

May 18, 2015
6:00 P.M.
Newport, Oregon

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

Staff in attendance was: City Manager Nebel, Administrative Assistant Nelson, Finance Director Murzynsky, Public Works Director Gross, Community Development Director Tokos, and Police Sergeant Sarazin.

PLEDGE OF ALLEGIANCE

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

PROCLAMATIONS, PRESENTATIONS, AND SPECIAL RECOGNITIONS

Proclamation - EMS Week - Craig Andersen from Pacific West Ambulance Company.
Roumagoux proclaimed the week of May 17-23, 2015, as Emergency Medical Services Week, and with the theme, EMS Strong, in the City of Newport. Craig Andersen, from Pacific West Ambulance Company, accepted the proclamation, and presented the city with a plaque in recognition of the city's continued support.

Proclamation - Recognizing the 50th Anniversary of the Head Start Program.
Roumagoux proclaimed the month of May 2015 as the 50th Anniversary of the Head Start Program; and encouraged the community to celebrate the Head Start program and its offerings and impact on the City of Newport.

CONSENT CALENDAR

The consent calendar consisted of the following items:

- A. Minutes from the regular meeting and executive session of May 4, 2015;
- B. Approval of OLCC application for a limited on-premises sales, and off-premises new outlet, for the Great American Yogurt and Food, Inc., for the Mount Angel Sausage Company, 458 SW Bay Boulevard;
- C. Approval of OLCC application for a full on-premises sales license for Sorella, 526 NW Coast Street;
- D. Approval of OLCC application for a full on-premises sales, and off-premise sales license for Katrina Brown for La Maison, 315 SW 9th Street.

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

PUBLIC HEARING

Public Hearing and Possible Adoption of Ordinance No. 2081 Amending the Parking Element of the Newport Municipal Code. Nelson introduced the agenda item. Nebel reported that the proposed ordinance, if adopted, would amend Section 14.14.100 of the Newport Municipal Code, which establishes parking requirements for “special areas” that encompass the Nye Beach, Bayfront, and City Center business districts. He stated that these business districts are developed more densely than other portions of the city, and the geography and development pattern is such that there is little room for new off-street parking to be constructed with private development projects. He added that businesses in these areas rely heavily upon public parking assets to meet their needs.

Nebel reported that historically, developers in these special areas had the option of paying a fee in lieu of constructing off-street parking to accommodate traffic attributed to their development project. He stated that the “payment in lieu” option was suspended in 2010 and replaced temporarily by economic improvement districts formed by business owners in these affected areas. He noted that the economic improvement districts generate funds for parking system improvements and provide business owners a voice in how those funds are expended. He added that by state law, the districts have a maximum life of five years unless extended. He stated that the Nye Beach district was the first to form, and is set to expire July 1, 2015. He noted that the advisory committee to that district has asked the City Council to approve a 12-month extension, and a hearing on the extension has been scheduled for June 1, 2015.

Nebel reported that text amendments included as a part of this ordinance will prevent the “payment-in-lieu” option from becoming available again should the parking districts expire because such an option proved to be too difficult for the city to administer. He added that many of the business owners felt that it was unfair that only those that were developing property contributed to parking system improvements that benefited all of the businesses in the area.

Nebel reported that the proposed text amendments also clarify the geographic boundary where special area parking requirements apply in the Nye Beach, City Center, and Bayfront and provide that when parking districts are created, those districts may establish alternative approaches to regulating on-street and off-street parking. He stated that the boundary clarification results in the Bayfront and City Center special parking areas being more closely aligned with the existing parking districts. He noted that the boundary clarification for the Nye Beach area results in the special parking area matching up with the perimeter of the Historic Nye Beach Zoning Overlay District.

Nebel reported that Newport has no dedicated funding sources to maintain and enhance its parking assets in the special parking areas. He stated that the payment-in-lieu option did not generate sufficient funds to fill this need, and neither have the parking districts.

Nebel reported that a parking study is proposed for the 2015/2016 fiscal year to inventory parking assets in the special parking areas, evaluate utilization and turnover rates during peak and off-peak periods, identify capital needs (maintenance and enhancements), develop funding strategies, and provide policy recommendations. He stated that the results of this work will inform policy makers on actions the city and its stakeholders can take to ensure that public and private parking assets in these areas will be sufficient to meet current and future needs. He noted that in the meantime, the proposed text amendments will prevent

the “payment-in-lieu” option from automatically becoming an option again, should the existing parking districts expire, without any thought as to whether or not such an option is in the best interest of the community.

Nebel recommended that the Mayor conduct a public hearing on Ordinance No. 2081.

Roumagoux opened the public hearing on Ordinance No. 2081 at 6:14 P.M. She called for public comment. There was no public comment and the public hearing was closed at 6:15 P.M. for Council deliberation.

MOTION was made by Allen, seconded by Sawyer, to read Ordinance No. 2081, amending Section 14.14.100 of the Newport Municipal Code, related to special parking area regulations, by title only, and place for final passage. The motion carried unanimously in a voice vote. Nelson read the title of Ordinance No. 2081. Voting aye on the adoption of Ordinance No. 2081 were Allen, Sawyer, Engler, Saelens, Busby, Swanson, and Roumagoux.

COMMUNICATIONS

From the Destination Newport Committee - Recommendation to Approve a Contract with Uncage the Soul Video Productions for a Video Production. Nelson introduced the agenda item. Nebel reported that the Destination Newport Committee unanimously recommended that the City Council approve the expenditure of \$85,000 for creative development, logistics, visual storyboards, four days of production, aerial footage of the bridge and fireworks, as well as additional Newport content, animated motion graphics, custom soundtrack to develop one 60 second teaser video, one two minute anthem video, three 30 second TV spot takedowns, five Instagram video takedowns, three 15 second (Instagram) TV spot takedowns, and 25 high resolution photography stills shot in conjunction with production. He stated that these will be used for tourism promotion activities for the city. He added that the Destination Newport Committee is doing this in lieu of the large scrapper ad that has previously been done in downtown Portland at an annual cost of \$87,000. He noted that Uncage the Soul Video Productions, from Portland, is a high-end, cutting-edge video production company that has had great success in reaching audiences that follow social media with a recent Oregon Coast teaser going viral. He stated that the proposal plans to capture video footage from a drone during the July 4th fireworks display in a 360 degree view of the Yaquina Bay Bridge and bay, as well as views of the Bayfront, Nye Beach, and other significant locations in Newport.

Nebel reported that the Newport News-Times will be compensated by Uncage the Soul Video Productions for its work on project and brand management. He stated that the News-Times will assist in integration of all the deliverables and consistency, and oversee the planning and implementation of the project as a whole. He noted that the News-Times will line up local actors to participate in various video scenes, produce the script, and handle all the local logistics for the effort. He added that the intent is to make sure that Destination Newport brand is clear and consistently represented and tied into this work. He stated that the work that the News-Times will be doing as a subcontractor to Uncage the Soul Video Productions amounts to \$10,000 of the \$85,000 for this production. He noted that the agreement has been reviewed by City Attorney Steve Rich, and that Rich suggested a modification to the payment schedule pushing a majority of the costs to the completion of the production from the earlier proposed schedule. He stated that Lorna Davis and Jamie Rand are present to discuss the proposal.

Davis and Rand responded to Council questions and Davis presented a short video presentation.

MOTION was made by Swanson, seconded by Sawyer, to approve a contract with Uncage the Soul Video Productions, of Portland Oregon, for the creation of exclusive videos of Newport, Oregon for television broadcast, website, YouTube, Facebook, Instagram, Twitter, and other social media outlets, creating 13 video deliverables, as well as 25 high resolution photography stills, for the promotion of the City of Newport, in the amount of \$85,000. The motion carried in a voice vote with Busby voting no due to the sole source selection process and the fact that the contract includes illegal activities.

From the Oregon State University Extension Office - Fisheries Presentation - Kaety Jacobson. Nelson introduced the agenda item. Nebel reported that Allen had suggested that a presentation on the status of the Yaquina Bay commercial fisheries would be appropriate. He stated that Kaety Jacobson, from the OSU Extension Office, will discuss the kinds of commercial fishing vessels that call Newport home; the seafood products they catch; the economic contribution of the fleet; and current issues facing the fishing industry. He added that there is currently reinvestment occurring in the commercial fish processing facilities.

Jacobson made a PowerPoint presentation and responded to Council questions.

From "No Spray Pilot Project Along Highway 101 - Support for \$1,000 for Continued Invasive Weed Control from the Yaquina Bay Bridge South to the County Line. Nelson introduced the agenda item. Nebel reported that earlier this month, he met with Maxine Centala, Tom Kerns, and Diana Purdy to discuss the long-standing no spray program that has been in effect along Highway 101 from the Yaquina Bay Bridge south to the county line. He stated that this has been a demonstration project with ODOT, and that significant results have occurred in the highway right-of-way in controlling invasive species of weeds including Scotch Broom, tansy ragwort, and others. He added that recently, ODOT indicated that it will resume chemical control along this stretch of Highway 101 unless the group can remove accumulated soil and brush encroaching the on the guardrails along this section of road. He stated that in seeking a solution to this issue, the group contacted Lincoln County, and the cities of Yachats, Waldport, and Newport which all have sections of right-of-way impacted by invasive species in this demonstration zone. He noted that since the effort will exceed the capabilities of the volunteers, they have arranged to utilize a youth natural resources crew from the Community Services Consortium, at a cost of \$10,000 which includes supervision, equipment, and salaries. He added that the brush and soil removal project is not something that needs to be done annually. He stated that the group has received a commitment from Lincoln County of \$7,000, and they are asking Newport, Waldport, and Yachats for \$1,000 each to complete the funding for this effort.

Nebel reported that this group has made a significant difference with the manual control which is a seemingly much more effective method than any chemical control that may have occurred on Highway 101 north of Newport. He stated that he believes it is appropriate for the city to consider a contribution of \$1,000 in order to keep this effort going. He noted that the volunteers have maintained everything at no cost to any local units of government throughout this program. He added that this is considered, by the group, to be a one-time request in order to address the additional work that should only be required every decade or so.

Nebel recommended that the City Council authorize \$1,000 for the continuation of the No Spray Project to offset expenses related to labor that will be required to address soil accumulations and vegetation control around guardrails on Highway 101 from the Yaquina Bay Bridge south to the county line.

Maxine Centala, Tom Kerns and Diana Purdy with Concerned Citizens for Clean Air spoke in support of funding for this project.

MOTION was made by Allen, seconded by Sawyer, to authorize \$1,000 for the continuation of the No Spray Project to offset expenses related to labor that will be required to address soil accumulations and vegetation control around guardrails on Highway 101 from the Yaquina Bay Bridge south to the county line, contingent upon the other three jurisdictions, Lincoln County, Waldport, and Yachats, also going forward with their respective commitments. The motion carried in a voice vote with Busby voting no.

From the City of Newport Retirement Trust - Report on the Review of the City of Newport Retirement System. Nelson introduced the agenda item. Nebel reported that the city has two retirement programs for its employees, and that full-time firefighter and sworn police personnel are covered by PERS. He added that the city administers its own retirement system. He noted that in meeting with the city's Retirement Trust, a number of questions were raised regarding the administration of the retirement system. He noted that in response to those questions, he and Murzynsky indicated to the Trustees that we would conduct a review of the various documents that currently govern the overall administration of the city's retirement system. He stated that this straightforward request proved to be much more of a daunting task than expected since there is not a current file that clearly indicates which documents are currently in effect. He noted that extensive research efforts were performed by the Finance Department, City Recorder, and former Administrative Assistant Cheryl Atkinson who researched files, minutes, and other sources to compile the past and current documents relating to the retirement system. He added that this information was provided to the Trustees at two trust meetings, one in January and one earlier this month. He noted that there was a consensus that it would be appropriate to provide this information to the City Council in the form of a report to confirm the existing status of the retirement trust and the retirement plan as amended. He stated that these documents are going to be placed in a retirement handbook that will be available for Trustees, Finance Director, City Manager, and others involved with the retirement system. He added that the handbook will also include new plan descriptions and minutes from the Retirement Trust.

Nebel reported that the good news is that he, the Retirement Trust, Finance Director (who is the administrator of the retirement plan), and the City Attorney now have a clear understanding of the roles of the various players regarding the administration and investment of retirement funds.

Nebel reported that the Retirement Trust has been doing a very vigilant job on the investment of pension funds which, over time, is reducing the city's unfunded liability for the city's retirement plan. He stated that this investment activity is independent from the City Council and city administration's direction. He noted that the City Council does have the authority to remove Trustees should they feel that a change is required at any time.

Nebel reported that the former Retirement Board, which was charged with administering the retirement plan, was replaced by the 2009 Plan Restatement in which the Finance Director was named as the administrator of the retirement plan. He stated

that the Finance Director has the responsibility to deal with all of the administrative decisions relating to the pension system, including selection of actuary, handling contributions from the city to the retirement trust for investment and other similar aspects. He added that the 2009 plan restatement also gave one additional responsibility to the Retirement Trust. And that is if there is a disagreement with an employee on the way their retirement was calculated, and following an appeal directed to the pension administrator, the Trust would be the final decision-maker on that appeal.

Nebel reported that there are two recommendations that the trust is forwarding to the Council for the Council's consideration to clean up issues that need to be addressed at this time. He stated that the first is that, under the Municipal Code, the term of the Trustees that form the Trust needs to be established. He noted that these individuals have served since being appointed, and it was mistakenly understood that there were no terms for these positions. He noted that the Trustees have identified the terms, and that members are eligible for reappointment at the expiration of their term. He stated that the terms are staggered to ensure continuity of the Retirement Trust. He noted that the second recommendation is that the Retirement Board, created by the Employee Retirement Plan prior to the 2009 restatement, needs to be formally discontinued. He added that this board continues to remain on the city's list of boards and committees and should be removed from that list.

MOTION was made by Swanson, seconded by Engler, that terms be established for the members of the Retirement Trust as follows: Mike Schulz, December 31, 2015, Tim Johnson, December 31, 2016, Rebecca Cohen, December 31, 2017, John Baker, December 31, 2018, Rick Wright, December 31, 2018. The motion carried unanimously in a voice vote.

MOTION was made by Swanson, seconded by Allen, that the Retirement Board, created by employee retirement plans, be formally retired since the 2009 Restatement of the City of Newport Retirement Plan eliminated their role in administering the plan for the City of Newport. The motion carried unanimously in a voice vote.

From the Oregon Coast Council for the Arts - Annual Report to the City Council - Catherine Rickbone. Nelson introduced the agenda item. Nebel reported that OCCA Executive Director Catherine Rickbone will be presenting a brief report to the City Council.

Rickbone distributed a report and made a PowerPoint presentation regarding the activities of the OCCA over the past year. She responded to Council questions.

CITY MANAGER REPORT

City Council Order Authorizing the Parking Management Plan for the City Hall Campus. Nelson introduced the agenda item. Nebel reported that planning continues to move forward on various aspects of the Aquatic Center project. He stated that as a developer, the city has the responsibility to meet the requirements of the city's zoning for this facility. He noted that the city has chosen to conduct a parking demand analysis to meet those requirements, and as a result of this analysis, it is our recommendation that the City Council approve an order establishing a parking management plan for the City Hall campus. He stated that generally, under this order, any events where the estimated number of participants will exceed 100 individuals per day, that event planner will need to schedule that event on a central calendar in the City Manager's office. He noted that this

will ensure coordination of multiple events where parking demand would be required. He added that the maximum number of participants for an event without preparing a traffic management plan would be 300 individuals (either for an individual event or multiple smaller events). He noted that this plan would identify offsite parking areas to supplement available campus parking, and if satellite parking areas are utilized, shuttle service shall be provided.

Nebel reported that this planning process will help coordinate events reducing conflicts and preparing plans to adequately address parking needs for events as well as day-to-day operations of the Aquatic Center, Recreation Center, Senior Center, and City Hall uses that occur on this campus.

Tokos responded to Council's questions and Gross made additional comments.

Marletta Noe asked if there was weekend parking available at the court house.

MOTION was made by Engler, seconded by Saelens, to adopt Order No. 2015-1 with the elimination of the last phrase of item #6 "and shall be the only event to be held at that time," a parking management plan for scheduling of events on the City Hall campus. The motion carried unanimously in a voice vote.

Appointment of Citizen Members to the Community Visioning Work Group. Nelson introduced the agenda item. Nebel reported that the City Council approved a motion creating a Community Visioning work group that would be staffed by the City Manager and the Community Development Director and include one representative from the City Council (Wendy Engler), one representative from Greater Newport Chamber of Commerce (Lorna Davis), one representative from the Planning Commission (Jim Patrick), one representative from the Port of Newport (Ken Brown, Patricia Patrick-Joling, alternate), and one representative from OCCC. He added that the City Council requested that he present two citizen members for membership on this work group. He noted that the position was advertised, and the city received four communications expressing interest. He noted that the applications are included in the packet. Nebel recommended that Cathey Briggs and Carla Perry be appointed, by the City Council, to serve as citizen representatives to this group. He stated that depending on the structure of this process, he thinks that there would be an opportunity for the other two applicants to participate should the Council go forward with some sort of standing committee to work through the actual visioning process. He noted that the task of the work group is to provide a recommendation to the City Council on how and whether to proceed with a visioning process. He stated that Carla Perry has been an advocate of pursuing a new vision for the city for some time, and that Cathey Briggs has an excellent urban planning and strategic planning background that would be helpful in structuring the alternates for the Council to consider. He requested that the Council extend the time for this work group to complete its task, noting that the original motion provided for a July 15, 2015 report and recommendation to the City Council. He suggested that this be moved back one month to August 15, 2015. He noted that with the various obligations of the budget process, this effort is starting a little slower than originally hoped.

MOTION was made by Engler, seconded by Sawyer, to appoint Cathey Briggs and Carla Perry to serve as citizen representatives of the work group to develop recommendations to the City Council on community visioning. The motion carried unanimously in a voice vote.

MOTION was made by Engler, seconded by Sawyer, that the report date for the

work group be adjusted to August 15, 2015, to allow adequate time to explore options as to how the city could proceed with a community visioning process. The motion carried unanimously in a voice vote.

Report on the Financing of the Aquatic Center. Nelson introduced the agenda item. Nebel reported that a financial report from Gross on the current estimates for the pool project with revenue sources and expenses is included in the packet. He noted that a listing of deductive alternates are proposed to be part of the bid package for the Aquatic Center to reduce the expenses for the project at the time of bid award. He stated that based on engineer's estimates, the total expenses for this project and related off-site improvements is \$9,151,035. He added that the revenue source, as identified in the budget, including the Aquatic Center Bond equals \$8,959,000, and that this would leave a budget shortfall of \$551,035 if the pool construction prices come in as bid and the entire contingency was spent. He noted that included in the project expenses is a contingency of \$413,048, and at this point, Gross is optimistic that there is a competitive bidding climate that should provide good prices on this project. He stated that staff wants to keep the Council informed as to where we are with this project, at this point, based on the final estimates provided by the design engineers. He noted that this project includes those items that were specifically discussed during the bond issue for the pool, but that there were a number of other elements that were, at one time, added into the project based on community discussion, and that have since been removed from the project due to the estimated costs.

Nebel reported that the packet contains a report from Gross on the final parking layout plan for the City Hall campus. He stated that this project is intended to go out for bids this week, and that staff is trying to time the work so that the parking lot improvements are completed prior to the start of construction on the Aquatic Center.

Gross made additional comments regarding additive and deductive alternatives.

Third Quarter Financial Report. Nelson introduced the agenda item. Nebel reported that the packet contains a report for the first nine months of the fiscal year that will end on June 30, 2015. He stated that the Finance Director reports that generally revenues and expenditures are falling within expectations. He added that there are a couple of cost centers that will likely be part of a final budget amendment that the Council will be ask to consider before the end of the fiscal year.

REPORT FROM THE MAYOR AND COUNCIL

Roumagoux reported that she attended the Newport Safety Fair.

Roumagoux reported that she attended a group working with the University of Michigan and their work for the resiliency of the Oregon coastal communities in response to changing environmental and socio-economic circumstances.

Roumagoux reported that she gave a welcome and brief definition of the role of mayor to the chamber's program, Know Your Newport, which was well-attended and organized.

Roumagoux reported that she attended the budget committee meeting.

Roumagoux reported that she attended Columbia Bank with Spencer at Lincoln

County Economic Alliance for a get together. This was for newly-elected mayors, city managers, commissioners, and administrative heads.

Roumagoux reported that she attended the Lincoln County Mayor's meeting which was hosted by the City of Toledo.

Roumagoux reported that she attended the Law Enforcement Recognition Banquet (LERB), at which Officer Purdom was chosen by the Newport Police Department to receive the award this year.

Roumagoux reported that she attended the ribbon-cutting ceremony at the Brewer's by the Bay Festival.

Sawyer reported that he attended the Home and Garden Show, and gave kudos to Protiva, his staff, and to Lorna Davis for their work.

Saelens reported that he attended functions that had already been covered.

Saelens reported that he spent quite a bit of time working on VAC issues.

Swanson reported that she attended the Safety Committee presentation.

Swanson reported that she attended the Home and Garden Show.

Swanson reported that she attended a recent meeting of the City Employee Committee at which the Committee confirmed that it wanted to continue having Councilors attend these meetings.

Swanson reported that she attended the 60+ Center goal setting meeting.

Swanson reported that she observed the Emergency Operations Center drill and was fascinated by everything that was done, as well as everything that needed to be done. She stated that she was impressed with how quickly the EOC was set up - 20 minutes.

Swanson stated that she attended the Emergency Medical System barbecue at Pacific West Ambulance.

Busby reported that he attended the recent Airport Committee meeting.

Engler reported that she attended a recent Solid Waste Advisory Committee meeting at which work continued on the debris management plan. She added that Gross did a great job presenting information regarding GIS.

Engler reported that she attended the recent meeting of the Nye Beach Merchant's Association. She stated that the group will be installing banners in June.

Engler reported that Bike Newport is partnering with Travel Oregon on a fat tire bike trip. The trip will be on the beach from Bandon to Tillamook, beginning on June 8, and in Newport on June 10 - 11.

Allen reported that he attended a two-day meeting of the Ocean Policy Advisory Council, including a day-long forum on the nomination process which NOAA has put in place for federal national marine sanctuaries.

ADJOURNMENT

Having no further business, the meeting adjourned at 8:56 P.M.

Melanie Nelson, Administrative Assistant

Sandra N. Roumagoux, Mayor