

March 16, 2015
6:35 P.M.
Newport, Oregon

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

Staff present was City Manager Nebel, City Recorder Hawker, Community Development Director Tokos, Public Works Director Gross, 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

Nyla Jebousek addressed Council regarding disabled parking for the new swimming pool. She inquired as to whether the pool would have an ionizer, and gross reported that the pool will use a standard chlorination system as that is more effective than the ionization process.

CONSENT CALENDAR

The consent calendar consisted of the following:

- A. Approval of City Council minutes from the regular meeting of March 2, 2015;
- B. Acceptance of the resignation of Martha Adcox, from the Senior Citizen's Advisory Committee, whose term would expire on December 31, 2015;
- C. Confirmation of the Mayor's appointments to the Senior Citizen's Advisory Committee of Ann Way, for a term expiring December 31, 2016, and Nancy Warneke for a term expiring December 31, 2015.

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

PUBLIC HEARINGS

Public Hearing and Possible Approval of the City Council Goals for Fiscal Year 2014/2015. Hawker introduced the agenda item. Nebel reported that at the March 2 meeting of the City Council, the Council proposed the adoption of goals for the 2015/2016 fiscal year.

Nebel reported that the City Council met in its annual goal setting session on February 23, 2015 to hear reports from departments, advisory committees, and the public on possible goals for the 2015/2016 fiscal year. He stated that throughout the

course of the day, members of the City Council identified various projects for potential Council goals for the next fiscal year. He added that fourteen goals were prioritized by the City Council for inclusion in the 2015/2016 goals. He noted that in addition, Council discussed the possibility of proceeding with some sort of community visioning process during the next fiscal year. He stated that Council has requested a report on the community visioning matter which will be presented at the April 6 City Council meeting.

Busby opened the public hearing on the proposed 2015/2016 fiscal year City Council goals at 6:42 P.M. He called for public comment.

Nyla Jebousek suggested including someone from the Oregon State Parks Department on the Urban Renewal Advisory Committee.

Nyla Jebousek requested that Council consider implementing a low income assistance water rate program. She noted that the City of Albany administers a similar program through the Community Services Consortium. Sawyer asked that Murzynsky report on the Albany plan in the next few weeks.

Nyla Jebousek suggested that the water bills be revised so that the various charges are delineated.

Nyla Jebousek reported that she was pleased to see that one of the lesser Council goals was to institute an event similar to that which occurs at Shore Acres State Park during the holiday season. She suggested using local natural resources to further promote tourism.

Hearing no additional comment, Busby closed the public hearing at 6:47 P.M. for Council deliberation.

Allen noted that Jebousek's remarks regarding the low income water assistance program are a good reminder that this issue needs to be investigated. He added that another item that the Infrastructure Task Force discussed was to include additional information on the water bills showing where the money was going. Saelens noted that he appreciated Jebousek's reminder that the program is important. Nebel reported that he plans to talk with the Budget Committee about a water rate study. Engler noted that the city does not have jurisdiction over Yaquina State Park; adding that it would difficult for the city to host a Shore Acres type event. She suggested that perhaps the Aquarium's holiday lighting program could be expanded. Allen noted that the intent behind the goal is to start a discussion with the state parks for consideration of a Shore Acres-type program. Saelens noted that an issue that has arisen with advisory committees is what happens to the committee recommended goals if they have not been identified as priority Council goals. Nebel noted that the committees may work toward their goals throughout the next year. He added that he would follow up with the advisory committees.

MOTION was made by Swanson, seconded by Engler, to adopt the 2015/2016 fiscal year goals for the City of Newport. The motion carried unanimously in a voice vote.

Public Hearing on Petition by Jim and Dee Reeb - Petition to Initiate the Nuisance Process as Provided in the Newport Municipal Code. Hawker introduced the agenda item. Nebel reported that Jim and Dee Reeb reside at 705 SW Alder Street in Newport which is located on the corner of Alder and 7th Streets. He stated that the Reeb's submitted a complaint regarding property conditions at 447 SW 7th Street to the Police Department in September 2014. He noted that former Community Service Officer Dustin

Kittel met twice with Mr. and Mrs. Reeb. He added that this was at the time that Kittel was completing his tenure with the city, and as a result, this matter remained unresolved following the initial contact with the department. He noted that Mr. Reeb forwarded the complaint to him, but due to an extended absence created by illness, he did not have an opportunity to forward this complaint to Chief Miranda in a timely fashion. He stated that the Reeb's opted to use the provision in the Municipal Code that provides that if a nuisance remains in place for 30 days without any action by the city, that person may petition the City Council to initiate the nuisance process. He added that since this time, he has met with Mr. Reeb and coordinated a meeting with the new Community Service Office, Jim Folmar, and Lt. Jason Malloy. He noted that Folmar indicated that he would initiate contact with the landlord immediately. He stated that it is hoped that current efforts will work concurrently with the public hearing to address the significant property issues occurring at 447 SW 7th Street.

Busby opened the public hearing at 6: 55 P.M.

He called for public comment.

Jim Reeb reported that this started last fall when he spoke with former Community Service Officer Kittel. He stated that he provided photos for Kittel, but nothing happened. He added that he took more photos later in the year. He stated that he met with Nebel in February and submitted a series of photos, and provided the latest photos from yesterday. He added that since Nebel and Folmar have become involved, there has been some improvement, but that he would like to see it continue and speed up, particularly in regard to the property between the houses.

Rocky Green reported that he is the main handyman for the property at issue. He stated that the mess cannot be seen from anywhere outside. He added that he is easy to get along with, and that he would have preferred to have been notified about this issue before it got to this point. He stated that he will do his best to keep the property picked up. He noted that he works on bikes, boats, and rafts, and has a fire pit, and believes that it is unfair asking him to live by the neighbor's standards in his yard. He reported that he only became aware of this matter within the past few weeks.

Busby closed the public hearing at 7:02 P.M. for Council deliberation.

Allen asked whether, since it appears that things are moving forward in a positive fashion, Council needed to initiate any process, or whether the matter might be resolved informally. Nebel reported that there is a positive history of progress. He added that this is an issue that fell through the cracks, but that steps are being taken to adequately address the issue. He stated that Folmar is working with both parties to bring the issue to an appropriate conclusion. He added that both parties have been cooperative, and that the city will work with them until the issue is satisfactorily addressed. Busby asked Reeb whether he is satisfied with the progress. Reeb reported that progress has been made in the back yard, but nothing has been done on the side yard. Allen noted that the direction to City Manager and Police Chief is to look into issues more proactively, and if one does rise to the level of a potential nuisance, the City Manager has the discretion to bring the matter to the City Council. Nebel noted that staff understands what it needs to do. It was the consensus of Council that no Council action is needed at this time.

Public Hearing and Possible Adoption of Ordinance No. 2077 Readopting Ordinance No. 2074 Withdrawing Territory from the Seal Rock Water District. Hawker introduced the agenda item. Nebel reported that the city entered into an Intergovernmental

Agreement (IGA) with the Seal Rock Water District in 2007 that expanded the city's water service area to include much of South Beach. He stated that the IGA evidenced both parties' recognition of the fact that the city is better positioned to provide water service to developing properties in the area. He noted that the IGA contemplated, but did not affect, the withdrawal of the served properties from the District's territory.

Nebel reported that after the city took over water service responsibilities within the City Service Area (CSA) on January 1, 2008, the District secured approval of a General Obligation Bond for improvements to its water system. He added that these bonds were drawn upon in 2011 and 2012 to finance improvements to the District's system that do not benefit properties within the CSA. He stated that because properties within the CSA remain within the District boundaries, these properties are subject to District property taxes, and are paying for their proportionate share of the post-2008 issued bonds.

Nebel reported that upon recognizing the inequities of this situation for CSA property owners, the city and District adopted Amendment No. 1 to the IGA on May 8, 2014, to evidence the parties' intent that, when CSA territory is withdrawn from the District, those properties will only be subject to General Obligation Bond debt incurred prior to January 1, 2008, the date the city began providing water service within the CSA.

Nebel reported that ORS 222.520 authorizes cities to withdraw territory from a service district once it has been annexed. He stated that the process that must be followed, outlined under ORS 222.524, requires that the governing body of a city fix a date, time, and place for a public hearing to hear any objections to the withdrawal and determine whether such withdrawal is in the best interest of the city. He added that notice of the hearing must be published in a newspaper once a week, for two consecutive weeks prior to the date of the hearing. He noted that after the hearing, the governing body may, by ordinance, declare the annexed territory withdrawn from the district, but that such an ordinance is subject to referendum.

Nebel reported that on October 20, 2014, the City Council set a public hearing for 6 P.M. on November 17, 2014 in the City Hall Council Chambers (169 SW Coast Hwy, Newport) as the date, time and place for the public hearing. He added that notice of the hearing was published in the Newport News-Times on November 7, 2014, and November 14, 2014, satisfying the statutory notice requirement.

Nebel reported that the City Council, after considering the evidence and argument presented at the public hearing and in the record, determined that it was in the city's best interest to withdraw the territory annexed to the city and located within the CSA from the Seal Rock Water District, and adopted Ordinance No. 2074 on December 1, 2014.

Nebel reported that subsequent to the adoption of Ordinance No. 2074, the city was advised by the Oregon Department of Revenue, that for it to complete a review of the withdrawal, several technical changes to the manner in which the withdrawn property is described should occur. He stated that because these are technical changes, there is no change to the numbers and locations of the properties as described in Ordinance No. 2074.

Nebel reported that in order to allow sufficient time for the Oregon Department of Revenue to complete its review so that taxpayer relief can occur as envisioned in Ordinance No. 2074, an emergency ordinance is necessary.

Busby opened the public hearing at 7:18 P.M.

Busby called for public comment. There was none.

Busby closed the public hearing at 7:19 P.M. for Council deliberation.

MOTION was made by Allen, seconded by Sawyer, that Ordinance No. 2077, which withdraws territory from the Seal Rock Water District, be read, by title only, and placed for final passage. The motion carried unanimously in a voice vote. Hawker read the title of Ordinance No. 2077. Voting aye on the adoption of Ordinance No. 2077 were Sawyer, Saelens, Swanson, Busby, Engler, and Allen.

COMMUNICATIONS

From the Visual Arts Center Steering Committee - Presentation of a Management Plan for the Visual Arts Center. Hawker introduced the agenda item. Nebel reported that on June 2, 2014, the City Council unanimously approved a motion requesting the development of a strategic plan for the Visual Arts Center including the following elements: 1. A governance model; 2. A financial plan to shift financial support from the city to a shared responsibility between the city and the visual arts community over a period of five years; and 3. To expand the use and programs offered in the Visual Arts Center over time. He noted that the motion required that the Council be provided this report by December 1, 2014, and that Council later approved an extension to March of 2015. He stated that since he was unable to be present at the March 2 meeting, he asked that the Steering Committee have materials prepared for the March 16 City Council meeting. He noted that the Steering Committee has worked collaboratively with the various stakeholders at the Visual Arts Center and has identified a series of goals to address the criteria outlined by the City Council at the June 2, 2014 Council meeting. He stated that the report is included in the packet.

Nebel reported that he had the opportunity to work with the Steering Committee since June 2014 to develop a realistic plan to make the Visual Arts Center more self-supporting and to address general governance issues among the stakeholders for this facility. He stated that he has been impressed with the dedication of the group of people that have worked diligently to get through this process. He added that he believes that the Visual Arts Center will be much more actively managed, and with the recommendation in place, the oversight of the Visual Arts Center will be much more transparent and visible in the future.

Catherine Rickbone, Executive Director of the OCCA, and Tom Webb, VAC Manager, appeared before Council. Rickbone reported that Webb will be moving from the manager position into the VAC director position. She added that he has had an opportunity to participate in this process. She introduced and recognized Mike Kloeck, a member of the VAC Steering Committee, and asked that other Steering Committee members present stand. Rickbone noted that many community members participated in this effort.

Rickbone reported that the reports contained in the packet represent months of work and thinking about the process. She acknowledged the Yaquina Arts Association and Coastal Arts Guild. She stated that the executive summary relates back to the resolution. She thanked Nebel for his assistance.

Webb reviewed the VAC as a facility and its community usage. He reported that the facility draws 19,000 visitors annually, and has an estimated economic impact of \$111,000 annually. He noted that efforts are being made to grow the usage and diversity of the building.

Rickbone reviewed the financials noting that the operating subsidy for the VAC was recently \$85,224 which is a modest amount of money compared to the community benefit. Webb reviewed the financial action plan, noting that it looks at current revenue streams, adds new revenue streams, and reminds staff to be open to new opportunities. He added that the goals will be reviewed annually, and include rental income, private donations, and art sales. He noted that newer revenue streams will include increased private patron support, and foundation and sponsor development. He stated that the goals are annually incremental, but in total, over a five-year period, are substantial. He noted that the new support is represented in the plan, and it adds up to around \$129,000 in year five.

Rickbone and Webb responded to Council questions.

MOTION was made by Saelens, seconded by Allen, to accept the report and recommendation from the Visual Arts Steering Committee which includes the governance model, a financial management plan, and goals to expand usage of the building as requested by the City Council. Motion was further made to accept the bylaws which create the governance model for the Steering Committee for the oversight for the Visual Arts Center. Motion was further made to adopt Resolution No. 3709, as presented, establishing rental rates for the VAC effective March 16, 2015. The motions carried unanimously in a voice vote.

From the Parks and Recreation Advisory Committee - Consideration of Designating Newport Parks as Smoke Free Zones. Hawker introduced the agenda item. Nebel reported that the Parks and Recreation Advisory Committee voted, in an eight to two vote, to recommend to the City Council that all of the city-owned parks be designated as smoke free zones. He noted that this item has been discussed over the past six months by the Committee, and if the Council is interested in pursuing this direction, recommended that the Council hold a public hearing that would be scheduled during the April 6 City Council meeting prior to taking action on this recommendation. He added that if at the end of the public hearing, there is a consensus to move forward, an ordinance could be drafted to address the desires of the City Council in regard to this matter.

Saelens reported that the Committee discussed where smokers are supposed to smoke, and noted that, with the current proposal, smoking would still be allowed in parking lots, sidewalks, and on the perimeter of parks.

MOTION was made by Sawyer, seconded by Engler, to set a public hearing on April 6, 2015 to hear public comment on the recommendation of the city's Parks and Recreation Advisory Committee to designate city-owned parks as smoke free zones. The motion carried in a voice vote with Swanson voting no. A discussion ensued regarding enforcement, and it was suggested that Nebel develop a report on enforcement so that a comprehensive assessment could occur. Swanson noted that she would also like to know the costs of signage.

From the Senior Citizen's Advisory Committee - Update on Activities at the 60+ Center by Mike Rickus and Peggy O'Callaghan. Hawker introduced the agenda item. Mike Rickus, Chair of the Senior Advisory Committee, and Peggy O'Callaghan, manager of the facility, made a PowerPoint presentation on activities at the 60+ Center and responded to Council questions. Items reviewed included: hours of operation;

contact information; users of the facility; gift shop, organized activities; usage statistics; volunteer hours; pool parking demands on the city campus; building entrances; Meals on Wheels; rooms available for rent; kitchens; multi-purpose room; lounge/library; education room; pool room; wellness center; group support from the Newport Senior Activity Association; Friends of the Newport Senior Center; Newport 60+ Center Advisory Board; and the vision statement. Rickus recognized the work of Swanson as the Council liaison to the Committee. He stated that the Committee is concerned about the impact on parking created by the pool. He reiterated that this is a major concern that needs to stay in the forefront. Gross agreed to meet with the Committee regarding pool parking.

From the Lincoln County Land Trust - Regarding a Revised Memorandum of Understanding by Bill Hall. Hawker introduced the agenda item. Nebel reported that at the July 21, 2014, City Council meeting, the Council approved an agreement to jointly fund the Lincoln Community Land Trust to hire a full-time staff person with associated administrative support services with each entity contributing \$30,000 a year beginning July 1, 2014 and continuing through June 30, 2017.

Nebel reported that at the joint City Council/County Commission meeting held on January 21, County Commissioner, and Lincoln Community Land Trust Board Member, Bill Hall, informed the Council that efforts to retain a qualified employee for the Trust has been unsuccessful and that the Trust was looking at providing that staffing on a contractual basis through an established community land trust organization. He stated that in the interim, the Trust entered into an operational services and technical assistance agreement with Proud Ground, a Portland-based land trust that serves low and moderate income first-time home buyers through education and counseling; post purchase support; affordable home buying opportunities; and asset management. He added that Proud Ground facilitates the sale of homes to individuals meeting specific income thresholds, which allows the homes to be purchased at \$60,000-\$100,000 below market value. He noted that when the homeowners sell the homes, the same savings is passed along to the prospective buyer, who must also meet the eligibility requirements at that time.

Nebel reported that at the March 2, 2015 City Council meeting, this issue of revising the MOU was discussed and Council had questions regarding the MOU and the agreement between LCLT and Proud Ground. He stated that Council opted to defer action on the issue until the March 16, 2015 City Council meeting at which time those questions were to be addressed.

Nebel reported that at the March 2 City Council meeting, Councilor Allen noted that the agreement between LCLT and Proud Ground caps Proud Ground's fees at \$25,000, and that projecting this amount out to a full year would only be \$50,000. He stated that Allen inquired as to what happens to the remaining \$40,000 contributed by the three jurisdictions, since each agreed to contribute \$30,000 annually for three years. He noted that in an e-mail from Bill Hall (included in the packet), Hall notes that "I said I thought we had deliberately set the first six month dollar amount at a low ceiling, and my review today has confirmed that. In this initial period, we are mainly focused on setting up an operating structure; as we move into actual project development, the expectation is that the hours will increase." Hall added (in this same e-mail), that "I've attached a second revision (to the MOU) adding the words "up to" in front of \$30,000 per year. My

expectation is that Proud Ground would draw down funds proportionately on an as-needed basis, and if not all the money is drawn down, it will be left with the jurisdictions.” Nebel noted that at the March 2 Council meeting, the words “a full time staff person” were recommended to be replaced with “professional staffing.” Both these changes are indicated in the draft revised MOU which is attached to this report.

Nebel stated that this program has solid merit, and noted that it is important that we try to work as a team with the other major governmental entities to make the program move forward.

Bill Hall apologized for not being better prepared at the last meeting. He confirmed that the amount of \$25,000 was deliberately set low because Proud Ground thought there might be less work during the ramp up period. He noted that the second reason is that while Proud Ground has most expertise among its staff, it would have to contract for some services, and that amount is not included in the \$25,000 amount. He added that the revised memorandum of understanding has included the wording “up to” before the \$30,000 figure.

Allen noted that at the last meeting, there was a reference by Tokos regarding CDBG and possibly using the extra money for that which would be outside the scope of services. It was agreed that City Council action would be needed for services outside the scope. Busby stated that he believes that this program gives too much money to too few people. He added that the city is now looking at a new urban renewal district, and spending more money than it is taking in, and that he does not believe the city should be spending money on this program.

MOTION was made by Saelens, seconded by Sawyer, to approve the revised Memorandum of Understanding (MOU) with the Lincoln Community Land Trust, the City of Newport, the City of Lincoln City, and Lincoln County for a commitment to provide up to \$30,000 a year for a three-year period beginning July 1, 2014, to provide financial support to contract for services for the development of workforce housing on a regional basis, and that the MOU include attaching an e-mail communication from Bill Hall, dated March 3, 2015. The motion carried in a voice vote with Busby voting no.

From the Audit Committee - Report on Selecting an Auditor for the City of Newport.

Hawker introduced the agenda item. Nebel reported that the most recent contract for conducting the annual financial audit for the City of Newport and the Newport Urban Renewal Agency expired following the year-end 2014 audit. He noted that in preparation for the upcoming year-end 2015 financial audit, the Finance Department requested proposals, from multiple firms, through a formal competitive Request for Proposal (RFP) process and received proposals from six qualified firms.

Nebel reported that a Selection Review Committee (consisting of Councilor and Audit Committee Member, Laura Swanson, the Finance Director, the Assistant Finance Director, and the Financial Specialist III) reviewed the responses to the RFP. He stated that the results were tabulated into a matrix and were presented to the Audit Committee to decide whether interviews were necessary. He added that based on the review by the Audit Committee, three firms were invited to participate in interviews to further evaluate their suitability for the auditing services contract. He noted that after the interviews, the final results were tabulated and added to the initial matrix. He stated that the apparent successful proposer is the firm, Boldt, Carlisle, and Smith LLC, who was ranked the highest.

Nebel reported that the packet includes a report from Councilor Allen regarding the March 10, 2015 Audit Committee meeting that was held to clarify items associated with the RFP.

Nebel reported that the Audit Committee has reviewed the results and is recommending that the city, and URA, award the contract to Boldt, Carlisle and Smith LLC and have the Finance Director negotiate the contract to be awarded. He stated that once the contract is negotiated, the Finance Director will present the contract to the City Manager for execution. He added that the contract would be for three years with options for two one-year extensions.

Nebel reported that this is a communication only, as action on the selection of an auditor for the City of Newport and the Newport Urban Renewal Agency is on this agenda under "Local Contract Review Board" items for both the city and URA.

CITY MANAGER REPORT

Approval of Second Amendment to the Intergovernmental Agreement with the Seal Rock Water District. Hawker introduced the agenda item. Nebel reported that the city currently has water customers (and city taxpayers) who continue to pay taxes to the Seal Rock Water District since actions have never been taken to remove those properties from the District.

Nebel reported that as part of Amendment No. 1 to the IGA, the city, working with the District, agreed that the city should be responsible for any debt issued prior to 2008 on those properties withdrawing from the district. He added that as of July 1, 2015, this amount will be \$55,322.49. He noted that it was the intent of the parties to forgive any responsibilities, to the extent legally permissible, for debt incurred after January 1, 2008. He stated that it is this issue that the District has since determined cannot be addressed in the way proposed in Amendment No. 1.

Nebel reported that under the revised agreement, this issue is being addressed in a different way. He stated that in the original 2007 IGA, the city is responsible to pay to the District the sum of \$1.8 million in monthly payments of not less than \$5,000 each. He noted that the original IGA also required that bonded indebtedness is satisfied as provided by law for withdrawn properties.

Nebel reported that in order to maintain the original intent of Amendment No. 1, the city's responsibilities will be as follows: (1) The city will continue paying \$5,000/month on the balance of the \$1.8 million original obligation between the city and District; (2) The city will continue being responsible for paying \$55,322.49 of the debt issued prior to 2008 in accordance with Amendment No. 1 by July 31, 2015; (3) Under Amendment No. 2, the city will be responsible for annual payments by June 30 of each year. The first of these payments is estimated at \$9,450 for the 2011 and 2012 debt on withdrawn properties. The total obligation for properties to be withdrawn is estimated, by the agreement, as \$215,000 as of July 1, 2015; (4) The District will issue a credit reducing the balance of the original obligation of the city of \$1.8 million, by any payments made by the city on the 2011 and 2012 debt for withdrawing properties. In the first year, \$9,450 will be credited to the city's current obligations.

Nebel reported that based on limitations with Oregon Law, that this modification will address the issues to maintain the original intent of Amendment No. 1. He stated that while the city is, in effect, accelerating the payoff of the original \$1.8 million obligation,

the amendment eliminates the legal uncertainties that surrounded the city's potential obligations that were part of the original amendment. He added that Amendment No. 2 results in the city being compensated for any obligations relating to the 2011 and 2012 debt obligations.

MOTION was made by Engler, seconded by Saelens, to approve Amendment No. 2 to the Intergovernmental Urban Service Agreement between the City of Newport and Seal Rock Water District and authorize the Mayor to sign said document, as presented. The motion carried unanimously in a voice vote.

Approval of an Intergovernmental Agreement with the State of Oregon for E-Permitting. Hawker introduced the agenda item. Nebel reported that the city implements a building inspection program under authority granted by ORS Chapter 455. He stated that in 2008, the State of Oregon Building Codes Division was charged with implementing a statewide ePermit system that provides individuals in the building trades and members of the general public with the capability of accessing building permit records online. He added that the software is to be made available to municipalities, at no charge, so that they may use it to carry out their building permitting and inspection responsibilities. He noted that the Building Codes Division selected Accela, Inc. as the software vendor. He stated that to date, 18 counties, 34 cities, and a regional Council of Governments have implemented the system, and a list of those agencies is included in the packet. He noted that Lincoln City and Lincoln County use ePermitting, and if Newport implements the program, Lincoln County will be the first in the state where all of the building permitting jurisdictions offer these services.

Nebel reported that if Council is agreeable to implementing the state ePermitting system, it is required to approve an intergovernmental partnership agreement with the State of Oregon, Department of Consumer and Business Services, Business Code Division. He stated that it will take approximately four months for city and state staff to convert data and set-up the software for the city's use. He noted that this would occur late summer or early fall of this year and will position the city so that the software will be available for public use at the beginning of January 2016. Nebel recommended Council approve the intergovernmental partnership agreement.

MOTION was made by Swanson, seconded by Saelens, to approve the regional intergovernmental partnership agreement with the State of Oregon, Department of Consumer and Business Services, Business Code Division, and authorize the City Manager to sign the agreement relating to the implementation of an ePermit System and Services for the City of Newport. The motion carried unanimously in a voice vote.

Approval of Special Event Permit Fee Waiver for the Newport Marathon. Hawker introduced the agenda item. Nebel reported that the Newport Marathon will be held on Saturday, May 30, 2015. He stated that the City Council has developed a process to consider waiving some or all of the expenses incurred by the city to host this type of event. He noted that the costs incurred by the city are from the Police Department of \$4,000; Fire Department of \$500; and Public Works Department of \$425, for a total of \$4,925.

Nebel reported that in the past, Council has authorized a waiver of 35% of the fiscal impact to the city for this event. He stated that a waiver of 35% of the total of \$4,925

would be \$1,723.75, leaving the Newport Marathon with a balance due to the city of \$3,201.25.

Nebel reported that Council may, if it desires, waive the full fiscal impact to the city. He stated that there are two proposed motions, one which waives 35% of the fiscal impact to the city, and one which waives the entire fiscal impact to the city.

MOTION was made Sawyer, seconded by Engler, to approve the special event permit request from the Newport Marathon, in the amount of \$4,925.00, for its event to occur on May 30, 2015, as the event complies with special event permit criteria and guidelines, and to transfer \$4,925 from the Transient Room Tax Fund to the General Fund to reimburse the Police Fire, and Public Works Departments. The motion carried unanimously in a voice vote.

Approval of Special Event Permit Fee Waiver for the Loyalty Days. Hawker introduced the agenda item. Nebel reported that the Loyalty Days parade will be held on Saturday, May 2, 2015. He stated that the City Council has developed a process to consider waiving some or all of the expenses incurred by the city to host this type of event. He noted that the costs incurred by the city are from the Police Department of \$4,000; Fire Department of \$500; and Public Works Department of \$2,355, for a total of \$6,855.

Nebel reported that in the past, Council has utilized a formula authorizing a waiver of 35% of the fiscal impact to the city for the majority of special event permit fee waiver requests. He stated that a waiver of 35% of the total of \$6,855 would be \$2,399.25, leaving the Newport Loyalty Days and Sea Fair Festival Association, Inc. with a balance due to the city of \$4,455.75.

Nebel reported that for the past several years, Council has waived all the fees incurred by the city because the Newport Loyalty Days and Sea Fair Festival Association, Inc. is a non-profit corporation. He added that due to past Council action, there two proposed motions, one which waives 35% of the fiscal impact to the city, and one which waives the entire fiscal impact to the city.

MOTION was made by Swanson, seconded by Sawyer, to approve the special event permit request from the Newport Loyalty Days and Sea Fair Festival Association, Inc., in the amount of \$6,855.00, for its event to occur on May 2, 2015, as the event complies with special event permit criteria and guidelines, and to transfer \$6,855 from the Transient Room Tax Fund to the General Fund to reimburse the Police, Fire, and Public Works Departments. The motion carried unanimously in a voice vote. Melinda Dye and Debra Smith appeared before Council on behalf of this event.

LOCAL CONTRACT REVIEW BOARD

During the course of the regularly scheduled City Council meeting, Busby called the meeting of the City Council, acting as the Local Contract Review Board, to order at 9:02 P.M.

Notice of Intent to Award a Contract for Auditing Services for the City of Newport to Boldt, Carlisle, and Smith, LLC. Hawker introduced the agenda item. Nebel reported that the most recent contract for conducting the annual financial audit expired following the year-end 2014 audit. He stated that in preparation for the upcoming year-end 2015

financial audit, the Finance Department requested proposals from multiple firms, through a formal competitive Request for Proposal (RFP) process, and received proposals from six qualified firms.

Nebel reported that a Selection Review Committee consisting of Laura Swanson, City Councilor and Audit Committee Member, the Finance Director, the Assistant Finance Director, and the Financial Specialist III, reviewed the responses to the RFP. He stated that the results were tabulated into a matrix and were presented to the Audit Committee to decide if interviews were necessary. He added that based on the review by the Audit Committee, three firms were invited to participate in interviews to further evaluate their suitability for the auditing services contract. He noted that after the interviews, the final results were tabulated and added to the initial matrix, and the apparent successful proposer is the firm, Boldt, Carlisle, and Smith, LLC, which was ranked the highest.

Nebel reported that the Audit Committee has reviewed the results and is recommending that the City Council award the contract to Boldt, Carlisle, and Smith, LLC and have the Finance Director negotiate the contract to be awarded. He stated that once the contract is negotiated, the Finance Director will present the contract to the City Manager for execution. He added that the contract would be for three years with options for two one-year extensions.

Nebel recommended that the Local Contract Review Board authorize the Notice of Intent to Award a contract for auditing services to Boldt, Carlisle, and Smith, LLC.

MOTION was made by Swanson, seconded by Sawyer, to authorize a Notice of Intent to Award a contract for auditing services for the City of Newport to Boldt, Carlisle, and Smith, LLC and authorize the City Manager to sign a contract between the City of Newport, with Boldt, Carlisle, and Smith LLC for professional auditing services for three years, with an option to extend the contract for two additional, one-year terms, contingent upon no protest after seven days. The motion carried unanimously in a voice vote with Allen abstaining for reasons as noted during the March 3 and March 10, 2015 Audit Committee meetings.

RETURN TO CITY COUNCIL MEETING

Council adjourned the Local Contract Review Board meeting and returned to its regular meeting at 9:04 P.M.

REPORT FROM MAYOR AND COUNCILORS

Busby reported that he met with Kevin Greenwood, General Manager of the Port of Newport. He added that he toured the Port facilities; discussed the future of the Port and the airport.

Busby reported that he and Sawyer attended a recent OLCC hearing on what recreational marijuana regulations should be enacted. He added that it was an interesting session that included lots of questions. He noted that OLCC has a tough job ahead of them, and that OLCC will be returning to the legislature requesting changes to existing legislation and new legislation. He stated that OLCC is still accepting comments from the public.

Sawyer reported that he had attended the open house on the Agate Beach Wayside project. He noted that generally, people like it, although a few folks were unhappy.

Sawyer reported that he participated in the KCUP radio show while Nebel was on vacation.

Saelens noted that the preliminary Budget Committee meeting is scheduled for Wednesday. He added that this is the same evening of the opening of the Big 5 Sporting Goods store, and he suggested stopping by the store prior to the meeting.

Swanson reported that the City Center Newport Association is already planning its Decoween event.

Swanson reported that she attended the Fire Department's awards banquet, and that it was great to see people acknowledged for their work.

Swanson reported that she attended the recent Leadership Lincoln session that included a panel of media and communication officers. She noted that Hawker participated on this panel.

Busby reported that he attended the Fire Department's awards banquet, and that it was an excellent evening.

Engler reported that she attended a recent meeting of the Nye Beach Parking Committee. She noted that the group wants to continue with the parking district with a goal of more sustainable parking solutions.

Engler reported that she attended a recent meeting of the Solid Waste Advisory Committee at which Jenny DeMaris, emergency manager for Lincoln County, discussed how debris management fits into the overall emergency management plan for Lincoln County.

Engler reported that she attended a recent meeting of the Library Board. She noted that she toured the Library improvements which were made possible by the Foundation, grants, and a small amount of city money.

Engler reported that she attended a recent meeting of the Nye Beach Merchants Association. She noted that the group is preparing for its upcoming Mystery Weekend. She suggested that the city have a point person for working with the Angell Job Corps for potential volunteer work in the city. Gross reported that he will be attending a luncheon at the Job Corps and will carry the message.

Engler reported that the "Know Your Newport" program, sponsored by the Greater Newport Chamber of Commerce, is coming up, and noted that it is a valuable program for folks in the hospitality industry.

Engler reported that the Paper Arts Festival is coming up at the Visual Arts Center.

Allen reported that he attended the Fire Department's awards banquet and that it was a great event.

Allen reported that he had attended two Audit Committee meetings which were discussed earlier this evening.

ADJOURNMENT

Having no further business, the meeting adjourned at 9:27 P.M.

Margaret M. Hawker, City Recorder

Ralph Busby, Council President