

August 3, 2015
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, Allen, Sawyer, Engler, Busby, Saelens, Swanson, and Roumagoux were present.

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

PLEDGE OF ALLEGIANCE

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

PROCLAMATIONS, PRESENTATIONS, AND SPECIAL RECOGNITIONS

Proclamation Recognizing the 50th Anniversary of the Hatfield Marine Science Center. Hawker introduced the agenda item. Roumagoux read a proclamation recognizing the Hatfield Marine Science Center on its 50th anniversary. Maryann Bozza, from the HMSC, accepted the proclamation and invited everyone to attend the 50th anniversary celebrations.

Proclamation Honoring and Recognizing the Life of Carol Rehfuss and Her Commitment and Service to the City of Newport. Hawker introduced the agenda item. Roumagoux read a proclamation recognizing the life of Carol Rehfuss and her commitment and service to the city. Mike Eastman, representing the First Presbyterian Church of Newport, accepted the proclamation on behalf of the Rehfuss family.

Allen noted that when Carol and John Rehfuss moved to California, former Mayor McConnell presented a nice proclamation. He added that one thing that that was not mentioned was John Rehfuss' service on the city's Planning Commission and City Council.

CONSENT CALENDAR

The consent calendar consisted of the following:

- A. Approval of City Council minutes from the work session and regular meeting of July 20, 2015;
- B. Acceptance of the resignation of Dennis Reno from the Regional Airport Review Task Force, and confirmation of the Mayoral appointment of Mark Fisher to the Regional Airport Review Task Force. Sawyer thanked Reno for all his work at the Airport over the years, and noted that Mark Fisher will be a valuable asset.

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

COMMUNICATIONS

From Councilor Allen - Reestablishing the Funding for the Non-Profit Funding Review Task Force. Hawker introduced the agenda item. Nebel reported that at budget time, Councilor Allen had suggested that upcoming budgets include funding for non-profit organizations as had been done several years ago. He noted that the packet contains a copy of the guidelines that were previously used by the city.

Allen reported that he brought this up during the last Budget Committee process. He noted that former Mayor McConnell had wanted to reestablish the process in 2011, and that the program was funded at the \$10,000 level. He stated that the money comes from state shared revenues derived from liquor and tobacco taxes. He noted that when he was first on the City Council, that Council spent considerable time allocating money to various social service agencies. He stated that the decision to allocate monies to social service agencies is a policy choice that he would rather see occur at the Council level rather than the Budget Committee level. He added that based on a recent article in the "News-Guard," the City of Lincoln City allocated \$50,000 this past year.

Saelens noted that the existing resolution might not be used going forward.

Sawyer stated that this needs to be reestablished as a regular budget item, so that this discussion does not have to occur annually.

Allen stated that what he would like a decision on this evening is whether the Council wants to implement this program as a policy on an annual basis. He added that the Budget Committee could determine the allocation depending what is available in the budget.

Roumagoux asked that this discussion be continued at tomorrow's work session.

Saelens noted that if the program is reestablished, he would not want to limit funding to non-profits. Sawyer stated that the monetary amounts are small, but that it does supplement non-profit funding.

Allen reviewed the types of organizations that were funded in the last round of funding which occurred in 2012. He noted that some of the recipients, over the years of the program, were: Lincoln County Children's Advocacy; Samaritan House; Progressive Options; Casa of Lincoln County; RSVP; Centro de Ayuda; Lincoln County Dispute Resolution; My Sister's Place; Senior Companion Program; Olalla Children's Center; YMCA, and other organizations.

Saelens noted that if the program is called a "non-profit" fund, that is what it would be, but, if it is really targeted at social services, it should be referred to in that manner.

Busby stated that he does not support this program. He noted that the primary purpose of the city is to provide public safety and infrastructure, adding that until the city is caught up with public safety and infrastructure, it should not fund this program.

Allen stated that the program would complement services that the city currently provides. He suggested that Council look at whether the program either complements, or provides, services that the city cannot provide.

It was the consensus of Council to discuss this issue at tomorrow's work session.

CITY MANAGER REPORT

Discussion and Possible Scheduling of a Public Hearing on the Regulation of Recreational Marijuana in the City. Hawker introduced the agenda item. Nebel reported that in November 2014, Oregon voters passed Measure 91. He stated that this law provides for personal growing, possession of limited amounts of non-medical marijuana, and directs the OLCC to administer a licensing system for the production, processing, wholesale, and retail sale of non-medical marijuana. He added that since that time, the legislature has approved four separate bills that provide guidance to local governments as to what actions can be taken in regard to the regulation of recreational marijuana. He stated that the combination of effects for the legislation that has been approved, along with the voter-approved initiative, have the following impact:

On July 1, 2015, personal possession of limited amounts of recreational marijuana is allowed for people 21 years of age and older.

On October 1, 2015, sales of recreational marijuana from medical marijuana dispensaries can begin, unless the city adopts an ordinance prohibiting early sales prior to that time.

By January 4, 2016, the OLCC must approve or deny commercial license applications as soon as practical after this date.

November 8, 2016, is the next statewide general election where measures on the prohibition of marijuana activities on local taxes will be voted on by the local voters.

December 31, 2016, early sales of recreational marijuana from medical marijuana dispensaries end.

Nebel reported that SB 460, which has just been signed into law by the Governor, allows medical marijuana dispensaries to sell recreational marijuana to a person who is 21 years of age or older. He stated that the bill also allows cities to adopt an ordinance prohibiting the early sale of recreational marijuana from a medical marijuana dispensary within its jurisdiction without voter approval. He noted that the ordinance has to be adopted and effective by October 1, 2015. He added that this would mean the City Council would need to adopt an ordinance, prohibiting the early sale of recreational marijuana from medical marijuana dispensaries, by the end of this month. He noted that if the ordinance includes an emergency clause, Council could make a decision in September.

Nebel reported that the next major decision that Council will need to make regarding recreational marijuana is whether to prohibit any of the six types of marijuana activities regulated under House Bill 3400A, which include: medical marijuana processing, medical marijuana dispensaries, commercial marijuana processors, commercial marijuana growers, commercial marijuana wholesalers, or commercial marijuana retailers. He stated that if the Council wishes to pursue

banning any of these six activities, the City Council will have to adopt an ordinance indicating which of the six marijuana activities are prohibited in the city. He stated that this would prevent the Oregon Health Authority (if prohibiting medical marijuana activities), and/or the OLCC (if prohibiting medical marijuana activities) from registering and licensing the prohibited activities until the local voters could vote in November 2016, and either affirm the ban or allow for the activities prohibited by the ordinance. He added that since Newport is in Lincoln County, which approved the use of recreational marijuana on November 13, 2014, in a state-wide election, the city's ban on any of the components of recreational marijuana would remain in effect until a city voter referendum is held in November of 2016, with the voters determining whether the ban will be permanent.

Nebel reported that if the city does not prohibit marijuana activities through a local ban, it can adopt an ordinance imposing a 3% tax on the sales made by those with commercial retail licenses. He stated that this provision apparently trumps the local ordinances that were approved by many Oregon cities, including Newport, leading up to the November 14 election. He added that to collect the 3% sales tax, the issue requires voter approval at the next November 2016 general election. He noted that the City Council would need to meet the appropriate time schedule in order to have this issue on the November 2016 ballot. He stated that the city can regulate certain aspects regarding the location of the four types of commercial licenses, creating a buffer of no more than 1,000 feet between retail licenses, the manner of operation of the four types of commercial licenses, and other issues allowed by law. He added that it would appear to be important that the City Council have any regulations in effect prior to the end of this calendar year to properly regulate various aspects of recreational marijuana, unless the City Council enacts an outright ban.

Nebel reported that he attended a Rotary meeting at which Rob Bovett spoke. He noted that Bovett reported that there is a real push for some provisions to make the early purchase of recreational marijuana available to discourage the purchase of illegal marijuana. He stated that he had asked Bovett whether a ban can be withdrawn after the regulatory processes are in place. He added that Bovett indicated that he is not aware of anything that would prohibit the City Council from reconsidering or revoking that decision prior to the election.

Rich stated that the issue of a ban is complicated, and a distinction would have to be made between the early start of the program, i.e., selling recreational marijuana at a medical marijuana establishment. He added that Council can impose an outright ban that would not impact the tax issue at all. He noted that if Council wants to refer a measure as to whether to allow recreational marijuana sales at all, that measure would go to a vote in November of 2016. He added that if a moratorium was placed on recreational marijuana sales until the OLCC has rules in place, the measure could be removed from the ballot at any time before the ballots are printed. He added that 16 counties in eastern Oregon have already banned recreational marijuana dispensaries.

Allen noted that Rich is talking about an outright ban, and that Nebel is talking about banning certain components. Nebel stated that even banning one aspect of the six categories stops revenue to the city.

Nebel reported that at a subsequent meeting, the City Council should discuss and provide direction as to whether it wants to ban medical establishments selling recreational marijuana, and whether Council wants to ban any of the six marijuana activities outlined in HB 3400A. He stated that if Council does not wish to impose a ban, the city needs to deal with the associated zoning issues. He stated that if Council wishes to pursue a ban on these activities, there will not be the same urgency to develop time, place, and manner restrictions that are allowed under the new laws. He added that if it is the Council's desire to allow any of the six types of marijuana activities outlined in this bill, then the City Council should direct the Planning Commission to initiate a review of regulations that Council may want to implement regarding the regulations of processing, producing, wholesaling, and retailing of marijuana in the city.

Busby stated that the people who do not want this are throwing as many roadblocks as possible. He added that the people have spoken, and the city has a moral obligation to follow the will of the voters. He noted that the vote was not to legalize individual components. He stated that the Council's job is to follow the desire of the voters to the extent possible. He noted that if Council wishes to impose specific restrictions, such as proximity to schools, it should be consistent with what is in place for alcohol sales. He stated that he agrees that a ban of the sale of recreational marijuana will drive buyers to the black market.

Allen asked what Council thought about banning medical marijuana establishments from selling recreational marijuana until the state develops the rules.

Rich noted that if medical marijuana dispensaries are allowed to sell recreational marijuana, the only products that could be sold are ¼ ounce of marijuana leaves; flowers; buds; four marijuana plants not flowering; or marijuana seed.

Saelens agreed with Busby's comments regarding the people having voted. He stated that he did not vote for the measure as the regulations had not been developed. He noted that there is a reason that the medical and recreational marijuana stores are separate.

Allen stated that he agrees with holding a hearing on the sale of recreational marijuana at medical marijuana dispensaries. He added that this is still a barren landscape with marijuana regulations, and there are not a lot of regulations to control these sales. He noted that the voters were not thinking about whether a medical marijuana dispensary could sell recreational marijuana. He stated that he would like to keep the two separate, but that perhaps a public hearing would change his mind.

Sawyer stated that the voters have spoken. He added that there will be lots of regulations in the future like when alcohol was legalized in the 30's. He noted that he would have preferred to have seen a better law to start with, but does not think the city needs to ban recreational marijuana.

Allen stated that he supports sending the tax issue to voters for enforcement.

Nebel reported that the packet contains a summary of the 2015 marijuana legislation from the League of Oregon Cities. He stated that it also includes a copy of a sample ordinance that would ban early sales of commercial marijuana from medical marijuana dispensaries in the city.

MOTION was made by Allen, seconded by Engler, to schedule a public hearing on a possible ordinance prohibiting the sale of recreational marijuana by medical

marijuana dispensaries pursuant to Oregon Senate Bill 460 for the Council meeting scheduled on Monday, August 17 at 6:00 P.M. at City Hall. The motion carried in a voice vote with Busby voting no, and stating that he does not think the city needs to do anything.

Rich stated that the issue of where to put the money has yet to be addressed. He noted that the banks will not take it, and people are flying money to off-shore banks.

Nebel stated that it is important that, after the public hearing, the City Council make a decision so that the current medical marijuana dispensaries know whether they will be allowed to make early sales of recreational marijuana and plan appropriately.

Update on Emergency Sewer Repair for the Sanitary Sewer at SW 5th and Woods Streets. Hawker introduced the agenda item. Nebel reported that city crews have been working to open a sanitary sewer line in SW 5th Street just south of SW Woods Street without success. He stated that the sewer line goes down a very steep embankment making it impossible to televise. He added that due to the terrain at this location, he authorized an emergency contract, to directionally drill a new HDEP sewer line down the hill into the existing manhole at the bottom of the hill, with Central Coast Excavating. He added that the preliminary cost is \$25,000 to \$35,000, and that Central Coast Excavating is the only local contractor with pipe fusing training on HDEP pipe. He noted that no action is necessary since funds are appropriated, and the purchase requirements are under the threshold requiring Council approval.

Discussion Regarding Pool Bids. Hawker introduced the agenda item. Nebel reported that on Wednesday, July 29, five bids were received for the construction of the Newport Aquatics Center with those bids being as follows:

	<u>Confirmed Bids</u>	<u>Deducted Alternatives</u>
1. Pavilion Construction	\$8,308,669	(\$116,000)
2. Corp. Inc.	\$8,315,563	(\$122,000)
3. 2KG	\$8,486,992	(\$138,000)
4. Wildish Building	\$8,523,686	(\$134,000)
5. Gording Builders	\$8,653,146	(\$127,000)

Nebel reported that the current budget for this project is as follows:

<u>Shortfall</u>	
Aquatic Center Bond	\$8,200,000
Wastewater Fund	\$140,000
SDC - Parks Fund	\$100,000
Room Tax	<u>\$150,000</u>
TOTAL	\$8,590,000

Nebel reported that the expenses for this project as bid are as follows:

Pavilion Construction (Contractor) \$8,308,669

(Less) Deductive Alternates	(\$116,000)	
Robertson Sherwood (Architect)	\$886,330	
Civil West (Engineer)	\$95,322	
FEI (Geotechnical)	\$23,408	
Special Inspections	\$40,000	
Building Permit Fees	\$50,000	
1% for the Arts	\$76,000	
SUBTOTAL	\$9,363,729	(\$773,729)
Recommended Contingency (5%)	\$415,433	
TOTAL	\$9,779,162	(\$1,189,162)

Nebel reported that over the next two weeks, staff will be reviewing a number of options related to the project. He stated that in addition to exercising the deductive alternates, staff has initiated discussions with the low bidder regarding options for value engineering. He explained that there will be certain areas of the project that can be built with different materials while maintaining the functionality of the project. He stated that it will be important to assure that materials used will be resilient enough to live on the Oregon coast. He noted that the preliminary indication is that there are significant reductions that could be realized through this process.

Nebel reported that staff will also be looking at a number of revenue options including: a review of current funding resources; options for short term borrowing for additional funds to be supported from existing revenue streams; borrowing from internal funds and identifying a source to repay these funds; shifting currently budgeted projects from appropriate sources for the project (i.e. General Fund, Recreation Fund, or the Room Tax Fund); and private contributions.

Nebel reported that staff has also discussed the possibility of modifying the project and then rebidding it. He stated that the general consensus among staff is that a lot of time was spent to design a project that would meet the needs of the community as outlined during the bond election. He added that a lot of effort was made to reduce costs during the design process, and without eliminations of key components of the project, there would be limited benefit in redesigning the project. He noted that a second thought that was discussed is relocating the facility off of the City Hall campus. He stated that this site was selected after a thorough review of alternate sites, and the efficiencies gained by operating the pool as an extension of the recreation facility would be lost. He noted that while construction may be less expensive, rebidding the project and the impact on the long term operational costs make this alternative undesirable.

Nebel reported that there are a few of the issues that staff has started to evaluate. He noted that the city has 60 days from the bid opening to make a decision on the award. He stated that this will allow time to evaluate these options and any other options the Council may want staff to look at as it relates to these bids.

Nebel reported that it may make sense to delay this item until the first meeting in September. He added that one of the problems, from a cost standpoint, is that plumbing and mechanical costs have risen 20% in the last year.

Busby asked what the bounds are, that the city is operating under, in terms of modifying what was advertised to the voters. He asked how much could be changed. Rich stated that if modification is such that it would create a substantial risk of other bidders being put at a disadvantage, then it would be problematic. He

noted, for example, if the siding material was changed, and could result in savings, there would be no effect from a legal standpoint in terms of modifying the bid. He stated that he has talked with Murzynsky about defeasance of the bond, and in the worst case, the city could look at refunding the bond, or holding the proceeds and paying off the bond as it becomes due. He added that the assessment could be rolled back if nothing is built. Busby noted that he is more concerned about modification of the project. Saelens stated that every group involved in the planning process was aware that by adding a few bells and whistles, some of them might need to be trimmed back without jeopardizing the basic product. He noted that the basic question is whether the numbers can get us back to what was promised.

Gross reported that staff is not looking at reducing the footprint. He reviewed the contract regarding value engineering, noting that a potential elimination is the current channel, and possibly the hot tub, but that reductions are primarily being sought through substitutions of materials. He stated that at the end of day, there will have to be alternative funding strategies too.

Allen stated that from a voter perspective, this project is harking back to the water treatment plant project in which the cost was underestimated, and the voters voted for another amount. He noted that the city had to go into budget to complete this project, and are in the same place on another project for different reasons. He asked why the cost was underestimated and what happened that the staff was unaware of. He stated that the city has to let voters know why this is happening, since it also happened with the water treatment plant. He added that the city must have a truthful and accurate message.

Gross stated that he is not a big fan of bonds because bonds are sold before the preliminary engineering is done. He noted that no one had any idea of all the issues, and reiterated that one of the challenges of a bond is that you only do so much of the work ahead of time. He added that the city utilized a GMGC process with the water treatment plant. He stated that the bond sale was based on the master plan, and the water treatment plant was different than the one proposed in the master plan. He stated, in regard to the pool bond, he does not believe enough site impacts were estimated, as the focus was on the building itself. He added that nothing was estimated for the parking lot, solar, or percent for the arts, and these, coupled with a changed market, contributed to the higher bids.

Saelens noted that staff has to have more time to determine what it is looking at. He added that he is confident that will happen.

Sawyer stated that he had received calls from people saying not to build the pool. He asked whether the original group of pool promoters have had any conversations regarding additional funding from groups or individuals that might want to donate. Protiva stated that most discussions with the swim team have focused on furnishings. He noted that several community members have been approached over the years, but nothing has materialized in terms of contributions. Sawyer stated that he is disappointed about the removal of the outside entrance. Protiva reported that the exit is not being removed, but the cover is being eliminated, although it could be added in the future.

Swanson suggested hiring a fundraiser.

Allen agreed that this matter needs more evaluation. He stated that when the city presents a bond issue, it does not want to make it so high that it does not pass, but

that he has a sense that we could have made this a higher bond measure that would have been more realistic. He noted that, at this point, the city is now stuck with what it has.

Engler asked whether Tia Cavender has been approached, and Gross reported that this effort is two years too late. He stated that it is necessary to make an interim decision. He added that grants for this type of facility do not exist.

Nebel stated that the real problem with a fundraising effort is that a decision on these bids must occur within 60 days. He added that if something is eliminated, it is perfect for a future fundraiser.

Authorization of a Temporary License Agreement with Lincoln County for a Meteorological Tower at the Decommissioned Landfill Property. Saelens stated that he has a conflict of interest and will not be voting, as he is an employee of Lincoln County and is the Lincoln County staff for this project. He added that Steve Hodge was supposed to attend to present this issue, but is not in attendance, so he will make the presentation, and respond to questions, on behalf of Lincoln County. He left the Council dais and sat in the witness chair.

Nebel reported that Lincoln County has requested a license from the city to install a 198-foot tall meteorological tower on a two-acre portion of city-owned property near the decommissioned landfill. He stated that the license would be effective through September 30, 2017, and the county would be responsible for installation, maintenance, decommissioning, and returning the property to its original condition prior to the date the license expires. He noted that the purpose of the tower is to collect meteorological data to determine whether the area is a good candidate for future wind energy projects.

Saelens reported that this matter arose at the joint meeting of the City Council and County Commissioners in January, at which time both groups thought that this was a great idea conceptually. He added that further information was needed for formal approval.

Saelens stated that in February, he thought that a number of issues associated with the tower could be handled internally, but that complications began to unfold. He noted that these included the requirement for a building permit; a lease; access to the site; and the need for an updated engineering stamp. He added that the last piece is building renewable energy sources, and potentially a network to reroute sources of power where it is most needed.

Busby asked about funding, and Saelens reported that half the funding will come from the Energy Trust of Oregon, and the other half from Lincoln County.

MOTION was made by Engler, seconded by Busby, to find that the execution of this license agreement, authorizing the installation of a temporary meteorological tower on landfill property, is not contrary to the public interests, and authorize the City Manager to execute the license as presented. The motion carried in a voice vote, with Saelens having recused himself and not voting. Saelens recognized Tokos' work on this project.

Nebel reminded the City Council of its work session tomorrow starting at noon.

Nebel reported that the city will be hosting a reception recognizing the 225th anniversary of the U.S. Coast Guard, and the release of the Coast Guard forever

stamp. He noted that it would be held at 4 P.M. tomorrow in the City Council Chambers.

LOCAL CONTRACT REVIEW BOARD

The City Council, acting as the Local Contract Review Board, convened at 7:55 P.M.

Notice of Intent to Award a Contract for the SW Abalone and Brant Streets Improvement Project. Hawker introduced the agenda item. Nebel reported that on July 22, three bids were opened for the reconstruction of SW Abalone Street, 30th Street, extension of SW 30th Street from Abalone to SW Brant, and the redevelopment of SW Brant Street and SW 27th Street. He stated that improvements include curb and gutter, water line replacements, paving of all the streets in the project area, sidewalk and multi-use path in this location that was developed by the South Beach Urban Renewal Agency.

Nebel reported that \$2,474,000 has been appropriated for this project with funding from the Urban Renewal Agency, OMSI, and other sources. He stated that with the project coming in significantly under the engineer's estimate, there is sufficient funding to cover the construction expenses, as well as the engineering to supervise the construction activities. He noted changes to the fiscal effects portion of his report that was contained in the packet.

MOTION was made by Swanson, seconded by Sawyer, to issue a Notice of Intent to Award the SW Abalone and SW 30th Streets Roadway Improvements Project to C and M Excavating and Utilities, LLC of Sherwood, Oregon, in the amount of \$1,489,814 being the low bid and meeting specifications, and contingent upon no protest, authorize the award and 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.

Notice of Intent to Award a Contract for the SE Ferry Slip Road Improvement Project. Hawker introduced the agenda item. Nebel reported that on July 22, four bids were received for improvements on Ferry Slip Road from SE Ash Street to SE 32nd Street, which includes widening the road, installing curb and gutter on both sides of the road, paving the road, installation of street lights, and the installation of a multi-use path on the west side from SE Ash Street to SE Marine Science Drive. He stated that the low bid was from KSH Construction Company, located in Keizer, Oregon.

Nebel reported that \$1,438,000 was budgeted in the 2015/2016 Fiscal Year for this project. He stated that this is a sufficient amount for the construction and engineering expenses to complete this work. He added that the engineer's estimate for this work was \$1,960,315, and that this is a South Beach Urban Renewal Project. He noted changes to the fiscal effects portion of his report that was contained in the packet.

MOTION was made by Engler, seconded by Busby, that the City of Newport issue a notice of intent to award the Ferry Slip Road Improvement Project to KSH Construction Company, Keizer, Oregon, in the amount of \$868,868, being the low

bid and meeting specifications, and contingent upon no protest, authorize the award and 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.

Notice of Intent to Award a Contract for the Safe Haven Hill Tsunami Evacuation Improvement Project. Hawker introduced the agenda item. Nebel reported that on July 22, four bids were received for the installation of sidewalks, and multi-use paths to improve accessibility to Safe Haven Hill for purposes of tsunami evacuation. He stated that the improvements include sidewalks and multi-use paths on SW Abalone Street and at the end of SW 28th Street, extension of a 12-foot access road to the top of Safe Haven Hill, stairs on the south side of the hill, a three-foot wide trail on the north side of the hill, and emergency lighting. He added that 75% of the funds for this project are coming from a FEMA grant, with 25% coming from the South Beach Urban Renewal District. He noted that \$599,847 has been appropriated for this project, and with construction costs of \$492,294, there is sufficient funding for construction and engineering services to complete this project.

Allen asked whether there are issues that require Urban Renewal Agency input, and Nebel noted that the URA has already approved this project.

MOTION was made by Sawyer, seconded by Saelens, that the City of Newport issue a Notice of Intent to award the Safe Haven Hill Tsunami Evacuation Improvement Project contract to KSH Construction Company, Keizer, Oregon, in the amount of \$424,364 being the low bid and meeting specifications, and contingent upon no protest, authorize the award and 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. Roumagoux thanked former City Councilor Richard Beemer for his work on this project.

Authorization of Task Orders with Chase Park Grants. Hawker introduced the agenda item. Nebel reported that the city has had an ongoing contract with Chase Park Grants for support and advocacy for pursuing various grants for the city. He stated that as part of the regular contract, Chase Park Grants works with the city to gain an understanding of various city projects; scans state, federal and private sources to try to identify and target particular grant funds that could assist with the financing of projects; and builds collaborative relationships between the various funding agencies and the city.

Nebel reported that once specific targets are identified, the City Council is requested to authorize specific projects with Chase Park Grants. He stated that these specific task orders have been identified as part of the capital improvement projects included in the 2015/2016 budget specifically for this purpose.

Nebel reported that he, Rich, and Gross met with Tia Cavender to review the specific task orders for the upcoming fiscal year. He recommended that four task orders be pursued at this time. He noted that the fifth task order that has been appropriated in the budget relates to the planning and design of the Big Creek Remediation Project. He recommended holding on this task order until the City Council has completed its review of the dam feasibility study.

Nebel reviewed the task orders:

Task Order 3.01 - Wastewater projects will be to provide direct assistance in

obtaining CWSRF loan funds for point source projects in the Nye Beach area, Sam Moore Park water quality improvements, a design of fish passage system with a targeted amount of \$2.5 million, not to exceed expenses for these services of \$36,650.

Task Order 3.02 - Stormwater projects include the non-point source project related to the Sam Moore Sewer improvements, which would assist the city in obtaining \$2.9 million dollars in 1% funds for this project, with a cost to Chase Park Grants not to exceed \$38,850.

Task Order 3.03 - Facility projects would include grant administration for the \$1.5 million dollar grant for the Fire Station Seismic Stabilization Project for a cost not to exceed \$7,400.

Task Order 3.05 - Water quality projects for the Sam Moore Creek Water Quality Improvement Project to seek grants in the amount of \$1.1 million dollars for the combined water quality park improvement projects at Sam Moore Creek with a cost not to exceed \$129,550.

MOTION was made by Swanson, seconded by Engler, to approve Task Order 3.01 for Technical Grant Assistance for Wastewater/Sanitary Sewer Infrastructure with Chase Park Grants, LLC in the amount of \$36,650 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.

MOTION was made by Swanson, seconded by Engler, to approve Task Order 3.02 for Technical Grant Assistance for Storm Sewer Infrastructure with Chase Park Grants, LLC in the amount of \$38,850 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.

MOTION was made by Swanson, seconded by Engler, to approve Task Order 3.03 for Technical Grant Assistance for Public Facilities with Chase Park Grants, LLC in the amount of \$7,400 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.

MOTION was made by Swanson, seconded by Engler, to approve Task Order 3.05 for Technical Grant Assistance for Water Quality Projects with Chase Park Grants, LLC in the amount of \$129,550 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.

Allen noted that the last task order is for \$130,000, and asked whether this is only for the amount of time anticipated trying to secure grant, and how confident is the city that the grants will be obtained. Gross explained that the \$185 hourly rate includes all staff and overhead, and that it is not entirely certain that the \$1.1 million in grants would be secured even though the city would still be paying \$130,000 for the effort. The motion carried in a voice vote with Allen voting no due to the cost of the task and the uncertainty that the grants would be secured.

RETURN TO CITY COUNCIL MEETING

The City Council returned it its regular meeting at 8:15 P.M.

REPORT FROM MAYOR AND COUNCIL

Roumagoux reported that on July 22, she attended Ernest Bloch's birthday celebration. She added that the group is trying to develop a source to buy the Bloch home in Agate Beach.

Roumagoux reported that on July 24 she played a cameo performance in the play, "Come Blow Your Horn," at the PAC.

Roumagoux reported that the Regional Airport Review Task Force met on July 24. She noted that she anticipates measureable outcomes when the Task Force completes its work.

Roumagoux reported that she attended the Oregon Mayor's Association Conference, in Cottage Grove, from July 30 - August 1. She noted that this is the best OMA Conference she has ever attended, and will share information from the Conference at the work session tomorrow.

Sawyer reminded Council that he had been excused from the next meeting.

Sawyer reported that he attended a meeting regarding the future of the Fairgrounds. He noted that the Seafood and Wine Festival will not be held at the Fairgrounds, and that Lincoln County is looking for funding sources for work at this facility.

Sawyer reported that he attended a recent COG transportation meeting. He noted that issues discussed included: work at the Port of Toledo, including the new boat lift, and the projected number of new jobs that will be generated due to this work in Toledo; a presentation regarding the Port of Newport, including potential shipping opportunities, update on the Teevin Brothers log exporting plans, new ice plant on the Bayfront, the sale of the Undersea Gardens, and the departure of the cherry plant. Busby noted that at the recent Port meeting, it was announced that the sale of the cherry plant had not materialized, and that the plant will stay in Newport. Sawyer reported that there was also an update on the Highway 20 project at this meeting, and that project is still on track to be completed in the fall of 2016.

Saelens reported that the VAC Steering Committee took a break in August.

Swanson reported that the 60+ Advisory Committee is working on goals and wayfinding within the building. She added that there are now two large screens that tell of upcoming activities.

Swanson reported that she attended a recent Sister City group meeting. She noted that there are lots of plans for the celebration of the 50th year exchange.

Swanson reported that she attended a recent meeting of the Lincoln Public Safety Committee, at which there was a discussion regarding what the individual departments do.

Busby reported on a recent Port of Newport meeting. In addition to the news that the cherry plant will remain in Newport, it was announced that Ken Brown will be replaced on the Urban Renewal Advisory Committee by Patricia Patrick-Joling.

Busby noted that the Regional Airport Review Task Force had met, and asked whether this group could handle the work that is required for the airport master plan. Nebel noted that the FAA has a strict formula for the master planning process, and that this group does not represent all the required elements.

Busby reported that the Habitat for Humanity bill had been approved by the Senate, and that there would be no property taxes on Habitat for Humanity homes for seven

years. Allen noted that the bill had passed by the end of June, but was just signed by the Governor in July.

Engler reported that the Community Visioning Work Group had met twice, and that both meetings were very productive. She added that she and Carla Perry had attended a League of Oregon Cities training on visioning which was very good.

Engler reported that the July meeting of the Library Board meeting was cancelled.

Engler reported that she attended the Urban Renewal Advisory Committee open house last week.

Allen reported that he had attended a Port of Newport meeting on June 23 at which there was a discussion regarding the U.S. Coast Guard FRCs.

Allen reported that he had met with Andrew Bornstein on July 20 to tour the fish processing plant.

Allen reported that he had attended the COMES Advisory Board meeting on July 23. He noted that Gil Sylvia and Bob Cowen were in attendance. He stated that Cowen had provided an update on the Marine Studies Initiative, adding that the focus is on 500 additional students and 25 faculty by 2025. He also noted that the Marine Studies Initiative Strategic Plan should be posted on the HMSC website along with the mission statement and vision.

Allen reported that he was unable to attend the Retirement Trustees meeting, but that Saelens had attended in his stead.

Allen stated that the comment he had made about the amount of the bond measure for the pool, and that perhaps it could have been greater than 8.2 million was based on what he heard this evening from Gross and Protiva. He added that it was not based on anything other than their comments.

Allen stated that he had questions regarding the properties that Habitat for Humanity acquired in Lincoln City as Lincoln City was used as an example of what Newport could do. He noted that Council was told that Lincoln City had donated five lots in 2002, and the lots were valued at approximately \$20,000 each. He stated that Council was also told that the actual value of the lots was twice as much as the donation. He added that he checked with Lincoln County and found that the real market value of the lots in 2002 was \$20,000 per lot. He noted that according to county records, at the time the Lincoln City properties were sold, the value of those lots was less than \$20,000 per lot. He stated that there may be a discrepancy in the information that was shared over the course of several meetings.

Saelens reported that he had attended the Retirement Board of Trustees meeting. He stated that the meeting went well, and an in-depth packet was distributed. Nebel noted that the Trust will be reinstating its annual meetings with employees in October. He added that in preparation for that, an employee handbook will be prepared to explain the benefits.

PUBLIC COMMENT

Marletta Noe suggested building the best possible swimming pool possible with the approved bond money. She recommended keeping the admission affordable for the average person. She stated that she does not want money taken out of any other budget to fund the construction of the pool.

ADJOURNMENT

Having no further business, the meeting adjourned at 8:47 P.M.

Margaret M. Hawker, City Recorder

Sandra N. Roumagoux, Mayor