CITY COUNCIL/URBAN RENEWAL AGENCY ORGANIZATIONAL MEETINGS
Monday, January 5, 2015 – 6:00 P.M.
Council Chambers

The organizational meetings of the Newport City Council and Urban Renewal Agency will be held on Monday, January 5, 2015, beginning at 6:00 P.M. The meetings will be held in the Council Chambers of the Newport City Hall, located at 169 S.W. Coast Highway, Newport, Oregon 97365. A copy of the agenda follows.

The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired, or for other accommodations for persons with disabilities, should be made at least 48 hours in advance of the meeting to Peggy Hawker, City Recorder at 541.574.0613.

The City Council reserves the right to add or delete items as needed, change the order of the agenda, and discuss any other business deemed necessary at the time of the meeting.

CITY COUNCIL-FINAL MEETING
Monday, January 5, 2015 – 6:00 P.M.
Council Chambers

I. Pledge of Allegiance

II. Call to Order – Mayor Roumagoux

III. Roll Call

IV. Approval of City Council Minutes from Regular Meeting; Work Session; and Executive Session of December 1, 2014; and Special City Council Meeting and Executive Session of December 9, 2014 (Hawker)

V. Recognition of Councilor Dr. Richard Beemer's Service to the City of Newport

VI. Adjournment

URBAN RENEWAL AGENCY – FINAL MEETING
Monday, January 5, 2015
Council Chambers

I. Call to Order – Dr. Richard Beemer

II. Roll Call

III. Approval of Urban Renewal Minutes from November 17, 2014

IV. Adjournment

OATH OF OFFICE
Monday, January 5, 2015
Council Chambers

I. Oath of Office for Mayor Roumagoux, Councilors Allen and Saelens and Council-Elect Engler-City Recorder Peggy Hawker

CITY COUNCIL ORAGANIZATIONAL MEETING
Monday, January 5, 2015
Council Chambers

I. Call to Order – Mayor Roumagoux

II. Roll Call

III. Election of Council President

IV. Appointment of Councilors

   A. Liaisons to Boards and Commission
   B. Voting Members on Internal Committees
   C. Voting Members on External Committees

V. Set Two Year Meeting Schedule

VI. Adjournment

URBAN RENEWAL AGENCY ORGANIZATIONAL MEETING
Monday, January 5, 2015
Council Chambers

I. Call to Order – Mayor Roumagoux

II. Roll Call

III. Election of Urban Renewal Agency Chairperson

IV. Election of Urban Renewal Agency Vice Chairperson

V. Adjournment

RECEPTION FOR OUTGOING AND NEWLY ELECTED MAYOR AND COUNCIL

Organizational Meetings:

Background:

On Tuesday, November 4, 2014, the general election was held which included the election for Mayor and three City Council seats for the City of Newport. At the December 1, 2014, meeting the City Council approved the canvas of ballots the for election which determined that Sandra Roumagoux was elected as Mayor, and David Allen, Mark Saelens, and Wendy Engler were elected as City Councilors.

On behalf of the Newport City Council and staff, I would like to offer our congratulations on their election to the Newport City Council. I look forward to working with the newly elected City Council to constructively address the various challenges and exciting opportunities facing the City of Newport over the next two years.

I have enclosed the "City Council Organizational Meeting Procedures" that were reviewed and approved at the December 1st City Council meeting to guide the existing council and the new council through the organizational meeting processes for both City Council and Urban Renewal Agency. This meeting will be held on Monday, January 5th at 6:00 P.M.

The Current City Council will be seated first at the Council dais to conduct final business for this term of the Council. The Urban Renewal Agency will also proceed accordingly to conduct its final business for the term. Following the Urban Renewal Agency final meeting, Councilor Beemer will then vacant his Council seat. City Recorder Peggy Hawker will conduct the Oath of Office with the new Council then being seated. Following the Oath of Office there will be an organizational meeting for both the City Council and Urban Renewal Agency where the Council will nominate and elect a president of the Council, establish a meeting schedule for the next two years and appointment liaisons to various boards, committees, and task forces. The Urban Renewal Agency will nominate and elect a chair and vice chair of that agency following the City Council's organizational meeting.

A brief reception will then be held to recognize Dr. Richard Beemer for his service to the Council, as well as those elected in the November 4, 2014, election. Following the reception, the newly organized City Council will proceed with the regular City Council Agenda for January 5, 2105.

Finally, on behalf of the Newport City administration and staff, I would like to express our appreciation for the service that Dr. Richard Beemer has provided the City of Newport in his role as a member of the City Council over the past four years. Councilor Beemer has been a very effective and caring member of the City Council. He has been a great source of information for me as I have initiated my role as City Manager for the City of Newport over the last year. I wish Dr. Beemer and DK the best as he steps back from his role as a member of the Newport City Council.

CITY COUNCIL – FINAL MEETING

1. The current City Council will be seated first, followed by the Pledge of Alliance.
2. Mayor Roumagoux will call the meeting to order.
3. City Recorder Peggy Hawker will conduct roll call.
4. Minutes from the regular meeting, work session and executive session of December 1, 2014; and special City Council and executive session meeting of December 9, 2014, will be reviewed and approved.

   Recommended Motion:
   I move approval of the minutes from the regular meeting, work session and executive session of December 1, 2014; and special City Council and executive session meeting of December 9, 2014.

5. The Mayor and Council will recognize Dr. Richard Beemer for his service as a member of the Newport City Council.
6. The final meeting of the City Council will be adjourned.

URBAN RENEWAL AGENCY – FINAL MEETING

1. The current Urban Renewal Agency will be called to order by Dr. Richard Beemer.
2. City Recorder Peggy Hawker will conduct roll call.
3. Minutes from the Urban Renewal Agency meeting of November 17, 2014 will be reviewed and approved.

   Recommended Motion:
   I move approval of the minutes from the Urban Renewal Agency meeting of November 17, 2014.

4. The final meeting of the City Council will be adjourned.

OATH OF OFFICE/SEATING

1. Council Beemer will then vacate his Council seat.
2. Mayor Roumagoux, Councilor Allen and Saelens will be sworn in by the City Recorder based on seniority (seniority has been determined by years of continuous service on the City Council). In the event of a tie in continuous years of service on the Council, the Councilor who received the highest votes in their first election to the Council retains that seniority as long as they continue to remain on the Council.
3. Once existing Councilors are sworn in, Councilor's then can determined whether they want to fill the seat vacated by Council Beemer with preference based on seniority. If a Councilors moves, then that open seat is selected by the next senior member of the Council.
4. Councilor-Elect Engler will be sworn in by the City Recorder and will take the remaining open seat.

CITY COUNCIL – ORGANIZATIONAL MEETING

1. Mayor Roumagoux will call the meeting to order.
2. City Recorder Peggy Hawker will conduct roll call.

3. The Council will nominate and elect the President of the Council.
   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.
   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. Once nominations are closed, the City Recorder will distribute ballots and the Council members will write a name of a nominated Council member and sign their own name on the ballot. The City Recorder will count the ballots and the member of the Council receiving the most votes will become the Council President for one year term. The City Recorder will include the individual votes made by each Councilor for Council President in the minutes for the organization meeting.

4. Councilors are appointed as Liaison to Boards, Committees, and Task Forces
   Mayor Roumagoux has compiled a list of appointments for Councilors to service as liaisons to boards, commissions and as voting members on internal committees. These are appointments by the Mayor subject to confirmation by the City Council.

   Furthermore the Mayor has compiled a list of those that indicated an interest in serving on various external committee. These position are to be nominated by the Council for appointment. If there are multiple nomination then the City Recorder will distribute ballots to the Council members, count the ballots with the Council member receiving the most votes being appointed by the Council. City Recorder will include the individual votes made by each Councilor for Council President in the minutes of the organizational meeting.

   Recommended Motions:
   I move confirmation of the Mayor's appointments of Council members as non-voting liaisons to various internal and external boards, commission, committees and task forces as presented in appointment memorandum date December 23, 2014, from Mayor Roumagoux to the City Council.

   I move the confirmation of the Mayor's appointment of Mark Saelens as an alternate to the City Manager's Evaluation Quality Review Team.

   Voting Members on External Committee:
   Council members nominate and appoint a regular member and alternate to the Cascades West Council of Governments, a member of the Lincoln County Solid Waste Advisory Committee, a member and an alternate to the Oregon Coastal Zone Management Association, and a member to the Local Public Safety Coordinating Council for Lincoln County. See a listing of those that have expressed an interest in serving in those capacities in the communication from Mayor Roumagoux.

5. Two year meeting schedule.
   The regular meeting will normally be held on the first and third Mondays unless a holiday falls on that date, in those cases the meeting is moved to the Tuesday. Please note that in 2015 four town hall meetings are scheduled for March 30, June 29, August 31, and November 30. In 2016, the schedule includes town hall meeting on February 29, August 29, and October 31. Finally please note that only one meeting is scheduled in July and December in each of the next two years. The meeting schedule is enclosed for your review.

Recommended Motions:
I move approval of the 2015 and 2016 meeting schedules, including the 2017 organizational meeting as outline in the attached schedules with all regular meetings beginning at 6 P.M. in the City Council Chambers with Town Hall meetings schedule at alternate locations.

6. The organizational meeting of the City Council will be adjourned.

URBAN RENEWAL AGENCY ORGAINZATIONAL MEETING

1. Mayor Roumagoux will call the meeting to order.
2. City Recorder Peggy Hawker will conduct roll call.
3. Election of Urban Renewal Agency Chairperson.
   The Mayor will ask each member for a nomination of Agency members to serve as Agency Chairperson. The Mayor is allowed to nominate a member to serve in this capacity as well. Once nominations are closed, the City Recorder will distribute ballots and the Agency members will write a name of a nominated Agency member and sign their own name on the write ballot. The City Recorder will count the ballots and the member of the Agency has receiving the most votes will become, the Agency Chairperson for that year. The City Recorder will include the individual votes made by each Agency member for Agency Chairperson in the minutes for the organization meeting. Please note that if there is only one nomination for this position the Agency could dispense with the ballots and approve the Chairperson by motion.
4. Election of Urban Renewal Agency Vice Chairperson.
   The same process used to elect the Chairperson can be utilized to elect the Vice Chairperson.
5. The organizational meeting of the Urban Renewal Agency will be adjourned.

Respectfully Submitted,

Spencer R. Nebel, City Manager

CITY COUNCIL
ORGANIZATIONAL MEETING PROCEDURES

Organizational Meeting

Chapter VII Elections, Section 30. Terms. provides; "The term of the Mayor and each Councilor elected at a general election begins at the first Council meeting of the year immediately after the election, and continues until the successor qualifies and assumes the office."

At the organizational meeting, the existing members of the City Council will be seated, roll call will be done by the City Recorder, and the Council will consider approving the minutes from the last City Council meeting. Members who will not be returning to the Council will be recognized. This will be followed by a motion to adjourn the meeting. At this point, any existing members of the City Council present at the meeting who will not be serving on the new City Council will vacate their chairs.

Oath of Office and Seating Arrangement on the Dais

Chapter VII, Section 31. Oath. provides; "The Mayor and each Councilor must swear or affirm to faithfully perform the duties of the office and support the constitutions and laws of the United States and Oregon and the Charter and Ordinances of the City."

The process leading to the oath of office will include the seating of the new City Council. The existing members of the Council can elect to move to any vacant seat that is provided for the six City Council members. This is done in order of seniority of the existing members. For Councilors who have served the same number of years on the Council, seniority is determined by the candidate who received the highest number of votes during their first election to the City Council followed by any Councilor's appointed to serve on the Council. Furthermore, seniority is determined by continuous service on the City Council. For Councilors who had a gap of service on the Council, seniority starts with the time following this gap for these specific purposes. Once the existing members have made their decisions as to the selection of a Council member seat location, the City Recorder will administer the oath of office to the Mayor, any re-elected members of the City Council by seniority, and then the newly elected members of the City Council in order of popular vote from the November election. After the new Council member is called forward by the City Recorder, they will take the oath of office at the podium and then select one of the vacant City Council seats in order of popular vote.

The City Recorder will call the roll of the newly-seated City Council.

Election of the Council President

Chapter III, Section 9. Council President. provides; "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 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.

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. Once nominations are closed, the City Recorder will distribute ballots and the Council members will write a name of a nominated Council member and sign their own name on the written ballot. 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 the individual votes of each Councilor for Council President in the minutes of the organizational meeting.

Establishing a Two-Year Meeting Schedule

The City Council will confirm the dates and times for regular City Council meetings through the next organizational meeting following the next regular City election. The current rules of order provide that the Council will meet on the first and third Mondays. Traditionally, these meetings are held at 6:00 P.M.

Appointment of Councilors as Liaisons to Task Forces, Committees, or Boards and Appointments to Internal Committees as Voting Members, and Serving as a Voting Member of an Outside Group

The Mayor will develop a list designating which members will serve as non-voting liaisons to various committees. Councilors who are interested in serving on any board or commission as a liaison shall contact the Mayor one week prior to the meeting to express their interest. A listing of current liaisons will be provided prior to that time. The Council will consider confirmation of these appointments. The Council Rules outline the responsibility of Council liaisons to various boards and committees.

The Mayor will also develop a list for appointments to internal committees, task forces, and working groups for confirmation by the City Council in accordance with the procedures for appointing liaisons to committees.

The appointments of Council members to serve on outside boards and committees representing the city shall be done by motion and vote of the Council. Any Councilors expressing an interest in serving as a city appointee will contact the Mayor at least one week prior to the organizational meeting. The Mayor will forward all names who have

expressed an interest in serving as a voting member of that outside board or committee for full Council consideration.

Agenda Packet for the Organizational Meeting

An agenda packet for the organizational meeting will be prepared by 4:00 P.M. on the Thursday prior to the meeting. A copy will be available in the Council mail boxes in the Council office and electronically forwarded to each member of the Council.

Orientation

Orientation will be provided to newly-elected Councilors by the Mayor, City Manager, and City Attorney at a time that is mutually agreed upon. Traditionally, orientation is provided through a day- long series of meetings and tours of city facilities.

December 1, 2014
6:20 P.M.
Newport, Oregon

The City Council of the City of Newport met on the above date in the Council Chambers of the Newport City Hall. On roll call, Allen, Beemer, Swanson, Sawyer, Saelens, and Busby were present. Roumagoux was excused.

Staff present was City Manager Nebel, City Recorder Hawker, Community Development Director Tokos, Finance Director Murzynsky, Public Works Director Gross, Parks and Recreation Director Protiva, and Police Lieutenant Malloy.

PLEDGE OF ALLEGIANCE

Council, staff, and the audience participated in the Pledge of Allegiance.

PROCLAMATIONS, PRESENTATIONS, AND SPECIAL RECOGNITIONS

Proclamation – December 17, 2014 as Arbor Day in the City of Newport. Swanson proclaimed December 17, 2014 as Arbor Day in the City of Newport. Nancy Steinberg accepted the proclamation on behalf of the Parks and Recreation Advisory Committee, thanked staff, and reported on the upcoming tree planting ceremony at Literacy Park.

CONSENT CALENDAR

The consent calendar consisted of the following items:

A. Approval of City Council minutes from the regular meeting of November 17, 2014, and the special meeting of November 21, 2014;
B. Mayoral Appointments to the Planning Commission:
   1. Rod Croteau for a term expiring on December 31, 2017;
   2. Mike Franklin for a term expiring on December 31, 2017;
   3. Lee Hardy for a term expiring on December 31, 2017.
C. Approval of a request from the City Manager to be excused from the March 2, 2015 City Council Meeting.

MOTION was made by Busby, seconded by Beemer, to approve the consent calendar with the changes to the minutes as noted by Allen. The motion carried unanimously in a voice vote.

PUBLIC HEARING

Public Hearing and Possible Adoption of Resolution No. 3698 Regarding a Supplemental Budget. Hawker introduced the agenda item. Nebel reported that as part of the budget process, department heads were asked to project full expenditures of dollars that had been appropriated for capital projects in the last fiscal year to create the

estimated expenditures for the 2013/2014 fiscal year as a basis to develop the 2014/2015 budget. He stated that the purpose of this effort was to create a clean beginning fund balance in each of the city's operating funds that support capital outlay expenditures. He added that in the 2014/2015 fiscal year, the budget appropriates funding on a project specific basis in separate capital outlay funds. He noted that in the past, there was a lump sum available for capital outlay within the operating budgets for water, sewer, streets, and other similar departments, and that this created significant confusion in determining how much of the fund balance was truly intended for capital improvements that did not get expended in the fiscal year versus operation costs. He stated that by segregating capital outlay monies into separate capital outlay funds with the revenues for those projects being directed to the capital outlay funds, it gives a much clearer picture of the operating fund balances. He added that in order to create accurate beginning fund balances, staff assumed that the capital outlay funds would be expended in the previous fiscal year. He noted that staff indicated to the Budget Committee, and the City Council, that these funds would be carried over in supplemental budgets during the first half of the current fiscal year. He stated that while this task remains a bit convoluted, once the work is completed, the budgeting for capital projects will be much cleaner and more transparent.

Nebel reported that Resolution No. 3698 makes various increases and decreases to appropriation line items. He stated that as the budget amendment was developed, it was determined that there were not enough funds to fund the carry-over projects as well as specific line items projects that were identified in the new budget. He added that as a result, there are a number of appropriation decreases for several projects including the cross connection program; Nye Beach screen and grinder pump; and for the demolition of the old wastewater treatment plant. He noted that the Big Creek Lift Station force main replacement is being reduced by $100,719 since that project is coming in under budget. He stated that carry-over projects include: $133,358 for the Wastewater System Master Plan; $77,098 for the Big Creek Lift Station replacement; $60,000 for the Grove Street sewer project; $101,348 for the sanitary sewer televising program; $45,907 for the smoke testing program; $11,801 for the Agate Beach sanitary sewer project; and $22,667 for strategic grant consulting services. He noted that all of the project funds were appropriated in a lump sum and projected to be expended by June 30 and are required to be carried-over into the current fiscal year in order to complete these projects. He stated that attached to Murzynsky's report in the packet is a summary of the adopted budget for 2014/2015 in the wastewater capital projects, along with the modification that will be completed as part of this resolution creating the amended list of projects that are funded in the 2014/2015 fiscal year.

Nebel reported that this action will complete the carry-over of projects from the previous fiscal year, and will create individual appropriated amounts for the major construction projects that were either appropriated by project in the 2014/2015 fiscal year, or carried-over from the previous fiscal year.

Nebel recommended that Council conduct a public hearing on the possible adoption of Resolution No. 3698, a resolution adopting a supplemental budget for the 2014/2015 fiscal year.

Allen stated that the packet does not contain the resolution.

Swanson opened the public hearing at 6:30 P.M. She called for public comment. There was none. She closed the public hearing at 6:31 P.M.

It was agreed to delay action on this resolution until it could be located, and move the item to the end of the items in the City Manager's Report.

COMMUNICATIONS

From the Mayor – Report on City Council Organizational Meeting. Hawker introduced the agenda item. Nebel reported he met with Mayor Roumagoux and Hawker to discuss the January 5 organizational meeting for the City Council. He stated that in reviewing the Council Rules and the City Charter, there is limited written direction on the way that the organizational meeting should proceed. He noted the he, Roumagoux, and Hawker outlined a process for the organizational meeting that generally parallels what has been the practice in recent years. He added that one modification to the process relates to how Council members are seated at Council meetings. He stated that the process outlined would provide that when a seat becomes vacant on the Council dais from a Council member not returning to the Council; a sitting Council member would have the first opportunity to move to that open seat. He added that if more than one Council member requested that seat, it would be decided based on seniority. He noted that there would be no bumping of existing Council members from the seats they held during their last term. He stated that there are several alternatives that Council could consider, including: seating Council members alphabetically (we are using a modified version of that at this time); or the Council President could always sit next to the Mayor in a specified seat; or other variations to this plan. He noted that it is appropriate that there be a plan on the books so that there is not confusion/debate or a misunderstanding of how the seating plan works for the City Council.

Nebel reported that one further issue that is incorporated in the draft organizational meeting pertains to the election of the Council President. He stated that based on last year's election, the Council indicated that the Council President should rotate on an annual basis among members of the Council. He noted that it would be good to institutionalize this practice if that is the desire of the City Council.

Nebel recommended that if this process, or a modified process, makes sense, that Council utilize these for the January 5 organizational meeting. He further recommended that Council consider including this process in the Council Rules for future reference.

Allen reviewed the various types of appointments as liaisons, voting members of internal committees, and members of external committees. Allen noted that the Urban Renewal Agency has a chair and a vice-chair, and suggested that this selection process be formalized at the next URA meeting.

Swanson noted that she does not feel that she has had enough lead time to think about the proposed changes. Saelens noted that he is in favor of some of the adjustments, but is a bit perplexed by rotating Council seats. Allen noted that he thought it was a good idea to rotate Council Presidents, but if a Councilor wants to continue as Council President for a second year, there is nothing that would preclude that.

MOTION was made by Allen, seconded by Beemer, that the attached (in the packet) organizational procedure, as modified and discussed tonight, be used as the guideline for the organizational meeting scheduled for Monday, January 5, 2015, at 6:00 P.M., in the City Council Chambers. The motion carried unanimously in a voice vote.

CITY MANAGER'S REPORT

Consideration of Ordinance No. 2074 – an Ordinance Withdrawing Territory from the Seal Rock Water District. Hawker introduced the agenda item. Nebel reported that at the November 17, 2014 City Council meeting, the Council held a public hearing on an ordinance to withdraw property from the Seal Rock Water District. He stated that at that time, Adam Denlinger, General Manager of the Seal Rock Water District, requested that the City Council delay action until the district's attorney could finalize a review of the final version of the ordinance. He added that the district has requested that the definition of the withdrawn area be clarified to indicate that all properties annexed to the city, and within the city service area as listed in Exhibit "A," and depicted on the map in Exhibit "B," be included in the withdrawal as long as those properties are within the boundary areas that were part of the intergovernmental agreement with the district. He noted that the revised language eliminates the provision to refine the affected properties at the direction of the state or County Assessor. He added that if a mistake or correction is found in the future; it would require separate action by the parties. He stated that this is the only material change to the ordinance previously received by the Council, and that Speer Hoyt has reviewed these modifications and has no objections.

Nebel reported that the city has been meeting with the district over the past year to discuss the withdrawal of land that is currently located in the city, served by the city water system, but remains in the district. He stated that in 2007, the city entered into an intergovernmental agreement with the district which provided that the city provide water service to an area including much of South Beach, but that this agreement did not address the withdrawal of properties from the district. He noted that following this agreement, the district funded major improvements to its system with a general obligation bond that was financed in 2011 and 2012. He added that these improvements have no benefit to the district properties that are located in the city's water service area, although the property owners are being required to pay this debt. He stated that the district recognizes that this is unfair, and that the amended agreement does not hold the city or property owners responsible for any debt issued after 2008 should those properties be withdrawn from the district. He noted that the city would be responsible for a pro rata share of any debt that existed prior to 2008 for these properties pursuant to the amended agreement.

Nebel reported that ORS 222.520 authorizes the city to withdraw territory from a service district if it has been annexed to the city. He stated that the statute requires that the governing body hold a public hearing, and following the public hearing, the city may, by ordinance, declare that properties located within the city be withdrawn from the district. He added that this action is subject to a subsequent citizen-initiated referendum.

Nebel reported that a public hearing was held and closed at the November 17, 2014 City Council meeting.

Denlinger reported that this ordinance is supported by the district.

MOTION was made by Saelens, seconded by Beemer, to read Ordinance No. 2074, which withdraws territory from the Seal Rock Water District, by title only, and place for final passage. The motion carried unanimously in a voice vote. Hawker read the title of Ordinance No. 2074. Voting aye on the adoption of Ordinance No. 2074 were Sawyer, Allen, Beemer, Busby, Swanson, and Saelens.

Authorization to Proceed with a 2014 Borrowing Agreement for Improvements to the Water System. Hawker introduced the agenda item. Nebel reported that in 2014, the City Council adopted Ordinance No. 2071A which allows the issuance of up to $18,000,000 of revenue borrowings for various water system improvements over a period of years. He stated that Ordinance No. 2071A authorizes the City Manager to prepare, finalize the terms of, and execute a new Master System Borrowing Declaration. He added that as the city proceeds, on a year-to-year basis, with various eligible work; individual loan agreements will be executed for each new phase. He noted that the 2014 loan agreement will be in the amount of $4,565,800 as defined in the master declaration which is included in the packet. He stated that the loan agreement will have an interest rate of 3.95% and mature on August 1, 2034.

Nebel reported that staff intends to execute the 2014 borrowing on December 16 of this year. He added that the agreement has been reviewed by Murzynsky, Bob Gazewood, Emily Jerome of Speer Hoyt, and bond counsel.

MOTION was made by Beemer, seconded by Allen, that the City Council hereby acknowledge that it has authorized the City Manager, in Ordinance No. 2071A, to prepare, finalize the terms of, and execute a new Master System Borrowing Declaration, and further acknowledge that the City Manager may execute the draft Master Water System Borrowing Declaration as outlined in the attached report (contained in the packet) for a 2014 loan agreement in the amount of $4,565,800 based on the terms outlined in this report. The motion carried unanimously in a voice vote.

Approval of Resolution No. 3699 – Annual Adjustment to the City's System Development Charges (SDC). Hawker introduced the agenda item. Nebel reported that Resolution No. 3579 provides that SDC rates shall be adjusted annually on January 1 of each calendar year based on inflation as evidenced by the Construction Cost Index published in the Engineering News Record. He stated that the resolution provides that the City Council take action prior to January 1, and that the increase, based on the Construction Cost Index, is a two percent adjustment to all SDC rates.

Nebel reported that Resolution No. 3699 will establish the SDC rates for the 2015 calendar year, and would repeal the previous rates once the resolution becomes effective on January 1, 2015.

Busby noted that this is a good time to start a discussion on SDC's. He noted that he has heard a lot about SDCs since he has been on the Council, and most of it is not good. He added that he recognizes that the monies are necessary to complete infrastructure projects. He suggested taking a look at how the SDCs are applied in terms of using them to encourage development, certain types of development, and certain areas of development.

Allen reported that at the Urban Renewal Agency informational meeting on October 27, the owner of the candy shop in South Beach brought up the SDC issue related to an expansion of his business. He noted that at that meeting, he requested that staff provide comparables from other cities of comparable size, so that Council can see what other cities are doing. He added that this would provide a base line to start a discussion on SDCs. Saelens asked whether Council could take more time to delve into this issue.

Nebel reported that SDCs are based on equivalent dwelling units and are used to provide funding to meet expansion needs relating to water, wastewater, stormwater, transportation, and parks that new development or changes of use will bring to the

community. He noted that SDCs are based on cost estimates for public infrastructure that will be needed to support new development. He added that as construction costs increase, fees should be adjusted to ensure that, over time, the SDC revenue is adequate to finance public projects when they are needed.

Tokos reported that SDCs are a form of fee that is authorized by statute and has constraints enacted by statute. He noted that SDC rates are based on a methodology which was adopted in 2007 and effective in January of 2008, and have to be based on actual infrastructure needs. He added that the methodology is currently based on equivalent dwelling units, but that with additional growth, the methodology can be changed. He noted that workforce housing could be incentivized, but it would involve shifting to another range of uses to cover capital project costs or a scale back of capital projects. He stated that a revision to the SDC methodology is an involved project that takes time and resources, and that he would want to budget and account for this project moving forward. He noted that the matter can be discussed further at a work session at which Council could be updated on how Newport's SDCs fit with those of other communities. He added that staff could work with Council on how to approach an adjustment of the methodology moving forward. He suggested that the adjustment of the methodology be independent of this resolution which is required as part of the existing methodology. Beemer noted that he is familiar with SDs, and urged a thorough and careful study as to how the fees are set up. He stated that the SDCs and the costs of building and buying land are what keeps people from building multiplexes now. Busby asked whether it would be acceptable to add the undertaking of a SDC study to the resolution.

MOTION was made by Allen, seconded by Beemer, to adopt Resolution No. 3699 amending the City of Newport SDC rates to reflect a two percent increase in construction costs with the resolution being effective January 1, 2015. Allen noted that based on resolutions adopted in previous years, there is a requirement to adjust the SDCs annually unless a decision is made to amend the underlying resolutions that put this methodology in place. The motion carried unanimously in a voice vote.

MOTION was made by Beemer, seconded by Saelens, that the City Council set a work session to study the SDCs and the impact on the ability to address workforce and affordable housing, and other issues that might arise, and that further action be defined at the work session. Nebel suggested that a work session be scheduled to discuss the current methodology and that at the conclusion of the session, staff would have some direction that may include a future appropriations request. The motion carried unanimously in a voice vote.

Approval of Intergovernmental Agreement Related to the Retrofit of the Safe Haven Hill Tsunami Evacuation Assembly Area. Hawker introduced the agenda item. Nebel reported that the city was successful in obtaining FEMA funds in the amount of $471,361 in order to accomplish $628,481 worth of improvements to Safe Haven Hill. He stated that this work is being coordinated to occur at the time that various other improvements are planned in South Beach with the Highway 101 and 35th Street intersection and other improvements. He noted that the general scope of work has been developed in consultation with ODOT and stakeholders in the area. He added that the city will be using Urban Renewal funds as a match for these federal funds.

MOTION was made by Beemer, seconded by Sawyer, to authorize the City Manager to execute an agreement with the State of Oregon Emergency Management for Hazard Mitigation Grant Program Contract, FEMA, DR-1964OR for federal funding in the amount of $471,361 the total authorized cost of the project being $628,481. The motion carried unanimously in a voice vote.

Adoption of Resolution No. 3700 Accepting the Newport Student Housing Report Related to the Proposed Expansion of the Hatfield Marine Science Center Campus. Hawker introduced the agenda item. Nebel reported that the city and Lincoln County co-funded a study to review the impacts that an undergraduate marine campus program at Hatfield Marine Science Center would have on housing needs of the city and county. He stated that the proposed campus would expand the student base from a current 50 students to 500 students and the addition of 40 to 50 staff and faculty members. He noted that a stakeholder group was established with representatives from OSU, Oregon Coast Community College, Department of Land Conservation and Development, staff from local governments in Lincoln County, and individuals with direct experience in property development and housing management to review the potential impact and identify ways to address these housing needs.

Nebel reported that this report is intended to address two key purposes. He stated that the first is to demonstrate to the Oregon legislature and administration that Newport and Lincoln County are prepared to address the housing needs for this type of expansion. He noted that secondly, the city, county, other local governmental entities, and Oregon State University are proactively working together to determine the best solution to meet the housing needs.

Nebel reported that the most specialized needs relate to the student housing component since students may spend either one quarter of the year at the HMSC campus, a full academic year, or in some cases, a longer period of time as they complete their studies. He stated that this creates a scenario in which OSU would need to be directly involved in meeting the student housing needs through a public/private partnership or by directly providing student housing facilities in Newport since these schedules do not work well with typical lease scenarios. He added that OCCC has been at the table as part of these discussions and some of the student housing options may jointly serve both OCCC and HMSC.

Nebel reported that the Planning Commission has also reviewed the report and suggested several minor changes that do not impact any of the recommendations.

Nebel reported that the report that was included in the packet outlines several specific recommendations that the city, county, and OSU were advised to pursue in order to address this future housing need in the city and county.

Nebel reported that a resolution has been prepared which provides that the City Council accept the report and recommendations prepared by ECONorthwest, dated November 2014, and directs the Planning Commission to evaluate policies that would include the recommendations as part of a future recommendation to the City Council on how these issues may be incorporated in the city's Comprehensive Plan.

Nebel reported that this has been an excellent collaborative effort between the city, county, OSU, and others in demonstrating that the community can accommodate the expanded housing needs.

Nebel reported that representatives from OSU, and the president of OCCC, are in attendance.

Tokos summarized the recommendations contained in the report. He noted that at the end of the document is information about an implementation tax exemption, CDBG, and using SDCs as ways to incentivize construction of multi-family housing, and that it is not limited to student housing.

Allen asked whether other jurisdictions were going to take similar actions with their governing bodies. Nebel stated that he will ask Lincoln County to adopt a similar resolution as the co-funder of the study. Allen noted that Nebel's staff report indicates that the more resolutions passed by local jurisdictions, the stronger the message will be. Allen added that one of the recommendations from the advisory committee is that the city and county "should express preference for direct and proactive involvement from OSU in student housing development." He asked whether there is any language in the resolution that focuses on this, and suggested including this as a finding in the resolution.

MOTION was made by Allen, seconded by Sawyer, to adopt Resolution No. 3700, as amended tonight with the additional finding, accepting the analysis and recommendations of the Newport Student housing Report. The motion carried unanimously in a voice vote.

Acceptance of the Abstract of Votes from the November 4, 2014 Municipal Election. Hawker introduced the agenda item. Nebel reported that Hawker has prepared a report on the canvass of ballots for the November 4, 2014 municipal election. He stated that the packet contains the abstract of votes from the Lincoln County Clerk, and it is the official report of the November 4, 2014, general election confirming the election of Mayor Sandra Roumagoux and Councilors David Allen, Mark Saelens, and Wendy Engler.

MOTION was made by Allen, seconded by Beemer, to approve the canvass of ballots of the November 4, 2014, election in which Sandra Roumagoux was elected Mayor, and David Allen, Wendy Engler, Mark Saelens were elected City Councilors. The motion carried unanimously in a voice vote.

MOTION was made by Allen, seconded by Beemer, that Council President Swanson read a proclamation declaring the election of the Mayor and three Councilors at the November 4, 2014 municipal election. The motion carried unanimously in a voice vote. Swanson read the proclamation.

Report on the Status of Water Rights for Rocky Creek. Hawker introduced the agenda item. Nebel reported that in 1998 the city, in partnership with the City of Lincoln City, submitted a joint water rights application to store approximately 9,500 acre-feet of water from Rocky Creek which is located north of Cape Foulweather. He stated that this was part of a regional plan to provide water to a number of water systems in the area, and that the original application has been on hold for a number of years with no activity occurring on it from either Lincoln City or Newport. He noted that Gross has been working with GSI Water Solutions to update the city's various water rights, and the subject of the Rocky Creek application came to light as part of this update. He stated that GSI Water Solutions recommended the submission of a new application to replace the existing application for water storage. He noted that the city was planning to request 4,330 acre-feet of storage which is estimated to be the extra amount of raw water the

city would need by the year 2030, and that by resubmitting the application the city can preserve its ability to use Rocky Creek as a possible water source in the future.

Nebel reported that prior to acting on a stand-alone application, that he had contacted David Hawker, City Manager of Lincoln City, to determine whether Lincoln City had any interest in continuing as a partner in this effort. He noted that Lincoln City is evaluating this matter, and Newport has been given an extension until January 5, 2015 to replace the existing application with a new one.

Nebel reported that if the city does not resubmit a new application, it is likely that the original application, which has been inactive for a number of years, will be terminated by the state. He stated that at that point, others could apply for those water rights or the Oregon Department of Fish and Wildlife could proceed to secure those rights for in-stream water. He added that if either of these scenarios were to occur, the city may lose its opportunity to utilize water resources from Rocky Creek indefinitely.

Gross reported that this is a separate application from the one applied for in 1998, and that by withdrawing the current application, and submitting a new and simpler application, it would allow the city to continue with the process if it chooses.

Allen noted that when he was first on Council, there was a complicated board that governed the Central Coast Water Council. He asked how 4,380 acre-feet compares with the current application. Gross reported that this is approximately half of the current application. Allen asked whether the city would share costs if it partnered with Lincoln City, and Gross noted that the reported costs are the city's costs. He added that if the city partners with Lincoln City, there would be additional storage depending on what Lincoln City decides its needs are. Gross noted that if Newport and Lincoln City partner, the application will be somewhat different. Allen asked for the total cost spent on this project to date. Busby recommended maintaining the water right, and asked whether it is certain that the city's application will be approved. Allen agreed that given the past history, he believes that it is important to preserve the water rights.

MOTION was made by Saelens, seconded by Busby, to authorize the Public Works Director to submit a new application for Rocky Creek water rights either in conjunction with Lincoln City should Lincoln City choose to continue as a partner with this application prior to January 5, 2015. The motion carried unanimously in a voice vote.

Possible Adoption of Resolution No. 3698 Regarding a Supplemental Budget. MOTION was made by Allen, seconded by Beemer, to adopt Resolution No. 3698 approving a supplemental budget for the 2014/2015 Fiscal Year. The motion carried unanimously in a voice vote.

LOCAL CONTRACT REVIEW BOARD

The City Council met as the Local Contract Review Board at 7:47 P.M.

Approval of Task Order No. 16 with Civil West Engineering, Inc. – Safe Haven Hill Tsunami Evacuation Improvement Project. Hawker introduced the agenda item. Nebel reported that Civil West Engineering, Inc. has provided a proposal for engineering services for project administration, design, preparation of plans and documents, and bidding services for the Safe Haven Hill Tsunami Evacuation Improvements in the

amount of $57,428. He stated that the Council has also been asked to approve an intergovernmental agreement to provide federal funding for this project.

MOTION was made by Beemer, seconded by Sawyer, to approve of Task Order No. 16 with Civil West Engineering Services, Inc. for design engineering services for the Safe Haven Hill Tsunami Evacuation Improvements in the amount not to exceed $57,428, and authorize the City Manager to execute the task order on behalf of the City of Newport. The motion carried unanimously in a voice vote.

Approval of a Notice of Intent to Award the NE 7th Street and Iler Street Storm Sewer Repair Project. Hawker introduced the agenda item. Nebel reported that on Thursday, November 7, 2014, five bids were received for the construction of approximately 425 feet of 36-inch storm sewer main, three manholes, a new outfall, and abandonment of the failed storm sewer main from NE 7th Street and Harney Street extending along Iler Street to the north. He stated that the low bid was received from WW Construction in the amount of $255,549.44.

MOTION was made by Beemer, seconded by Saelens, that the City of Newport issue a Notice of Intent to Award the NE 7th and Iler Streets Storm Sewer Repair Project to WW Construction in the amount of $255,549.44, and contingent upon no protests, direct the City Manager to execute the contract after seven days on behalf of the City of Newport. The motion carried unanimously in a voice vote.

Approval of a Joint Contract between Lincoln County and the City of Newport for the Acquisition of a Records Management System for the Newport Police Department. Hawker introduced the agenda item. Nebel reported that the city has been part of a Lincoln County request for proposals for the replacement of the records management system for both the Lincoln County Sheriff's Department and Newport Police Department. He stated that this system will replace the shared records management system that has been in place since 2001. He added that as a result of the RFP, the jointly recommended contractor is Justice Data Solutions which is a windows based software that was deemed easy to utilize and a very effective records system. He noted that the contract was negotiated by County Counsel Wayne Belmont and reviewed on behalf of the city by Speer Hoyt.

MOTION was made by Sawyer, seconded by Saelens, to authorize the Mayor to execute a joint contract between the City of Newport and Lincoln County with contractor Justice Data Solution, Inc. of Tallmadge, Ohio for the purchase of CRIMES RMS for police records management for a total cost of $81,000 for the City of Newport. The motion carried unanimously in a voice vote.

Authorization to Purchase One (1) Model 12-30 Adsorption Vessel from Calgon Carbon Corporation. Hawker introduced the agenda item. Nebel reported that when the water plant was first designed, the design proposed to use three gravity activated carbon vessels. He added that in an effort to cut construction costs, the design was modified to install only two of these vessels. He noted that as part of the current year budgeting, funds were appropriated to add the third vessel to the water plant, and that this vessel will improve overall water quality and extend the carbon life of the current vessels. He stated that the concrete pad and piping for the water feed discharge were constructed as part of the new plant to accommodate this expansion. He noted that this

is a sole source procurement since Calgon Carbon is the only vendor that manufactures the unit that is compatible with the existing plant system.

Gross reported that the installation and procurement costs will be within the budgeted amount for this project.

MOTION was made by Allen, seconded by Saelens, to purchase of one model 12-30 adsorption vessel manufacture by Calgon Carbon Corporation in the amount of $183,050.00 be purchase by the City of Newport. The motion carried unanimously in a roll call vote.

RETURN TO CITY COUNCIL MEETING

MAYOR AND COUNCIL REPORTS

Swanson reported that she attended the Thanksgiving dinner at the Senior Center, and that it was quite nice and well-attended.

Swanson reported that she attended Canine Officer Eyan's retirement celebration, and that it was an interesting evening.

Busby reported that he also attended Canine Officer Eyan's retirement and looks forward to meeting Eyan's replacement.

Busby reported that he attended a recent meeting of the Airport Committee that was very productive. He stated that the primary discussion centered on distributing the requests for expressions of interest in operating the airport. He also noted that the Committee worked on finalizing the minimum standards for the airport.

Busby reported that he attended a recent meeting of the Public Arts Committee. He noted that there is another vacancy on the Committee. He added that Karen Murphy is working on the percent for the arts implementation as it relates to the new swimming pool.

Beemer reported that he attended the Thanksgiving dinner at the Senior Center, and that it was great.

Beemer reported that he attended a recent Port of Newport meeting, and that the Port news was nicely reported in the paper. He noted that the log exportation will occur at the Port, but the market for logs in China has decreased. He added that construction should begin next year. He stated that the bad news is that the Port is planning to build a new office building, and that it will have trouble making payments to the state this year due to the delay in log exportation. He added that the state inquired as to why the Port would be building a new office building if it had a financial shortfall. He noted that the new office building is currently on hold.

Allen reported that he attended a FINE meeting on November 18. He noted that discussion centered on a lot of ocean-related issues, including wave energy, renewable energy, and mapping in federal waters. He added that the meeting was well-attended.

Allen reported that he served as alternate for Beemer at the Port Commission's meeting at which it discussed whether to join the legal challenge on the Coast Guard helicopter issue, and that he had reported on this meeting at last week's special City Council meeting.

Busby reported that a press conference was held here today with four of the five survivors of F/V Blazer sinking. He noted that Channel 6 will likely have a report on this press conference at 11 P.M.

Sawyer thanked the City Council and staff for support during his sister's illness and subsequent death.

PUBLIC COMMENT

Nyla Jebousek suggested trying to use the Yaquina Bay State Park in a similar manner to Shore Acres on the southern Oregon coast. She urged Council to send a delegation to see Shore Acres, and noted that it draws between 45,000 and 50,000 visitors between Thanksgiving and New Year's Day.

Nyla Jebousek reported that Homes.org is working on eliminating homelessness in America. She noted that Lola Jones informed her that the city needs an additional 100 units to accommodate homeless folks in Newport. She added that the Homes.org programs might work in Newport.

Marletta Noe stated that she was disappointed that the Mayor was not in attendance this evening. She reported that today is her birthday, and stated that she greatly appreciates the work of the City Council and staff.

Allen reported that Council will be holding another executive session as a follow-up from today's executive session. Nebel noted that he would contact the Port tomorrow to schedule a meeting date.

ADJOURNMENT

Having no further business, the meeting adjourned at 8:13 P.M.

_____ _____

Margaret M. Hawker, City Recorder Laura Swanson, Council President

December 1, 2014
Noon
Newport, Oregon

The City Council of the City of Newport met in a Work Session, on the above date, in the Conference Room A of the Newport City Hall. On roll call, Swanson, Beemer, Busby, Sawyer, and Saelens were present. Allen arrived at 12:30 P.M. Swanson was excused.

Staff attending was as follows: City Manager Nebel, City Recorder Hawker, Finance Director Murzynsky, Public Works Director Gross, and Parks and Recreation Director Protiva.

Also in attendance was Councilor-Elect Wendy Engler and Carla Perry.

PRESENTATION BY CHASE PARK GRANTS ON CORPORATE SPONSORSHIPS AND MIND MIXER

Tia Cavender, from Chase Park Grants, reviewed the 2013/2014 grant accomplishments which include: $533,304 in grants; a 60% hit rate for grants; $8.9 million loan at 2.5% interest for a cost savings of $1.24 million; and investment of $279,999; and overall return on investment of 537:1.

Cavender discussed the upcoming year which includes: identification and pursuit of external funding sources; development of funding strategies; and cultivation of relationships with targeted funders. She addressed the types of sources to target including: low-interest loans; government grants; and corporate sponsorships.

Cavender reviewed the “mind mixer” community engagement program, reporting that this is the “go-to engagement platform for more than 300 communities nationwide.”

Cavender discussed corporate sponsorships and distributed two handouts. Nebel noted that he would want to be sure that there were no ethical issues associated with corporate sponsorships.

Allen asked whether Cavender was looking for feedback to development information for a public hearing on a draft policy. He noted that he would be supportive of looking at a draft policy at a regular City Council meeting with public input. Nebel asked whether Council wanted an organized effort to solicit funds. Allen noted that he would be willing to look at it. Cavender reported that this would enable the city to get matching funds. Busby added that Council has endorsed the process and suggested continuing as the process has potential. Allen recommended reviewing the Municipal Code as to how facilities are named. Gross suggested corporate sponsorships could be used for pedestrian activated signals on Highway 101. After additional discussion, it was the consensus of Council to move forward with the review of a draft policy in February.

REVIEW OF LEAGUE OF OREGON CITIES TRAINING SESSION ENTITLED "COUNCIL/MANAGER/STAFF RELATIONS

Allen reported that he wanted the Council, as a whole, to see what the session attendees saw during the training. Nebel reported that there was a good overview of relationships; the session contained interesting goal setting ideas; one of the presenters (Roger Jordan) suggested always providing three recommendations; and a recommendation to eliminate surprises in the relationships.

Swanson reported that the session cleared up questions that she has had over the past few years. She added that it was good to hear the protocol regarding Councilors communicating with department heads. Nebel noted that requesting information from department heads is not a problem, but if a Councilor is requesting action, that request must go through the City Manager. A general discussion regarding communication ensued. Engler noted that the City Manager had clarified the sign recommendation process for the Wayfinding Committee. Nebel noted that one of his goals is to review committee roles and make sure that there is training for committee chairs. He also suggested that clarification on requests from Council to staff should be discussed and included in greater detail in the Council Rules. He added that when a Council requests information that it is his practice to make sure that all Councilors receive the same information.

Allen noted that often the Mayor will receive more communication that Councilors. He added that when Mark McConnell was Mayor, he would forward all that communication to the entire Council. He stated that Mayor Roumagoux does not forward so much information. He cited an example as notices of regional meetings. He suggested a discussion with the Mayor on protocol. Saelens added that at Council meetings, he would rather see a list of the Mayor's activities and a report on what Council needs to know most.

Engler reported that this training contained good examples of vision and goal setting and working as a team.

COUNCIL COMMENTS

Swanson reported that when she was elected to the City Council, she was allowed to attend executive sessions. She asked for consensus to allow Engler to attend this evening's scheduled executive session. Council concurred that Engler be allowed to attend this evening's executive session.

Saelens thanked Beemer for his representation to the Solid Waste Advisory Committee. He added that Engler has volunteered to replace Beemer in this position, and that Engler will have to be replaced on the Wayfinding Committee. Nebel reported that staff is developing a master list of City Council liaisons and other groups to which Councilors are appointed.

Nebel reported that several joint meetings are coming up: January 12, 2015 with the Planning Commission; and Council selected January 21, 2015 to meet jointly with the Lincoln County Commission.

Having no further business, the meeting adjourned at 1:29 P.M.

_____	_____
Margaret M. Hawker, City Recorder	Laura Swanson, Council President

December 1, 2014
5:30 P.M.
Newport, Oregon

The City Council of the City of Newport met in a Special Meeting on the above date in the Council Chambers of the Newport City Hall. On roll call, Allen, Beemer, Swanson, Sawyer, Saelens, and Busby were present. Roumagoux was excused.

Staff present was City Manager Nebel, City Recorder Hawker, Community Development Director Tokos, Finance Director Murzynsky, Public Works Director Gross, Parks and Recreation Director Protiva, and Police Lieutenant Malloy.

EXECUTIVE SESSION

MOTION was made by Saelens, seconded by Sawyer, to enter executive session pursuant to ORS 192.660(2)(e) to discuss real property transactions. It was noted that the City Council, at its noon work session, had agreed to allow Councilor-elect Wendy Engler to sit in on the executive session. The motion carried unanimously in a voice vote, and Council entered executive session at 5:30 P.M. in Conference Room B of the City Hall.

Swanson read the executive session rules of engagement prior to the executive session.

MOTION was made by Saelens, seconded by Allen, to leave executive session and return to the Special Meeting of the City Council. The motion carried unanimously in a voice vote.

ADJOURNMENT

Having no further business, the meeting adjourned at 6:18 P.M.

_____ _____

Margaret M. Hawker, City Recorder Laura Swanson, Council President

December 9, 2014
4:00 P.M.
Newport, Oregon

The City Council of the City of Newport met in a Special Meeting on the above date in Conference Room A of the Newport City Hall. On roll call, Allen, Beemer, Swanson, Sawyer, Saelens, Roumagoux, and Busby were present.

Staff present was City Manager Nebel, City Recorder Hawker, Community Development Director Tokos, and Finance Director Murzynsky.

Also in attendance was Councilor-elect Wendy Engler, Port Commissioners David Jincks and Walter Chuck, Port General Manager Kevin Greenwood, and Larry Coonrod of the Lincoln County Dispatch.

It was noted that the City Council had previously agreed to allow Councilor-elect Wendy Engler to sit in on executive sessions.

Roumagoux read the executive session rules of engagement.

EXECUTIVE SESSION

MOTION was made by Allen, seconded by Beemer, to enter executive session pursuant to ORS 192.660(2)(e) to discuss real property transactions. The motion carried unanimously in a voice vote, and Council entered executive session at 4:04 P.M.

MOTION was made by Allen, seconded by Beemer, to leave executive session and return to the Special Meeting of the City Council. The motion carried unanimously in a voice vote.

ADJOURNMENT

Having no further business, the meeting adjourned at 5:32 P.M.

_____ _____

Margaret M. Hawker, City Recorder Sandra N. Roumagoux, Mayor

November 17, 2014
6:29 P.M.
Newport, Oregon

The Urban Renewal Agency of the City of Newport met on the above date in the Council Chambers of the Newport City Hall. On roll call, Allen, Beemer, Swanson, Roumagoux, Saelens, and Busby were present. Sawyer was excused.

Staff present was City Manager Nebel, City Recorder Hawker, Community Development Director Tokos, Public Works Director Gross, Library Director Smith, Parks and Recreation Director Protiva, and Police Chief Miranda.

MOTION was made by Allen, seconded by Busby, to excuse Sawyer from tonight's meetings as he is still out of state. The motion carried unanimously in a voice vote.

CONSENT CALENDAR

The consent calendar consisted of the following item:

A. Approval of minutes from the joint City Council and Urban Renewal Agency meeting of September 2, 2014.

MOTION was made by Allen, seconded by Roumagoux, to approve the consent calendar as presented. The motion carried unanimously in a voice vote.

EXECUTIVE DIRECTOR REPORT

Approval of Minor Amendment Eleven to the South Beach Urban Renewal Plan and Report. Hawker introduced the agenda item. Nebel reported that the Urban Renewal Agency is scheduled to consider a minor amendment to the South Beach Urban Renewal Plan to allow for the acquisition of a 2.33 acre parcel at the NE corner of Highway 101 and 35th Street. He stated that this opportunity came along after initial discussions with the property owner about acquiring land for a right-of-way for the new 35th Street intersection that is going to be constructed at Highway 101. He noted that at the time of discussion, the property owner indicated that they might be interested in selling the entire parcel to the city instead of carving out a public roadway from this parcel. He noted that in reviewing this matter, there were several advantages to this option including affording the city the opportunity to locate the new 35th Street right-of-way at the best location to facilitate traffic flow through this area. He added that acquisition of this property will allow the Agency to position the balance of the property for resale to a private developer once the infrastructure work is completed. He noted that the Agency would then be in a position to guide the type of development that would be appropriate for this property.

Nebel reported that an outreach meeting was held on October 27, 2014, at which the Agency invited the public to provide feedback on this plan amendment. He stated that 464 notices were sent to property owners and interested parties to attend the meeting,

and that 12 individuals attended the meeting including four individuals representing the property owners. He added that the notices also included notice of tonight's meeting so that interested parties could participate in this meeting as well.

Nebel reported that at the outreach meeting, there was much discussion on the channelization of the 32nd Street and Highway 101 intersection. He stated that this issue does not affect the minor plan amendment being considered by the Agency since the channelization issue is not addressed here. He noted that other issues relating to the decision to amend the plan included the potential impact on future projects within the district, particularly the property located at the 40th Street and Highway 101 intersection, and concerns as to whether the Agency or city should be in the land speculation business. He added that a list of comments from that meeting is included in Tokos' report in the packet. He noted that he has had a number of conversations with individuals (some of whom participated in the October 27 meeting) whose comments he has included as an attachment to his report in the packet. He stated that there were concerns expressed about the property appraisal, and he has also included those concerns, along with the response from the property appraiser, in the packet.

Nebel reported that in reviewing this opportunity, the Agency has two primary choices. He stated that in order to proceed with the acquisition of the entire parcel, the Agency would need to approve this minor amendment. He noted that in the alternative, if the Agency chooses not to approve the minor amendment, the Agency would need to notify the property owner that it is not interested in going forward with the purchase before November 30 to allow for recovery of the $50,000 deposit which was part of the purchase agreement for the property.

Nebel reported that as with many of these types of decisions, there are valid arguments and concerns on all sides of this issue. He noted that if the Agency chose not to buy the entire parcel, the Agency could begin negotiations for acquiring only the right-of-way necessary for 35th Street. He added that if the seller is supportive of considering carving off a portion of their property for this purpose, this process could happen fairly quickly. He stated that if, on the other hand, the property owner is concerned about reducing the overall footprint of the property and/or the Agency cannot come to agreement on the right-of-way values, then this could extend the process of acquiring the right-of-way access from this property.

Nebel reported that while the Agency is typically not a land developer, he stated that he does see some benefit in having the Agency market the portions of the property that are not used for the right-of-way. He noted that this is an opportunity to redevelop an area that has some degree of blight within the community and would keep a larger parcel intact to accommodate a potentially larger service and/or retail use for the South Beach area. He noted that while there is a countering argument that the market forces should determine how this property develops in the future, the city and agency will not have control over that development which could include parceling out the larger parcel of property and allowing the individual structures to remain in place, or could result in a future use that does not meet the long-term development needs of South Beach. He stated that this is truly a unique opportunity in this area.

Nebel reported that another valid observation is that the Agency does not have a clear vision as to the preferred type of development that would occur on this property. He added that there is not a specific type of service or use identified at this time, and that

ultimately, the South Beach community would have to be engaged regarding uses that would complement the South Beach community.

Nebel reported that the other valid concern is that these funds will delay development of the Phase 3 projects, so that they may not be accomplished before the expiration of the district. He added that depending on what happens with other development in the district and particularly with the property in question, this could result in less funds being available to accomplish tasks in the last phase of the project. He stated that if development is done right, it could accelerate the development of South Beach and the building of captured tax base to fund the remaining projects that are outlined in Phase 3. He noted that the Phase 2 projects close out on December 31, 2016, and the Phase 3 projects then are eligible for consideration beginning in 2017. He added that the packet contains a detailed report from Tokos with various documents that will help review the issues that need to be considered by the Agency regarding this particular decision. He stated that there is an amendment indicating what projects in Phase 2 would be affected by this action.

Nebel reported that after reviewing various issues, he recommends that the Agency approve the minor plan amendment and pursue the purchase of the property located on the NE corner of the proposed 35thStreet/Highway 101 intersection. He added that while there are risks, it is his opinion that there are more benefits for the city owning this entire property; carving out what is needed for public purposes; and marketing the remaining property for a use to meet the service needs of South Beach.

Beemer called for public comment.

Patricia Patrick-Joling, Dolphin Real Estate, LLC., asked what happens to the other projects that were in line before this, and whether anyone has consulted a real estate broker to provide input or feedback on the transaction.

Jeff Bertuleit showed two photographic slides of the urban renewal area. He stated that he is concerned about spending 37% of the Phase 2 budget on one location, and the potential loss of flexibility that might occur with larger parcels that could allow for 20 – 30 acres to be developed. He added that tying up 1.5 million dollars does not allow that flexibility. He submitted a petition containing the signatures of owners of property shown in the photographs, who do not support this minor amendment.

Janet Berg, property owner, reported that the property has only been on the market for approximately a year, and that it was never listed for sale for $800,000. She added that her parents purchased the property approximately 17 years ago thinking that it would be a good part of what would happen in South Beach in the future.

Allen asked Berg whether the preliminary discussion regarding the property was related only to the purchase of the right-of-way. Berg noted that the preliminary discussion was focused on the purchase of the right-of-way only, but that selling the property as a whole is much more straightforward.

Janet Webster referred to Substantial Amendment No. Five. She noted that the city had made three points regarding why it should purchase more than simply the right-of-way. She added that these points include the ability to influence the use of the area; flexibility in the design of the intersection; and a strong return on investment. She noted that the city can influence the use through zoning and planning; that adequate right-of-way could be purchased; and that the sale of the remaining property would compete with other similar properties. She added that the southern property is a bad location for a convenience store/gas station, and added that the major problem with the city purchasing

the property is that there is no vision. She stated that the amendment refers to the urban renewal plan as an implementation vehicle for the South Beach neighborhood. She added that the city has not done a good job of defining the neighborhood and has dealt with it in a piecemeal and reactive manner. She stated that the Urban Renewal Agency could be a leader in the development of the South Beach neighborhood.

Allen noted that Bertuleit was appearing as a property owner; Patrick-Joling was appearing as a realtor; and asked why Webster was appearing. Webster noted that she was appearing because the purchase of this property is not a wise use of those resources.

Tokos reviewed what the projects that would be impacted by this purchase. He reported that the minor amendment consolidates Phase 2 funding for strategic site acquisition for reuse; site preparation for reuse; and acquisition for economic development, community facilities, and affordable housing under the heading of "strategic site acquisition for reuse" and increases the budget from $500,000 to $1,540,000. He stated that to offset the increase, $100,000 in funding for a wetland mitigation bank and $150,000 earmarked as match for street paving LIDs in the Coho/Brant neighborhood have been eliminated. He noted that these projects will not be undertaken during Phase 2, and that there is funding earmarked for both projects in Phase 3 should the projects become viable at that time. He added that funding for the construction of a SW 26th Street lift station is being eliminated because it is unlikely to be needed in Phase 2, and if it is needed, it could be funded by a private developer. He stated that funding for right-of-way acquisition is reduced to $265,000, and added that this is reasonable given that acquisition of the parcel negates the Agency's need to purchase right-of-way at the same location. He reported that funds for park, open space, and trail acquisition have been reduced to $50,000, and that the only project of this nature planned for Phase 2 is the construction of a trail from SE Chestnut Street to the Oregon Coast Community College. He noted that the trail alignment is only partially within the Urban Renewal District, and that $50,000 represents the Agency's proportional contribution. He added that these reductions, in conjunction with $420,000 in unexpended funds from Phase 1, offset the increase in funding for site acquisition to that the total amount of the planned borrow for Phase 2 construction funds is unchanged at just under $5,400,000.

Tokos reported that a real estate broker was not engaged, but that the appraiser, Jeffrey Marineau, is a licensed commercial appraiser who used comparables in Newport and other coastal communities.

Allen asked that the issues related to lack of a vision and moving forward with the project be addressed. Tokos reported that there had been a fair amount of stakeholder involvement in developing the three phases. He added that the Agency is working in a finite window, and the ability to influence development effectively closes in 2020. He noted that the Agency and staff will have the capacity to engage people on how the property should be positioned for future use.

Roumagoux asked why some of the money could not be saved for frontage improvements along the east and west sides of Highway 101 to 40th Street and beyond. Tokos noted that any new infrastructure projects will likely occur in Phase 3. He added that funding is programmed into Phase 3 for work on 40th Street, and that there had been a fair amount of infrastructure work in Phase 2.

Tokos noted that the property will be attractive for commercial development, but that the Agency will make the decision on how to resell the property.

Swanson asked about the SW 26th Street lift station. Gross reported that the lift station is not needed as there are no capacity or condition issues.

Allen asked whether there would still be sufficient money for borrowing for Phase 3 projects if the Agency buys the property. Tokos noted that the resale of the property is not needed to finance the Phase 3 borrow.

Allen asked Tokos whether the initial conversations with the property owners focused only on right-of-way acquisition. Tokos reported that the right-of-way purchase was his initial intent.

Nebel noted that there have been a lot of points on both sides of this issue, but that it is his recommendation to go forward with purchase.

Allen referenced Nebel's report contained in the packet. He noted that it states that "If the property seller is supportive of considering carving off a portion of their property for this purpose, this process could happen fairly quickly. If on the other hand, the property owner is concerned about reducing the overall footprint of the property and/or we cannot come to agreement on the right-of-way values, then this could extend the process in acquiring the right-of-way access from this property." Allen asked Nebel to elaborate on this matter. Nebel noted that if the city was unable to negotiate terms to purchase the right-of-way and had to rely on condemnation, the process would be more involved, and there could be significant expense to the city.

Beemer asked how much right-of-way the city would need on the east and west sides of the property. Gross reported that this property has frontage on three roads that the city would be constructing at the same time. He added that this acquisition would present a unique opportunity to develop and control access onto the property to improve circulation at the intersection. He stated that being in complete control of the property is the ideal situation.

Saelens stated that this is a situation where good points are being made on both sides. He noted that he is relying on experiences of watching opportunities go by the wayside and ultimately regretting that decision. He noted that he is leaning toward acquisition of the property with the expectation that the city will involve the community in deciding what the property will ultimately be used for.

Swanson stated that she agrees with Saelens, and is aware of the engineering opportunities presented by acquisition of this property.

Allen stated that there are good points on both sides, but that it is his preference that the Urban Renewal Agency take more measured steps; to move slowly; and stick with the initial objective of negotiating the 35th Street right-of-way purchase.

Busby asked what percentage of the property would be used if two right-of-ways were purchased.

Roumagoux asked whether there would still be a lake in the middle of the property if the city acquires the right-of-way. Gross noted that the ditch that runs along the north side of the property is not a part of this property. He added that there is still work to be done with adjoining properties to make the infrastructure work well.

Beemer reported that he had read the list of 28 concerns from South Beach informational, but what swayed his decision was Gross' discussion regarding the various requirements for property and the width of 35th Street. He added that the other issue is that when you take a piece of property from the south, west, and east sides of the property, it devalues what is left.

MOTION was made by Swanson, seconded by Saelens, that the Urban Renewal Agency adopt Resolution No. 3695, a resolution adopting Minor Amendment Eleven to the South Beach Urban Renewal Plan. The motion carried in a voice vote with Allen voting no. Allen noted that his reason for opposition to the motion was the previous statements that he had made.

ADJOURNMENT

Having no further business, the meeting adjourned at 6:55 P.M.

_____ _____

Margaret M. Hawker, City Recorder Richard Beemer, Chair

LONGEVITY FOR COUNCIL SEATING:

David Allen	Elected 2010
Dean Sawyer	Appointed 2011
Laura Swanson	Elected 2012
Ralph Busby	Elected 2012
Mark Saelens	Appointed 2013
Wendy Engler	Elected 2014

TO: City Council

FROM: Mayor Roumagoux

SUBJ: Council Member Appointments

DATE: December 23, 2014

Pursuant to the procedures adopted by the City Council for the organizational meeting, I hereby make the following appointments subject to confirmation by the City Council. Please note, I have tried to balance the preferences that were provided by you with the need to allow involvement of all Council members.

* * * * *

MAYORAL APPOINTMENTS OF COUNCIL LIAISONS TO CITY COMMITTEES AND TASK FORCES:

Retirement Board of Trustees

Council Liaison: David Allen; (Mark Saelens - alternate)

Airport Committee

Council Liaison: Ralph Busby

Library Board

Council Liaison: Wendy Engler

Parks and Recreation Advisory Committee

Council Liaison: Mark Saelens; (Wendy Engler - alternate)

Destination Newport Committee

Council Liaison: Dean Sawyer; (Sandy Roumagoux - alternate)

Senior Citizen Advisory Committee

Council Liaison: Laura Swanson; (Sandy Roumagoux - alternate)

Bicycle/Pedestrian Advisory Committee

Council Liaison: Mark Saelens; (Sandy Roumagoux - alternate)

Tourism Facility Grant Review Task Force

Council Liaison: Dean Sawyer

Public Arts Committee

Council Liaison: Ralph Busby; (Wendy Engler - alternate)

Wayfinding Committee

Council Liaison: Mark Saelens; (Wendy Engler - alternate)

City Employee Committee

Council Liaison: Alternates Every Month Based on Council Availability

City Emergency Preparedness Committee

Council Liaison: Laura Swanson; (Dean Sawyer - alternate)

Bayfront Parking Committee

Council Liaison: Sandy Roumagoux

Nye Beach Parking Committee

Council Liaison: Wendy Engler

City Center Parking Committee

Council Liaison: Laura Swanson

Nye Beach Merchants Association

Council Liaison: Wendy Engler

Bayfront Association

Council Liaison: Sandy Roumagoux

City Center Newport Association

Council Liaison: Laura Swanson

MAYORAL APPOINTMENTS OF COUNCIL MEMBERS AS LIAISONS TO EXTERNAL GROUPS:

Visual Arts Center Steering Committee

Council Liaison: Mark Saelens

Lincoln County School District

Council Liaison: Dean Sawyer

Port of Newport

Council Liaison: Ralph Busby; (David Allen - Alternate)

Oregon Coast Community College

Council Liaison: Sandy Roumagoux

ODOT quarterly meetings

Council Liaison: Sandy Roumagoux

FINE (Fishermen Involved in Natural Energy)

Council Liaison: David Allen (Sandy Roumagoux - alternate)

Mombetsu Sister City Ad Hoc Committee

Council Liaison: Laura Swanson

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MAYORAL APPOINTMENTS OF COUNCIL MEMBERS AS VOTING MEMBERS TO INTERNAL COMMITTEES OR GROUPS:

Audit Committee

Members: David Allen; Laura Swanson; (Mark Saelens - Alternate) - Terms expire on December 31, 2015

City Manager's Evaluation Quality Review Team

Members: Mayor; Council President; (Mark Saelens - Alternate)

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Furthermore, the following Councilors have expressed an interest in serving as voting members of the following outside boards and committees. The appointment of these members are by nomination and vote of the City Council.

COUNCIL APPOINTMENTS OF VOTING MEMBERS TO OUTSIDE GROUPS:

Cascades West Council of Governments

Dean Sawyer; (Ralph Busby - alternate)

Cascades West Area Commission on Transportation

Dean Sawyer; (Ralph Busby - Alternate) - Term expires December 31, 2015

Lincoln County Solid Waste Advisory Committee

Oregon Coastal Zone Management Association

David Allen; (Sandy Roumagoux - alternate)

Local Public Safety Coordinating Council for Lincoln County

* * * * *

Finally, there are a number of committees/task forces that I have not made any appointments to which are as follows:

COMMITTEES/TASK FORCES THAT MAY NOT BE NEEDED:

Technical Advisory Task Force - task completed

Non-Profit Funding Review Task Force - only necessary if Council allocates money for non-profit funding

Subgroup to Develop a City Manager Evaluation Process - task completed

Infrastructure Task Force - task completed

I appreciate everyone providing me with input as to your interest in serving in these various capacities.

Respectfully submitted,

Sandy Roumagoux

Sandra N. Roumagoux
Mayor

2015 Meeting Schedule

Regular Meeting of the City Council are held at 6:00 P.M. in the Council Chambers.
Regular Meetings of the Planning Commission are held at 7:00 P.M. in the Council Chambers.
Town Hall Meetings will be at alternate locations.

January

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City Council

Holiday

Planning Commission

Town Hall Meeting

2016 Meeting Schedule

Regular Meeting of the City Council are held at 6:00 P.M. in the Council Chambers.
Regular Meetings of the Planning Commission are held at 7:00 P.M. in the Council Chambers.
Town Hall Meetings will be at alternate locations.

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City Council

Holiday

Planning Commission

Town Hall Meeting