

September 16, 2013
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, Beemer, Allen, Roumagoux, Busby, Swanson, Sawyer, and Saelens were present.

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

PLEDGE OF ALLEGIANCE

Council and the audience participated in the Pledge of Allegiance.

PUBLIC COMMENT

Ken Franklin, representing Ken's Cab (a taxicab endorsement applicant), addressed Council regarding the difficulty of the current taxicab endorsement ordinance. Roumagoux noted that Council will consider a new taxicab endorsement ordinance.

Todd Butterfield spoke in support of the taxicab endorsement for Ken Franklin.

Allen noted that the public hearing on the taxicab endorsement application by Ken's Cab is still scheduled for 7:00 P.M.

Rae Hail addressed Council regarding ADA barriers and 8.20.015(E) of the Newport Municipal Code. Rae reported that he is President of the Blind Veterans Association and a volunteer for ADA Northwest. He distributed hand-outs to Council. He stated that there is a problem with 8.20.015(E) of the Municipal Code in that it allows dogs to be off-leash as long as they are under voice control. Hail stated that when dogs are allowed to run free, they become a barrier. He added that disabled citizens need to feel that they have equal protection under the law. He noted that there are paths of travel, covered by the ADA, in the city where there are trees, brush, and other sidewalk obstructions, making it difficult or impossible to use by disabled individuals.

Robert Clark reported that he has had many encounters with dogs that are off-leash. He added that often, the dog is out of control, and the pet owner cannot control it, and he has to get his dog under control. Clark stated that his dog cannot work when she is being hassled by another dog. He noted that six-foot leashes do not work on narrow sidewalks with other dogs. Clark spoke regarding overhanging vegetation and other sidewalk obstructions. He stated that there are at least five areas with sidewalk obstructions between 3rd Street and JC Market. He added that some people park on the sidewalk. He stated that he would like to have something done about the obstructions. He reviewed several areas with sidewalk obstructions, including one on Coast Street where the tree grows over the sidewalk; two bushes in the same area; low hanging trees on Coast Street around the corner from Green Gables; a bush growing over the sidewalk, covering half the width of the sidewalk; a van parked on the sidewalk; and a bush on top of a retaining wall growing over the sidewalk on the north side of Olive Street after Brook Street; a picket fence that has become overgrown across from

Literacy Park; the entire block across from the American Legion has a lot of vegetation growing over the sidewalk; and shore pines that are emerging on Coast Street near the PAC.

Patty Hail reported that there are two big access issues along the sidewalks. One is the maintenance of sidewalks as some are broken; and the other is dogs that are off-leash.

ADDITIONS/DELETIONS TO AGENDA

Allen noted that items discussed at the work session are included on the revised agenda.

CONSENT CALENDAR

The consent calendar consisted of the following items:

- A. Approval of City Council minutes from the work session, executive session, and regular meeting of September 3, 2013;
- B. Acknowledgment of accounts paid for August 2013;
- C. OLCC application - Asiatico Sushi Bar.

MOTION was made by Beemer, seconded by Sawyer, to approve the consent calendar with the changes to the minutes as noted by Allen. There were questions regarding the accounts paid related to the airport golf cart and the right-of-way purchase. The motion carried unanimously in a voice vote.

OFFICER'S REPORTS

Mayor's Report. Roumagoux reported that Council had met to begin reviewing the applications for the City Manager position.

Roumagoux reported that she had met with Dave Price, director of the Small Business Center, for OCCC.

Roumagoux reported that she had attended the city staff barbecue.

Roumagoux reported that she received a letter from Jill Ledet requesting that Council consider creating additional public vending spaces.

Roumagoux reported that she had received a letter from Meals on Wheels thanking the city for its donation to the program.

Roumagoux reported that she had received a letter from Gabe Wilson resigning from the Destination Newport Committee due to work and family commitments. Council thanked Wilson for her work and commitment to the city.

City Manager's Report. Smith reported that the monthly departmental reports were included in the packet.

Smith reported that he had attended the "Real Heroes" breakfast where Chris Rampley, from the Fire Department, was recognized as a real hero for saving a fisherman who had fallen from his boat. Smith noted that there is an article in the Statesman Journal regarding the folks recognized as "real heroes."

Smith reported that he spoke at the recent Leadership Lincoln session as a part of a panel that included David Bigelow, Tom Rinearson, and Lyle Mattson.

Allen asked whether a meeting of the Port Pedestrian Safety Task Force had been scheduled. Tokos agreed to follow-up.

Allen asked about the safety zone grant that the Police Department is working outside the city limits, and particularly why the Lincoln County Sheriff's Office and OSP had declined to accept the grant due to personnel shortages. He asked whether the city had similar personnel shortages and whether the city is paying overtime. Miranda reported that the staffing is primarily overtime that is funded by the grant, and that the grant ends at the end of September.

ACTION ITEMS

Consideration of Application for a SAFER Grant for the Staffing for Adequate Fire and Emergency Response. Paige reported that the issue before Council is the consideration of support for an application for a SAFER Grant, noting that it is a program that FEMA offers every year. He added that the city has not been successful in obtaining the grant in the past. He stated that this year, staff have applied for a grant to hire two firefighters in relief positions. He recommended Council support of the grant noting that there is no requirement for the city to provide matching funds. He stated that after two years, a decision will have to be made regarding whether to keep the two positions assuming the grant is successful. He added that the chances of getting the grant are slim due to the number of applications. He stated that if the city is offered the grant, the matter will return to Council for acceptance of the grant. He noted that he is asking for approval to submit the grant, adding that the city likely will not know whether it receives the grant until next summer because of the low priority category that the city is in. Allen stated that the grant is only for two years, and there is no expectation of continued employment for the two employees. He asked whether the employees will become union members, and whether that will be an issue, if after two years, the city has to release them. Paige reported that in this situation, the bargaining agreement layoff provision would apply. Allen asked whether Paige would be clear and candid with the employees hired that this is a limited term position. Paige reported that he would be up front with the two employees. MOTION was made by Swanson, seconded by Beemer, to approve the submittal of the SAFER Grant application for the purpose of increasing career firefighter staffing levels. The motion carried unanimously in a voice vote.

Consideration of Resolution No. 3650 Regarding the Payment of Franchise Fees by City-Owned Utilities. Gazewood reported that the issue before Council is consideration of Resolution No. 3650 which would formally approve the five percent fees of gross water and wastewater revenue as set forth in the annual budget document. He noted that this action should have occurred in 2001. He added that it was included in the budget; went through the budget adoption phase; and continued each fiscal year after that. Gazewood reviewed percentages and amounts of funding. He noted that the resolution provides for a monthly transfer of the monies and does not include proceeds from bond sale proceeds or interest earnings. Allen noted that the reason this is being presented tonight is that the Infrastructure Task Force is talking about how to pay for infrastructure improvements by looking internally in the budget to bolster the water and

sewer funds. He added that Council may see some recommendation on whether the city should continue the fee in lieu of concept for the next fiscal year. Allen noted that this resolution acknowledges what the city has done for the last ten years. MOTION was made by Beemer, seconded by Busby and Allen, to adopt Resolution No. 3650, a resolution regarding the payment of fees in lieu of franchise fees by city-owned utilities with a revision to Finding 2 to read as follows: "The City has charged or collected such fees since fiscal year 2002-03 through the annual budget approval and adoption process." The motion carried unanimously in a voice vote.

Consideration and Discussion of Potential Sale of the Visual Arts Center. Catherine Rickbone, Executive Director of the Oregon Coast Council for the Arts (OCCA), which manages the PAC and the VAC for the city, appeared before Council regarding the potential sale of the VAC. She stated that the discussion of the potential sale of the VAC is a surprise. She noted that several OCCA board members are in attendance at this meeting. She asked when and how public comment will be taken on the potential sale of the VAC, and how the matter will proceed. Tokos reported that Council is considering whether to position the property for potential sale. He added that a public hearing would be scheduled in the late winter or early spring if Council accepts what is outlined in the staff report. He noted that if this property is going to be sold; steps need to be taken to make that possible, and that those steps include a partitioning process; an appraisal following the partition process; and a revisiting of the management agreement with OCCA. He reiterated that there would be a public hearing at which Council would consider whether it is in the public interest to sell the property. Tokos noted that there would be an investment of approximately \$5,000 - \$8,000 to get to the point of the public hearing, and that the CDD budget has sufficient professional service funds to cover this expense. Allen reported that direction was given to Tokos to indicate to the public that the City Council is considering this potential sale and to identify the appropriate steps to position the property for sale.

Mark McConnell noted that Council had held an executive session regarding real property transactions, and asked whether the sale of the VAC was discussed during the executive session. Allen noted that if McConnell listens to the audio file from the earlier work session, he will hear the direction to Tokos to bring this information forward tonight. McConnell asked who is behind this particular building being looked at for a potential sale. Roumagoux noted that Council is looking at all city-owned properties. Gross noted that part of the budget discussion was focused on where the city spends money, and that there has been more spent on this building due to its age and conditions. McConnell asked whether other properties will be included on the list of potential sale properties, including the FBO and the Abbey Street Pier building. He stated that it was a mistake not having more public input ahead of time. Allen noted that one of the reasons Council included this item on the agenda was to begin a discussion about this property and other properties. McConnell noted that the revised agenda was not posted on the city's website, and that this item did not have to come up at this meeting.

Rickbone reported that this matter was first brought to her attention a few days ago, and expressed concern about the future of the PAC. She noted that OCCA is embarking on a 4.3 million dollar capital campaign, and that she would not recommend continuing with that campaign if the PAC may be considered for sale.

Wendy Engler asked what other properties the city may be considering for potential sale. Allen noted that this evening's discussion is the beginning of the process. He added that if the proposed motion passes that the next meeting agenda could contain a discussion item on the subject so that Council could hear the issues from OCCA. He added that the city can provide informal public engagement while preparing for a more formal process. McConnell suggested tabling this issue and placing it on the next agenda. Engler asked why the VAC was chosen for potential sale. Allen noted that Council is looking at other properties. He added that some recommendations may come from the Infrastructure Task Force, and that McConnell is aware of those discussions. Swanson suggested tabling the issue and discussing it in a few weeks. Busby reiterated that the VAC is not the only city property being discussed. Allen noted that the city website has a link to an inventory of city-owned property.

After further discussion, MOTION was made by Swanson, seconded by Saelens, to table this matter until October 7, 2013. The motion carried unanimously in a voice vote.

Consideration of City Manager Evaluation as Developed by Council Sub-Group.

Allen reported that the City Manager Evaluation Process Sub-Group had submitted a final draft of the evaluation document/process. He reviewed the proposed process. It was agreed to table action on the City Manager evaluation process until the October 7, 2013 meeting at which time the draft document and Sub-Group minutes will be presented for Council review and approval.

PUBLIC HEARINGS

Public Hearing on Application for Taxicab Endorsement to a Business License by Ken's Cab. Roumagoux opened the public hearing on the application for a taxicab endorsement to a business license application filed by Ken's Cab at 7:16 P.M. A discussion ensued regarding a draft revised taxicab endorsement ordinance. Franklin noted that his business could not survive a three-month waiting period for the ordinance to become effective. It was suggested that the ordinance could be an emergency ordinance so that it could become effective after adoption by Council. There was no further comment, and the hearing was closed at 7:20 P.M.

Public Hearing on and Consideration of Resolution No. 3649 Amending Resolution No. 3631 - A Resolution Establishing the Hiring Standards, Criteria, Policy Directives, and a Timeline for the Recruitment, and Hiring of the City Manager for the City of Newport, and Specifically Amending the Timeline (Exhibit A). Roumagoux opened the public hearing on Resolution No. 3649 at 7:20 P.M. Saelens recused himself. She asked for the staff report. Hawker reported that the issue before Council is to seek public input on Resolution No. 3649 that amends the timeline for recruitment of a City Manager.

Roumagoux asked for public comment. There was none.

Roumagoux closed the public hearing for Council deliberation at 7:25 P.M. It was suggested that the last "whereas clause" read "telephone interview screening process" to be consistent with the wording in the timeline.

MOTION was made by Beemer, seconded by Allen, to adopt Resolution No. 3649, amending Exhibit A of Resolution No. 3631 regarding changes to the timeline (established in Resolution No. 3631) for hiring a City Manager as amended. The motion

carried unanimously in a voice vote. Hawker noted that the new timeline includes an executive session to be held Friday which she will notice along with a special meeting to include interviews with proposers for general legal services.

LOCAL CONTRACT REVIEW BOARD MEETING

Roumagoux called the meeting of the Local Contract Review Board (City Council acting as such) to order.

Consideration of Purchase of Fire Department Apparatus. Paige reported that the issue before the City Council, acting as the Local Contract Review Board, is consideration of whether the Fire Department should procure a new “demonstrator” fire engine to replace a 1994 fire engine. He recommended that the lease/purchase of one HME “demonstrator” fire engine, for a total negotiated price of \$401,425, be approved, and that the 1994 International/KME fire engine be declared surplus and the city receive a \$10,000 trade-in credit toward the “demonstrator.” Paige reviewed the need for this fire engine and how it would be funded. He reported that Gazewood recommended not purchasing this apparatus, but to look at a five year special levy. Paige recommended a capital equipment bond measure as it would be a more comprehensive way to deal with needs.

Gazewood reviewed potential financing terms. He noted that the General Fund operating budget supports a lot of departments. He added that the Police Department has a continual need to replace vehicles, and subsidies are provided to the Parks and Recreation Department and other departments from the General Fund. He noted that the General Fund has its own problems with debt structure and annual payments. He reviewed the fiscal impact over a six-year period noting that the impact would be a 1.1 million dollar outlay from the General Fund over this period of time for the Fire Department. Gazewood added that he is concerned with the overall impact to the General Fund and its ability to meet and maintain service levels in all departments. He noted that if the water and sewer fees in lieu of are removed, the budget will be further reduced by approximately \$377,000. Gazewood stated that while the fire engine is a good deal, the purchase would have a huge impact on the General Fund over the next five years. He noted that there are better ways to pay for capital rolling stock, and this would not be the only city that addressed the issue of purchasing rolling stock without using general operating monies. Gazewood stated that a local option levy allows cities to go to the voters for operating or equipment levies. Gazewood reviewed the list of equipment replacement schedules provided by Paige. Gazewood further reviewed the fiscal impact this purchase would have on the General Fund.

Paige noted that he is looking at the big picture for the Fire Department, and added that if the first out engine is not replaced; the opportunity is gone; and problems could be created without at least one new engine.

Swanson asked what would happen if the truck is not purchased and the current first out engine is disabled. Paige stated that the first out fire engine has to be a high priority for the city, and higher than some other needs of other departments.

Busby stated that the city is spending more money than it is bringing in, and that has to stop at some point.

Beemer noted that he saw the response from the art community when it was suggested that the city sell the VAC. He added that someone's feelings will be hurt because Council has to make tough decisions regarding money.

Roumagoux asked about obligating future City Council's, and Gazewood noted that the purchase of the fire engine would bind the Council at that debt level for five years.

Paige asked whether it would be legal to use levy monies to satisfy this debt, and Gazewood noted that he does not think the proceeds could be used to pay off debt, but that he would research that issue.

Allen noted that Paige and Gazewood have different valid perspectives. He added that he is not disputing the importance of the equipment for a functioning Fire Department, but that in his position, he has to look at the entire city organization, and there are two valid issues butting heads. He added that he tends to look at things more like Gazewood, although he does not dispute the validity of what Paige is advocating for. He stated that this is not an easy decision, but Gazewood is making important points in making decisions beyond Fire Department issues.

Paige stated that he has not been asked questions regarding apparatus from the Infrastructure Task Force. Allen asked why the department heads could not use Gazewood's expertise and develop a plan for the replacement of rolling stock that can meet the needs of all departments for five to ten years. Smith noted that it would be great to see how one departmental request affects other departments and how the city can purchase all the necessary rolling stock. Paige asked why the fire stations and equipment are not included as part of the city's infrastructure.

Gross noted that departments pay for equipment differently. Gazewood noted that equipment in the water and sewer funds could impact the General Fund if the water and sewer fees in lieu of are removed from the General Fund.

Saelens noted that he would like nothing better than to grant the request for the new fire engine, adding that Paige and Gazewood presented valid perspectives. He stated that this is a tough decision, and he supports a more deliberate planning process.

Allen stated that he cannot support the proposed motion because Council and staff need to take a more comprehensive look at the city organization; and develop a more comprehensive plan for rolling stock and its financing. He added that he does not like piecemeal purchases, and suggested staff work with Gazewood and return to Council with a plan on how to proceed with purchases of rolling stock.

Beemer agreed with Allen.

Sawyer disagreed with Allen noting that this is a unique situation and there is a need for the fire engine. He noted that he supports the purchase.

Swanson expressed support for the purchase of the fire engine.

MOTION was made by Swanson, seconded by Sawyer, that staff be authorized to lease/purchase one 2013 H&W demonstrator fire engine (#22428) for \$401,425 and hereby declare a 1994 International/KEM fire engine as surplus property, and accept staff's finding that trading in the 1994 engine will promote the public interest and probably result in a higher net return than if sold by a competitive bid process, and trade it in for a \$10,000 credit toward the sale price of the new fire engine. Those voting aye in a voice vote were Swanson and Sawyer. Voting nay in a voice vote were Allen, Beemer, Busby, Roumagoux, and Saelens. The motion failed.

RESUME CITY COUNCIL MEETING

COUNCIL REPORTS AND COMMENTS

Sawyer reported that Gabe Wilson has been a wonderful addition to the Destination Newport Committee. He expressed appreciation for the time she has given to the city.

Saelens reported that he attended the employee barbecue.

Saelens reported that he will participate in the upcoming Bon Sante event at the 60+ Activity Center.

Busby reported that he attended the half marathon, and noted that it was a successful event benefiting the aquatic center.

Busby reported that he had attended the recent Airport Committee meeting, and that members of the Committee are rewriting the business plan and developing an initial set of minimum standards.

Busby noted that Council had talked about developing a task force to review business licenses and building codes. Allen noted that this task force would be a discussion item on the October 7 agenda to develop a scope of work, define the membership, and establish timelines.

Beemer reported that he had attended the employee barbecue.

Beemer reported that he, Miranda, Garbarino, Murphy, Paige, and Smith had attended the Red Cross honor event in Salem that recognized Chris Rampley as a local hero.

Beemer reported that he had attended the Wildish preconstruction meeting with Gross and work is scheduled to begin this week on the repair of Big Creek Road.

Allen reported that the Infrastructure Task Force met and discussed projected infrastructure needs. He noted that the Task Force will meet on Thursday, October 10 and 31, November 7 and 21, with a final meeting on December 5 and a recommendation at the first Council meeting in January 2014.

Allen reported that he attended the employee barbecue.

Allen reported that he attended a recent meeting of the City Employee Committee at which there was a good discussion. He noted that this was John Baker's last meeting with the CEC. He added that Smith could prepare a letter to Baker, if Council wishes, to let Baker know that his services are completed.

Allen noted that the Audit Committee is scheduled to meet September 23, and that he will check with Gazewood and Linda Brown to determine the time of the meeting. He noted that the most recent edition of the "Local Focus" has an article regarding audit committees.

Allen noted that Council had not yet received the monthly invoice from LGLG.

ADJOURNMENT

Having no further business, the meeting adjourned at 8:49 P.M.

Margaret M. Hawker, City Recorder

Sandra N. Roumagoux, Mayor