

September 8, 2009  
6:00 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 Bain, Bertuleit, Patrick, Brusselback, Kilbride, and Obteshka were present. McConnell was excused.

Staff present were City Manager Voetberg, City Recorder Hawker, City Attorney McCarthy, Community Development Director Tokos, Public Works Director Ritzman, Interim Finance Director Schultz, and Police Chief Miranda.

### **PUBLIC COMMENT**

Greg Stanton distributed a letter and asked Council to read it and decide what action they will take.

### **PROCLAMATIONS AND RECOGNITIONS**

**Proclamation – Alcohol and Drug Addiction Recovery/Wellbreity Month – September 2009.** Bain proclaimed the month of September as Alcohol and Drug Addiction Recovery/Wellbreity Month in the City of Newport. Karianne Aaron spoke about an upcoming event to be held September 19. Posters were distributed.

**Proclamation – Celebrating the 25<sup>th</sup> Year of SOLV's Annual Oregon Beach Cleanup.** Bain recognized the 25<sup>th</sup> anniversary of SOLV's Oregon beach cleanup, and urged residents to join in the observance on September 19, 2009.

### **CONSENT CALENDAR**

The consent calendar consisted of the following items:

A. Approval of City Council minutes from the special meeting of August 10, 2009, and the work session, executive session and regular meeting of August 17, 2009, and the executive session of September 3, 2009.

B. OLCC application for the Oregon Coast Aquarium Gift Shop, 2820 SE Ferry Slip Road, off premise sales license.

MOTION was made by Obteshka, seconded by Patrick, to approve the consent calendar with the minutes of the regular meeting of August 17, 2009 amended as noted at the noon work session. The motion carried unanimously in a voice vote.

### **COUNCILOR'S REPORTS AND COMMENTS**

Kilbride reported on a recent meeting of the Newport Library Foundation Board. He reported revenues of \$13,000 over expenditures for the year, but a loss of invested funds

of nearly \$79,000. He noted that book sale revenue was \$9,000, and that general donations of nearly \$12,000 had been received. He added that the biggest expenditure was for DVD cases. He reported that the Newport Reads program is planned for the first of the year. He noted that the painting is complete and the carpet is budgeted.

Bertuleit reminded the audience that the half-marathon to benefit the Friends of the Aquatic Park will be held on September 19.

Patrick reported that the Port had been very busy in August. She reviewed a recent Port meeting where NOAA was discussed. She added that complete removal of the Pasley and Hennebeque is planned. She reported that there have been a series of “Team NOAA” meetings, and that a family weekend is planned for the second weekend in October. There are different teams tackling different components of this weekend. Patrick noted that the city manager has agreed to contribute \$2,500 toward the NOAA welcome reception. MOTION was made by Obtshka, seconded by Patrick, to donate \$2,500 to welcome the NOAA families to Newport. The motion carried unanimously in a voice vote. Patrick thanked Tokos for preparing information on planned projects, and the Fire Department for their assistance with a video for the NOAA presentation

Bain reported that one of the groups that have formed to welcome NOAA is a technology and business oriented that is compiling the names of businesses and individuals interested in contracting with NOAA.

## OFFICER'S REPORTS

**Report of the Mayor.** Bain reported that he would seek additional applicants for the vacancy on the Airport Committee, and the two vacancies on the Planning Commission. He noted that interviews with applicants would occur at the next Council work session.

**Report of the City Manager.** Voetberg recognized the Fire Department for the successful completion of the fire training facility. Crook invited Council to an open house at the facility on September 23, from 4:00 – 9:00 P.M.

Voetberg asked Council to clarify the intent for the use of the \$75,000 in discretionary monies for advertising and marketing. He asked whether Council wants to discuss uses of these monies, or whether the Destination Newport Committee should discuss the issues and make decisions. Voetberg noted that proper procurement policies would be followed. Council agreed that all expenditures in excess of \$10,000 should come to Council for approval.

Voetberg reported that the local fuel tax referendum petitions did not produce sufficient valid signatures to hold an election.

## ACTION ITEMS

**Extension of timeframe for Nye Beach, Bayfront, and City Center districts to form parking districts as an alternative to the recommendations of the Payment in Lieu of Parking Task Force.** Tokos explained that Council needs to decide whether to extend the period for the Nye Beach, Bayfront, and City Center districts to develop parking districts. Bertuleit noted that he would like to see a progress report. MOTION was made by Kilbride, seconded by Brusselback, to defer implementation of the Payment

in Lieu of Parking Task Force recommendations for an additional 12 months to allow the Nye Beach, Bayfront, and City Center areas more time to form parking districts. Bertuleit noted that if there is not actual progress in six to nine months, he would vote against further extensions. The motion carried unanimously in a voice vote.

Bain called for a seven minute break, and Council reconvened at 7:00 P.M.

**Public hearing on Ordinance No. 1986 amending Section 10.10.040 of the Newport Municipal Code relating to the placement of portable signs within public rights-of-way (File No. 3-Z-09).** Bain opened the public hearing at 7:00 P.M. He called for abstentions, ex parte contacts, and objections from any participants or members of Council to Council hearing this matter. There were none.

Tokos delivered the staff report. He reported that the Port of Newport has requested the city amend its Municipal Code to expand the geographic area where permits may be obtained for placement of portable signs within public rights-of-way. He noted that the Port is interested in expanding the permissible locations to include rights-of-way adjacent to more of their properties along the Bayfront and to their properties in South Beach, so that commercial fishermen can advertise the sale of fresh fish. He noted that the Planning Commission has recommended approval of this amendment, but had removed a small area on Bay Street. He added that the Hatfield Marine Science Center did not object.

Bain called for the applicant testimony. Don Mann, General Manager of the Port of Newport, thanked Council for moving this matter forward, and urged Council's approval of the amendment. A discussion ensued regarding the five and ten day time limits on the signs.

Bain called for proponent testimony. Eileen Obteshka spoke of the Explore Nye Beach signs, and how this amendment would impact them.

Bain called for opponent testimony. Dan Bradley stated that he doesn't believe any changes need to be made to the ordinance as it functions as currently written.

Bain closed the public hearing at 7:20 P.M. for Council deliberation.

Bertuleit noted that he thinks the ordinance may need additional amendments, but that this is a step in the right direction. Obteshka noted that it needs to be clarified that this ordinance applies to signs that are in the right-of-way. Bain noted that there is sufficient interest to look at the allowed number of days as a separate issue. MOTION was made by Brusselback, seconded by Patrick, to read Ordinance No. 1986 by title only, and place for final passage. The motion carried unanimously in a voice vote, and Voetberg read the title of Ordinance No. 1986. Voting aye on the adoption of Ordinance No. 1986 were Patrick, Kilbride, Obteshka, Bertuleit, Brusselback, and Bain.

**Approval of the Indirect Cost Allocation Plan as proposed by FCS Group.** Schultz introduced himself as the interim finance director, and explained that this plan contains a cost allocation model for use in distributing administrative costs to all departments based on use; a comprehensive fee schedule; and a methodology to update the schedules annually. Patrick asked which fees are discretionary and which are set by state statute. Kilbride noted that this document is a guide, and although he has not had the opportunity to read it entirely, he understands the concept. It was noted that fee and cost increases will not necessarily be tied to this. Patrick asked whether Council will have

flexibility, or whether it will all be turned over to the city manager. Voetberg noted that the study determines the true costs of operating departments. Kilbride noted that costs will change, but the methodology will not, and this study establishes the format.

Steve Salisbury asked Schultz and Kilbride whether the study addresses the operating statement that he had requested. Schultz reported that it does not, but that this document is required to provide the operating statement. Salisbury reported that he had volunteered to draft a business plan for the airport. He stated that he had completed the plan and submitted it to the city, and was told that it could not be used. He reported that the airport manager had prepared a business plan, and nothing had been done, to date, with the business plans. Voetberg noted that the indirect cost allocation plan was necessary to complete the plan, and a draft should be presented to Council within 30 days.

Walter Sherman asked why Council has not had the opportunity to see the business plans that were submitted 45 days ago.

MOTION was made by Kilbride, seconded by Brusselback, to adopt Resolution No. 3480 approving the FCS “full cost” Indirect Cost Allocation Plan for the City of Newport. Kilbride noted that no one should expect that this will be fully applied to any particular department to the full extent that it could be, as in many areas, it would not be realistic to change rates to the extent necessary to fully cover a service. The motion carried unanimously in a voice vote.

**Notice of intent to award the Nye Creek bio-filtration supplemental environmental project.** Ritzman explained that the city agreed to construct a supplemental environmental project in lieu of paying a part of a fine for discharging backwash water, from the water treatment plant, into Anderson Creek. He noted that the selected project is to construct a bio-filtration area in Nye Creek west of Nye Street. He reported that the low bidder, Henderson Land Services, LLC, may file a protest. He reported that project funding will come from the water fund contingency. MOTION was made by Obteshka, seconded by Patrick, to authorize the Public Works Department to issue a Notice of Intent to Award the Nye Creek Bio-filtration Supplemental Environmental Project to Anderson Earth, Inc., of Portland, Oregon, in the amount of \$44,260, and if no appeals are filed, to authorize the City Manager to execute all necessary contract documents. The motion carried unanimously in a voice vote.

**Award of contract for Bay Boulevard sewer and water line replacement and utility undergrounding.** Ritzman explained that this component of the Bay Boulevard project was to be administered by ODOT, but due to certain contractual problems, the project had to be separated into below and above ground components. The city will administer the below ground components, but Council will need to award a contract to C&M Construction to build the below grade portions of the Bay Boulevard project. MOTION was made by Bertuleit, seconded by Patrick, to award a contract to C&M Construction, in the amount of \$1,293,998.15, to construct the below grade portions of the Bay Boulevard project, including replacement of the sewer line, water line, and storm drains, and undergrounding of overhead utilities, and to authorize the City Manager to sign a contract with C&M Construction for this work. The motion carried unanimously in a voice vote.

## **PUBLIC COMMENT**

Steve Schuster stated that timelines should be taken seriously, and if they are not fulfilled, staff should be reprimanded or fired.

Steve Schuster stated that he could get volunteer pilots to show the NOAA people around the area.

## **ADJOURNMENT**

Having no further business, the meeting adjourned at 8:05 P.M.

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Margaret M. Hawker, City Recorder

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William D. Bain, Mayor