

January 4, 2016
6:12 P.M.
Newport, Oregon

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

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

PLEDGE OF ALLEGIANCE

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

PUBLIC COMMENT

Jenny Stokes addressed Council regarding ocean health. She recommended continued ocean bioaccumulation studies.

CONSENT CALENDAR

The consent calendar consisted of the following items:

- A. Approval of City Council minutes from the Town Hall meeting of November 30, 2015; regular meeting and work session of December 7, 2015; special meeting and executive session of December 14, 2015; and special meeting of December 22, 2015;
- B. Confirmation of Mayor's reappointments to various city committees;
- C. Confirmation of the Mayor's appointments of Jim Patrick, Al Eames, and Dietmar Goebel to the Board of Appeals for the Uniform Code for the Abatement of Dangerous Buildings;
- D. Acceptance of Resignation of Tim Johnson from the Retirement Board of Trustees.

MOTION was made by Engler, seconded by Sawyer, 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 Ordinance No. 2092, an Ordinance Annexing a Property Owned by Central Lincoln People's Utility District and Withdrawing Some Property from the Newport Rural Fire Protection District and the Lincoln County Library District. Hawker introduced the agenda item. Nebel reported that the Central

Lincoln People's Utility District (PUD) has filed an application to bring additional property into the corporate limits of the city, with an I-1 Light Industrial zoning designation. He stated that the PUD has acquired property in the North Gate Industrial Park subdivision for the construction of a new maintenance facility that will replace the current facility located in South Beach. He added that by acquiring the site and annexing it into the city, the applicant has an opportunity to straighten out easements to free up the land for future development. He noted that there is a residence on the property which the applicant intends to demolish. He stated that the Planning Commission held a public hearing on the proposal, on November 23, 2015, and voted unanimously to recommend approval. He noted that appropriate notice was provided to the Department of Land Conservation and Development, as well as to surrounding property owners, city departments, other public agencies, and utilities. He added that the City Council hearing was noticed in the Newport News Times on December 23 and January 1, and posted at several other public locations.

Roumagoux opened the public hearing on Ordinance No. 2092 at 6:22 P.M. She called for public comment. There was none. She closed the public hearing for Council deliberation at 6:23 P.M.

MOTION was made by Sawyer, seconded by Busby, to reading Ordinance No. 2092, an ordinance annexing approximately .023 acres of property located at 7576 N. Coast Highway, as requested by Central Lincoln People's Utility District, and withdrawing the annexed territory from the Newport Rural Fire Protection District and Lincoln County Library District, and establishing the zoning for the annexed territory of I-1 (light industrial), by title only, and place for final passage. The motion carried unanimously in a voice vote. Hawker read the title of Ordinance No. 2092. Voting aye on the adoption of Ordinance No. 2092 were Allen, Sawyer, Saelens, Engler, Busby, Swanson, and Roumagoux.

COMMUNICATIONS

From the Port of Newport - Update on International Terminal. Hawker introduced the agenda item. Nebel reported that Kevin Greenwood, General Manager of the Port of Newport, would give an update on efforts to fully develop the International Terminal. He stated that the Newport Urban Renewal Agency has created the McLean Point Urban Renewal District to help extend and improve utility access for the International Terminal as well as adjacent properties. He added that in October of 2015, the Port was awarded a TIGER Grant from the US Department of Transportation to assist in the development of this facility, as it is one of only three deep draft ports on the Oregon coast.

Kevin Greenwood, General Manager of the Port of Newport, and Walter Chuck, Chair of the Port Commission, appeared before Council. Greenwood made a PowerPoint presentation on the progress of the International Terminal project. He reported that the Port of Newport is currently obtaining financing to construct a 9-acre shipping facility on the northeast corner of McLean Point. He stated that this would provide the Port the opportunity to lease the facility to a terminal operator to facilitate agricultural exports and near-shore barging of agricultural products from the mid-Willamette Valley and waste paper material from southern California. He noted that this \$6.5 million project would include removal of 21,000 cubic yards of clean organic material, development of a wetlands mitigation site, wastewater utility extensions, water

redundancy lines, asphaltting, stormwater collection and treatment, fencing, and a small work shack. He added that the site is currently zoned industrial. He noted that the Port received notice on October 27, 2015 that it will receive a U.S. Department of Transportation TIGER grant in the amount of \$2 million toward the project. He stated that the Port's website contains information related to the project including documents that would be utilized in financing efforts.

Rex Capri asked whether there is any chance that any shipping will happen before the project is completed. Greenwood reported that the Port does not have on-site heavy equipment, but added that it could be used if someone brought in a container-sized forklift.

Chuck thanked the city for its support of the Port and this project.

From the Newport Retirement Trust - Approval of Amendment No. 1, Amendment No. 3, and the 2016 Plan Restatement. Hawker introduced the agenda item. Nebel reported that on December 4, 2015, the City of Newport Retirement Board of Trustees met to review Amendments No. 1 and No. 3 to the 2009 Restatement of the City of Newport Employees' Retirement Plan, and the 2016 Restatement of the City of Newport Employees' Retirement Plan.

Nebel reported that Amendment No. 1 was never enacted by the city. He stated that this was a rather significant amendment in that it reflects changes that resulted from the IRS review of the 2009 Restatement of the Plan. He noted that this amendment should have been approved in 2011, and after conducting an extensive review and search for records, Amendment No. 1 could not be found in any city records, in the records of West Coast Trust, or either of the two actuarial services that are used for retirement purposes. He added that a draft copy of Amendment No. 1 was discovered when Rich contacted a law firm that had done work for the city on the retirement plan. He noted that this firm had a copy of an unexecuted document in their files.

Nebel reported that by voluntarily notifying the IRS of this oversight in not acting on this changes, the city will be responsible for an additional fee to the IRS of \$2,500, but that on approval of the amendment and payment of the fee, the city's retirement system will be in good stead with the IRS. He noted that the city's pension attorneys, Saalfeld Griggs, have indicated that the Retirement Plan starts with a clean slate regarding any retroactive issues related to this amendment.

Nebel reported that Amendment No. 3 retroactively catches up the Retirement Plan language to the labor contracts and practices that have taken place for employees who are members of the Newport Employee's Association and the Newport Police Association who are non-sworn officers hired after October 15, 2012. He stated that Amendment No. 2, approved March 5, 2012, previously addressed the non-union employees only. He added that after these provisions were negotiated into the contracts, changes to the retirement plan were not made as should have been done in order to update the plan document, and these provisions are part of both labor contracts. He noted that this amendment will result in a retroactive adjustment to the 2009 Plan Restatement. He added that this is consistent with how the retirement program has been administered to date for post 2012 employees and the change will not impact any practices since 2012.

Nebel reported that Amendment No. 3 addresses two policy issues including employment service time for post-2012 employees, in that if a post-2012 employee is

hired back, the previous service time will count toward vesting for new contributions into the retirement account only. He stated that this helps put the post-2012 employees in line with the pre-2012 employees who can continue in the retirement system where they left off if they did not withdraw Money Purchase Account funds after termination. He added that this was not specifically addressed in Amendment No. 2.

Nebel reported that for post-2012 employees, the language has been amended to require the use of a 457(b) plan for employees wishing to leverage the additional three percent contribution the city will make toward retirement. He stated that the current language would allow the employees to contribute into the City's Retirement Plan, and this will make the plan consistent with current practices. Nebel reported that the Trust does not endorse or object to these policy provisions.

Nebel reported that the packet contains a red-lined copy of the 2016 Retirement Restatement. He stated that this restatement is required to incorporate any IRS changes that have occurred since the last restatement. He added that the restatement must be approved and filed by the end of January 2016, and that it will incorporate the provisions of the three amendments to the 2009 Restatement. He noted that Christine M. Moehl, from Saalfeld Griggs, PC, of Salem, has incorporated these changes into this restatement. He added that the Trust has reviewed the restatement, made several recommendations for clarifications of the document which have been incorporated into the restatement, and recommends approval by the City Council. He noted that there are several specific things that Council should be aware of regarding the restatement, including:

1. IRS Required Changes: These changes were required by the IRS agent who issued the latest determination letter for the 2009 plan and are included in Amendment No. 1 which is included in the packet. These changes have been incorporated into the restated plan document.

2. Legislative and regulatory changes that have occurred since the last restatement: These changes affect section 5.03-1 and 7.01-4. Attorney Moehl has indicated that she has been conservative in her determination about which legislative and regulatory changes must be incorporated into a governmental plan. It is likely that the IRS will disagree with some aspects of the restatement and require the addition of more language before issuing the determination letter. This is standard process for governmental plans. These changes would be similar in nature to Amendment No. 1 of the 2009 Restatement.

3. Discretionary Amendments: The soft freeze of the defined benefit plan to non-union employees hired before March 5, 2012, and the incorporation of the defined contribution program for employees hired after 2012, has changed several provisions throughout the document as incorporated by Amendments No. 2 and 3.

4. Grammar and style changes.

5. A mandatory payment of funds upon termination has been added to the Plan for post-2012 employees. This would occur after 180 days if the terminated employee has not withdrawn funding prior to that time. This will avoid having numerous accounts of former employees being managed by the Retirement Trust. This is a policy decision that the Trust does not object to, however the Council should discuss it.

Nebel reported that overall, as more employees are in the Defined Contribution Plan, it is necessary for the city to be thinking about how it will be administering the plan in the future. He stated that this is a good opportunity to help clean up and define that process.

Nebel reported that the Retirement Board of Trustees has reviewed this plan and the two amendments to the 2009 Restatement and has no objections to the City Council approving these documents and recommends that action be taken prior to the January deadline.

MOTION was made by Swanson, seconded by Engler, to approve Amendment No. 1 to the 2009 Restatement of the City of Newport Employees' Retirement Plan and authorize the City Manager to execute the amendment. The motion carried unanimously in a voice vote.

MOTION was made by Swanson, seconded by Engler, to approve Amendment No. 3 to the 2009 Restatement of the City of Newport Employees' Retirement Plan and authorize the City Manager to execute the amendment. The motion carried unanimously in a voice vote.

MOTION was made by Swanson, seconded by Engler, to approve the 2016 Restatement of the City of Newport Employees' Retirement Plan and authorize the City Manager to execute the restatement. The motion carried unanimously in a voice vote.

From the City Attorney Salary Work Group - Report and Recommendation on City Attorney Salary. Hawker introduced the agenda item. Roumagoux stated that on Monday November 2, 2015, the City Council conducted an evaluation of Rich. She stated that Council indicated that they were very pleased with the City Attorney's performance during his first year of employment with the city. She noted that in the employment agreement between the city and Rich, paragraph 4 provides that "the City Council shall review Rich's performance annually on or about October 1, 2015, and adjustment to Rich's compensation, based on the annual performance review, shall be effective on the following January 1."

Roumagoux reported that a work group consisting of Swanson, Busby, and herself met to review the compensation for Rich. She noted that the City Manager, City Attorney, and Municipal Judge receive the same cost of living increases that are given to non-union employees in the city, but unlike other positions in the city, there are no step increases provided to these positions that are direct hires of Council. She noted that Council will annually review compensation for these positions and establish compensation based on the annual performance review.

Roumagoux reported that the work group from the City Council reviewed compensation structures used in other cities for the City Attorney position, reviewed the compensation paid to previous City Attorneys factoring in a cost of living since that time, and reviewed the relationship of the City Manager salary to the City Attorney salary. She stated that the three work group members each proposed a salary effective January 1, 2016, and recommended the middle amount of \$106,900 for the 2016 calendar year.

Roumagoux reported that Rich as done a superior job in performing the skills of City Attorney during his first year with the city, and that she believes this compensation is appropriate as he begins his second year as City Attorney. She recommended a salary of \$106,900 for Rich for 2016. She noted that each member of the salary committee will deliver a report on this issue. She stated that the group looked at seven different cities and internal comparators. She reviewed the salaries of former in-house counsel noting that with cost of living increases, the salaries would be similar to her recommendation for Rich at this time.

Busby reported that the evaluation group considered a lot of things in this process. He noted that salary administration is partly objective and partly subjective, adding that there are many things to think about including the COLA matter that was previously mentioned. He stated that there is no salary administration policy for the positions of City Attorney, City Manager, and Judge. He added that absent this policy, part of the decision must be based on equity with other municipalities, past incumbents, the cost to outsource the service, a part-time cost comparison, and outside perks. He stated that beyond equity is performance, including quality, quantity, and timeliness. He added that Rich is ranked highly by all seven Councilors. He noted that Rich is a good organizational fit; possesses a knowledge base; and is valuable to the organization. He discussed attrition and what would happen if Rich left. He stated that the salary recommended is correct and that Rich is an outstanding individual in this position and has great future potential.

Swanson agreed with Busby's comments, and stated that she would like to see the salary set at \$107,640, or 90% of the City Manager's salary. She added that the responsibility of the City Attorney is heavy, almost as heavy as the City Manager's, and added that she would like to see him compensated accordingly.

Allen noted that this was not a sub-group which is why there is not a unified recommendation. He clarified that the letter from Roumagoux, that was included in the packet, does not reflect the opinion of the group, but is the sole opinion of Roumagoux, and shows that the three did not reach a unified decision.

Allen noted that at the next meeting, a summary of the executive session discussion, regarding the City Manager's evaluation, will be presented to the public. He stated that everyone provided input into the City Attorney's evaluation, but the City Council, as a group did not reach a conclusion because there is no process, like there is with the City Manager's evaluation, to publicly release a summary. He added that Rich has done a very competent job and met expectations, but that he wants to be consistent among employees. He noted that he wants to treat similar employees in similar situations equally. He stated that a COLA is given to the Judge at the discretion of the city rather than as a matter of course. He added that the city provides a COLA to the City Manager and City Attorney, and that if a benefit is given to non-represented employees, it is also given to the City Manager and City Attorney. Allen reported that Rich' salary was \$97,000 annually, but is now \$98,940 with the COLA adjustment. He added that Rich' ending salary at Josephine County, after 20 years, was \$94,000. He stated that step increases for non-represented employees range from step one to step 21, and that the average step increase for employees near the highest range is between \$2,400 and \$3,000 annually if the employee meets expectations. He noted that he prefers internal salary consistency, rather than external salary consistency. Allen stated that the City Manager did not bring up the issue of salary, and that he appreciates that. He added that Roumagoux distributed information at a previous work session in an effort to provide Rich a salary increase before his performance evaluation. He reiterated that he wishes to be consistent. He stated that he is glad that an increase is now being considered after the performance evaluation. He reiterated that his comments are not related to Rich' performance, but reflect an effort to treat all employees consistently.

Busby reiterated that equity adjustments are important, and especially so in this case.

Saelens reported that he appreciates Allen's perspective. He stated that he has focused on the subjective that Busby was talking about. He noted that Rich is a comfortable fit in the City Attorney position, and has done everything possible to keep the city out of legal trouble. He added that he is inclined to agree with the Mayor's recommendation, and noted that he would not like to go through another recruitment process.

Sawyer stated that there is a lot of inequity through all salaries. He noted that when an employee is at the top step, the only increase received is a COLA. He added that if a significant adjustment is made to one employee's salary, and not the others, it is unfair to the other employees. He reported that when he was promoted to sergeant in 1979, there were two steps for the position. He added that the City Manager, at the time, removed the steps, and it took him longer to receive the previous salary. He stated that since the city will be conducting a salary review, it should include the City Attorney in the review. He added that even if Rich' salary is lower, he did get a big increase from his previous salary. He stated that the City Manager has done a great job and has not requested an increase. He added that Allen had a good point about the imbalance between this increase and those of other department heads. He echoed Allen's comments that there should be consistency and fairness among all employees. He praised the work that Rich has done during his tenure with the city.

MOTION was made by Saelens, seconded by Swanson, to compensate Rich at the rate of \$106,900 effective January 1, 2016. Saelens discussed issues in recruiting the City Manager and determining his salary. He noted that the city should have a policy but that it does not have one at this time. Allen suggested thinking about instituting salary ranges and step increases for the City Manager and City Attorney. Sawyer asked whether this type of large adjustment will have to be made in future years. The motion carried in a voice vote with Allen voting no.

CITY MANAGER REPORT

Approval of Special Event Permit for the 2016 Seafood and Wine Festival - Greater Newport Chamber of Commerce. Hawker introduced the agenda item. Nebel reported that the Seafood and Wine Festival will be held on February 25-28, 2016. He stated that Council has developed a process to consider waiver of a portion of the expenses incurred by the city for this type of event. He noted that the costs incurred are from the Police, Public Works, and Fire Departments, with the total expenses, incurred by the city, to support this event being \$14,203. He added that a contribution of 35% of this amount would equal \$4,971 being paid for by room tax funds, with the balance of \$9,232 being invoiced to the Greater Newport Chamber of Commerce.

Lorna Davis, Executive Director of the Greater Newport Chamber of Commerce, appeared before Council on behalf of this application. She reported that there is an "app" for the Seafood and Wine Festival.

MOTION was made by Engler, seconded by Swanson, to approve a Special Event Fee Waiver Request for the 2016 Seafood and Wine Festival in the amount of 35% of the estimated total city costs, or \$4,971 with these funds being transferred from the Transient Room Tax Fund to the General Fund, with the balance of the cost being invoiced to the Greater Newport Chamber of Commerce, subject to the conditions

outlined in the report contained in the packet. The motion carried unanimously in a voice vote.

Approval of Special Event Permit for the 2016 Annual Newport Loyalty Days and Sea Fair Festival. Hawker introduced the agenda item. Nebel reported that the 60th Annual Loyalty Days and Sea Fair Festival will take place from Thursday, April 28 through Sunday, May 1, 2016. He stated that this year's theme is "The Power of Loyalty," and the primary event involving city assistance is the annual parade scheduled for Saturday, April 30, beginning at noon. He noted that the estimated cost to support this event includes \$4,000 from the Police Department; \$140 from the Fire Department; and \$2,355 from the Public Works Department for various policing, establishing of detours, and other similar efforts. He added that Council has opted to waive all fees during previous years due to the fact that this is a free event for the community to enjoy, and that the organization responsible for Loyalty Days is a nonprofit corporation.

MOTION was made by Sawyer, seconded by Saelens, to approve a Special Event Fee Waiver request for the 2016 Newport Loyalty Days and Sea Fair Festival, Inc. in the full amount of \$6,495 with this funding being transferred from the Transient Room Tax Fund to the General Fund since the parade is offered as a free event for the entire community to enjoy by the Newport Loyalty Days and that the Sea Fair Festival Association, Inc. is a nonprofit entity. The motion carried unanimously in a voice vote.

Report on the Fluoride Election Process. Hawker introduced the agenda item. Nebel reported that at the October 19, 2015 Council meeting, Council approved the following motion: "Motion was made by Allen, seconded by Swanson, to direct the City Attorney and city staff to develop an ordinance to resume the addition of Fluoride to the city's drinking water in accordance with Resolution No. 1165-A, which is a current, standing directive approved by the City Council on June 25, 1962, and to bring the ordinance back to the City Council for consideration and eventual adoption and referral to the citizens of Newport for public vote at the May 17, 2016 election."

Nebel reported that draft copies of Resolution No. 3734 calling for an election; Attachment A, Ballot Title; Attachment B, Explanatory Statement; and Attachment C - Ordinance No. 2088, directing the fluoridation of the city water supply are included in the packet. He suggested reviewing the draft documents and listing recommended changes. He stated that no action is recommended.

Carol Feese stated that she is concerned with the language. She reported that the documents do not contain the cost of implementation, and that voters need to understand that they will be responsible for the costs. She stated that mentioning that fluoridation would be at levels determined by the CDC and OHA makes it appear that fluoridation is being endorsed by these two organizations. She reported that her final objection is the use of the word "fluoride." She noted that people will think that this is a pharmaceutical grade of fluoride and it is not. She added that she wants to make sure that it is known as some form of chemical fluoridation, and that the chemicals contain possible arsenic and lead.

Susan Andersen stated that she would not like to see the election delayed because the exact costs of fluoridation are unknown. She suggested using a range of costs in the ballot wording, and urged neutrality in the language. She noted that quoting the CDC and OHA is not necessarily neutral. She added that using the state board of health

would be more appropriate as this agency sets limits. She also stated that she wants to ensure that, rather than fluoride, the term fluoridation chemicals is used in the ballot wording.

Gary Lahman submitted a letter for the record from Bill Wiist.

Lahman stated that he wished to make two points relative to the language posted on the website. He noted that there are a number of references to the CDC, adding that this needs to be verified by someone. He added that, as he reads it, the recommendation is something that was posted in April of 2015, and is the final recommendation and references levels stated by the USPHS. He noted that the EPA sets the maximum level of fluoride in water and has nothing to do with this measure. He added that the ballot language contains the word fluoridate which has nothing to do with the measure. He stated that he prefers to see the reference to "resumption of fluoridation" throughout the materials. He recommended that the election be delayed until November due to the uncertainty of installation and operational costs. He noted that the only way to determine the actual costs is to obtain two proposals. He added that the second issue is the type of compounds, noting that the information previously submitted by the city's engineering firm included three types of compounds and would be confusing to the electorate.

Sawyer noted that comments from both perspectives are accurate, and that making the language neutral is difficult. He stated that he believes that the reference to CDC should be changed to OHA and the USPHS. He also agreed that an explanation of the chemicals is needed, but urged simplicity to the extent possible. He noted that he would like to see an exact figure on the costs. Nebel noted that funds would have to be expended on the design in order to get accurate cost information. He stated that this is the best estimate. Sawyer noted that he prefers not to spend money on design and have the issue voted down, but that it needs to be made clear to the voters that this is an estimate at this time. Gross stated that this should be a reasonable estimate as it is based on four other installations.

Saelens recommended removing the recommended reference to "resumption of fluoridation," as ten years have passed, and the issue should be based on what is currently known.

Swanson agreed with references to "best estimate" on the initial start of the program and the annual operational costs. She agreed with Saelens on removing the reference to "resumption of fluoridation."

Busby stated that he agrees with most of what has been said. He added that the cost needs to be the best number possible without engineering. He noted that chemical names are not simple, and suggested that a conclusion be made on what product will be used, and insert that correct name.

Engler asked what product would be used. Gross reported that any fluoride product would be certified by the vendor and approved by the health department. He noted that the safest product possible would be used, and the city would have to rely on information from the vendor certifying it a safe product. He added that, at this time, better information cannot be obtained without spending money. He reiterated that any fluoride would be designed and certified for drinking water systems. Engler noted that she favors using "resumption of fluoridation."

Allen noted that the May election date will occur at a Presidential primary election which should ensure a good voter turn-out. He asked whether there would be any benefit in changing to the November election date. Nebel stated that May is as good as

November, and the only time issue that could come into play is if the City Council wanted to have a greater analysis or preliminary design prior to taking the matter to the voters. He added that everything, to date, has focused on a May election, and to not confuse people, it may be a good idea to continue on the current course. Allen noted that the draft materials contain some inconsistent language, including “city water system” versus “city water supply.” He recommended consistency in the terminology throughout the documents. Allen stated that he believes there should be a reference to “resumption of fluoridation” in the ballot title. He agreed to the reference to the USPHS, and noted that if there is a comparable state agency that is consistent, he would prefer to use the reference to the state agency. He recommended defining the chemicals and costs based on best estimates so that the voters understand that these items are not set in stone. Allen also recommended including the operational costs in the explanatory statement. He asked about the American Water Works Association and whether it has a different standard for the fluoridation of water. He suggested that this reference could be removed from the documents. Allen noted that the documents should indicate that the full text of the ordinance can be obtained from City Hall or the city’s website.

Engler asked whether Nebel knows the cost and time it would take to obtain additional information. Gross noted that it could be several months to complete a study.

Roumagoux stated that she agrees with the term “resumption of fluoridation.” She also agreed with the reference to USPHS rather than the CDC or OHA, but that if there was a more appropriate state agency, it should be referenced.

Nebel noted that there is common ground, including: identification of the proper agency to determine the appropriate amounts of fluoride; inclusion of estimated costs that were previously obtained; and the removal of references to tooth decay. The Council was polled regarding whether to include a reference to the “resumption of fluoridation,” and it was agreed to leave the reference in a 4-3 split.

Nebel recommended, and Council agreed, to hold a work session on the revised documents on Tuesday, January 19, at noon.

Report on the Lincoln Community Land Trust. Hawker introduced the agenda item. Nebel reported that on December 7, 2015, Council held a work session for the purpose of discussing affordable housing in the city. He stated that in addition to talking to about identifying various strategies promoting the development of affordable housing in the city and Lincoln County, there was discussion regarding the city’s relationship with the Lincoln Community Land Trust (LCLT). He noted that there was specific information requested from the Land Trust, and that he indicated that he would compile a report for Council consideration for the January 4, 2016 Council meeting. He added that following the work session, additional information was requested by Allen, from County Commissioner Bill Hall, regarding the various transactions related to the development of an RFP for an affordable housing development on city-owned land next to Don Davis Park. He stated that this specific issue generated a number of concerns from property owners in the Nye Beach area which were heard by Council at the work session. He added that concerns regarding a lack of transparency by the Land Trust were expressed by members of the Council and general public.

Nebel reported that the LCLT was created in 2008 to promote the development of work force housing for families earning the median family income for Lincoln County. He stated that the composition of the board of the LCLT includes “lessee representatives,”

“general representatives,” and “public representatives.” He added that there are two representatives in each category, and noted that the “public representatives” include a member of the Lincoln County Commission, a member of the Councils of any city in Lincoln County, a member of the board of any special government district in Lincoln County, a member of a board of a 501(c)(3) designated organization or any of these members designees.

Nebel reported that the City of Newport, the City of Lincoln City, Lincoln County, and the LCLT entered into a memorandum of understanding (MOU) in July 2014. He stated that this MOU was amended March 25, 2015 to indicate that the funding from the various entities could be used to support professional staffing for the LCLT and associated administrative support services. He noted that the public partners indicated a willingness to provide up to \$30,000 to LCLT beginning July 1, 2014 and continuing through June 30, 2017 for a total of \$90,000 per partner. He added that to date the City of Newport has paid \$30,000 of this pledge. He stated that in return, the funding would be used to provide a sustainable source of administrative funding to meet the goal of providing permanently affordable home ownership for individuals and working families in Lincoln County. He noted that the MOU is temporary in nature and that the LCLT is to work toward full budgetary self-sufficiency by the end of the funding allocation. He added that the LCLT indicated that annual reports would be provided to the public partners by July 1 of each year with a final report being provided no later than December 2016. He noted that the LCLT tried to recruit an individual with the appropriate background to meet the LCLT obligations regarding affordable housing in Lincoln County, however this proved to be a challenge, and the LCLT ended up entering into an agreement with Proud Ground to provide these administrative services. He added that Proud Ground has a solid background in providing affordable housing in the Portland area, and they bring to the table a significant amount of experience to help facilitate that type of activity in Lincoln County.

Nebel reported that as part of the MOU, the public partners, without a specific commitment of resources or properties, agreed to give a high priority, within the requirements of the law, to provide surplus or foreclosed land held by those units or use revolving funds for facilitating workforce housing in Lincoln County. He stated that Tokos provided to Proud Ground a listing of vacant city-owned land for evaluation purposes in developing workforce housing. He added that Proud Ground evaluated seven sites for possible development. He noted that Bill Hall forwarded a copy of this analysis of the city-owned properties for Council review. He stated that the LCLT initiated an RFP for the development of residential housing on vacant city-owned property adjacent to Don Davis Park in the Nye Beach area. He noted that this effort was done without any notification to the Mayor and City Council or City Manager by the LCLT, with members of the Council hearing of this activity from third parties. He added that this created consternation for city officials who are one of the public partners with the LCLT. He noted that when members of Council sought to understand what was going on with this property, information was not immediately forthcoming.

Nebel reported that as a result of the handling of this matter by the LCLT, Hall has forwarded a letter to Council apologizing on behalf of the LCLT Board of Directors for getting the “cart before the horse” on this property. He stated that the LCLT understands the frustrations that this lack of communication brought to this specific situation and to the ongoing relationship between the city and the LCLT. He noted that in order to

address these valid concerns, the LCLT is proposing that going forward members of Council will be provided with monthly LCLT board packets, including the meeting agenda, minutes of the previous meeting, the Executive Director's Report, and financial reports that are compiled from time to time. He added that the LCLT has indicated that based on the concerns expressed by neighboring property owners and Council members, they no longer intend to look at, or evaluate, the city-owned property located next to Don Davis Park for a workforce housing project.

Nebel reported that he has some specific thoughts on how the issue of vacant land should be dealt with by the LCLT and other organizations involved with providing affordable housing in the city. He stated that modeling a process on how the city proceeded with the Habit for Humanity on that land issue, that he would suggest the following for Council on how to proceed with this type of issue in the future:

1. An organization would be requested to make a general request for possible consideration of use of city property for affordable housing, with the Council indicating whether they are open to discussing that specific parcel for that purpose. This would be done before there are any specific proposals for the use of the site. If the Council is not willing to discuss a proposal for that property, the issue is ended.
2. If the Council is willing to consider a proposal for the development of city property, the organization would be referred to the Planning Commission where a more specific proposal on how the property would be used to meet affordable housing needs would be reviewed and evaluated with the Planning Commission providing a recommendation to Council. If the Planning Commission does not recommend favorable consideration, that recommendation would be forwarded to Council. If the Planning Commission supports the use of that property for that specific purpose, then that recommendation would also be forwarded to Council.
3. If the City Council accepts a favorable recommendation, then the organization would be invited to submit a full proposal to the City Council on the use of city property for affordable housing with the Council then making a decision as to whether to go forward with that proposal after reviewing the detailed proposal for the use of the property.

Nebel reported that this process would provide Council with a preliminary notice that an organization is interested in developing a piece of city property. He stated that Council would be able to determine whether it wishes to pursue that process before there is any detailed effort on how the property would be developed. He added that on each specific parcel, Council could also determine that additional study is needed to determine the property's best or highest use. He noted that this also would create more transparency for the general public well in advance of any development decision.

Nebel reported that Tokos has served as a member of the Board of Directors for the LCLT since 2011, and had been appointed for his expertise in dealing with affordable housing issues in Newport. He added that the LCLT wanted additional representation from the Newport area on the board. He stated that there has been some question as to whether Tokos was an official city representative or was serving due to his professional expertise in working on housing and land use issues. He added that the LCLT has not been very specific regarding the three categories of positions on the board. He noted that there were also some questions as to whether involvement of a city official, on a non-profit board such as the LCLT, constitutes any sort of conflict of interest. He stated

that in response to an inquiry of the Oregon Government Ethics Commission, under ORS Chapter 244, the legislative assembly has recognized that serving on many state and local boards and commissions by state and local officials who have potentially conflicting public responsibilities by virtue of the position as public officials, and also as members of boards and commissions, declare that the holding of such offices does not constitute incompatible offices unless expressly stated in the enabling legislation. He added that the service to the LCLT is uncompensated, noting that a conflict does not exist if the public official is not using, or attempting to use, their official position or office to obtain financial benefits for themselves, relatives, or businesses they are associated with. He noted that the law specifically states that a “business” is not any income producing not-for-profit corporation that is tax exempt under 501(c) of the Internal Revenue Code with which a public official or relative of the public official is associated only as a member or board director or in non-remunerated capacity. He stated that in reviewing this information, there is not a conflict of interest with a city official serving on a non-remunerated non-profit board of directors.

Nebel reported that it should also be noted that the city is now a financial partner in the LCLT, and it would be reasonable to have an elected official serve on the board from each of the financially participating jurisdictions. He stated that Tokos would have no problem stepping down if a member of the City Council was interested in serving on this board. He added that this could strengthen the relationship between the LCLT and its partners.

Nebel reported that in reviewing the options the City Council has in going forward, he believes that the LCLT provides a unique tool to develop affordable housing to address work force housing in Lincoln County to the benefit of the County, Lincoln City, the City of Newport, and surrounding areas. He added that he believes that workforce housing will be a factor that limits economic opportunities for the Newport area, and with the expertise that Proud Ground brings to the LCLT, the trust can be a significant asset in creating a sustainable process for expanding work force housing in Lincoln County. He noted that the approach of Proud Ground is to address home ownership in that part of the population that falls between 60% and a 120% of median family income, and that these truly are the people that work for local government, schools, and other professional jobs in Lincoln County.

Nebel reported that based on the opinion that the LCLT is an important tool for addressing work force housing in the community, he has drafted a number of potential recommendations that Council could consider in redefining its relationship as a partner with the LCLT. These include:

1. The LCLT should be providing timely and detailed annual reports to the member communities regarding the activities and expenses that occurred through the course of the year in accordance with the MOU.
2. Council could request staff to develop a specific protocol as to the consideration of the use of vacant city properties to facilitate the development of affordable housing in the city as mentioned earlier.
3. The offer by the LCLT to provide the local elected officials, who are partners with the LCLT, with copies of board packets, agendas, minutes, and the executive director’s report, as well as periodic financial reports would keep the partners fully aware of the activities of the LCLT.

4. The local government partners of the LCLT should be represented on the board, either as a direct appointment or in a liaison capacity, to share information between the partners and the LCLT.

Nebel reported that Rich has indicated that the MOU between the City of Newport, City of Lincoln City, Lincoln County, and the LCLT is nonbinding as it relates to the funding commitment outlined in the original report. He stated that Council would be free to step aside as a formal partner with the LCLT, but that he has two concerns. He noted that he believes a constructive relationship can begin making a difference in dealing with the work force housing needs of Newport and Lincoln County, and that the LCLT brings a valuable tool to the table in addressing these types of housing issues. He stated that he also believes that it is very important for the city to be an active partner with other local governments that are willing to do the same. He added that stepping out of this partnership, before the three year commitment is completed, may send a message as to Newport's reliability as a collaborative player with other local governments.

Nebel reported that following discussion by Council, he recommends that Council provide direction with a request for reporting, or a recommendation for further action regarding this matter. He noted that he has directed the Finance Department not to process the second payment to the LCLT until these matters are rectified.

Allen stated that he had to make a public records request to obtain minutes and information regarding the RFP that Hall had indicated was not public information. He noted that the information was not forthcoming, and that he had to make specific public records requests to obtain it.

Bill Hall appeared before Council. He stated that Diane Lynn, from Proud Ground, was planning to attend but that road conditions prohibited her attendance. He noted that Allison Robertson and Dick Anderson, from the City of Lincoln City, were in attendance and prepared to respond to questions and provide input.

Sawyer stated that Nebel had done a wonderful job in organizing this report. He stated that he would like to prioritize properties so that it would be easy to see the Don Davis Park property is off the table. He added that it is the city's fault in not making this clear. He noted that he would like to add, if possible, other players such as developers, OSU, federal partners, local businesses, and others to work on addressing this problem. He stated that the city cannot drop the ball on this issue.

Saelens stated that he was glad that Sawyer started the discussion with the inventory of property. He asked what properties might be essential to the visioning process. He added that he agreed that the Planning Commission is the place to start the process, but that he hoped to integrate the properties into the long-term visioning process. He suggested the formation of a group to discuss workforce housing.

Swanson stated that she appreciates Hall's letter, and endorsed the idea of an elected official being part of the LCLT either as a liaison or regular member.

Busby stated that he is not a big proponent of the city being in the housing business. He added that the LCLT has not shown the city that it can produce housing results. He noted that it has proven to be poorly managed and with questionable motivations. He stated that it is a challenge to explain why the city is giving the LCLT \$30,000 annually when the voters read the e-mails and the RFP. He added that at the end of the discussion, he would like to make a motion to get out of the MOU with the LCLT. He noted that the LCLT has produced no results in more than seven years; cannot manage money provided by municipalities; and that the issuance of the RFP is at least ethically

questionable. He stated that he does not know what the motivations were, but decided that an organization operating in that manner is not one the city should pay to undertake this type of project. He added that he thinks there are other ways to obtain affordable housing, and referenced Ms. Boxer's letter outlining alternatives. He added that the city should not be providing that much benefit to few individuals. He stated that past performance is the greatest indicator of future performance.

Engler stated that there are several points that need clarification. She noted that one is whether the relationship with the LCLT should continue considering the lack of transparency. She questioned whether the model for selling homes without land is a good fit for Newport, adding that it might be more economical and efficient to focus on building rental properties. She suggested looking at the big picture and understanding the overall housing needs; developing a plan to address those needs; and forming a group to develop plans and policies moving forward. She reported that a housing discussion will be held in Waldport on January 25, and suggested the city be involved or organize another expert panel. She added that the VRD ordinance has had an impact on rentals.

Allen reported that he submitted two separate public records requests for emails/communications, regarding the RFP that was discussed at the work session, and contained in Hall's county e-mail account. He noted that he received the information and forwarded it to the City Council and City Manager. He added that he made an additional public records request a few weeks later. He stated that he forwarded this information to the City Council and it sheds light on what has occurred especially with the Don Davis land and Proud Ground. He noted that, from his perspective, he understands why they went in that direction from reading the board meeting minutes. He added that what concerns him more, is not the direction, but that when asked about what direction LCLT was taking and the reasons for it, LCLT was less than forthcoming about providing information. He noted that he does not know what other information has not been provided, adding that if there is a partnership; there needs to be transparency. Allen stated that when Hall told Busby that this was private information because it is a matter of real estate transactions, he wished that Hall had read the public records law as this hurts his credibility. Allen added that he hopes that trust and credibility can be regained. He stated that being transparent is a number one priority. He noted that 95% of the LCLT funding comes from public entities even though LCLT claims to be a private nonprofit entity. He stated that this makes LCLT more of a public entity than a private nonprofit, and as such, transparency is important.

Roumagoux agreed with Nebel's comments noting that it is important to be an active partner. She stated that stepping out of the partnership will send a message about Newport's reliability. She recognized attendees from the City of Lincoln City and Lincoln County. She added that she did not see the RFP as nefarious since RFPs are great tools in providing budgets and plans for potential uses other than a million dollar parking lot. She suggested determining what could be done for housing for middle class people, or perhaps developing the Don Davis property into a park for summer theater.

Busby stated that regardless of this incident, there needs to be broader participation in the discussion by other parties. He suggested that Council entertain a motion to form such an organization. He noted that in the meantime, it is in the city's best interest to at least put the MOU with the LCLT on hold. He added that there is no point in continuing

to pay a fee to LCLT to see if they produce something. He recommended looking at the bigger picture and determining how to move forward.

Nebel stated that this item was not set up for action tonight other than to discuss the issue; share concerns; and outline a path forward. He added that the specific issue with the LCLT is to decide whether it is in the city's interest to continue the relationship. He noted that it would be helpful to develop a detailed report to determine whether to go forward. He stated that only one payment has been made to the LCLT under the MOU, and suggested holding additional payments until a future discussion is held on the direction the city should go related to this topic. Engler suggested a standing committee to explore all housing issues, noting that there are many solutions that may not be vested in Habitat for Humanity, LCLT, or city regulations. Nebel noted that he is concerned about supporting a committee so that it would have a meaningful role. He noted that it might mean that funding would need to be appropriated to have a consultant assist with the process. He recommended a detailed report for Council consideration, noting that staff would need time to prepare the report.

Allen noted that the LCLT board minutes from March 23, 2015 include a discussion regarding the \$3,500 annual membership fee the city paid prior to the MOU payments of \$30,000. He stated that the city is a member of the LCLT and is entitled to all this information, under LCLT by-laws, but that he had to obtain it through public records requests. He added that this gets back to the transparency issue, and begs the following questions: what kind of organization is LCLT; and what kind of decisions is it making for its members. He noted that it is an organizational issue if LCLT is not complying with its by-laws, and recommended that LCLT look at this internally. He added that, as a member of the LCLT, the city is entitled to have an elected City Council member on the LCLT board. He stated that things have to change to make this a good relationship.

MOTION was made by Busby, seconded by Engler, to withhold all future payments to LCLT until satisfactory data and planning information is provided to the City Council. The motion carried in a voice vote with Roumagoux and Swanson voting no.

Engler asked whether LCLT provides apartments or rentals. Hall reported that the focus is on home ownership, but did not see a reason why the LCLT could not consider rentals or apartments. He noted that some projects have been mixed use projects that include retail space, and potentially rentals could be part of the mix. Engler asked Hall what other properties have been considered by the LCLT, and Hall noted that the LCLT has primarily looked at city properties. He reviewed other potential private property donations. Engler suggested looking at foreclosures. Engler asked whether the LCLT buys properties, and Hall responded that it could if it penciled out.

Right-of-Way for the Extension of NE 71st Street. Hawker introduced the agenda item. Nebel reported that the city has been working with Newport Memory Care, LLC to facilitate the construction of 48-bed long-term memory care wing adjacent to the existing Ocean View Senior Living Facility. He stated that this process started in 2014 with the extension of the city's urban growth boundary. He added that once this extension was approved by the county and the state, the property was formally annexed into the city in April 2015. He noted that the property that will be dedicated as city right-of-way is currently owned by the city, and once the city formally dedicates this as right-of-way, the public street will be extended as part of the memory care project. He stated that the end of the new right-of-way will terminate at city-owned property.

MOTION was made by Sawyer, seconded by Swanson, to dedicate a 50-foot wide strip of city-owned property to allow for the future extension of NE 71st Street as city right-of-way and authorize the Mayor to sign the legal documents needed to complete the dedication. The motion carried unanimously in a voice vote.

Authorization of a License with the Oregon Department of State Lands for the Abbey Street Pier Public Access Dock. Hawker introduced the agenda item. Nebel reported that the Abbey Street Pier extends over state-owned submerged lands managed by the Oregon Department of State Lands. He noted that the license, included in the packet, will run for 15 years expiring on November 30, 2030. He added that under the terms of the license, the city is required to maintain the pier in good working condition, and must obtain permission from the state for any pier improvements made to the structure. He stated that either party may terminate the agreement by mutual consent.

MOTION was made by Sawyer, seconded by Swanson, that the execution of a license agreement, authorizing the continued use of the Abbey Street Pier as a public access dock, is not contrary to the public interest and authorize the City Manager to execute said agreement as included in the packet. The motion carried unanimously in a voice vote.

Consideration and Possible Adoption of Resolution Nos. 3736 and 3737 Requesting Funding from the U.S. Department of the Interior Bureau of Reclamation for WaterSMART Water Grants. Hawker introduced the agenda item. Nebel reported that staff is working with Chase Park Grants to prepare two grant applications to the U.S. Department of the Interior Bureau of Reclamation for WaterSMART Water Grants to fund the city's Automatic Meter Reading (AMR) conversion project. He stated that last year, the city's million dollar application fell short and was not funded. He added that this year, Chase Park Grants is suggesting that the city apply for both the million dollar grant program and the \$300,000 grant program, and there is no prohibition on applying for both programs.

MOTION was made by Swanson, seconded by Saelens, to adopt Resolution No. 3736 which requests funding from the U.S. Department of the Interior Bureau of Reclamation for a WaterSMART Water Grant in the amount of \$300,000 for the city's automatic Meter reading system. The motion carried unanimously in a voice vote.

MOTION was made by Swanson, seconded by Saelens, to adopt Resolution No. 3737 which requests funding from the U.S. Department of the Interior Bureau of Reclamation for a WaterSMART Water Grant in the amount of \$1,000,000 for the city's automatic Meter reading system. The motion carried unanimously in a voice vote.

Authorization for a Letter to Apply for Re-Designation as a Coast Guard City. Hawker introduced the agenda item. Nebel reported that every five years, Newport is required to submit an application for re-designation as a Coast Guard City. He stated that the letter should describe the city's ongoing relationship with the U.S. Coast Guard with examples of recent programs and projects. He added that if authorized by the Council, staff will draft a letter and report to the Coast Guard that will address the requirements for re-designation of Newport for another five-year period as a Coast Guard City. He noted that the letter and report will include the following collaborations: the Fire Department has joined the Coast Guard in joint training exercises and table top training scenarios;

the Fire Department tests fire hoses and pumps on the motor lifeboat "Victory" at no charge; the Fire Department provides onsite EMTs for the Coast Guard defensive tactics training; the Parks and Recreation Department provides free military day passes to all military personnel including the Coast Guard, with approximately 90% of the military passes being used by the Coast Guard. Nebel reported that during 2015, the free daily passes issued for active military personnel ranged from a low of 69 passes in January to a high of 139 passes in April. He added that the recreation program helps Coast Guard personnel integrate with the local population at the Recreation Center. He noted that the Police Department provides a police escort for Coast Guard members participating in the Special Olympics Torch Run; the Police Department provides back-up to the Coast Guard crew in dealing with occasional belligerent citizens; the Newport Police Association hosted a Christmas Party for Station Yaquina Bay members and their families; the Coast Guard Commanding Officer has an open invitation to attend law enforcement council meetings and the monthly Western States Intelligence Network meetings. He noted that Miranda is a retired Coast Guard (PSCS) and works closely to promote strong relationships with the Coast Guard. He added that the Mayor and City Manager are invited to, and attend, various events on the base. He stated that the Coast Guard is invited to provide the Color Guard for various parades and events in the community. Nebel reported that on August 4, 2015, the city hosted a reception for the issuance of the United States Coast Guard Forever Stamp and invited the Coast Guard Station Yaquina Bay and the Newport Air Facility. He stated that the city, Port of Newport, Lincoln County, Newport Fishermen Wives, and many other interest groups strongly advocated for the continuation of the Air Station at the Newport Municipal Airport. He added that the U.S. Coast Guard has a strong and rich history with the city and it is expected that this relationship will grow even stronger in the future.

MOTION was made by Engler, seconded by Sawyer, to authorize an application for re-designation of the City of Newport, Oregon as a Coast Guard City and authorize the Mayor to sign the letter of application. The motion carried unanimously in a voice vote.

Busby suggested that after the re-designation, a letter be sent to the USCG Commandant thanking the USCG for keeping the air facility in Newport.

Report on the Emergency Declaration for the City of Newport. Hawker introduced the agenda item. Nebel reported that on December 22, 2015, the City Council declared an emergency relating to damage to public lands, infrastructure, and a slide that impacted seven homes on NE 70th Drive created by extreme weather conditions. He stated that a meeting was held with the affected property owners on December 22 outlining the processes for dealing with properties that were tagged with yellow or red tags. He noted that the red tags indicate that the structures cannot be entered, and the yellow tags indicate the properties cannot be occupied until the property owners obtain an evaluation indicating that the structures are not in danger of sliding. He added that there have been signs of ground settlement off 70th Drive since the slide occurred.

Nebel reported that on December 29, he and Gross met with Rotary President Ted Smith and the District Governor Elect for the Lions Club regarding a potential joint effort to raise funds for the property owners that are either yellow or red tagged. He stated that this may be a more effective mechanism to collectively raise funds for homeowners that are struggling with uncertainty over what needs to be done to safeguard their properties

from further sliding. He noted that the city has evaluated the storm sewers in this area and they were not impacted by the slide and are functioning normally.

Nebel reported that Gross has provided a list of the public infrastructure damage assessment field data for the Council consideration. He noted that the city has had challenges with its sanitary sewer pump stations due to the sheer volume of water and debris running through them.

Gross reported that the Big Creek and Schooner Creek pump stations have been operating at such a high level, that they are now falling apart. He stated that pump station repair is in process, and the stations will soon be operating normally. Busby asked whether \$60,000 was an accurate damage estimate. Gross reviewed the costs noting that \$60,000 remains accurate. Allen stated that there was inconsistency in the ending dates of the resolution at the recent work session. He asked whether anyone at Lincoln County was consulted regarding the inconsistencies and the possibility of moving this declaration to a federal level. Nebel stated that when staff met with Jenny Demaris, she indicated that the state declaration had an end date, but more recent information indicated that the state did not have an end date. He added that he will provide Council with an update, if one is available, at the January 19 meeting.

LOCAL CONTRACT REVIEW BOARD MEETING

The City Council, acting as the Local Contract Review Board, met at 9:46 P.M.

Approval of Task Order No. 17 with Brown and Caldwell Engineering for the Agate Beach Wastewater System Improvements. Hawker introduced the agenda item. Nebel reported that in 2014, the city acquired a low interest Clean Water State Revolving Loan Fund (CWSRF) loan from the Oregon Department of Environmental Quality (ORDEQ) to fund wastewater system improvements in the Agate Beach area. He stated that the force main for the Big Creek Pump Station was completed in 2014, and in 2015, construction of the Big Creek Pump Station was initiated and continues. He noted that this task order is for the preliminary engineering on the remaining projects in the Agate Beach Wastewater System Improvements Project including the Schooner Creek Pump Station and Schooner Creek force main projects; the 48th Street Pump Station and the 48th Street force main projects; and the Coast Highway gravity sewer project. He added that this task order will cover project management and preliminary design activities including surveying, geotechnical services, environmental permitting, transient analysis, and a preliminary design report. He stated that final design, bidding, and construction management will be done as separate task orders once the general projects are more definitively scoped. He noted that as part of the preliminary design effort, alternative design and bidding options will be evaluated in an effort to reduce project costs. He stated that once Phase 1 and Phase 2 are completed, future task orders will deal with the specific design of each project to complete the wastewater improvements in the Agate Beach area. He added that the fee for completing Phases 1 and 2 of the task order is \$309,404 through Brown and Caldwell, Inc.

MOTION was made by Allen, seconded by Engler, to approve Task Order No. 17 with Brown and Caldwell, Inc., in the amount of \$309,404, for preliminary design activities and general project management of the Agate Beach Wastewater System

Improvements and authorize the City Manager to execute the contract on behalf of the City of Newport. The motion carried unanimously in a voice vote.

Approval to Purchase a John Deere 444k Wheel Loader for the Wastewater Treatment Plant. Hawker introduced the agenda item. Nebel reported that in the current year budget, \$210,000 has been appropriated for the purchase of a front end loader for the Wastewater Treatment Plant. He stated that this will replace an existing Caterpillar loader which was purchased used from Lincoln County and is near the end of its useful life. He noted that the city is a member of H-GAC BUY which collectively bids equipment for government agencies. He noted that staff compared the John Deere 444K with a Komatsu WA200-7, and that both pieces of equipment were equivalent to the John Deere which was the lowest priced unit at \$136,600.

MOTION was made by Sawyer, seconded by Saelens, to authorize the purchase of a John Deere 444k Wheel Loader for the Wastewater Treatment Plant in the amount of \$136,600 as competitively bid through H-GAC BUY of which the city is a participating member. The motion carried unanimously in a voice vote.

RETURN TO CITY COUNCIL MEETING

The City Council returned to its regular meeting at 9:50 P.M.

REPORT FROM MAYOR AND COUNCIL

Roumagoux reported that now is the time of year when she gets requests from school children for information on the city. She read a letter, which she particularly enjoyed, from a student at Rosedale Elementary School in Beaverton.

Roumagoux suggested that she, Saelens, and Busby meet with Nebel to discuss his salary after he returns from vacation.

Sawyer stated that he appreciated the employee appreciation banquet, and especially enjoyed the location as it promotes interaction.

Sawyer reported that he attended a recent meeting of the Destination Newport Committee at which financial information was discussed. He noted that the DNC would like additional funding for advertising, adding that he expects a recommendation from the DNC to the Budget Committee related to this request.

Sawyer noted that the fishing fleet is pulling crab pots today, adding that he hopes it is a successful season.

Saelens stated that the employee appreciation banquet was in a great and open location.

Saelens reported that Oregon has the greatest rate of people moving into the state than any other state.

Swanson stated that she enjoyed the employee appreciation banquet. She noted that she had a wonderful holiday.

Busby thanked everyone who had participated in union negotiations. Rich noted that the unsung hero is John DuBois, in the Finance Department, who worked tirelessly to enter all the new information for the December 31 payroll.

Engler stated that the employee appreciation dinner was good; that Nebel had done a great job as emcee; and she congratulated the Elton Pier Award winners.

Allen reported that he had attended the employee appreciation banquet.

Allen reported that he, Roumagoux, and Sawyer attended the meeting with the homeowners of the properties damaged by the landslide. He noted that this meeting was well-attended; the homeowners appreciated the information; and that he is glad that the fundraising effort is ongoing.

Allen noted that the District Attorney had made a determination on the recent officer-involved shooting. He asked when the internal review would take place. Miranda reported that the Police Department would be launching its internal review, and it will be focused on whether the officers were conforming to the department's use of force policies. He noted that it will take approximately 30 days and will be confidential other than to report whether the officers were in compliance with departmental policies. He added that both officers are back at work.

PUBLIC COMMENT

Walter Chuck read a statement of support for the police officers and city regarding the police officer involved shootings.

Roumagoux reported that Lieutenant Malloy put together a shadow box with information about the department staff. She noted that it is located in the public hallway across from the Police Department.

Gary Lahman thanked Nebel and Hawker for handling the fluoride paper work and assorted duties generated by the subject. He stated that, in the end, the discussion is really about the health of the community.

ADJOURNMENT

Having no further business, the meeting adjourned at 10:04 P.M.

Margaret M. Hawker, City Recorder

Sandra N. Roumagoux, Mayor