

September 15, 2014
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, Beemer, Busby, Sawyer, Swanson, Roumagoux, and Saelens.

Staff present was Acting City Manager Smith, City Recorder Hawker, Community Development Director Tokos, Finance Director Murzynsky, former Interim Finance Director Gazewood, Interim Fire Chief Murphy, Public Works Director Gross, and Police Chief Miranda.

PLEDGE OF ALLEGIANCE

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

PROCLAMATIONS, PRESENTATIONS, AND SPECIAL RECOGNITIONS

Demonstration by the Fire Department on the New Self-Contained Breathing Apparatus. Rob Murphy, Chris Rampley, Brian Haggerty, and Larry Wooten, from the Fire Department, assisted Busby and Swanson in donning the self-contained breathing units and demonstrating the use. Murphy described the units and responded to Council questions.

CONSENT CALENDAR

The consent calendar consisted of the following items:

- A. Approval of City Council minutes from the work session, and joint meeting with the Tourism Facilities Grant Review Task Force, of September 2, 2014.

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

PUBLIC HEARING

Public Hearing and Consideration of Ordinance No. 2071 Authorizing the Issuance of Water Revenue Bonds for an Amount Not to Exceed \$18,000,000 Over a Twelve Year Period. Hawker introduced the agenda item. Smith reported that as part of the Infrastructure Task Force report, it was deemed appropriate to issue bonds to construct various water and sewer needs over the next twelve year period, rather than opting for a “pay as you go” model for funding these improvements. He stated that while the issuance of debt will impact water rates, the overall impact is significantly less than attempting to finance these improvements on a cash basis.

Smith reported that as a result, former Interim Finance Director Bob Gazewood has evaluated a number of mechanisms in order to proceed with financing these improvements in accordance with the Infrastructure Task Force conclusions. He stated that the city could finance these improvement dollars through bank placement, revenue bonds, or guarantee them as a general obligation bond. He added that while the interest rates would likely be lower for an outright general obligation bond, the city would be required to establish significant cash reserves in order to cover the annual debt payment. He noted that this reserve requirement is unnecessary with a revenue bond. He reported that the interest rates with a bank placement assume no requirement to fund any reserves, but would be significantly higher than the revenue bonds or the general obligation bonds. He stated that after evaluating these options, Gazewood is recommending that the city pursue revenue bonds for these improvements based on the competitive interest rate that would be anticipated for a revenue bond, and the elimination of the requirement to have a reserve fund to cover this debt. He added that if Council concurs, the ordinance can be considered for approval. He noted that this is a significant step forward in the continued rehabilitation of the city's aging water system.

Smith recommended that Council hold a public hearing on the approval of Ordinance No. 2071, an ordinance authorizing the issuance of water revenue bonds in an amount not to exceed \$18,000,000 over the course of a twelve-year period issued in four separate series, with the source of funds for repayment of the bonds being water system revenues.

Roumagoux opened the public hearing at 6:17 P.M. She called for public comment. There was none. The public hearing was closed at 6:18 P.M.

Allen asked whether the 30-day period for adoption of the ordinance coincides with the referral period. Gazewood reported that the effective date is 30 days from the publication of the ordinance. He added that the ordinance was created by bond counsel. Beemer noted that this ordinance is for water revenue bonds, and asked whether sewer emergencies could be funded with this money if necessary. Gazewood reported that the bond money is specific to water-related projects. Swanson asked about the use of funds addressed in the information summary. Gazewood reported that this verbiage defines the purpose of the use of the bonds. Swanson asked whether there is a set schedule for release of the bonds. Gazewood noted that there is not a set schedule at this time, as this is something that Council will have to decide in coordination with staff. He added that based on the final report of the Infrastructure Task Force meeting, the plan was to issue 4.5 million dollars in water bonds four times during the life of the bonds. He stated that this issuance has nothing to do with the city's statutory debt limit. Swanson asked for the definition of "double barrel" that is included in the chart. Gazewood explained this definition, noting that "double barrel" would be the last option to be utilized. Sawyer asked for confirmation that the water rates will continue to increase at a lower rate than in the recent past. Gazewood confirmed this.

MOTION was made by Allen, seconded by Busby, to read Ordinance No. 2071, an ordinance authorizing the issuance of water revenue bonds for a total of not to exceed \$18,000,000, by title only and place for final passage. The motion carried unanimously in a voice vote. Hawker read the title of Ordinance No. 2071. Voting aye on the adoption of Ordinance No. 2071 were Sawyer, Swanson, Saelens, Roumagoux, Busby, Beemer, and Allen.

COMMUNICATIONS

From the Sub-Group to Develop a City Manager Evaluation Process - Report on the Process for the City Manager's Performance Evaluation. Hawker introduced the agenda item. Smith reported that over the past year and a half, a sub-group from the City Council has met to develop a process for evaluating the City Manager. He stated that the sub-group delayed making a final recommendation to the City Council until the evaluation process could be reviewed by a new City Manager. He added that over the past month, Nebel has had a chance to review the work of sub-group and has provided comments to the group for their consideration in finalizing this process. He noted that Nebel believes that the sub-group has put together a very workable evaluation tool that will allow each Council member to provide comments on what is working and what needs improvement as it relates to the job that the City Manager is expected to do for the city.

Smith reported that there are a series of questions related to organizational management, department operations, financial management, personal traits, relations with external stakeholders, and foresight and vision that are included as a method to obtain and compile the collective opinions of individual Council members to create a collective evaluation of the City Manager by the Council. He added that the process utilizes the Mayor and Council President to coordinate the distribution, collection, and compilation of the individual comments from each Council member. He noted that once the evaluation forms have been collected and compiled, the Mayor and Council President will meet with the City Manager to review the results in preparation for an executive session where the Manager will meet with the entire Council and discuss the development of performance goals for the upcoming year, identify job related strengths, identify plans to strengthen performance, and add any summary comments from the City Council. He stated that one issue that should be discussed by Council relates to the utilization of numbers in the evaluation form rather than initials for words. He noted that Nebel is a proponent of using a numerical indication instead of a descriptive indicator primarily because of the need to compile the collective results of seven individual evaluations from the Council. He stated that the sub-group was trying to avoid numerical scores, and this makes it difficult to summarize the City Council's response to the questions. He added that if the numeric scores for question 1 is 1, 3, 2, 2, 1, 1 then a collective score of 1.91 (sum of the total, divided by the seven responses) can be reflected as a composite score of the Council. He noted that in the alternative, letters describing the responses of EE, DEV, FE, FE, FE, EE, EE are not as meaningful and cannot be clearly summarized.

Smith reported that the compiled results will then be presented at a regular City Council meeting with the City Council formally approving a summarized City Manager evaluation. He stated that this will comply with the employment agreement between the City Council and the City Manager which provides: "City Council shall review Nebel's performance annually on or about September 1 of each calendar year, commencing in 2014. Adjustment to Nebel's compensation, based on the annual performance review, shall be effective on January 1." He noted that compensation cannot be discussed in executive session.

Smith reported that the sub-group is recommending that the City Council formally accept the City Manager performance evaluation process as outlined in the packet. He

stated that if accepted, evaluation forms would be distributed to each Council member as well as to the City Manager on September 15, 2014, with the evaluation forms being returned to the Mayor and/or Council President by Friday, September 19, 2014, to be compiled and prepared for an executive session on Monday, September 29, 2014, at noon, with the final evaluation report being formally being presented for acceptance by the Council at the regular Council meeting of October 6, 2014.

Allen reported that he, Saelens, and Swanson had met with Nebel last Monday to review the last draft from last year of the evaluation process. He noted that the version that followed that was revised with Nebel on September 8, and included some fairly substantive changes. He added that the process changed and now includes a quality review team rather than a personnel committee. Saelens noted that even though this process began a year ago, the bulk of it still applies. He added that Nebel's recommended changes made it even better. It was noted that the current structure has the Mayor and Council President leading the process. Busby asked whether the evaluation form would be issued tomorrow if Council wishes to proceed with this process, and it was noted that it would be distributed. Allen suggested that Council discuss the general baseline definitions at some time. A discussion ensued regarding the process and timelines. It was agreed that the City Council and Nebel would complete the evaluation forms and return them to Roumagoux and/or Swanson by September 22. Swanson and Roumagoux will compile the results and review the results with Nebel before the executive session. It was noted that at the time of the executive session, the City Council will receive the summaries and copies of all the evaluation forms which will be discussed in executive session. Allen noted that the last page of the form is one that Council and Nebel will work together in compiling a summary that will be discussed at a subsequent meeting. It was noted that there will be quarterly performance check-ins conducted by Roumagoux and Swanson on behalf of the City Council. It was agreed that the completed evaluation forms should be placed in a folder or envelope and then into the mailboxes of Roumagoux and/or Swanson. Allen suggested that an alternate be designated to the quality review team of Swanson and Roumagoux in the event that one of them is unable to attend a meeting. Saelens volunteered to serve as alternate.

MOTION was made by Allen, seconded by Sawyer, to accept the report from the City Manager Evaluation Process Sub-group implementing an evaluation process for the City Manager as required in the employment agreement between the City Manager and Council. The motion carried unanimously in a voice vote.

MOTION was made by Allen, seconded by Beemer, to establish a deadline, for returning the individual evaluation forms from each City Council member and also from the City Manager, of Monday, September 22, 2014, with an executive session to be held Monday, September 29, 2014, at noon, for the Council and Manager to meet to review and discuss the results of the evaluation with a final report being proposed for acceptance by the Council at the regular meeting to be held on October 6, 2014. The motion carried unanimously in a voice vote.

MOTION was made by Allen, seconded by Busby, to designate Saelens as an alternate to the quality review team to serve only if Roumagoux or Swanson is unable to attend a meeting. The motion carried unanimously in a voice vote.

It was noted that an evaluation process will be needed for the City Attorney and Municipal Judge.

From Councilors Allen and Beemer - Report on City Attorney Hiring Process. Hawker introduced the agenda item. Smith reported that on September 4, 2014, the City Council interviewed candidates to serve as City Attorney for the city in either an employment or contractual capacity. He noted that as a result of the interview process, Allen and Beemer were requested to conduct the appropriate reference checks on the first choice candidate. He stated that in addition, the Council requested that Allen and Beemer discuss various employment issues with this candidate. He added that it is the intent of Allen and Beemer to report back to the Council on October 6, 2014, with a recommendation for a possible job offer to the first choice candidate. He stated that if that offer is made and accepted, an employment agreement could be considered at the following meeting.

Allen reported that he got a call from the first choice candidate confirming that he could release his name. He noted that Roumagoux mentioned the two finalists that were being interviewed as Steve Rich, County Counsel for Josephine County, and Dave Gordon, of counsel with the firm of Ouderkirk and Hollen. Allen indicated that the first choice candidate is Steven Rich. Allen reported that at an executive session scheduled for October 6, he and Beemer will report on the reference checks and general terms of a negotiated agreement. He added that Council would go into open session with respect to any decisions that it might make. Beemer reported that negotiations are going smoothly. Allen stated that he expects to return with something that the City Council will find agreeable.

CITY MANAGER REPORT

Report on September 29, 2014 Town Hall Meeting. Hawker introduced the agenda item. Smith reported that the next Town Hall meeting is scheduled for Monday, September 29, 2014, at the North Fire Station located off of NE 71st Street next to the Thompson's Sanitary Service offices. He added that the Fire Department will also be hosting an open house at this fire station beginning at 5:00 P.M., with a formal dedication of the facility occurring at 5:30 P.M. He stated that the Fire Department will be serving hotdogs, chips, and soft drinks during the open house. He added that this will give the north end residents and businesses an opportunity to see this facility and attend the Town Hall meeting. He noted that a tentative agenda has been drafted for the meeting and is attached for your review. He reviewed potential agenda items.

LOCAL CONTRACT REVIEW BOARD MEETING

The City Council, acting as the Local Contract Review Board, began its meeting. On roll call, those in attendance were Sawyer, Saelens, Swanson, Roumagoux, Busby, Beemer, and Allen.

Authorization to Purchase Neptune Meters and Meter Heads with an Automatic Meter Read System. Hawker introduced the agenda item. Smith reported that as part of the 2014/2015 budget, the City Council authorized a project to implement an automatic meter reading system. He stated that this requires the replacement of meters and meter heads to be able to implement a drive-by read system where the radio signal will convey

the meter reading without requiring individual inspection of each meter. He added that as the system is further developed, the city will be able to install receiving stations to be able to fully implement the automated meter read system. He noted that once this is installed, the city will be able to read meters at any point, which will assist with problems such as major leaks and other issues that can be monitored on a regular basis. He stated that after evaluating the situation, it is the recommendation of staff to continue using Neptune Meters, which will not necessitate the switch-out of 43% of the city's meter system to an alternate manufacturer. He added that these existing meters are compatible with the AMR technology. He stated that the city is allowed to sole source materials for purchases when efficient utilization of existing equipment or supplies requires the acquisition of compatible equipment, supplies, or services. He noted that there is one vendor of Neptune Meters in Oregon, which is HD Waterworks Supply, making them a sole source provider of the meters that are compatible with the city's existing water meters. He added that it is best for a water system to utilize one source of water meters to facilitate the ongoing maintenance, replacement, and reading of these types of meters.

Saelens asked where the changes will occur first, and Gross reported that meters are already being replaced as time permits. Gross added that he will likely hire some people to help with the installation. He noted that the system should pay for itself in nine years. Busby addressed the issue of sole source providers and asked whether the city is under some kind of restriction that provides that it must purchase from Oregon suppliers. Gross stated that there is only one vendor in the Pacific Northwest. Allen mentioned that \$500,000 had been appropriated, and asked whether there is still more work to be done. Gross noted that this expenditure is just for the procurement of meter heads and meters.

MOTION was made by Swanson, seconded by Beemer, to approve the purchase of Neptune meters and meter heads from HD Waterworks Supply, in the amount of \$289,289.87, and authorize the City Manager to execute the purchase order on behalf of the City of Newport. The motion carried unanimously in a voice vote.

RETURN TO THE REGULAR CITY COUNCIL MEETING

REPORTS FROM THE MAYOR AND COUNCIL

Roumagoux reported that she attended the book signing for the book about former City Manager, Don Davis, entitled "The Kid from Siletz." She noted that there were approximately 200 people in attendance.

Roumagoux reported that she attended a League of Oregon Cities meeting in Yachats at which property tax reform, medical marijuana, and mental health issues, were discussed.

Roumagoux reported that she attended a recent City Employee Committee meeting. She noted that Swanson is scheduled to attend in October; Busby in November; and Sawyer in December.

Roumagoux reported that she met with Councilors from Corvallis regarding how that city is working with OSU on student housing.

Roumagoux reported that she attended a recent meeting of Lincoln County mayors.

Roumagoux reported that she will be putting the final touches on her studio for the upcoming visit to her studio and Rick Bartow's studio.

Roumagoux reported that the Oregon Main Street will be held in McMinnville in October, and asked whether any Councilor wished to attend.

Sawyer noted that the downtown rehabilitation in McMinnville was very successful.

Allen reported that he attended the Don Davis book signing, and confirmed that there was a large crowd in attendance.

Allen reported that he attended a meeting of the Sub-Group to Develop a City Manager Evaluation Process.

Allen reported that he also attended the LOC City Hall Day in Yachats. He noted that there was good representation and discussion. He added that the legislative priorities are included in the September 2014 edition of the Local Focus.

Allen reported that a FINE meeting is scheduled for September 16. He noted that the discussion will focus on ongoing issues, including mapping in federal waters, and that he will report back to Council on the meeting.

Allen reported that the upcoming OPAC meeting will be held at the Agate Beach Best Western on October 16. He noted that the agenda will cover a wide range of topics, and that he will provide the agenda to Council to determine who might want to attend. He added that issues related to national marine sanctuaries will be discussed.

Allen reported that he plans to attend the one-day legal workshop at the upcoming League of Oregon Cities Conference.

Beemer reported that he also attended the Don Davis book signing.

Beemer reported that he plans to attend the LOC Conference next week.

Busby reported that the Public Arts Committee is scheduled to meet on Thursday.

Busby reported that he represented Council at the Duck game on Saturday.

Busby reported that he also attended the Don Davis book signing.

Busby reported that he will be out of town for several weeks beginning Saturday.

Swanson reported that the Senior Center Advisory Committee had met today. She added that discussion included accreditation, the Bon Sante event scheduled for Saturday, and other business.

Swanson reported that the Library Board met, and that it was fun to tour the teen center that is being established at the Library.

Swanson reported that she attended the first session of Leadership Lincoln and found it to be a valuable workshop.

Roumagoux saw the furniture in the teen center at the library, and it is colorful and inviting.

Saelens reported that he attended a recent meeting of the Wayfinding Committee. He noted that the Committee reviewed issues that hindered getting some work accomplished before the tourist season.

Saelens reported that the recent Bicycle/Pedestrian Advisory Committee had been cancelled.

Saelens reported that he will be leaving to attend a conference in Portland, but plans to return for the Parks and Recreation Advisory meeting as it will be a joint meeting with the Oregon Coast Community Forest Association. He added that discussion will include a possible grant to develop a management plan for Forest Park, and how the OCCFA can work with the Committee to make it easier for the city to qualify for certain grants.

Sawyer reported that he attended a meeting of the Cascades West Council of Governments on Thursday.

Sawyer reported that he attended a meeting of the Destination Newport Committee on Thursday.

Sawyer reported that a new CERT training begins tomorrow.

Sawyer reported that he volunteered for the five kilometer run this weekend as a starter.

ADJOURNMENT

Having no further business, the meeting adjourned at 7:42 P.M.

Margaret M. Hawker, City Recorder

Sandra N. Roumagoux, Mayor