compatible with the Accela product.

Electronic Document Acceptance

Beginning January 1, 2025, Jurisdiction is required by administrative law to accept electronic plans. Agency will provide software that fulfills the basic ability to meet this requirement; however, Jurisdiction may independently source their own software.

If Jurisdiction uses the Agency-provided software, then Jurisdiction will be required to comply with all third-party agreements associated with the software and must notify Agency promptly of any non-compliance. Jurisdiction must also comply with all Agency-provided instructions on the use of the software, including instruction relating to installation and removal of the software. Jurisdiction must remove or destroy any or all copies of the software at Agency's request.

Product Features

Jurisdiction agrees to sell permits online through the ePermitting Portal. Jurisdiction agrees to offer online and IVR inspection scheduling for permits in an appropriate status.

Jurisdiction agrees to offer online submittal of plan documents at appropriate point(s) in the application process as dictated by the Jurisdiction's workflow associated with each record type.

Permit Numbering Scheme.

As a full-service participant, Jurisdiction agrees to include the pre-assigned three digit prefix to all permits covered by and processed through ePermitting system. Permits for any supplemental products purchased through Accela, hosted in the State of Oregon environment and being serviced through the State of Oregon ePortal must also use the three-digit prefix in the permit number. Permits for supplemental products purchased through Accela that will not be hosted or maintained on the Oregon platform and that are not serviced through the State of Oregon ePortal are not required to use the three-digit prefix.

Status and Result Codes.

All status and result codes such as inspections, plan review, permit issuance status will be pursuant to a statewide uniform system. Jurisdiction shall only use the uniform status and result codes.

Inspection Codes.

Inspection types for code required inspections must be consistent throughout the state. Unique inspection types must be requested through and assigned by the ePermitting staff.

Supplemental Products Purchased by Jurisdiction through Accela.

Any supplemental product such as, but not limited to, Land Use, Enforcement, Licensing, or

other services, may be licensed directly to Jurisdiction by Accela. Support services for the supplemental products fall outside of the scope of this Intergovernmental Agreement and are therefore provided through direct agreement with Accela or other service provider. Installation of supplemental products onto the State hosted servers cannot occur before the State ePermitting team begins active development of the building permitting module.

Version (Product) updates.

Migration from one product version of Accela Automation to another product version will be regulated and coordinated through BCD. Supplemental products will be required to migrate to the same version of the product at the same time as the product version for the building product module. After implementation, Jurisdiction is required to test the configuration against new versions of the product in the timeframe specified by BCD.

DRAFT

**Exhibit B
Software License Agreement**

Note: DCBS through the ePermit Contract has the right to permit Jurisdictions to use the ePermit System software as set forth in Exhibit G, License Agreement, of the ePermit Contract. While the entire software license agreement between the State and Accela, Inc., including the added language in Amendment 7, has been provided here for continuity and ease of use, a participating city or county is only bound by Sections 3.1, 3.2, and 4 as specified in this Agreement.

1. Parties ACCELA	CUSTOMER
Accela, Inc.	State of Oregon
	Department of Consumer & Business
2633 Camino Ramon, Suite	Services P.O. Box 14470
120 Bishop Ranch 3	Salem, OR 97309
San Ramon, California	Attention: Building Codes
94583 Attention: Contracts	Division T: (503)378-4100 F:
Administration T: 925.659.3200	(503)378-3989
F: 925.407.2722	e-Mail: chris.s.huntington@state.or.us
e-Mail: contractsadrnin@accela.com	

This License Agreement ("LA") is intended for the exclusive benefit of the Parties; except as expressly stated herein, nothing will be construed to create any benefits, rights, or responsibilities in any other parties.

2. Term and Termination

- 2.1 Term Provided that Customer signs and returns this LA to Accela **no later than August 8, 2008**, this LA is effective as of the date of Customers signature ("Effective Date") and will continue until terminated as provided herein.
- 2.2 Termination Either party may terminate if the other party materially breaches this LA and, after receiving a written notice describing the circumstances of the default, fails to correct the breach within thirty (30) calendar days. Upon any termination or expiration of this LA, all rights granted to Customer are cancelled and revert to Accela.

3 Intellectual Property

3.1 License The software products ("Software") listed in Exhibit A are protected under the laws of the United States and the individual states and by international treaty provisions. Accela retains full ownership in the Software and grants to Customer a perpetual, limited, nonexclusive, nontransferable license to use the Software, subject to the following terms and conditions:

- 3.1.1 The Software is provided for use only by Customer employees. For the purposes of subsections 3.1, 3.2 and Sections 4 of this LA, Customer means: i)

the individual Jurisdiction with respect to its use of the Software, provided that the licensing fee has been paid for such Jurisdiction, and ii) the State of Oregon acting by and through its Department of Consumer and Business Services with respect to its use of the Software.

3.1.2 The Software may be installed on one or more computers but may not be used by more than the number of users for which the Customer has named user licenses. For the purposes of this License Agreement, the Customer has unlimited use, per department, of any license covered by this agreement. The Software is deemed to be in use when it is loaded into memory in a computer, regardless of whether a user is actively working with the Software. Accela may audit Customers use of the Software to ensure that Customer has paid for an appropriate number of licenses. Should the results of any such audit indicate that Customer's use of the Software exceeds its licensed allowance, Customer agrees to pay all costs of its overuse as determined using Accela's then-current pricing; any such assessed costs will be due and payable by Customer upon assessment. Customer agrees that Accela's assessment of overuse costs pursuant to this Subsection is not a waiver by Accela of any other remedies available to Accela in law and equity for Customer's unlicensed use of the Software.

3.1.3 Customer may make backup copies of the Software only to protect against destruction of the Software. With exception of the Entity Relationship Diagram and any other documentation reasonably-designated and specifically-marked by Accela as trade secret information not for distribution, Customer may copy Accela's documentation for use by those persons described in section 3.1.1, supra, provided that such use is for business purposes not inconsistent with the terms and conditions of this Licensing Agreement. "Trade Secret" has the meaning set forth in ORS 192.501(2)

3.1.4 Customer may not make any form of derivative work from the Software, although Customer is permitted to develop additional or alternative functionality for the Software using tools and/or techniques licensed to Customer by Accela.

3.1.5 Customer may not obscure, alter, or remove any confidentiality or proprietary rights notices.

3.1.6 Subject to the limitations of Article XI, § 7 of the Oregon Constitution and the Oregon Tort Claims Act (**ORS 30.260 through 30.300**), Customer is liable to Accela for any direct damages incurred as the result of unauthorized reproduction or distribution of the Software which occur while the Software is in Customer's possession or control.

3.1.7 Customer may use the Software only to process transactions relating to properties within both its own geographical and political boundaries and in counties contiguous to Oregon with populations below 100,000. Customer

may not sell, rent, assign, sublicense, lend, or share any of its rights under this LA.

- 3.1.8 Customer is entitled to receive the Software compiled (object) code and is licensed to use any data code produced through implementation and/or normal operation of the Software; Customer is not entitled to receive source code for the Software except pursuant to an Intellectual Property Escrow Agreement, which may be executed separately by the Parties. Accela and Customer will execute an Intellectual Property Escrow Agreement within 30 days of Contract execution.
- 3.1.9 All rights not expressly granted to Customer are retained by Accela.
- 3.1.10 Customers are allowed unlimited use, per department, of software products listed in Exhibit A, for in-scope record type categories defined in Attachment 1 to this LA In addition, each customer is allowed five (5) additional record types for activities that fall outside of the in-scope record type categories defined in Attachment 1 to this L.A., are delivered under the Building Department and are submitted to and approved by DCBS.

3.2 License Warranties

- 3.2.1 Accela warrants that it has full power and authority to grant this license and that, as of the effective date of this LA, the Software does not infringe on any existing intellectual property rights of any third party. If a third party claims that the Software does infringe, Accela may, at its sole option, secure for Customer the right to continue using the Software or modify the Software so that it does not infringe. Accela expressly agrees to defend, indemnify, and hold Customer harmless from any and all claims, suits, actions, losses, liabilities, costs, expenses, including attorneys fees, and damages arising out of or related to any claims that the Software, or the Customers use thereof, infringes any patent, copyright, trade secret, trademark, trade dress, mask work, utility design, or other proprietary right of any third party; provided, that Customer shall provide Accela with prompt written notice of any infringement claim. Accela will have the sole right to conduct the defense of any legal action and all negotiations for its settlement or compromise; provided, however, Accela shall not settle any claim against the Customer with the consent of Customer.
- 3.2.2 Accela has no obligation for any claim based upon a modified version of the Software or the combination or operation of the Software with any product, data, or apparatus not provided by Accela, with the exception of those products identified in Exhibit J. Accela provides no warranty whatsoever for any third-party hardware or software products.
- 3.2.3 Except as expressly set forth herein, Accela disclaims any and all express

and implied warranties, including but not necessarily limited to warranties of merchantability and fitness for a particular purpose.

3.3 Compensation

3.3.1 License Fees In exchange for the Software described hereinabove, Customer will pay to Accela the amounts indicated in Exhibit A3.

3.3.2 Payment Terms Amounts are quoted in United States dollars and do not include applicable taxes, if any. The payment terms of all invoices are net forty-five (45) calendar days from the dates of the invoices. Any payment not paid to Accela within said period will incur a late payment in an amount equal to two-thirds of one percent (.66%) per month (eight percent (8% per annum), on the outstanding balance from the billing date. Accela may, at its sole discretion, suspend its obligations hereunder without penalty until payments for all past-due billings have been paid in full by Customer. All payments to Contractor are subject to ORS 293.462

4. Confidentiality

4.1 Confidentiality and Nondisclosure. Each party acknowledges that it and its employees or agents may, in the course of performing its responsibilities under this LA, be exposed to or acquire information that is confidential to the other party or the other party's clients. Any and all information clearly marked confidential, or identified as confidential in a separate writing as confidential provided by one party or its employees or agents in the performance of this LA shall be deemed to be confidential information of the other party ("Confidential Information"). Any reports or other documents or items (including software) which result from the use of the Confidential Information by the recipient of such information shall be treated with respect to confidentiality in the same manner as the Confidential Information. Confidential Information shall be deemed not to include information that (a) is or becomes (other than by disclosure by the party acquiring such information) publicly known or is contained in a publicly available document; (b) is furnished by the party disclosing such information to others without restrictions similar to those imposed by this LA; (c) is rightfully in the receiving party's possession without the obligation of nondisclosure prior to the time of its disclosure under this LA; (d) is obtained from a source other than the discloser without the obligation of confidentiality, (e) is disclosed with the written consent of the disclosing party, or; (f) is independently developed by employees or agents of the receiving party who can be shown to have had no access to the Confidential Information.

4.2 The recipient of Confidential Information agrees to hold Confidential Information in strict confidence, using at least the same degree of care that it uses in maintaining the confidentiality of its own Confidential Information, and not to copy, reproduce,

sell, assign, license, market, transfer or otherwise dispose of, give or disclose Confidential Information to third parties or use Confidential Information for any purposes whatsoever other than as contemplated by this LA or reasonably related thereto, including without limitation the use by Customer of Accela who need to access or use the System for any valid business purpose, and to advise each of its employees and Accela of their obligations to keep Confidential Information confidential.

- 4.3 Each party shall use commercially reasonable efforts to assist the other in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limitation of the foregoing, each party shall advise the other immediately in the event it learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this LA and each party will at its expense cooperate with the other in seeking injunctive or other equitable relief in the name of the other against any such person.
- 4.4 Each party agrees that, except as provided in this LA or directed by the other, it will not at any time during or after the term of this LA disclose, directly or indirectly, any Confidential Information to any person, and that upon termination of this LA each party will turn over to the other all documents, papers and other matter in its possession which embody Confidential Information.
- 4.5 Each party acknowledges that breach of this Article VIII, including disclosure of any Confidential Information will give rise to irreparable injury which is inadequately compensable in damages. Accordingly, each party may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies that may be available. Each party acknowledges and agrees that the covenants contained herein are necessary for the protection of the legitimate business interests of the other and are reasonable in scope and content.
- 4.6 Customers obligations under this Article VIII shall be subject to the Oregon Public Records Laws, ORS 192.410 through ORS 192.505.

Exhibit C
ePermitting Contract

The ePermitting contract is available, upon request, for the Jurisdiction to review.

DRAFT

Exhibit D

Work Order Contract

Under the terms and conditions of the ePermit System Agreement, DCBS may enter into a Work Order Contract for implementation services. Should implementation services be used for the implementation of a specific participating city or county, the provisions of that agreement will be provided here.

A Work Order Contract is not being used to implement this jurisdiction.

DRAFT

EXHIBIT E

IMPLEMENTATION

OREGON STANDARD MODEL

Third Party Components

The ePermitting system contains multiple components created and licensed by third parties. BCD cannot guarantee the continued support of these components, and may have to make changes to the system based upon changes made by the third party providers. BCD will provide prompt notice to Jurisdiction upon becoming aware of any necessary changes and will work to provide solutions with the least possible disruption of system usage.

Oregon Standard Model (OSM) includes:

- Standard Model Permits (records):
 - Commercial Agricultural Equine
 - Commercial Alarm Suppression Systems
 - Commercial & Residential Deferred Submittal
 - Commercial & Residential Demolition
 - Commercial & Residential Electrical
 - Commercial & Residential Investigation
 - Commercial & Residential Mechanical
 - Commercial & Residential Phased
 - Commercial & Residential Plumbing
 - Commercial RV Park or Manufactured Home Park
 - Commercial & Residential Structural
 - Commercial & Residential Research
 - Master Electrical Permits
 - Inquiry
 - Post Disaster
 - Residential 1 & 2 Family Dwelling
 - Residential Manufactured Dwelling
- Standard Model Reports include:
 - Application About to Expire (List and Letters to Applicant and Owner)
 - Permit About to Expire ((List and Letters to Applicant and Owner)
 - Usage
 - Configuration Reports
 - Fee by Account (Summary & Detail)
 - Invoice
 - Out of Balance
 - Payments Applied
 - Payments Not Applied

- Refunds Issued
- Payments Received
- Payments Summary
- School Construction Excise Tax
- Inspection Correction Notice
- Inspection Summary
- Inspections Assigned
- Recent Inspection Activity
- Monthly Permit Summary
- Monthly Permits Issued
- Monthly Permits Issued Valuation Report
- State Surcharge
- State Surcharge Details
- Balance Due
- Building Application
- Building Permit
- Certificate of Occupancy
- Fee Estimate
- Fee by Record
- Phased Authorization to Begin Work
- Plan Review Checklist
- Temporary Certificate of Occupancy
- Work Authorization
- Receipt

Use of “Consistent Form and Fee Methodology”

Use of Elavon “Converge” payment processor with US Bank for internet credit card processing in Accela Citizen Access (ACA); jurisdiction opens and maintains its own account.

- Optional Modules:
 - Onsite
 - Planning Tracking
 - Code Enforcement
 - Public Works

The first time these optional modules are implemented, BCD will provide implementation services at no cost. If for any reason these optional modules need to be reimplemented, BCD may invoice Jurisdiction for the reasonable costs of the implementation. Costs will depend upon the complexity of the work, but will not exceed \$5,000 per module implemented. BCD and Jurisdiction will agree on the costs prior to any implementation.

Oregon Standard Model Implementation includes:

- Importing jurisdiction’s fee schedule into Accela
- Data conversion from jurisdiction’s database

- ePermitting will provide documentation about how the data is to be formatted for loading
- ePermitting will work with jurisdiction to map the data from existing permitting system to Accela
- Jurisdiction is responsible for extracting data from existing system
- Address, Parcel, Owner Database Load
 - ePermitting will provide documentation about data format requirements
 - Jurisdiction will provide files containing Address, Parcel, Owner reference data for loading into ePermitting database
- Interfaces to Jurisdiction Systems (optional)
 - Financial
 - ePermitting will provide files with specified fields for interfaces to jurisdiction's on site systems
 - Jurisdiction will upload the files into their on site system
 - GIS
 - ESRI ArcGIS Server 10 or ESRI ArcGIS Server 10 sp 1
 - Future versions of Accela Software may require upgrades to ESRI software to maintain interface operability
- Training
 - ePermitting provides online weekly training via video conference.
 - Jurisdiction's "super users" will train other jurisdictional employees.
 - ePermitting will attend jurisdictions Go Live in person.
- Coordination with Accela
 - If Jurisdiction purchases other modules, such as Planning or Code Enforcement, directly from Accela and has them implemented by Accela, an independent contractor or by Jurisdiction staff, Jurisdiction must coordinate that implementation with ePermitting.
 - Coordination with ePermitting means including ePermitting staff in project management meetings with Jurisdiction and the party implementing the other modules.
- Third Party Jurisdictions
 - If Jurisdiction uses a third party building official and/or inspection agency, Jurisdiction shall run the third-party report provided with OSM and submit it with their program assumption Plans. ORS 455.148 (4).

IMPLEMENTATION OVERVIEW

The following list is a distilled version of the major tasks associated with implementation of ePermitting. The tasks run concurrently and can take varying amounts of time, however, this is a look at the things that Jurisdiction must complete. Of this list, testing is the major responsibility that will take some time to complete. The more thoroughly the Jurisdiction tests the system before Go Live, the smoother the transition will be when ePermitting begins.

Start Up

- Sign IGA
- Send “Contact Information” document and Logo
- Scan and send copies of permit applications
- Provide “Roles and Responsibilities” Document

Training

- Have “super users” complete all of the online training
- Assign targeted online training to specific staff

Finances

- Fill in the three financial documents:
 - General Accounting Practices
 - Settling & Balancing Procedures
 - Refunds
- Provide Project Manager with fee information
- Test fees that have been configured in the database
- Choose data to be included in financial interface,
 - Create or link an ftp site to which the financial data will be uploaded
 - Test and approve the transfer of data through the ftp site and into the financial system
- Set up a Converge account 1-2 weeks before Jurisdiction’s Go Live date.

Addresses

- Work with APO specialist to determine the requirements for the address/parcel file that will be loaded into Jurisdiction’s ePermitting database
- Provide the address file to APO specialist
- Test the addresses that are loaded into Jurisdiction’s database
- Approve the addresses in Jurisdiction’s database

Configuration

- Provide User spreadsheet and Inspector profiles

- Test applications
- Test workflow
- Test inspections

Data Conversion

- Talk with Project Manager about data conversion
- Determine which permits are open
- Map data
- Fill in conversion tables
- Test the converted data
- Approve the converted data

Reports

- Examine the existing reports
- If there are additional reports that you desire, discuss them with your Project Manager
- If additional reports are built, then test and approve them

IVR

- Fill out Set Up document and return to Project Manager
- Test and approve IVR

DRAFT

Training Overview

- Home Screen and Records Portlet
 - Orientation to Portlets – User, Quick Links, Alerts or My Tasks, Record List/Detail, My Navigation, and Reports
 - Alerts portlet – incoming ACA
 - Searching, sorting, CSV export, Quick Queries
 - My Navigation vs Go To dropdown menu
- Applications
 - Starting new records from the Back Office
 - Four A's: APO address/parcel/owner, ASI application specific information, Applicant, Automation of fees
 - Printing an application
- Fees
 - Adding and Invoicing fees – NEW fees DELETE vs. INVOICED fees VOID
 - Invoiced fees and ACA
 - Making payment and CASH payment types – best practice (payor, recording actual payment amount/change)
 - Partial payment (applying monies) and Pay More function
 - Printing/Emailing receipts – generating Invoice – reprinting from Documents
- Workflow – Permit Lifecycle
 - Workflow statuses – advancing workflow, TSI task specific info, record status relationship
 - Withdrawn vs Void
 - Parallel tasks at Ready for Plan Review
 - Automated emails notification from Workflow
 - Supervisor function
 - Auto-close of EMP at Final Inspection sign-off (optional)
 - Workflow history – show where it's at, what's included
- Special Record Types
 - Revision vs Additional Info Requested
 - Deferred submittals
 - Phased permitting
 - Temp C of O
 - C of O
 - CSC Certificate of Satisfactory Completion
 - Required elements for C of O – how to correct and rerun report
- Data Management
 - Cloning vs Copying

- Related records – at Intake, thru Cloning, after the fact
- Sets – 3 ways to create – Sets portlet, Record List, Related Records
- Conditions

- Reference Data
 - Reference vs Transactional – importance of making corrections and where, Synch to Reference option
 - People reference
 - APO reference – Inspection Districts, Parcel Attributes that should stop issuance

- “Day in the Life” walk-through
 - Alerts for Permit Techs and My Tasks for Inspectors/Plans Examiners

- Inspections
 - Daily load and printing Inspection Slips
 - Assigning, reassigning, canceling, deleting if unnecessary for Final
 - Resulting – introduce options for resulting (back office, Inspector App, IVR)

- Reports
 - Demonstrate what reports are available – Financial, Stats, State Surcharge
 - Quick Queries – information only, not training (as time allows)
 - Ad-hoc – information only, not training (as time allows)

- Advanced Money
 - Change in valuation
 - Making fee changes – Voiding fees to Credit – adding/voiding fee items that impact State Surcharge – show Assess Fee History and Payment History
 - Exceptional payment types
 - Financial batch file –reconciling exceptional payment types and transfers - account codes/GL and Agency financial process
 - Cash Balancing

- SCHEDULE* - Contractor Training (in the field) – Coordinated and provided by Jerod Broadfoot at the Agency location
- SCHEDULE* - EDR (in the field)

INTERGOVERNMENTAL PARTNERSHIP AGREEMENT
ePermit System and Services

THIS INTERGOVERNMENTAL PARTNERSHIP AGREEMENT (“Agreement”) will become effective when all required signatures have been obtained by and between The State of Oregon, acting by and through the Department of Consumer and Business Services (DCBS), Building Codes Division (“BCD”) and Newport (“Jurisdiction”), a political subdivision of the State of Oregon. BCD and the Jurisdiction may collectively be referred to herein as the Parties and individually as the Party. The Parties enter into this Agreement to cooperate and share services pursuant to the authority granted under Oregon Laws 2013 Chapter 528 (SB 582). The purpose of this partnering agreement is to encourage economic development through construction and to use experimentation and innovation for administration of building inspection programs. It is in the best interest of BCD and Newport leaders to ensure that construction-related development activities proceed in a manner as quickly and efficiently as practical. Having a flexible and responsive system requires sufficient staff and resources to be available to construction businesses. By partnering together, BCD and Newport can explore new ways to maximize the use of scarce resources.

DCBS:

Celina Patterson,
ePermitting Manager
1535 Edgewater St NW
PO Box 14470
Salem, OR 97309
(503) 373-0855

Jurisdiction:

Derrick Tokos
Community Development Director
City of Newport
169 SW Coast Highway
Newport, OR 97365
(541) 574-0626

RECITALS

- A. Oregon Revised Statute ORS 455.095 provides that DCBS shall develop and implement a system that provides electronic access to building permitting information. The statute also requires DCBS to make the system accessible for use by municipalities in carrying out the building inspection programs administered and enforced by the municipalities.
- B. The Department of Administrative Services, State Procurement on behalf DCBS issued a Request for Proposal (RFP) for a statewide ePermit system and associated products and services (“ePermit System”). Accela, Inc. was the successful proposer. On or about August 8, 2008, DCBS and Accela, Inc. entered into a contract (“ePermit contract”) by which Accela, Inc. licensed to DCBS ePermitting system software, an IVR system and provided related configuration, implementation and hosting services (collectively the “ePermit System”).
- C. The ePermit contract provided that the ePermit System and related Services would be available to municipalities (“Participating Jurisdictions”).

- D. BCD is the division of DCBS that implements and administers the ePermitting system.
- E. Jurisdiction has requested that BCD provide access to the ePermitting System and related Services to Jurisdiction and to implement the Jurisdiction as a Participating Jurisdiction as set forth in the ePermitting contract.
- E. BCD is willing, upon the terms of and conditions of this Agreement, to provide access to Jurisdiction to the ePermitting System and related Services and to implement Jurisdiction as provided herein.

1. DEFINITIONS.

- 1.1. As used in this Agreement, the following words and phrases shall have the indicated meanings.
- 1.2. "Agreement" means this Intergovernmental Agreement.
- 1.3. "ePermitting Contract" has the meaning set forth in Recital B and includes all amendments thereto.
- 1.4. "ePermit System" means the entire system including the ePermitting software licensed implemented and configured pursuant to the ePermit contract and related Services including hosting and IVR.
- 1.5. "Jurisdiction" has the meaning set forth in the first paragraph of this Agreement.

2. TERM, RENEWAL AND MODIFICATIONS.

- 2.1. Term. This Agreement is effective, and will be considered fully executed, upon signature by both parties, and shall remain in effect until termination of this Contract as provided herein. Unless otherwise terminated as provided herein, this Contract will be in effect for the period that Jurisdiction administers and enforces a building inspection program. This Agreement will automatically renew in the event that the Jurisdiction's program assumption is renewed for an additional period.
- 2.2. Agreement Modifications. Notwithstanding the foregoing, or, any other provision of the Agreement, BCD may propose a modified Agreement or new intergovernmental agreement for Jurisdiction access to the ePermit System. BCD will propose such modified Agreement or new intergovernmental agreement with at least 60 days written notice prior to expiration of the Jurisdiction's current program assumption period. The new intergovernmental agreement or modified Agreement will be effective on the effective date of the renewal of Jurisdiction's program assumption. If the parties

cannot agree to the new intergovernmental agreement or modified Agreement, this Agreement will terminate effective on the renewal date of Jurisdiction's program assumption. Additionally, during the term of this Agreement, BCD may propose modifications to this Agreement and which will become effective upon mutual agreement by the parties in accord with section 19 of this Agreement.

3. PERFORMANCE AND DELIVERY.

3.1 Responsibilities of BCD.

- 3.1.1. BCD shall use its best efforts to provide Jurisdiction access to the ePermit System and related Services. BCD shall use its best effort to provide the Jurisdiction with satisfactory access on a parity with all other jurisdictions implemented by BCD to the ePermit System.
- 3.1.2. BCD will implement the Jurisdiction using the process according to the ePermitting Implementation Methodology set forth in Exhibit B. In the event that a Work Order Contract is used to implement a specific city or county, a copy of that agreement shall be provided in Exhibit E.
- 3.1.3. Upon implementation, Jurisdiction will have access to the System and the functionality as described in the ePermit contract and determined during the implementation process.
- 3.1.4. BCD will provide technical support for the ePermit program. Support shall be provided to Jurisdiction 8:00 a.m. to 5:00 p.m. Monday through Friday, except for state observed holidays and from 8:30-10:00 am on Mondays when ePermitting staff holds its weekly staff meeting. The general support structure shall be as follows:
 - 3.1.4.1. State ePermitting team provides technical support to participating city or county.
 - 3.1.4.2. Accela provides technical support to State ePermitting team.

In the event that the State team is unable to communicate a solution to the participating city or county, the State team will facilitate communication between Accela and participant.

3.2. Responsibilities of Jurisdiction.

- 3.2.1. Jurisdiction agrees to the requirements of Exhibit A.
- 3.2.2. Jurisdiction agrees to abide by the terms and conditions of the Software License set forth in Exhibit B.

3.2.3. Jurisdiction agrees to abide by the implementation model that is identified in Exhibit E.

4. REPRESENTATIONS AND WARRANTIES.

4.1 Representations of Jurisdiction. Jurisdiction represents and warrants to BCD as follows:

- 4.1.1. **Organization and Authority.** Jurisdiction is a political subdivision of the State of Oregon (or an intergovernmental entity formed by political subdivisions of the State of Oregon under ORS Chapter 190) duly organized and validly existing under the laws of the State of Oregon. Jurisdiction has full power, authority and legal right to make this Agreement and to incur and perform its obligations hereunder. Jurisdiction has assumed and administers a building inspection program under ORS 455.148 to ORS 455.153.
- 4.1.2. **Due Authorization.** The making and performance by Jurisdiction of this Agreement (1) have been duly authorized by all necessary action of Jurisdiction and (2) do not and will not violate any provision of any applicable law, rule, and regulation.
- 4.1.3. **Binding Obligation.** This Agreement has been duly executed and delivered by Jurisdiction and constitutes a legal, valid and binding obligation of Jurisdiction, enforceable according to its terms.
- 4.1.4. **Jurisdiction has reviewed the ePermit contract and ePermit System and is knowledgeable of the ePermit system functionality and performance and has entered into this agreement based on its evaluation of the ePermit Contract and the ePermit System**

4.2. Representations and Warranties of BCD. BCD represents and warrants to Jurisdiction as follows:

- 4.2.1. **Organization and Authority.** BCD is an agency of the state government and BCD has full power, authority and legal right to make this Agreement and to incur and perform its obligations hereunder.
- 4.2.2. **Due Authorization.** The making and performance by BCD of this Agreement (1) have been duly authorized by all necessary action of BCD and (2) do not and will not violate any provision of any applicable law, rule, and regulation.
- 4.2.3. **Binding Obligation.** This Agreement has been duly executed and delivered by BCD and constitutes a legal, valid and binding obligation of BCD, enforceable according to its terms.
- 4.2.4. **Performance Warranty.** BCD will use its best efforts to provide

Jurisdiction access to the ePermit System and implement the Jurisdiction according to the ePermit contract and Exhibit B. Notwithstanding the foregoing, Jurisdiction understands and agrees that the ePermit System is composed of software and services provided by third parties and BCD has no responsibility to Jurisdiction for the functionality or performance of the ePermit System.

- 4.3. The warranties set forth above are in addition to, and not in lieu of, any other warranties set forth in this Agreement or implied by law.

5. ACCESS TO RECORDS AND FACILITIES.

- 5.1. Records Access. BCD, the Secretary of State's Office of the State of Oregon, the Federal Government, and their duly authorized representatives shall have access to the books, documents, papers and records of the Jurisdiction that are directly related to this Agreement, for the purpose of making audits, examinations, excerpts, copies and transcriptions.
- 5.2. Retention of Records. Jurisdiction shall retain and keep accessible all books, documents, papers, and records that are directly related to this Agreement for a minimum of six (6) years, or such longer period as may be required by other provisions of this Agreement or applicable law, following the termination of this Agreement.
- 5.3. Public Records. Jurisdiction shall be deemed the Custodian for the purposes of public records requests regarding requests related to Jurisdiction's building inspection program.

6. JURISDICTION DEFAULT. Jurisdiction shall be in default under this Agreement upon the occurrence of any of the following events:

- 6.1. Jurisdiction fails to perform, observe or discharge any of its covenants, agreements or obligations set forth herein.
- 6.2. Any representation, warranty or statement made by Jurisdiction herein is untrue in any material respect when made.

7. BCD DEFAULT. BCD shall be in default under this Agreement upon the occurrence of any of the following events:

- 7.1. BCD fails to perform, observe or discharge any of its covenants, agreements, or obligations set forth herein; or
- 7.2. Any representation, warranty or statement made by BCD herein is untrue in any material respect when made.

8. TERMINATION.

- 8.1. Jurisdiction Termination. Jurisdiction may terminate this Agreement in its entirety as follows:

- 8.1.1. For its convenience, upon at least six calendar months advance written notice to BCD, with the termination effective as of the first day of the month following the notice period;
- 8.1.2. Upon 30 days advance written notice to BCD, if BCD is in default under this Agreement and such default remains uncured at the end of said 30 day period or such longer period, if any, as Jurisdiction may specify in the notice; or
- 8.1.3. Immediately upon written notice to BCD, if Oregon statutes or federal laws, regulations or guidelines are modified, changed or interpreted by the Oregon Legislative Assembly, the federal government or a court in such a way that Jurisdiction no longer has the authority to meet its obligations under this Agreement.

9. DCBS, BCD TERMINATION. BCD may terminate this Agreement as follows:

- 9.1. For its convenience, upon at least twenty-four calendar months advance written notice to Jurisdiction, with the termination effective as of the first day of the month following the notice period.
- 9.2. Upon termination of the ePermit Contract with such reasonable notice to Jurisdiction as feasible under the terms of the ePermit Contract.
- 9.3. Immediately upon written notice to Jurisdiction if Oregon statutes or federal laws, regulations or guidelines are modified, changed or interpreted by the Oregon Legislative Assembly, the federal government or a court in such a way that BCD no longer has the authority to meet its obligations under this Agreement.
- 9.4. Upon 30 days advance written notice to Jurisdiction, if Jurisdiction is in default under this Agreement and such default remains uncured at the end of said 30 day period or such longer period, if any, as BCD may specify in the notice.
- 9.5. Immediately, in the event that Jurisdiction no longer administers and enforces a building inspection program.

10. EFFECT OF TERMINATION.

- 10.1. No Further Obligation. Upon termination of this Agreement in its entirety, BCD shall have no further obligation to provide access to the ePermit System and related Services to Jurisdiction.
- 10.2. Survival. Termination or modification of this Agreement pursuant to sections 8 and 9 above, shall be without prejudice to any obligations or liabilities of either party already accrued prior to such termination or modification. However, upon receiving a notice of termination, Jurisdiction shall immediately cease all activities under this Agreement, unless expressly directed otherwise by BCD in the notice of termination.

10.3. Minimize Disruptions. If a termination right set forth in section 8 or 9 is exercised, both parties shall make reasonable good faith efforts to minimize unnecessary disruption or other problems associated with the termination.

10.4. Jurisdiction Data. Jurisdiction may obtain a copy of data related to its building inspection program.

- 11. NOTICE.** Except as otherwise expressly provided in this Agreement, any communications between the parties hereto or notices to be given hereunder shall be given in writing by personal delivery, facsimile, or mailing the same, postage prepaid to Jurisdiction or BCD at the addresses or numbers set forth on page one of this agreement, or to such other addresses or numbers as either party may indicate pursuant to this section. Any communication or notice so addressed and mailed shall be effective five (5) days after mailing. Any communication or notice delivered by facsimile shall be effective on the day the transmitting machine generates a receipt of the successful transmission, if transmission was during normal business hours of the recipient, or on the next business day, if transmission was outside normal business hours of the recipient. To be effective against BCD, any notice transmitted by facsimile must be confirmed by telephone notice to BCD's ePermitting Manager. To be effective against Jurisdiction, any notice transmitted by facsimile must be confirmed by telephone notice to Jurisdiction's City Manager or County Administrative Officer. Any communication or notice given by personal delivery shall be effective when actually delivered.
- 12. SEVERABILITY.** The parties agree that if any term or provision of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular term or provision held to be invalid.
- 13. COUNTERPARTS.** This Agreement may be executed in several counterparts, all of which when taken together shall constitute one agreement binding on all parties, notwithstanding that all parties are not signatories to the same counterpart. Each copy of this Agreement so executed shall constitute an original.
- 14. GOVERNING LAW, CONSENT TO JURISDICTION.** This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon without regard to principles of conflicts of law. Any claim, action, suit or proceeding (collectively, "Claim") between BCD (and/or any other agency or department of the State of Oregon) and Jurisdiction that arises from or relates to this Agreement shall be brought and conducted solely and exclusively within a circuit court in the State of Oregon of proper jurisdiction. In no event shall this section be construed as a waiver by the State of Oregon of any form of defense or immunity, whether sovereign immunity, governmental immunity, immunity based on the eleventh amendment to the Constitution of the United States or otherwise, from any Claim or from the jurisdiction of any court. JURISDICTION, BY EXECUTION OF THIS AGREEMENT, HEREBY CONSENTS TO THE IN PERSONAM JURISDICTION OF SAID COURTS.

- 15. COMPLIANCE WITH LAW.** The parties shall comply with all state and local laws, regulations, executive orders and ordinances applicable to the Agreement. All employers, including BCD and Jurisdiction, that employ subject workers who provide Services in the State of Oregon shall comply with ORS 656.017 and provide the required Workers' Compensation coverage, unless such employers are exempt under ORS 656.126.
- 16. ASSIGNMENT OF AGREEMENT, SUCCESSORS IN INTEREST.** The parties agree there will be no assignment or delegation of the Agreement, or of any interest in this Agreement, unless both parties agree in writing. The parties agree that no services required under this Agreement may be performed under subcontract unless both parties agree in writing. The provisions of this Agreement shall be binding upon and shall inure to the parties hereto, and their respective successors and permitted assignees.
- 17. NO THIRD PARTY BENEFICIARIES.** BCD and Jurisdiction are the only parties to this Agreement and are the only parties entitled to enforce its terms. Nothing in this Agreement gives, is intended to give, or shall be construed to give or provide any benefit or right, whether directly, indirectly or otherwise, to third persons any greater than the rights and benefits enjoyed by the general public unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of the terms of this Agreement.
- 18. WAIVER.** The failure of either party to enforce any provision of this Agreement shall not constitute a waiver by that party of that or any other provision. No waiver or consent shall be effective unless in writing and signed by the party against whom it is asserted.
- 19. AMENDMENT.** No amendment, modification or change of terms of this Agreement shall bind either party unless in writing and signed by both parties and when required by the Department of Administrative Services and Department of Justice. Such amendment, modification or change, if made, shall be effective only in the specific instance and for the specific purpose given. Jurisdiction, by signature of its authorized representative, hereby acknowledges that it has read this Agreement, understands it, and agrees to be bound by its terms and conditions.
- 20. HEADINGS.** The headings and captions to sections of this Agreement have been inserted for identification and reference purposes only and shall not be used to construe the meaning or to interpret this Agreement.
- 21. CONSTRUCTION.** This Agreement is the product of extensive negotiations between BCD and representatives of Jurisdiction. The provisions of this Agreement are to be interpreted and their legal effects determined as a whole. An arbitrator or court interpreting this Agreement shall give a reasonable, lawful and effective meaning to the Agreement to the extent possible, consistent with the public interest.
- 22. INDEPENDENT CONTRACTOR.** The parties agree and acknowledge that their relationship is that of independent contracting parties and that neither party is

an officer, employee, or agent of the other as those terms are used in ORS 30.265 or otherwise.

23. LIMITATION OF LIABILITY.

23.1. Jurisdiction agrees that BCD shall not be subject to any claim, action, or liability ARISING IN ANY MANNER WHATSOEVER OUT OF ANY ACT OR OMISSION, INTERRUPTION, OR CESSATION OF ACCESS OR SERVICE UNDER THIS AGREEMENT. THE STATE SHALL NOT BE LIABLE OR RESPONSIBLE FOR ANY DIRECT, INDIRECT SPECIAL OR CONSEQUENTIAL DAMAGES SUSTAINED BY THE POLITICAL SUBDIVISION, INCLUDING, BUT NOT LIMITED TO, DELAY, INTERRUPTION OF BUSINESS ACTIVITIES, OR LOST RECEIPTS THAT MAY RESULT IN ANY MANNER WHATSOEVER FROM ANY ACT OR OMISSION, INTERRUPTION, OR CESSATION OF SERVICE.

23.2. EXCEPT FOR LIABILITY ARISING UNDER SECTION 26 NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT. NEITHER PARTY SHALL BE LIABLE FOR ANY DAMAGES OF ANY SORT ARISING SOLELY FROM THE TERMINATION OF THIS AGREEMENT OR ANY PART HEREOF IN ACCORDANCE WITH ITS TERMS.

24. FORCE MAJEURE. Neither BCD nor Jurisdiction shall be held responsible for delay or default caused by fire, civil unrest, labor unrest, natural causes, or war which is beyond the reasonable control of BCD or Jurisdiction, respectively. Each party shall, however, make all reasonable efforts to remove or eliminate such cause of delay or default and shall, upon the cessation of the cause, diligently pursue performance of its obligations under this Agreement.

25. TIME IS OF THE ESSENCE. Time is of the essence in the performance of all under this Agreement.

26. CONTRIBUTION

26.1. If any third party makes any claim or brings any action, suit or proceeding ("Third Party Claim") against a party (the "Notified Party") with respect to which the other party ("Other Party") may have liability, the Notified Party must promptly notify the Other Party in writing of the Third Party Claim and deliver to the Other Party a copy of the claim, process, and all legal pleadings with respect to the Third Party Claim. Either party is entitled to participate in the defense of a Third Party Claim, and to defend a Third Party Claim with counsel of its own choosing. Receipt by the Other Party of the notice and copies required in this paragraph and meaningful opportunity for the Other Party to participate in the investigation, defense and settlement of the Third Party Claim with counsel of its own choosing are conditions precedent to the Other Party's liability with respect to the Third Party Claim.

- 26.2. With respect to a Third Party Claim for which BCD is jointly liable with the Jurisdiction (or would be if joined in the Third Party Claim), BCD shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by the Jurisdiction in such proportion as is appropriate to reflect the relative fault of BCD on the one hand and of the Jurisdiction on the other hand in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of BCD on the one hand and of the Jurisdiction on the other hand shall be determined by reference to, among other things, the parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. BCD's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law if BCD had sole liability in the proceeding.
- 26.3. With respect to a Third Party Claim for which the Jurisdiction is jointly liable with BCD (or would be if joined in the Third Party Claim), the Jurisdiction shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by BCD in such proportion as is appropriate to reflect the relative fault of the Jurisdiction on the one hand and of BCD on the other hand in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of the Jurisdiction on the one hand and of BCD on the other hand shall be determined by reference to, among other things, the parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. The Jurisdiction's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law if it had sole liability in the proceeding.

27. AGREEMENT DOCUMENTS IN ORDER OF PRECEDENCE. This Agreement consists of the following documents that are listed in descending order of precedence:

- This Agreement less all exhibits;
- Exhibit A - Jurisdiction Obligations
- Exhibit B - ePermit License Agreement
- Exhibit C - ePermit Contract (not attached, but made available to Jurisdiction)
- Exhibit D - (Work Order, if applicable)
- Exhibit E – Implementation Model

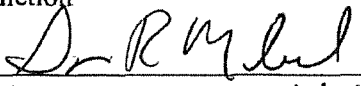
All attached and referenced exhibits are hereby incorporated by reference.

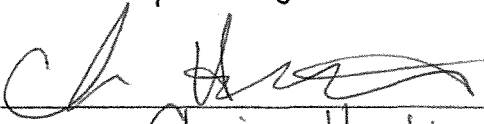
28. MERGER CLAUSE. This Agreement and attached exhibits constitute the entire agreement between the parties on the subject matter hereof. There

are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. No waiver, consent, modification or change of terms of this Agreement shall bind all parties unless in writing and signed by both parties and all necessary State approvals have been obtained. Such waiver, consent, modification or change, if made, shall be effective only in the specific instance and for the specific purpose given. The failure of BCD to enforce any provision of this Agreement shall not constitute a waiver by BCD of that or any other provision.

**JURISDICTION, BY EXECUTION OF THIS AGREEMENT, HEREBY
ACKNOWLEDGES THAT JURISDICTION HAS READ THIS CONTRACT,
UNDERSTANDS IT, AND AGREES TO BE BOUND BY ITS TERMS AND
CONDITIONS.**

A. Jurisdiction

By:  Date: 03-31-15
Printed Name: Spencer Nebel
Title: City Manager

By:  Date: 4/6/15
Printed Name: Chris Huntington
Title: Deputy Administrator

By: _____ Date: _____
Printed Name: _____
Title: _____

**B. State of Oregon, Acting by and through its Department of Consumer and
Business Services, Building Codes Division**

By: _____ Date: _____
Printed Name: _____
Title: _____

**C. State of Oregon, acting by and through its Department of Consumer and Business
Services, Building Codes Division**


By:  Date: 4/19/15
Printed Name: Celina Patterson
Title: Permitting Manager

Exhibit A Jurisdiction Obligations

Jurisdiction Software

As part of the state hosted system, any software being used by Jurisdiction to support either the building permitting system or any supplemental products being purchased from Accela, must be compatible with the Accela product.

Product Features

Jurisdiction agrees to sell permits online through the ePermitting Portal. Jurisdiction agrees to offer online and IVR inspection scheduling for permits in an appropriate status. Jurisdiction agrees to offer online submittal of plan documents at appropriate point(s) in the application process as dictated by the Jurisdiction's workflow associated with each record type.

Permit Numbering Scheme.

As a full service participant, Jurisdiction agrees to include the pre-assigned three digit prefix to all permits covered by and processed through ePermitting system. Permits for any supplemental products purchased through Accela, hosted in the State of Oregon environment and being serviced through the State of Oregon ePortal must also use the three-digit prefix in the permit number. Permits for supplemental products purchased through Accela that will not be hosted or maintained on the Oregon platform and that are not serviced through the State of Oregon ePortal are not required to use the three-digit prefix.

Status and Result Codes.

All status and result codes such as inspections, plan review, permit issuance status will be pursuant to a statewide uniform system. Jurisdiction shall only use the uniform status and result codes.

Inspection Codes.

Inspection types for code required inspections must be consistent throughout the state. Unique inspection types must be requested through and assigned by the ePermitting staff.

Supplemental Products Purchased by Jurisdiction through Accela.

Any supplemental product such as, but not limited to, Land Use, Enforcement, Licensing or other services, are licensed directly to Jurisdiction by Accela. Support services for the supplemental products fall outside of the scope of this Intergovernmental Agreement and are therefore provided through direct agreement with Accela or other service provider. Installation of supplemental products onto the State hosted servers cannot occur before the State ePermitting team begins active development of the building permitting module.

Version (Product) updates.

Migration from one product version of Accela Automation to another product version will be regulated and coordinated through BCD. Supplemental products will be required to migrate to the same version of the product at the same time as the product version for the building product module. After implementation, Jurisdiction is required to test the configuration against new versions of the product in the timeframe specified by BCD.

Exhibit B
Software License Agreement

Note: DCBS through the ePermit Contract has the right to permit Jurisdictions to use the ePermit System software as set forth in Exhibit G, License Agreement, of the ePermit Contract. While the entire software license agreement between the State and Accela, Inc., including the added language in Amendment 7, has been provided here for continuity and ease of use, a participating city or county is only bound by Sections 3.1, 3.2, and 4 as specified in this Agreement.

1. Parties ACCELA	CUSTOMER
Accela, Inc.	State of Oregon
	Department of Consumer & Business
2633 Camino Ramon, Suite	Services P.O. Box 14470
120 Bishop Ranch 3	
San Ramon, California	Salem, OR 97309
94583 Attention: Contracts	Attention: Building Codes
Administration T: 925.659.3200	Division T: (503)378-4100 F:
F: 925.407.2722	(503)378-3989
e-Mail: contractsadmin@accela.com	e-Mail: chris.s.huntington@state.or.us

This License Agreement (“LA”) is intended for the exclusive benefit of the Parties; except as expressly stated herein, nothing will be construed to create any benefits, rights, or responsibilities in any other parties.

2. Term and Termination

- 2.1 Term Provided that Customer signs and returns this LA to Accela **no later than August 8, 2008**, this LA is effective as of the date of Customers signature ("Effective Date") and will continue until terminated as provided herein.
- 2.2 Termination Either party may terminate if the other party materially breaches this LA and, after receiving a written notice describing the circumstances of the default, fails to correct the breach within thirty (30) calendar days. Upon any termination or expiration of this LA, all rights granted to Customer are cancelled and revert to Accela.

3 Intellectual Property

- 3.1 License The software products (“Software”) listed in Exhibit A are protected under the laws of the United States and the individual states and by international treaty provisions. Accela retains full ownership in the Software and grants to Customer a perpetual, limited, nonexclusive, nontransferable license to use the Software, subject to the following terms and conditions:

- 3.1.1 The Software is provided for use only by Customer employees. For the purposes of subsections 3.1, 3.2 and Sections 4 of this LA, Customer means: i) the

individual Jurisdiction with respect to its use of the Software, provided that the licensing fee has been paid for such Jurisdiction, and ii) the State of Oregon acting by and through its Department of Consumer and Business Services with respect to its use of the Software.

- 3.1.2 The Software may be installed on one or more computers but may not be used by more than the number of users for which the Customer has named user licenses. For the purposes of this License Agreement, the Customer has unlimited use, per department, of any license covered by this agreement. The Software is deemed to be in use when it is loaded into memory in a computer, regardless of whether a user is actively working with the Software. Accela may audit Customer's use of the Software to ensure that Customer has paid for an appropriate number of licenses. Should the results of any such audit indicate that Customer's use of the Software exceeds its licensed allowance, Customer agrees to pay all costs of its overuse as determined using Accela's then-current pricing; any such assessed costs will be due and payable by Customer upon assessment. Customer agrees that Accela's assessment of overuse costs pursuant to this Subsection is not a waiver by Accela of any other remedies available to Accela in law and equity for Customer's unlicensed use of the Software.
- 3.1.3 Customer may make backup copies of the Software only to protect against destruction of the Software. With exception of the Entity Relationship Diagram and any other documentation reasonably-designated and specifically-marked by Accela as trade secret information not for distribution, Customer may copy Accela's documentation for use by those persons described in section 3.1.1, supra, provided that such use is for business purposes not inconsistent with the terms and conditions of this Licensing Agreement. "Trade Secret" has the meaning set forth in ORS 192.501(2)
- 3.1.4 Customer may not make any form of derivative work from the Software, although Customer is permitted to develop additional or alternative functionality for the Software using tools and/or techniques licensed to Customer by Accela.
- 3.1.5 Customer may not obscure, alter, or remove any confidentiality or proprietary rights notices.
- 3.1.6 Subject to the limitations of Article XI, § 7 of the Oregon Constitution and the Oregon Tort Claims Act (**ORS 30.260 through 30.300**), Customer is liable to Accela for any direct damages incurred as the result of unauthorized reproduction or distribution of the Software which occur while the Software is in Customer's possession or control.
- 3.1.7 Customer may use the Software only to process transactions relating to properties within both its own geographical and political boundaries and in counties contiguous to Oregon with populations below 100,000. Customer may not sell, rent, assign, sublicense, lend, or share any of its rights under this LA.

3.1.8 Customer is entitled to receive the Software compiled (object) code and is licensed to use any data code produced through implementation and/or normal operation of the Software; Customer is not entitled to receive source code for the Software except pursuant to an Intellectual Property Escrow Agreement, which may be executed separately by the Parties. Accela and Customer will execute an Intellectual Property Escrow Agreement within 30 days of Contract execution.

3.1.9 All rights not expressly granted to Customer are retained by Accela.

3.1.10 Customers are allowed unlimited use, per department, of software products listed in Exhibit A, for in-scope record type categories defined in Attachment 1 to this LA. In addition, each customer is allowed five (5) additional record types for activities that fall outside of the in-scope record type categories defined in Attachment 1 to this L.A., are delivered under the Building Department and are submitted to and approved by DCBS.

3.2 License Warranties

3.2.1 Accela warrants that it has full power and authority to grant this license and that, as of the effective date of this LA, the Software does not infringe on any existing intellectual property rights of any third party. If a third party claims that the Software does infringe, Accela may, at its sole option, secure for Customer the right to continue using the Software or modify the Software so that it does not infringe. Accela expressly agrees to defend, indemnify, and hold Customer harmless from any and all claims, suits, actions, losses, liabilities, costs, expenses, including attorneys fees, and damages arising out of or related to any claims that the Software, or the Customers use thereof, infringes any patent, copyright, trade secret, trademark, trade dress, mask work, utility design, or other proprietary right of any third party; provided, that Customer shall provide Accela with prompt written notice of any infringement claim. Accela will have the sole right to conduct the defense of any legal action and all negotiations for its settlement or compromise; provided, however, Accela shall not settle any claim against the Customer with the consent of Customer.

3.2.2 Accela has no obligation for any claim based upon a modified version of the Software or the combination or operation of the Software with any product, data, or apparatus not provided by Accela, with the exception of those products identified in Exhibit J. Accela provides no warranty whatsoever for any third-party hardware or software products.

3.2.3 Except as expressly set forth herein, Accela disclaims any and all express and implied warranties, including but not necessarily limited to warranties of merchantability and fitness for a particular purpose.

3.3 Compensation

3.3.1 License Fees In exchange for the Software described hereinabove, Customer will pay to Accela the amounts indicated in Exhibit A3.

3.3.2 Payment Terms Amounts are quoted in United States dollars and do not include applicable taxes, if any. The payment terms of all invoices are net forty-five (45) calendar days from the dates of the invoices. Any payment not paid to Accela within said period will incur a late payment in an amount equal to two-thirds of one percent (.66%) per month (eight percent (8% per annum), on the outstanding balance from the billing date. Accela may, at its sole discretion, suspend its obligations hereunder without penalty until payments for all past-due billings have been paid in full by Customer. All payments to Contractor are subject to ORS 293.462

4. Confidentiality

4.1 Confidentiality and Nondisclosure. Each party acknowledges that it and its employees or agents may, in the course of performing its responsibilities under this LA, be exposed to or acquire information that is confidential to the other party or the other party's clients. Any and all information clearly marked confidential, or identified as confidential in a separate writing as confidential provided by one party or its employees or agents in the performance of this LA shall be deemed to be confidential information of the other party ("Confidential Information"). Any reports or other documents or items (including software) which result from the use of the Confidential Information by the recipient of such information shall be treated with respect to confidentiality in the same manner as the Confidential Information. Confidential Information shall be deemed not to include information that (a) is or becomes (other than by disclosure by the party acquiring such information) publicly known or is contained in a publicly available document; (b) is furnished by the party disclosing such information to others without restrictions similar to those imposed by this LA; (c) is rightfully in the receiving party's possession without the obligation of nondisclosure prior to the time of its disclosure under this LA; (d) is obtained from a source other than the discloser without the obligation of confidentiality, (e) is disclosed with the written consent of the disclosing party, or; (f) is independently developed by employees or agents of the receiving party who can be shown to have had no access to the Confidential Information.

4.2 The recipient of Confidential Information agrees to hold Confidential Information in strict confidence, using at least the same degree of care that it uses in maintaining the confidentiality of its own Confidential Information, and not to copy, reproduce, sell, assign, license, market, transfer or otherwise dispose of, give or disclose Confidential Information to third parties or use Confidential Information for any purposes whatsoever other than as contemplated by this LA or reasonably related thereto, including without limitation the use by Customer of Accela who need to access or use the System for any valid business purpose, and to advise each of its employees and Accela of their obligations to keep Confidential Information confidential.

- 4.3 Each party shall use commercially reasonable efforts to assist the other in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limitation of the foregoing, each party shall advise the other immediately in the event it learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this LA and each party will at its expense cooperate with the other in seeking injunctive or other equitable relief in the name of the other against any such person.
- 4.4 Each party agrees that, except as provided in this LA or directed by the other, it will not at any time during or after the term of this LA disclose, directly or indirectly, any Confidential Information to any person, and that upon termination of this LA each party will turn over to the other all documents, papers and other matter in its possession which embody Confidential Information.
- 4.5 Each party acknowledges that breach of this Article VIII, including disclosure of any Confidential Information will give rise to irreparable injury which is inadequately compensable in damages. Accordingly, each party may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies that may be available. Each party acknowledges and agrees that the covenants contained herein are necessary for the protection of the legitimate business interests of the other and are reasonable in scope and content.
- 4.6 Customers obligations under this Article VIII shall be subject to the Oregon Public Records Laws, ORS 192.410 through ORS 192.505.

Exhibit C
ePermitting Contract

The epermitting contract is available, upon request, for the Jurisdiction to review.

Exhibit D
Work Order Contract

Under the terms and conditions of the ePermit System Agreement, BCD has the ability to enter into a Work Order Contract for implementation services. Should implementation services be used for the implementation of a specific participating city or county, the provisions of that agreement will be provided here.

A Work Order Contract is not being used to implement this jurisdiction.

Exhibit E

IMPLEMENTATION

OREGON STANDARD MODEL

Oregon Standard Model (OSM), version 2 includes:

- Standard Model Permits (records)
 - Exemption Tracking Record
 - Commercial Alarm Suppression Systems
 - Commercial & Residential Deferred Submittal
 - Commercial & Residential Demolition
 - Commercial & Residential Electrical
 - Commercial & Residential Investigation
 - Commercial & Residential Mechanical
 - Commercial & Residential Phased
 - Commercial & Residential Plumbing
 - Commercial RV Park or Manufactured Home Park
 - Commercial & Residential Septic – DEQ
 - Commercial & Residential Site Development
 - Commercial & Residential Structural
 - Commercial & Residential Research
 - Driveway (if used counts as 1 out of scope)
 - Inquiry
 - Post Disaster
 - Residential 1 & 2 Family Dwelling
 - Residential Manufactured Dwelling
- Standard Model Reports
 - Application About to Expire (List and Letters to Applicant and Owner)
 - Permit About to Expire ((List and Letters to Applicant and Owner)
 - Usage
 - Configuration Reports

- Fee by Account (Summary & Detail)
- Invoice
- Out of Balance
- Payments Applied
- Payments not Applied
- Refunds Issued
- Payments Received
- Payments Summary
- School Construction Excise Tax
- Inspection Correction Notice
- Inspection Summary
- Inspections Assigned
- Recent Inspection Activity
- Monthly Permit Summary
- Monthly Permits Issued
- Monthly Permits Issued Valuation Report
- State Surcharge
- State Surcharge Details
- Balance Due
- Building Application
- Building Permit
- Certificate of Occupancy
- Fee Estimate
- Fee by Record
- Phased Authorization to Begin Work
- Plan Review Checklist
- Temporary Certificate of Occupancy
- Work Authorization
- Receipt

Use of “Consistent Form and Fee Methodology”

Use of Elavon “Virtual Merchant” payment processor with US Bank for internet credit card processing in Accela Citizen Access (ACA)

Oregon Standard Model Implementation includes:

- Several “out of scope” (non-building department) permits: options include tracking record for Planning fees and applications, and business licensing.
- Importing jurisdiction’s fee schedule into Accela
- Data conversion
- Address, Parcel, Owner Database Load
 - ePermitting will provide documentation about how data is to be formatted
 - Jurisdiction will provide files containing Address, Parcel, Owner reference data for loading into ePermitting database
- Interfaces to Jurisdiction Systems (optional)
 - Financial
 - ePermitting will provide files with specified fields for interfaces to jurisdiction’s on site systems
 - Jurisdiction will upload the files into their on site system
 - GIS

- ESRI ArcGIS Server 10 or ESRI ArcGIS Server 10 sp 1
 - Future versions of Accela Software may require upgrades to ESRI software to maintain interface operability
- Training
 - ePermitting provides online training through its ePermitting Web site, several Live trainings will also be arranged through Go To Meeting.
 - Jurisdiction's "super users" will train other jurisdictional employees
- Administrative Responsibilities
 - State may provide limited training on administrative system administrative tools, allowing Jurisdiction to manage its users, fees, inspection calendars and email alerts; Jurisdiction may also write reports that can be run against the data warehouse.
 - ePermitting reserves the right to turn off administrative tools and rights if Jurisdiction's use of the tools is causing problems to the system or if Jurisdiction does not have a trained system administrator.
- Coordination with Accela
 - If Jurisdiction purchases other modules, such as Planning or Code Enforcement, from Accela and has them implemented by Accela, an independent contractor or by Jurisdiction staff, Jurisdiction must coordinate that implementation with ePermitting.
 - Coordination with ePermitting means including ePermitting staff in project management meetings with Jurisdiction and the party implementing the other modules.
- Third Party Jurisdictions
 - If Jurisdiction uses a third party building official and/or inspection agency, Jurisdiction shall run the third party report provided with OSM and submit it with their program assumption Plans. ORS 455.148 (4).

Enrolled
House Bill 2415

Sponsored by Representative FAHEY; Representatives HOLVEY, NATHANSON, WILDE (at the request of National Electrical Contractors Association) (Pre-session filed.)

CHAPTER

AN ACT

Relating to electronic access to building codes information; creating new provisions; amending ORS 455.095 and 455.097; and prescribing an effective date.

Be It Enacted by the People of the State of Oregon:

SECTION 1. The Department of Consumer and Business Services shall adopt rules to establish minimum standards and statewide consistency in electronic processes for reviewing plans, issuing permits and performing field inspections.

SECTION 2. ORS 455.095 is amended to read:

455.095. (1) The Department of Consumer and Business Services shall develop and implement a system that provides electronic access to building codes information. The department shall *[make the system accessible for use by municipalities in carrying out the building inspection programs administered and enforced by the municipalities.]* **permit and assist municipalities that administer and enforce building inspection programs to have access to and use the system.**

(2) The department may also make the system available for use by other public bodies that provide construction-related services including, but not limited to, public bodies described in ORS 455.185 (4). The information and services available through the system *[may]* **must** include, but need not be limited to:

- (a) Licensing, permit, inspection and other relevant information;
- (b) Access to forms;
- (c) Electronic submission of **and payment for** permit applications;
- (d) Electronic submission of plans for review;
- (e) **Electronic receipt of plan approvals and permits;**
- [(e)]* (f) Electronic issuance of minor label or other appropriate permits;
- [(f)]* (g) Access to permit and inspection processes;
- [(g)]* (h) **Receiving requests for and scheduling [of] inspections, tracking of corrections and granting of approvals; [and]**

(i) **Performance of electronic field inspections, construction progress inspections and on-site verification of compliance with building codes requirements; and**

[(h)] (j) The coordination and tracking of construction-related services.

[(3)] **The use of the system described in this section by a municipality or other public body is voluntary. Nonparticipation in the system by a municipality or other public body is not grounds for the department to suspend, revoke authorization for or assume the administration of a building inspection program described in ORS 455.148 or 455.150 or to impose other disciplinary actions or sanctions against a municipality or other public body.]**

(3) A municipality that administers and enforces a building inspection program shall:

(a) Use the system described in subsection (2) of this section or a system that the municipality develops, owns or has access to that has features, capabilities and functions that are equivalent to the system described in subsection (2) of this section; and

(b) Meet the minimum standards the department adopts under section 1 of this 2021 Act, regardless of whether the municipality uses the system described in subsection (2) of this section or a system that is equivalent to the system described in subsection (2) of this section.

SECTION 3. ORS 455.097 is amended to read:

455.097. (1) As used in this section, "form and format":

(a) Means the arrangement, organization, configuration, structure or style of, or method of delivery for, providing required information or providing the substantive equivalent of required information.

(b) Does not [*mean*] **include** altering the substance of information or the addition or omission of information.

[(2) *The purpose of this section and ORS 455.095 is to enable the Department of Consumer and Business Services to develop and implement a system that:*]

[(a) *Provides electronic access to building codes information;*]

[(b) *Is designed to offer a full range of electronic building permits services;*]

[(c) *Allows the streamlining of building inspection services;*]

[(d) *Provides a uniform form and format for submitting building codes information electronically;*]

[(e) *Is available for use by any municipality administering and enforcing a building inspection program; and*]

[(f) *At the discretion of the department:*]

[(A) *Is available for use by other public bodies that provide construction-related services; and*]

[(B) *Supports access for other purposes that may include, but need not be limited to, access for the coordination and tracking of construction-related services.*]

[(3)] (2) The department shall adopt rules to govern the form and format of building permit applications, building plans, specifications, other building program information and any other information exchanged through the electronic building codes information system described in ORS 455.095.

[(4)] (3) The department may waive a contrary form and format requirement imposed by statute or ordinance or by the rules of another agency for the submission of information in physical form to the extent the waiver is necessary to facilitate the submission of the information electronically. The department may accept an electronic reproduction of a signature, stamp, seal, certification or notarization as the equivalent of the original or may accept the substitution of identifying information for the signature, stamp, seal, certification or notarization. The department may not waive a requirement imposed by statute or ordinance or by the rules of another agency, other than a form and format requirement.

[(5)] (4) A person exchanging information through the electronic building codes information system in a form and format acceptable to the department is not subject to any licensing sanction, civil penalty, fine, permit disapproval or revocation or other sanction for failure to comply with a form or format requirement imposed by statute, ordinance or rule for submission of the information in physical form, including but not limited to any requirement that the information be in a particular form or of a particular size, be submitted with multiple copies, be physically attached to another document, be an original document or be signed, stamped, sealed, certified or notarized.

SECTION 4. (1) The amendments to ORS 455.095 and 455.097 by sections 2 and 3 of this 2021 Act become operative on January 1, 2025.

(2) The Director of the Department of Consumer and Business Services may adopt rules, amend building codes and perform any other action before the operative date specified in subsection (1) of this section that is necessary to enable the director, on and after the op-

erative date specified in subsection (1) of this section, to undertake and exercise all of the duties, functions and powers conferred on the director by the amendments to ORS 455.095 and 455.097 by sections 2 and 3 of this 2021 Act.

SECTION 5. This 2021 Act takes effect on the 91st day after the date on which the 2021 regular session of the Eighty-first Legislative Assembly adjourns sine die.

Passed by House April 15, 2021

.....
Timothy G. Sekerak, Chief Clerk of House

.....
Tina Kotek, Speaker of House

Passed by Senate May 27, 2021

.....
Peter Courtney, President of Senate

Received by Governor:

.....M,....., 2021

Approved:

.....M,....., 2021

.....
Kate Brown, Governor

Filed in Office of Secretary of State:

.....M,....., 2021

.....
Shemia Fagan, Secretary of State

CITY MANAGER REPORT AND RECOMMENDATIONS



Meeting Date: January 2, 2024

Agenda Item:

Report on Referring to the Voters an Ordinance for a Street Improvement Measure to Increase the Vehicle Fuel Tax to Five Cents per Gallon Year-Round.

Background:

The City Council has asked that we prepare certain documents for review by Council to refer to the voters an ordinance increasing funding for road improvements for the May 21, 2024 election. Attached are materials for review by Council, should the City Council wish to move forward with this measure at the May election. Final actions would need to be taken by the February 19 City Council meeting, in order to refer this matter to the voters. Please review the language so we can finalize these documents for formal consideration by the City Council. It would be our intent to provide some information on this issue prior to enacting the referral to voters in order to get information out to the Newport taxpayers regarding this funding mechanism.

Recommendation:

I recommend the City Council consider the following motion:

I move to direct City Administration and the City Attorney to finalize documents for consideration by the City Council in time to place this measure on the May 21 ballot.

Fiscal Effects:

None directly by this motion. It should be noted that our current gas tax generates \$197,000 a year based on last fiscal year's statistics. The change would generate \$508,000 from these taxes, should a five cent per gallon tax being implemented by the voters.

Alternatives:

Refer this matter to the voters for the November 5, 2024 election, or as suggested by the City Council.

Respectfully submitted,

Spencer Nebel
City Manager

CITY OF NEWPORT

ORDINANCE NO. 2217

AN ORDINANCE OF THE CITY OF NEWPORT
INCREASING THE MOTOR VEHICLE FUEL TAX
TO FIVE CENTS PER GALLON YEAR-ROUND
REFERRING ORDINANCE NO. 2217 TO THE VOTERS AT THE
GENERAL ELECTION TO BE HELD ON MAY 21, 2024

WHEREAS, the Newport City Council established a Finance Work Group, by resolution, from 2018 to 2021. The task of the Work Group was to create a financial sustainability plan for the City of Newport; and

WHEREAS, the City Council adopted Ordinance No. 1984 in 2009, which added Chapter 3.10 - Motor Vehicle Fuel Tax - to the Newport Municipal Code; and

WHEREAS, one of the recommendations of the Finance Work Group was that the City Council consider an increase in the motor vehicle fuel tax from the current one cent per gallon for the period November 1 to May 31, and the current three cents per gallon for the period June 1 to October 31, to five cents per gallon year-round to fund roads, streets, bike and pedestrian pathways, and other multi-modal transportation systems; and

WHEREAS, the City Council adopted Ordinance No. 2186 and referred it to the electors of the City of Newport at the November 2, 2021 election, which would have increased the motor vehicle fuel tax to five cents per gallon year-round, but the ballot measure (Measure 21-206) failed with a vote of 1,577 in favor and 2,092 against; and

WHEREAS, the City Council desires to refer another ordinance to the electors of the City of Newport to increase the motor vehicle fuel tax to five cents per gallon year-round.

THE CITY OF NEWPORT ORDAINS AS FOLLOWS:

Section 1. Section 3.10.030 of Chapter 3.10 of the Newport Municipal Code is amended as set forth below (deleted language is shown in ~~strikethrough~~ and language to be added is depicted with underline):

CHAPTER 3.10 MOTOR VEHICLE FUEL TAX

3.10.010 Definitions

The following definitions apply to this chapter.

A. **City.** The City of Newport, Oregon.

B. **Dealer.** Any person who:

1. Imports or causes to be imported motor vehicle fuel for sale, use or distribution in the City, but "dealer" does not include any person who imports into the City motor vehicle fuel in quantities of 500 gallons or less purchased from a supplier who is licensed as a dealer hereunder if that dealer assumes liability for the payment of the applicable license tax to the City; or

2. Produces, refines, manufactures or compounds motor vehicle fuels in the city for use, distribution or sale in the City; or
 3. Acquires in the city for sale, use or distribution in the city motor vehicle fuels with respect to which there has been no license tax previously incurred.
- C. **Distribution**. In addition to its ordinary meaning, the delivery of motor vehicle fuel by a dealer to any service station or into any tank, storage facility or series of tanks or storage facilities connected by pipelines, from which motor vehicle fuel is withdrawn directly for sale or for delivery into the fuel tanks of motor vehicles whether or not the service station, tank or storage facility is owned, operated or controlled by the dealer.
- D. **Highway**. Every way, thoroughfare and place of whatever nature, open for use of the public for the purpose of vehicular travel.
- E. **Motor Vehicle**. All vehicles, engines or machines, movable or immovable, operated or propelled by the use of motor vehicle fuel that operates on highways, roadways and streets.
- F. **Motor Vehicle Fuel**. Includes gasoline, diesel, mogas, methanol and any other flammable or combustible gas or liquid, by whatever name such gasoline, diesel, mogas, methanol, gas or liquid is known or sold, usable as fuel for the operation of motor vehicles, except gas, diesel, mogas, methanol or liquid, the chief use of which, as determined by the tax administrator, is for purposes other than the propulsion of motor vehicles upon the highways roadways and streets.
- G. **Person**. Includes every natural person, association, firm, partnership, corporation, joint venture or other business entity.
- H. **Service Station**. Any place operated for the purpose of retailing and delivering motor vehicle fuel into the fuel tanks of motor vehicles.
- I. **Tax Administrator**. The city manager, the city manager's designee, or any person or entity with whom the city manager contracts to perform those duties.
- J. **Weight Receipt**. A receipt issued by the Oregon Department of Transportation, stating the combined weight of each self-propelled or motor-driven vehicle.

3.10.020 Tax Imposed

The following applies to taxes imposed.

- A. A business license tax is hereby imposed on every dealer. The tax imposed shall be paid monthly to the tax administrator. The tax administrator is authorized to exercise all supervisory and administrative powers with regard to the enforcement, collection and administration of the business license tax, including all powers specified in ORS 319.010 to 319.430.

3.10.030 Amount and Payment

In addition to any fees or taxes otherwise provided for by law, every dealer engaging in the city in the sale, use or distribution of motor vehicle fuel, shall:

- A. Not later than the 25th day of each calendar month, render a statement to the tax administrator on forms prescribed, prepared and furnished by the tax administrator of all motor vehicle fuel sold, used or distributed by him/her in the city as well as all such fuel sold, used or distributed in the city by a purchaser thereof upon which sale, use or distribution the dealer has assumed liability for the applicable license tax during the preceding calendar month.
- B. Pay a license tax computed on the basis of:
 1. ~~\$.01 (one cent)~~ \$.05 (five cents) per gallon of such motor vehicle fuel so sold, used or distributed as shown by such statement in the manner and within the time provided in this code, ~~plus.~~
 2. ~~Beginning June 1st and ending October 31st of each year, an additional \$.02 (two cents) per gallon of such motor vehicle fuel so sold, used or distributed as shown by such statement in the manner and within the time provided in this code.~~
- C. ~~On or before May 1st of each year, the license tax computed pursuant to 3.10.030 (B) (1) or 3.10.030 (B) (2) may be increased or decreased after a public hearing and a vote of approval by the City Council, but in no case shall any increase or decrease to 3.10.030 (B) (1) or 3.10.030 (B) (2) exceed \$.02 (two cents) per gallon per year.~~

3.10.040 License Requirements

No dealer shall sell, use or distribute any motor vehicle fuel until he/she has secured a dealer's business license as required herein.

3.10.050 License. Applications and Issuance

- A. Every person, before becoming a dealer in motor vehicle fuel in this city, shall make application to the tax administrator for a license authorizing such person to engage in business as a dealer.
- B. Applications for the business license shall be made on forms prescribed, prepared and furnished by the tax administrator.
- C. Applications shall be accompanied by a duly acknowledged certificate containing:
 1. The business name under which the applicant transacts business.
 2. The address of applicant's principal place of business and location of distributing stations in and within three miles of the city.

3. The name and address of the managing agent, the names and addresses of the several persons constituting the firm or partnership or, if a corporation, the name under which the corporation is authorized to transact business and the names and addresses of its principal officers and registered agent, as well as primary transport carrier.
- D. If an application for a dealer for a business license is complete and accepted for filing, the tax administrator shall issue to the dealer a license in such form as the tax administrator may prescribe to transact business in the city. A license issued hereunder is not assignable, and is valid only for the dealer in whose name it is issued.
 - E. The tax administrator shall retain all completed applications with an alphabetical index thereof, together with a record of all licensed dealers.

3.10.060 Failure to Secure License

- A. If a dealer sells, distributes or uses any motor vehicle fuel without first filing the certificate and obtaining the license required by Section 3.10.050 of this ordinance, the license tax on all motor vehicle fuel sold, distributed or used by that dealer shall be immediately due and payable.
- B. The tax administrator shall proceed forthwith to determine, from as many available sources as the tax administrator determines reasonable, the amount of tax due, shall assess the dealer for the tax in the amount found due, together with a penalty of 100 percent of the tax, and shall make its certificate of such assessment and penalty. In any suit or proceeding to collect the tax or penalty or both, the certificate shall be prima facie evidence that the dealer therein named is indebted to the city in the amount of the tax and penalty stated.
- C. Any tax or penalty assessed pursuant to this section may be collected in the manner prescribed in this ordinance with reference to delinquency in payment of the fee or by an action at law.
- D. In the event any suit or action is instituted to enforce this section, if the City is the prevailing party, the City shall be entitled to recover from the person sued reasonable attorney's fees at trial or upon appeal of such suit or action, in addition to all other sums provided by law.

3.10.070 Revocation of License

The City or its authorized agent shall revoke the license of any dealer refusing or neglecting to comply with any provision of this ordinance. The City or its authorized agent shall mail by certified mail addressed to such dealer or at his last known address appearing on the files, a notice of intention to cancel. The notice shall give the reason for the cancellation. The cancellation shall become effective without further notice if

within 10 days from the mailing of the notice the dealer or fuel-handler has not made good its default or delinquency.

3.10.080 Cancellation of License

- A. The tax administrator may, upon written request of a dealer, cancel a license issued to that dealer. The tax administrator shall, upon approving the dealer's request for cancellation, set a date not later than 30 days after receipt of the written request, after which the license shall no longer be effective.
- B. The tax administrator may, after 30 days' notice has been mailed to the last known address of the dealer, cancel the license of dealer upon finding that the dealer is no longer engaged in the business of a dealer.

3.10.090 Remedies Cumulative

The remedies provided in this Ordinance are cumulative. No action taken pursuant to those sections shall relieve any person from the penalty provisions of this code.

3.10.100 Payment of Tax and Delinquency

- A. The business license tax imposed by Sections 3.10.020 to 3.10.050 of this chapter shall be paid to the tax administrator on or before the 25th day of each month.
- B. Except as provided in subsections (C) and (E) of this section, if payment of the license tax is not paid as required by subsection (A) of this section, a penalty of 1 percent of such license tax shall be assessed and be immediately due and payable.
- C. Except as provided in subsection (E) of this section, if the payment of the tax and penalty, if any, is not made on or before the 1st day of the next month following that month in which payment is due, a further penalty of 10 percent of the tax shall be assessed. Said penalty shall be in addition to the penalty provided for in subsection (B) of this section and shall be immediately due and payable.
- D. If the license tax imposed by Sections 3.10.020 to 3.10.050 of this code is not paid as required by subsection (A) of this section, interest shall be charged at the rate of .0329 percent per day until the tax, interest and penalties have been paid in full.
- E. Penalties imposed by this section shall not apply if a penalty has been assessed and paid pursuant to Section 3.10.060. The tax administrator may for good cause shown waive any penalties assessed under this section.
- F. If any person fails to pay the license tax, interest, or any penalty provided for by this section, the tax, interest, and/or penalty shall be collected from that person for the use of the city. The tax administrator shall commence and prosecute to final determination in any court of competent jurisdiction an action at law to collect the same.

G. In the event any suit or action is instituted to collect the business license tax, interest, or any penalty provided for by this section, if the City is the prevailing party, the City shall be entitled to recover from the person sued reasonable attorney's fees at trial or upon appeal of such suit or action, in addition to all other sums provided by law.

3.10.110 Monthly Statement of Dealer

Every dealer in motor vehicle fuel shall provide to the tax administrator on or before the 25th day of each month, on forms prescribed, prepared and furnished by the tax administrator, a statement of the number of gallons of motor vehicle fuel sold, distributed or used by the dealer during the preceding calendar month. The statement shall be signed by the dealer or the dealer's agent.

3.10.120 Failure to File Monthly Statement

If a dealer fails to file any statement required by Section 3.10.110, the tax administrator shall proceed forthwith to determine from as many available sources as the tax administrator determines reasonable the amount of motor vehicle fuel sold distributed or used by such dealer for the period unreported, and such determination shall in any proceeding be prima facie evidence of the amount of fuel sold, distributed or used. The tax administrator shall immediately assess the dealer for the license tax upon the amount determined, adding thereto a penalty of 10 percent of the tax. The penalty shall be cumulative to other penalties provided in this code.

3.10.130 Billing Purchasers

Dealers in motor vehicle fuel shall render bills to all purchasers of motor vehicle fuel. The bills shall separately state and describe the different products sold or shipped there under and shall be serially numbered except where other sales invoice controls acceptable to the tax administrator are maintained.

3.10.140 Failure to Provide Invoice or Delivery Tag

No person shall receive and accept motor vehicle fuel from any dealer, or pay for the same, or sell or offer the motor vehicle fuel for sale, unless the motor vehicle fuel is accompanied by an invoice or delivery tag showing the date upon which motor vehicle fuel was delivered, purchased or sold and the name of the dealer in motor vehicle fuel.

3.10.150 Transporting Motor Vehicle Fuel in Bulk

Every person operating any conveyance for the purpose of hauling, transporting or delivering motor vehicle fuel in bulk shall, before entering upon the public highways of the city with such conveyance, have and possess during the entire time of the hauling or transporting of such motor vehicle fuel, an invoice, bill of sale or other written statement showing the number of gallons, the true name and address of the seller or consignor, and the true name and address of the buyer or consignee, if any, of the same. The person hauling such motor vehicle fuel shall, at the request of any officer authorized by

law to inquire into or investigate such matters, produce and offer for inspection the invoice, bill of sale or other statement.

3.10.160 Exemption of Export Fuel

- A. The license tax imposed by Section 3.10.020 shall not be imposed on motor vehicle fuel:
 - 1. Exported from the city by a dealer; or
 - 2. Sold by a dealer for export by the purchaser to an area or areas outside the city in containers other than the fuel tank of a motor vehicle, but every dealer shall be required to report such exports and sales to the city in such detail as may be required.
- B. In support of any exemption from business license taxes claimed under this section other than in the case of stock transfers or deliveries in the dealer's own equipment, every dealer must execute and file with the tax administrator an export certificate in such form as shall be prescribed, prepared and furnished by the tax administrator, containing a statement, made by some person having actual knowledge of the fact of such exportation, that the motor vehicle fuel has been exported from the city, and giving such details with reference to such shipment as the tax administrator may require. The tax administrator may demand of any dealer such additional data as is deemed necessary in support of any such certificate, and failure to supply such data will constitute a waiver of all right to exemption claimed by virtue of such certificate. The tax administrator may, in a case where the tax administrator believes no useful purpose would be served by filing of an export certificate, waive the filing of the certificate.
- C. Any motor vehicle fuel carried from the city in the fuel tank of a motor vehicle shall not be considered as exported from the City.
- D. No person shall, through false statement, trick or device, or otherwise, obtain motor vehicle fuel for export as to which the City tax has not been paid and fail to export the same, or any portion thereof, or cause the motor vehicle fuel or any portion thereof not to be exported, or divert or cause to be diverted the motor vehicle fuel or any portion thereof to be used, distributed or sold in the City and fail to notify the tax administrator and the dealer from whom the motor vehicle fuel was originally purchased of his/her act.
- E. No dealer or other person shall conspire with any person to withhold from export, or divert from export or to return motor vehicle fuel to the City for sale or use so as to avoid any of the fees imposed herein.
- F. In support of any exemption from taxes on account of sales of motor vehicle fuel for export by the purchaser, the dealer shall retain in his/her files for at least three years, an export certificate executed by the purchaser in such form and containing such information as is prescribed by the tax administrator. This certificate shall be prima

facie evidence of the exportation of the motor vehicle fuel to which it applies only if accepted by the dealer in good faith.

3.10.170 Sales to Armed Forces Exempted

The license tax imposed by Section 3.10.020 shall not be imposed on any motor vehicle fuel sold to the Armed Forces of the United States, including the U. S. Coast Guard and the Oregon National Guard, for use in ships, aircraft or for export from the city; but every dealer shall be required to report such sales to the tax administrator in such detail as may be required. A certificate by an authorized officer of such Armed Forces shall be accepted by the dealer as sufficient proof that the sale is for the purpose specified in the certificate.

3.10.180 Fuel in Vehicles Coming Into City Not Taxed

Any person coming into the City in a motor vehicle may transport in the fuel tank of such vehicle, motor vehicle fuel for his/her own use only and for the purpose of operating such motor vehicle without securing a license or paying the tax provided in Section 3.10.020 or complying with any of the provisions imposed upon dealers herein, but if the motor vehicle fuel so brought into the City is removed from the fuel tank of the vehicle or used for any purpose other than the propulsion of the vehicle, the person so importing the fuel into the City shall be subject to all the provisions herein applying to dealers.

3.10.190 Refunds

- A. Refunds of tax on motor vehicle fuel will be made pursuant to any refund provisions of Chapter 319 of the Oregon Revised Statutes, including but not limited to ORS 319.280 and 319.831. Claim forms for refunds may be obtained from the Tax Administrator's office.
- B. A holder of a weight receipt that certifies to the City that the motor vehicle fuel upon which the tax was imposed will be used only for fueling vehicles subject to the State of Oregon's weight-mile tax, may apply for a refund of 80 percent of the tax imposed by Section 3.10.020 on motor vehicle fuel purchased in bulk for distribution at the weight receipt holder's facility located within the City. This subsection applies only to motor vehicle fuel purchased by the weight receipt holder on or after February 23, 2005.
- C. All claims for refund under subsection (B) of this section shall be filed within 15 months of the date that the fuel was purchased and may not be filed more frequently than quarterly. The minimum claim for refund filed under subsection (B) of this section shall be not less than \$25.00.

3.10.200 Examinations and Investigations

The tax administrator, or duly authorized agents, may make any examination of accounts, records, stocks, facilities and equipment of dealers, service stations and other persons engaged in storing, selling or distributing motor vehicle fuel or other petroleum

product or products within this City, and such other investigations as it considers necessary in carrying out the provisions of Sections 3.10.020 through 3.10.050. If the examinations or investigations disclose that any reports of dealers or other persons theretofore filed with the tax administrator pursuant to the requirements herein, have shown incorrectly the amount of gallonage of motor vehicle fuel distributed or the tax accruing thereon, the tax administrator may make such changes in subsequent reports and payments of such dealers or other persons, or may make such refunds, as may be necessary to correct the errors disclosed by its examinations or investigation. The dealer shall reimburse the City for the reasonable costs of the examination or investigation if the action discloses that the dealer paid 95 percent or less of the tax owing for the period of the examination or investigation. In the event that such an examination or investigation results in an assessment by and an additional payment due to the City, such additional payment shall be subject to interest at the rate of .0329 percent per day from the date the original tax payment was due.

3.10.210 Limitation on Credit for or Refund of Overpayment and on Assessment of Additional Tax

- A. Except as otherwise provided in this code, any credit for erroneous overpayment of tax made by a dealer taken on a subsequent return or any claim for refund of tax erroneously overpaid filed by a dealer must be so taken or filed within three years after the date on which the overpayment was made to the City.
- B. Except in the case of a fraudulent report or neglect to make a report, every notice of additional tax proposed to be assessed under this code shall be served on dealers within three years from the date upon which such additional taxes become due, and shall be subject to penalty as provided in Section 3.10.100.

3.10.220 Examining Books and Accounts of Carrier of Motor Vehicle Fuel

The tax administrator or duly authorized agents of the tax administrator may at any time during normal business hours examine the books and accounts of any carrier of motor vehicle fuel operating within the City for the purpose of enforcing the provisions of this code.

3.10.230 Records to be Kept by Dealers

Every dealer in motor vehicle fuel shall keep a record in such form as may be prescribed by the tax administrator of all purchases, receipts, sales and distribution of motor vehicle fuel. The records shall include copies of all invoices or bills of all such sales and shall at all times during the business hours of the day be subject to inspection by the tax administrator or authorized officers or agents of the tax administrator.

3.10.240 Records to be Kept Three Years

Every dealer shall maintain and keep, for a period of three years, all records of motor vehicle fuel used, sold and distributed within the City by such dealer, together with stock records, invoices, bills of lading and other pertinent papers as may be required by the

tax administrator. In the event such records are not kept within the state of Oregon, the dealer shall reimburse the tax administrator for all travel, lodging, and related expenses incurred by the tax administrator in examining such records. The amount of such expenses shall be assessed in addition to the tax imposed by Section 3.10.020.

3.10.250 Use of Tax Revenues

- A. For the purpose of this section, net revenue shall mean the revenue from the tax and penalties imposed under this chapter remaining after providing for the cost of administration and any refunds and credits authorized herein.
- B. The net revenue shall be used exclusively for services and materials associated with the design, construction, reconstruction, improvement and repair of roads, streets, bike and pedestrian pathways and other multi-modal transportation systems for which the City owns, operates and maintains, desires to own, operate or maintain, is contractually or legally obligated to operate and maintain, or for which the City has accepted responsibility under intergovernmental agreement. Net revenues shall be not used for City administration costs, City fuel tax administration costs or City personnel costs. Specific projects that are fully or partially funded with revenues received under this Chapter shall be identified and approved by the City Council as a part of the City's annual budget process.

3.10.260 When Tax Shall Take Effect

The tax imposed pursuant to Section 3.10.020 shall take effect October 1, 2009 and only after the Tax Administrator has developed the necessary forms and documents to administer the tax. The Tax Administrator shall declare when the tax shall take effect, and give not less than 15 days notice of the date before the tax may take effect. The Tax Administrator's decision as to the effective date of the tax and the type of notice to provide shall be final and not subject to preview.

3.10.270 Severability

If any portion of this ordinance is for any reason held invalid or unconstitutional by a court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions of this ordinance.

Section 2. Section 3 of Ordinance No. 1984, which provided that the Newport City Council hold a public hearing beginning July 2015 and every two years thereafter to consider the discontinuance of Chapter 3.10, is hereby repealed.

Section 3. This ordinance shall be referred to the electors of the City of Newport at the election of Tuesday, May 21, 2024.

Section 4. Effective Date. This ordinance shall be effective on July 1, 2024, and upon certification of the election results if approved by the electors of the City of Newport at the election of May 21, 2024.

Adopted by the Newport City Council on _____, 2024.

Signed by the Mayor on _____, 2024.

Jan Kaplan, Mayor

ATTEST:

Erik Glover, City Recorder

CITY OF NEWPORT

RESOLUTION NO. 4005

A RESOLUTION CALLING FOR AN ELECTION
TO REFER TO THE VOTERS OF THE CITY OF NEWPORT, OREGON,
A STREET IMPROVEMENT MEASURE THAT WOULD INCREASE THE
MOTOR VEHICLE FUEL TAX TO FIVE CENTS PER GALLON YEAR-ROUND

Finding

On [REDACTED], 2024, the City Council adopted Ordinance No. 2217 imposing a year-round five cents per gallon tax on the sale of motor vehicle fuel, and referring Ordinance No. 2217 to the electors of the City of Newport at the election of May 21, 2024. Based upon this finding:

THE CITY OF NEWPORT RESOLVES AS FOLLOWS:

Section 1. An election is called in and for the City of Newport for the purpose of submitting to the legal voters of the city the ballot title, Attachment A, with the following question:

Shall the City of Newport impose a year-round five cents per gallon tax on the sale of motor vehicle fuel?

Section 2. The explanatory statement for this ballot measure is included as Attachment B.

Section 3. Tuesday, May 21, 2024, is designated as the date for holding the election on the question stated in Section 1 above.

Section 4. The election will be conducted by the Lincoln County Clerk's Office.

Section 5. The precincts for the election shall include all territory within the corporate limits of the City of Newport and no other territory.

Section 6. If the ballot measure is approved by the voters of the City of Newport, the Newport Municipal Code shall be amended as provided in Attachment C.

Adopted by the Newport City Council on _____, 2024.

Jan Kaplan, Mayor

ATTEST:

Erik Glover, City Recorder

**ATTACHMENT A
TO
CITY OF NEWPORT RESOLUTION NO. 4005**

BALLOT TITLE

CAPTION

Funding for street resurfacing and reconstruction projects

QUESTION

Shall the City of Newport impose a year-round five cents per gallon tax on the sale of motor vehicle fuel?

SUMMARY

The tax will address street resurfacing and reconstruction needs. A five-cents per gallon tax would generate approximately an additional \$311,000 per year that would be dedicated to street resurfacing and reconstruction projects.

The city has two primary sources of funding for street improvements, including the current local motor vehicle fuel tax of a variable one/three cents per gallon, from which the city recognizes about \$197,000 annually in taxes for the city's street resurfacing program. In addition, the city receives State Shared Revenues and transportation enhancement funds from the State of Oregon.

Based on an analysis conducted 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 at least fair to good, the city needs to invest \$2 million per year in the street system. The increase in the motor vehicle fuel tax will be part of the investment needed to meet this target.

ATTACHMENT B
TO
CITY OF NEWPORT RESOLUTION NO. 4005

EXPLANATORY STATEMENT

The City Council established a Finance Work Group, by resolution, from 2018 to 2021 to develop a system for projecting the city's long-range financial condition (year one); identify options to address the structural deficit by looking at ways to reduce expenditures and/or increase revenues to provide financial sustainability (year two); and develop a five-year financial plan that achieves financial sustainability during this period (year three).

In addition, the Work Group reviewed estimates of future funding needed to properly maintain, replace, and construct streets and roadways in the City of Newport. The city has a significant gap in meeting the estimated cost of the maintenance, replacement, and construction of streets and roadways. The city has two primary sources of funding for street improvements, including the current local motor vehicle fuel tax of a variable one/three cents per gallon, from which the city recognizes about \$197,000 annually in taxes for the city's street resurfacing program. In addition, the city receives State Shared Revenues and transportation enhancement funds from the State of Oregon.

Based on an analysis conducted 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 at least fair to good, the city needs to invest \$2 million per year in the street system. The increase in the motor vehicle fuel tax will be part of the investment needed to meet this target. The targeted investment of \$2 million would provide the ability for the city to keep up with the capital needs of its streets.

The tax on motor vehicle fuel shares the burden of street improvements with residents and non-residents who utilize the city's street system.

The Finance Work Group report recommended that the City Council consider implementing a year-round five cents per gallon motor vehicle fuel tax. The tax will address street resurfacing and reconstruction needs. A five-cents per gallon tax would generate approximately an additional \$311,000 per year that would be dedicated to street resurfacing and reconstruction projects.

The full text of the measure can be obtained at city hall or at www.newportoregon.gov.

ATTACHMENT C
TO
CITY OF NEWPORT RESOLUTION NO. 4005

If the ballot measure is approved by the voters of the City of Newport, the Newport Municipal Code shall be amended as follows:

Section 1.

Section 3.10.030 of Chapter 3.10 of the Newport Municipal Code is amended as set forth below (deleted language is shown in ~~strike through~~ and language to be added is depicted with underline):

CHAPTER 3.10 MOTOR VEHICLE FUEL TAX

3.10.010 Definitions

The following definitions apply to this chapter.

A. **City.** The City of Newport, Oregon.

B. **Dealer.** Any person who:

1. Imports or causes to be imported motor vehicle fuel for sale, use or distribution in the City, but "dealer" does not include any person who imports into the City motor vehicle fuel in quantities of 500 gallons or less purchased from a supplier who is licensed as a dealer hereunder if that dealer assumes liability for the payment of the applicable license tax to the City; or
2. Produces, refines, manufactures or compounds motor vehicle fuels in the city for use, distribution or sale in the City; or
3. Acquires in the city for sale, use or distribution in the city motor vehicle fuels with respect to which there has been no license tax previously incurred.

C. **Distribution.** In addition to its ordinary meaning, the delivery of motor vehicle fuel by a dealer to any service station or into any tank, storage facility or series of tanks or storage facilities connected by pipelines, from which motor vehicle fuel is withdrawn directly for sale or for delivery into the fuel tanks of motor vehicles whether or not the service station, tank or storage facility is owned, operated or controlled by the dealer.

D. **Highway.** Every way, thoroughfare and place of whatever nature, open for use of the public for the purpose of vehicular travel.

E. **Motor Vehicle.** All vehicles, engines or machines, movable or immovable, operated or propelled by the use of motor vehicle fuel that operates on highways, roadways and streets.

F. **Motor Vehicle Fuel.** Includes gasoline, diesel, mogas, methanol and any other flammable or combustible gas or liquid, by whatever name such gasoline, diesel,

mogas, methanol, gas or liquid is known or sold, usable as fuel for the operation of motor vehicles, except gas, diesel, mogas, methanol or liquid, the chief use of which, as determined by the tax administrator, is for purposes other than the propulsion of motor vehicles upon the highways roadways and streets.

- G. **Person.** Includes every natural person, association, firm, partnership, corporation, joint venture or other business entity.
- H. **Service Station.** Any place operated for the purpose of retailing and delivering motor vehicle fuel into the fuel tanks of motor vehicles.
- I. **Tax Administrator.** The city manager, the city manager's designee, or any person or entity with whom the city manager contracts to perform those duties.
- J. **Weight Receipt.** A receipt issued by the Oregon Department of Transportation, stating the combined weight of each self-propelled or motor-driven vehicle.

3.10.020 Tax Imposed

The following applies to taxes imposed.

- A. A business license tax is hereby imposed on every dealer. The tax imposed shall be paid monthly to the tax administrator. The tax administrator is authorized to exercise all supervisory and administrative powers with regard to the enforcement, collection and administration of the business license tax, including all powers specified in ORS 319.010 to 319.430.

3.10.030 Amount and Payment

In addition to any fees or taxes otherwise provided for by law, every dealer engaging in the city in the sale, use or distribution of motor vehicle fuel, shall:

- A. Not later than the 25th day of each calendar month, render a statement to the tax administrator on forms prescribed, prepared and furnished by the tax administrator of all motor vehicle fuel sold, used or distributed by him/her in the city as well as all such fuel sold, used or distributed in the city by a purchaser thereof upon which sale, use or distribution the dealer has assumed liability for the applicable license tax during the preceding calendar month.
- B. Pay a license tax computed on the basis of:
 - 1. ~~\$.01 (one cent)~~ \$.05 (five cents) per gallon of such motor vehicle fuel so sold, used or distributed as shown by such statement in the manner and within the time provided in this code, ~~plus.~~
 - 2. ~~Beginning June 1st and ending October 31st of each year, an additional \$.02 (two cents) per gallon of such motor vehicle fuel so sold, used or distributed as shown by such statement in the manner and within the time provided in this code.~~

~~C. On or before May 1st of each year, the license tax computed pursuant to 3.10.030 (B) (1) or 3.10.030 (B) (2) may be increased or decreased after a public hearing and a vote of approval by the City Council, but in no case shall any increase or decrease to 3.10.030 (B) (1) or 3.10.030 (B) (2) exceed \$.02 (two cents) per gallon per year.~~

3.10.040 License Requirements

No dealer shall sell, use or distribute any motor vehicle fuel until he/she has secured a dealer's business license as required herein.

3.10.050 License. Applications and Issuance

- A. Every person, before becoming a dealer in motor vehicle fuel in this city, shall make application to the tax administrator for a license authorizing such person to engage in business as a dealer.
- B. Applications for the business license shall be made on forms prescribed, prepared and furnished by the tax administrator.
- C. Applications shall be accompanied by a duly acknowledged certificate containing:
 - 1. The business name under which the applicant transacts business.
 - 2. The address of applicant's principal place of business and location of distributing stations in and within three miles of the city.
 - 3. The name and address of the managing agent, the names and addresses of the several persons constituting the firm or partnership or, if a corporation, the name under which the corporation is authorized to transact business and the names and addresses of its principal officers and registered agent, as well as primary transport carrier.
- D. If an application for a dealer for a business license is complete and accepted for filing, the tax administrator shall issue to the dealer a license in such form as the tax administrator may prescribe to transact business in the city. A license issued hereunder is not assignable, and is valid only for the dealer in whose name it is issued.
- E. The tax administrator shall retain all completed applications with an alphabetical index thereof, together with a record of all licensed dealers.

3.10.060 Failure to Secure License

- A. If a dealer sells, distributes or uses any motor vehicle fuel without first filing the certificate and obtaining the license required by Section 3.10.050 of this ordinance, the license tax on all motor vehicle fuel sold, distributed or used by that dealer shall be immediately due and payable.
- B. The tax administrator shall proceed forthwith to determine, from as many available sources as the tax administrator determines reasonable, the amount of tax due, shall

assess the dealer for the tax in the amount found due, together with a penalty of 100 percent of the tax, and shall make its certificate of such assessment and penalty. In any suit or proceeding to collect the tax or penalty or both, the certificate shall be prima facie evidence that the dealer therein named is indebted to the city in the amount of the tax and penalty stated.

- C. Any tax or penalty assessed pursuant to this section may be collected in the manner prescribed in this ordinance with reference to delinquency in payment of the fee or by an action at law.
- D. In the event any suit or action is instituted to enforce this section, if the City is the prevailing party, the City shall be entitled to recover from the person sued reasonable attorney's fees at trial or upon appeal of such suit or action, in addition to all other sums provided by law.

3.10.070 Revocation of License

The City or its authorized agent shall revoke the license of any dealer refusing or neglecting to comply with any provision of this ordinance. The City or its authorized agent shall mail by certified mail addressed to such dealer or at his last known address appearing on the files, a notice of intention to cancel. The notice shall give the reason for the cancellation. The cancellation shall become effective without further notice if within 10 days from the mailing of the notice the dealer or fuel-handler has not made good its default or delinquency.

3.10.080 Cancellation of License

- A. The tax administrator may, upon written request of a dealer, cancel a license issued to that dealer. The tax administrator shall, upon approving the dealer's request for cancellation, set a date not later than 30 days after receipt of the written request, after which the license shall no longer be effective.
- B. The tax administrator may, after 30 days' notice has been mailed to the last known address of the dealer, cancel the license of dealer upon finding that the dealer is no longer engaged in the business of a dealer.

3.10.090 Remedies Cumulative

The remedies provided in this Ordinance are cumulative. No action taken pursuant to those sections shall relieve any person from the penalty provisions of this code.

3.10.100 Payment of Tax and Delinquency

- A. The business license tax imposed by Sections 3.10.020 to 3.10.050 of this chapter shall be paid to the tax administrator on or before the 25th day of each month.
- B. Except as provided in subsections (C) and (E) of this section, if payment of the license tax is not paid as required by subsection (A) of this section, a penalty of 1 percent of such license tax shall be assessed and be immediately due and payable.

- C. Except as provided in subsection (E) of this section, if the payment of the tax and penalty, if any, is not made on or before the 1st day of the next month following that month in which payment is due, a further penalty of 10 percent of the tax shall be assessed. Said penalty shall be in addition to the penalty provided for in subsection (B) of this section and shall be immediately due and payable.
- D. If the license tax imposed by Sections 3.10.020 to 3.10.050 of this code is not paid as required by subsection (A) of this section, interest shall be charged at the rate of .0329 percent per day until the tax, interest and penalties have been paid in full.
- E. Penalties imposed by this section shall not apply if a penalty has been assessed and paid pursuant to Section 3.10.060. The tax administrator may for good cause shown waive any penalties assessed under this section.
- F. If any person fails to pay the license tax, interest, or any penalty provided for by this section, the tax, interest, and/or penalty shall be collected from that person for the use of the city. The tax administrator shall commence and prosecute to final determination in any court of competent jurisdiction an action at law to collect the same.
- G. In the event any suit or action is instituted to collect the business license tax, interest, or any penalty provided for by this section, if the City is the prevailing party, the City shall be entitled to recover from the person sued reasonable attorney's fees at trial or upon appeal of such suit or action, in addition to all other sums provided by law.

3.10.110 Monthly Statement of Dealer

Every dealer in motor vehicle fuel shall provide to the tax administrator on or before the 25th day of each month, on forms prescribed, prepared and furnished by the tax administrator, a statement of the number of gallons of motor vehicle fuel sold, distributed or used by the dealer during the preceding calendar month. The statement shall be signed by the dealer or the dealer's agent.

3.10.120 Failure to File Monthly Statement

If a dealer fails to file any statement required by Section 3.10.110, the tax administrator shall proceed forthwith to determine from as many available sources as the tax administrator determines reasonable the amount of motor vehicle fuel sold distributed or used by such dealer for the period unreported, and such determination shall in any proceeding be prima facie evidence of the amount of fuel sold, distributed or used. The tax administrator shall immediately assess the dealer for the license tax upon the amount determined, adding thereto a penalty of 10 percent of the tax. The penalty shall be cumulative to other penalties provided in this code.

3.10.130 Billing Purchasers

Dealers in motor vehicle fuel shall render bills to all purchasers of motor vehicle fuel. The bills shall separately state and describe the different products sold or shipped there under and shall be serially numbered except where other sales invoice controls acceptable to the tax administrator are maintained.

3.10.140 Failure to Provide Invoice or Delivery Tag

No person shall receive and accept motor vehicle fuel from any dealer, or pay for the same, or sell or offer the motor vehicle fuel for sale, unless the motor vehicle fuel is accompanied by an invoice or delivery tag showing the date upon which motor vehicle fuel was delivered, purchased or sold and the name of the dealer in motor vehicle fuel.

3.10.150 Transporting Motor Vehicle Fuel in Bulk

Every person operating any conveyance for the purpose of hauling, transporting or delivering motor vehicle fuel in bulk shall, before entering upon the public highways of the city with such conveyance, have and possess during the entire time of the hauling or transporting of such motor vehicle fuel, an invoice, bill of sale or other written statement showing the number of gallons, the true name and address of the seller or consignor, and the true name and address of the buyer or consignee, if any, of the same. The person hauling such motor vehicle fuel shall, at the request of any officer authorized by law to inquire into or investigate such matters, produce and offer for inspection the invoice, bill of sale or other statement.

3.10.160 Exemption of Export Fuel

- A. The license tax imposed by Section 3.10.020 shall not be imposed on motor vehicle fuel:
 - 1. Exported from the city by a dealer; or
 - 2. Sold by a dealer for export by the purchaser to an area or areas outside the city in containers other than the fuel tank of a motor vehicle, but every dealer shall be required to report such exports and sales to the city in such detail as may be required.
- B. In support of any exemption from business license taxes claimed under this section other than in the case of stock transfers or deliveries in the dealer's own equipment, every dealer must execute and file with the tax administrator an export certificate in such form as shall be prescribed, prepared and furnished by the tax administrator, containing a statement, made by some person having actual knowledge of the fact of such exportation, that the motor vehicle fuel has been exported from the city, and giving such details with reference to such shipment as the tax administrator may require. The tax administrator may demand of any dealer such additional data as is deemed necessary in support of any such certificate, and failure to supply such data will constitute a waiver of all right to exemption claimed by virtue of such certificate. The tax administrator may, in a case where the tax administrator believes no useful purpose would be served by filing of an export certificate, waive the filing of the certificate.
- C. Any motor vehicle fuel carried from the city in the fuel tank of a motor vehicle shall not be considered as exported from the City.

- D. No person shall, through false statement, trick or device, or otherwise, obtain motor vehicle fuel for export as to which the City tax has not been paid and fail to export the same, or any portion thereof, or cause the motor vehicle fuel or any portion thereof not to be exported, or divert or cause to be diverted the motor vehicle fuel or any portion thereof to be used, distributed or sold in the City and fail to notify the tax administrator and the dealer from whom the motor vehicle fuel was originally purchased of his/her act.
- E. No dealer or other person shall conspire with any person to withhold from export, or divert from export or to return motor vehicle fuel to the City for sale or use so as to avoid any of the fees imposed herein.
- F. In support of any exemption from taxes on account of sales of motor vehicle fuel for export by the purchaser, the dealer shall retain in his/her files for at least three years, an export certificate executed by the purchaser in such form and containing such information as is prescribed by the tax administrator. This certificate shall be prima facie evidence of the exportation of the motor vehicle fuel to which it applies only if accepted by the dealer in good faith.

3.10.170 Sales to Armed Forces Exempted

The license tax imposed by Section 3.10.020 shall not be imposed on any motor vehicle fuel sold to the Armed Forces of the United States, including the U. S. Coast Guard and the Oregon National Guard, for use in ships, aircraft or for export from the city; but every dealer shall be required to report such sales to the tax administrator in such detail as may be required. A certificate by an authorized officer of such Armed Forces shall be accepted by the dealer as sufficient proof that the sale is for the purpose specified in the certificate.

3.10.180 Fuel in Vehicles Coming Into City Not Taxed

Any person coming into the City in a motor vehicle may transport in the fuel tank of such vehicle, motor vehicle fuel for his/her own use only and for the purpose of operating such motor vehicle without securing a license or paying the tax provided in Section 3.10.020 or complying with any of the provisions imposed upon dealers herein, but if the motor vehicle fuel so brought into the City is removed from the fuel tank of the vehicle or used for any purpose other than the propulsion of the vehicle, the person so importing the fuel into the City shall be subject to all the provisions herein applying to dealers.

3.10.190 Refunds

- A. Refunds of tax on motor vehicle fuel will be made pursuant to any refund provisions of Chapter 319 of the Oregon Revised Statutes, including but not limited to ORS 319.280 and 319.831. Claim forms for refunds may be obtained from the Tax Administrator's office.
- B. A holder of a weight receipt that certifies to the City that the motor vehicle fuel upon which the tax was imposed will be used only for fueling vehicles subject to the State of Oregon's weight-mile tax, may apply for a refund of 80 percent of the tax imposed by Section 3.10.020 on motor vehicle fuel purchased in bulk for distribution at the

weight receipt holder's facility located within the City. This subsection applies only to motor vehicle fuel purchased by the weight receipt holder on or after February 23, 2005.

- C. All claims for refund under subsection (B) of this section shall be filed within 15 months of the date that the fuel was purchased and may not be filed more frequently than quarterly. The minimum claim for refund filed under subsection (B) of this section shall be not less than \$25.00.

3.10.200 Examinations and Investigations

The tax administrator, or duly authorized agents, may make any examination of accounts, records, stocks, facilities and equipment of dealers, service stations and other persons engaged in storing, selling or distributing motor vehicle fuel or other petroleum product or products within this City, and such other investigations as it considers necessary in carrying out the provisions of Sections 3.10.020 through 3.10.050. If the examinations or investigations disclose that any reports of dealers or other persons theretofore filed with the tax administrator pursuant to the requirements herein, have shown incorrectly the amount of gallonage of motor vehicle fuel distributed or the tax accruing thereon, the tax administrator may make such changes in subsequent reports and payments of such dealers or other persons, or may make such refunds, as may be necessary to correct the errors disclosed by its examinations or investigation. The dealer shall reimburse the City for the reasonable costs of the examination or investigation if the action discloses that the dealer paid 95 percent or less of the tax owing for the period of the examination or investigation. In the event that such an examination or investigation results in an assessment by and an additional payment due to the City, such additional payment shall be subject to interest at the rate of .0329 percent per day from the date the original tax payment was due.

3.10.210 Limitation on Credit for or Refund of Overpayment and on Assessment of Additional Tax

- A. Except as otherwise provided in this code, any credit for erroneous overpayment of tax made by a dealer taken on a subsequent return or any claim for refund of tax erroneously overpaid filed by a dealer must be so taken or filed within three years after the date on which the overpayment was made to the City.
- B. Except in the case of a fraudulent report or neglect to make a report, every notice of additional tax proposed to be assessed under this code shall be served on dealers within three years from the date upon which such additional taxes become due, and shall be subject to penalty as provided in Section 3.10.100.

3.10.220 Examining Books and Accounts of Carrier of Motor Vehicle Fuel

The tax administrator or duly authorized agents of the tax administrator may at any time during normal business hours examine the books and accounts of any carrier of motor vehicle fuel operating within the City for the purpose of enforcing the provisions of this code.

3.10.230 Records to be Kept by Dealers

Every dealer in motor vehicle fuel shall keep a record in such form as may be prescribed by the tax administrator of all purchases, receipts, sales and distribution of motor vehicle fuel. The records shall include copies of all invoices or bills of all such sales and shall at all times during the business hours of the day be subject to inspection by the tax administrator or authorized officers or agents of the tax administrator.

3.10.240 Records to be Kept Three Years

Every dealer shall maintain and keep, for a period of three years, all records of motor vehicle fuel used, sold and distributed within the City by such dealer, together with stock records, invoices, bills of lading and other pertinent papers as may be required by the tax administrator. In the event such records are not kept within the state of Oregon, the dealer shall reimburse the tax administrator for all travel, lodging, and related expenses incurred by the tax administrator in examining such records. The amount of such expenses shall be assessed in addition to the tax imposed by Section 3.10.020.

3.10.250 Use of Tax Revenues

- A. For the purpose of this section, net revenue shall mean the revenue from the tax and penalties imposed under this chapter remaining after providing for the cost of administration and any refunds and credits authorized herein.
- B. The net revenue shall be used exclusively for services and materials associated with the design, construction, reconstruction, improvement and repair of roads, streets, bike and pedestrian pathways and other multi-modal transportation systems for which the City owns, operates and maintains, desires to own, operate or maintain, is contractually or legally obligated to operate and maintain, or for which the City has accepted responsibility under intergovernmental agreement. Net revenues shall be not used for City administration costs, City fuel tax administration costs or City personnel costs. Specific projects that are fully or partially funded with revenues received under this Chapter shall be identified and approved by the City Council as a part of the City's annual budget process.

3.10.260 When Tax Shall Take Effect

The tax imposed pursuant to Section 3.10.020 shall take effect October 1, 2009 and only after the Tax Administrator has developed the necessary forms and documents to administer the tax. The Tax Administrator shall declare when the tax shall take effect, and give not less than 15 days notice of the date before the tax may take effect. The Tax Administrator's decision as to the effective date of the tax and the type of notice to provide shall be final and not subject to preview.

3.10.270 Severability

If any portion of this ordinance is for any reason held invalid or unconstitutional by a court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions of this ordinance.

CITY MANAGER REPORT AND RECOMMENDATIONS



Meeting Date: January 2, 2024

Agenda Item:

Report on the Status of Repairs for the Oceanview Drive Slide as Completed Under Limited Emergency 2023 - 2.

Background:

We will have a report to Council on Tuesday night regarding the repairs that have been accomplished on the Oceanview Drive slide. All work should be completed except paving, by Tuesday's Council meeting. Paving will be scheduled, weather permitting, during the week of January 2. There is no need to further extend the emergency which will expire on January 3.

Recommendation:

None.

Fiscal Effects:

A report will be provided on the total cost incurred at the meeting on January 2.

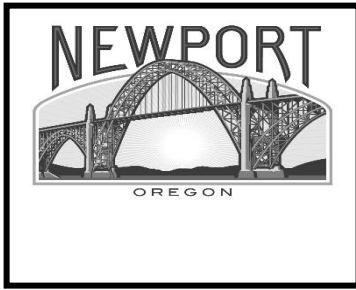
Alternatives:

None recommended.

Respectfully submitted,

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

Spencer Nebel
City Manager



**STAFF REPORT
CITY COUNCIL AGENDA ITEM**

Meeting Date: January 1, 2024

Title: Status of Oceanview Drive Slide

Prepared by: Chris Beatty - Acting City Engineer

Recommended Motion:

None

Background Information:

The roadway slide repair on Oceanview Drive is nearly complete including installation of a new 24-inch storm line, 12" storm lines, slope armoring with rock, and a new 8" sanitary sewer pipe. The only remaining tasks to be completed is final paving with a pavement section consisting of 6" asphalt cement over 12-inches of 1"-0", fully compacted, crushed rock. Additionally, double yellow centerline and white fog line striping will need to be placed prior to opening road for vehicular traffic. Date for road opening to be determined following completion of the paving and striping work.

There has been some additional sluffing on the slope adjacent on the north side NW Pacific Street. This slope is not failing but is showing early signs of soil and pavement cracking and sluffing. This area will continue to be monitored but should not affect the stability of Oceanview Drive.

The outstanding paving and striping will take place as weather allows, possible the end of this week. Road & Driveway will be doing the paving work while City of Newport Public Works will be placing the striping.

Fiscal Notes:

The total budget for the repairs will be tabulated to determine if any supplemental budget will be required. No additional work beyond the budget already allocated shall be done without a contract amendment with Road & Driveway.

Alternatives:

None

Attachments:

Oceanview Drive Photo Taken January 2, 2024 (Preparation for Paving)



Preparation for Final Paving

CITY MANAGER REPORT AND RECOMMENDATIONS



Meeting Date: January 2, 2024

Agenda Item:

Report on the Annual Goals Process.

Background:

The annual goal setting session has been scheduled for Monday, February 12 from 9 AM until 4 PM. I am proposing a change in the format for this year's goal setting session. One of the motivations behind the changes relates to the change that will occur in city managers at the beginning of the fiscal year. This document will be very important for individuals who are considering applying for the city manager's position. This document will also provide clear priorities from Council as to what you want the new manager to be focused on during their first year serving as Newport's city manager. It is my suggestion that the number of goals be significantly reduced to make it a more readable and focused plan to help guide the next city manager during their first year in office. I think the basis of this plan can initially focus on items that will be carried over from the 2022 - 2023 goals. I can add those initiatives that will be critical for Council review. I think the City Council should focus on narrowing the Council goals to 10 or 15 items.

If the Council is supportive of these changes, I will work with Mayor Kaplan in order to put together the format for this year's goal setting session. We will also need to format the reports that will be submitted by departments in order to simplify this process, as well.

The goals identified by Council will be an important tool for the next manager to understand what their focus needs to be as they begin their tenure with the City of Newport.

Please share your thoughts about this plan or any other ideas you may have on how you wish to proceed with the goal setting session for the fiscal year beginning July 1, 2024.

Recommendation:

No action is required.

Fiscal Effects:

None.

Alternatives:

None recommended.

Respectfully submitted,

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

Spencer Nebel
City Manager

CITY MANAGER REPORT AND RECOMMENDATIONS



Meeting Date: January 2, 2024

Agenda Item:
Report of Council Committee/Liaison Assignments.

Background:
Assistant City Manager/City Recorder, Erik Glover, has provided a list of current Councilors as liaisons to standing committees. Please review this list so we can correct and update the assignments for the 2024 fiscal year. In addition, Council members may want to make modifications on who is serving as liaisons to certain committees. Please review these committees and share any desires for modifications to these assignments with Mayor Kaplan either prior to Tuesday's meeting or during the meeting itself. It will be good to get to this list updated.

Recommendation:
No action is required.

Fiscal Effects:
None.

Alternatives:
None recommended.

Respectfully submitted,

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

Spencer Nebel
City Manager

2023-CURRENT COUNCILORS AS LIAISONS TO STANDING COMMITTEES

***indicates a new committee**

COMMITTEE	APPOINTEE	ALTERNATE
60+ Advisory Committee	CM Hall	Beatriz Botello
Airport Committee	Jacobi	Goebel
Audit Committee	Dietmar Goebel, Cynthia Jacobi	Jan Kaplan
Bicycle and Pedestrian Advisory Committee	Ryan Parker	Beatriz Botello
Destination Newport Committee	Dietmar Goebel	Dean Sawyer Kaplan
*Housing Advisory Committee	Cynthia Jacobi	Jan Kaplan
Library Board	Ryan Parker	Dietmar Goebel
*Parking Advisory Committee	Kaplan (Emond requested)	Botello
Parks and Recreation Advisory Committee	CM Hall	Ryan Parker
*Police Advisory Committee	CM Hall	Dean Sawyer Kaplan
Public Arts Committee	Cynthia Jacobi	Dietmar Goebel
Retirement Board of Trustees	Dietmar Goebel	Jan Kaplan
Sister City Committee	Ryan Parker	Sawyer Kaplan
Vision 2040 Advisory Committee	Beatriz Botello	Cynthia Jacobi
*Water Conservation Work Group	Jan Kaplan	Sawyer

COUNCILORS AS LIAISONS TO EXTERNAL COMMITTEES

COMMITTEE	APPOINTEE	ALTERNATE
Bayfront Association	Dean Sawyer	Cynthia Jacobi
Fishermen Involved in Natural Energy	David Allen	Ryan Parker

HB 4123 Homeless Advisory Board	Jan Kaplan	Cynthia Jacobi
Lincoln County School District	Dietmar Goebel	Aaron Collett
Nye Beach Merchants Association	Cynthia Jacobi	Aaron Collett
Oregon Coast Community College	CM Hall	Beatriz Botello
Port of Newport	Dietmar Goebel	CM Hall
VAC Steering Committee	Cynthia Jacobi	Dietmar Goebel

COUNCILORS AS VOTING MEMBERS OF EXTERNAL GROUPS

COMMITTEE	APPOINTEE	ALTERNATE
Cascades West Council of Governments	Dean Sawyer Kaplan	CM Hall
Cascades West Area Commission on Transportation	Goebel	Kaplan
Lincoln County Transportation Service District Advisory Board	CM Hall	Beatriz Botello
Oregon Coastal Zone Management Agency	Ryan Parker	David Allen
Solid Waste Advisory Committee	Jacobi	Kaplan

CM Hall's City Council Report, 12/3/23 to 1/1/24

12/4/23: City Council Work Session
12/4/23: City Council Meeting
12/5/23: Webinar: The Impact of Hate: The Effects of Anti-LGBTQ+ Legislation
12/6/23: Parks & Rec Meeting
12/8/23: Meeting with Jensen Strategies to discuss City Manager search
12/8/23: Meeting with David Allen
12/9/23: Samaritan Hospital Foundation Gala
12/10/23: Nye Beach Neighbors Holiday Gathering
12/11/23: City Council Dinner
12/12/23: Webinar: Addiction Treatment and Decriminalization
12/15/23: Newport Employee Appreciation Dinner
12/18/23: 60+ Committee
12/21/23: Special Emergency City Council Meeting