



BUDGET COMMITTEE AGENDA
Tuesday, May 10, 2016 - 5:00 PM
169 S.W. Coast Highway, Newport, Oregon 97365

The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired, or for other accommodations for persons with disabilities, should be made at least 48 hours in advance of the meeting to Peggy Hawker, City Recorder at 541.574.0613.

The agenda may be amended during the meeting to add or delete items, change the order of agenda items, or discuss any other business deemed necessary at the time of the meeting.

1. CALL TO ORDER

1.A. City Manager's Report for May 10th Budget Committee Meeting
[Memo for May 10, 2016 Budget Committee Meeting.pdf](#)

2. REPORTS

2.A. Reconciliation of the April 26, 2016 Hit and Wish List
[Responses to Hit and Wish List Items - 2016-17.pdf](#)
[Attachment #1.pdf](#)
[Attachment #2.pdf](#)
[Attachment #3.pdf](#)
[Attachment # 4 Room Tax Detail.pdf](#)
[Attachment #5.pdf](#)
[Attachment #6 DNC Report 2016-2017.pdf](#)
[Attachment #7.pdf](#)

3. COMMUNICATIONS

3.A. From Lorna Davis - Destination Newport Committee

[DNC Funding request presentation.pdf](#)

4. PUBLIC COMMENT AT 6 P.M.

This is an additional opportunity for members of the audience to provide public comment. Comments will be limited to five (5) minutes per person with a maximum of 15 minutes for all items. Speakers may not yield their time to others.

5. GENERAL QUESTIONS FROM THE BUDGET COMMITTEE

6. REVIEW UPCOMING AGENDA

7. ADJOURNMENT



Spencer Nebel
City Manager
CITY OF NEWPORT
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MEMO

DATE: May 6, 2016
TO: Budget Committee
FROM: Spencer Nebel, City Manager
SUBJECT: May 10, 2016 Budget Committee Meeting

The May 10, 2016 Budget Committee meeting is scheduled to begin at 5 P.M. in the City Council Chambers. The city has order food for the Committee since we will be working through the dinner hour.

Review of April 26th Budget Committee Meeting

On April 26th the Budget Committee held their first budget meeting to review the budget for the fiscal year beginning July 1, 2016 and ending June 30, 2017. The Committee elected Janet Webster to Chair the 2016 Budget Committee meetings.

Budget Officer Spencer Nebel, delivered the budget message for the 2016-17 fiscal year budget for the City of Newport and a public hearing regarding the use of State Shared Revenues was held. Following the public hearing the public was invited to provide comment and ask question regarding the proposed budget for the City of Newport and the Urban Renewal Agency.

The Budget Committee then proceeded with a page by page review of the proposed 2016-17 fiscal year budget. During this time, a list of over 60 questions, possible additions or deletions to the budget, and other items were compiled with responses to those issues being provided to the Committee for the May 10 meeting. The Budget Committee can review these responses and then make a determination as to whether any modification to the proposed budget should be made.

Following this meeting city administrative staff has been busy following up on the various items to prepare responses for review of the Budget Committee at the May 10th meeting.

Public Comment

The Budget Committee will need to break at or shortly after 6 P.M. to provide members of the audience an opportunity to provide comments regarding the 2016-17 fiscal year budget.

Reconciliation of the April 26, 2016 Hit and Wish List

Attached is a compilation of the various budget issues that were raised during the April 26th review of the proposed budget for the City of Newport. In a number of cases there are requests for either additions or deletions from the budget. There are also questions regarding certain aspects of the budget that will be addressed in the report.

It should be noted that the addition of any new positions to the City of Newport will have an impact not only on the upcoming fiscal year but future years as well. For example the cost for adding a position with a salary of \$50,000 and \$30,000 in fringe benefits would have an annual cost of \$80,000. Please note over the next decade with step increases and normal cost of living increase, the net cost to the city over the next decade for this added position will likely exceed 1 million dollars of added operational expenses.

One additional note that should be consider by the Budget Committee through your review of the hit and wish list is that we are using conservative principals in estimating expenses for this next fiscal year. This means, that in all likelihood, our total expenses will fall significantly below our appropriated levels by the time this fiscal year closes on June 30, 2017. This year we are estimating our General Fund will be in a stronger financial position then what was estimated as we developed the budget for the current fiscal year. This is providing much needed funds for maintenance activities with our facilities that have been under funded for a number of years. Likewise, I would anticipate, based on the proposed budget that the General Fund will finish stronger than what is projected in the proposed budget, by the time we finish this next fiscal year. This will again give us money that we can appropriate in the following fiscal year to continue efforts to reinvest in our various facilities and parks in order to keep this infrastructure in good shape to serve the citizens of Newport.

As the Budget Committee works its way through the hit and wish list, on each of the items where a change was suggested, I have provided a recommendation for consideration of the Budget Committee. Please note, however, that member of the Budget Committee can offer a motion to modify any aspect of the proposed budget. If that motion is supported then the Chair will call for discussion and following the discussion, take a vote on modifying the budget based on that particular hit and wish list item. If the majority of Budget Committee members

support that change then the budget will be modified. If not the budget will remain the same. Please note that if no motion is made the budget will remain as proposed. See the City of Newport and Newport Urban Renewal Agency Responses to the Hit and Wish List Items for the 2016-17 Fiscal Year Proposed Budget

The May 17th meeting of the Budget Committee

The last meeting of the Budget Committee will be held on May 17th beginning at 6:00 P.M. At this meeting the proposed budget will be modified and presented to the Budget Committee for approval and submission to the City Council. Furthermore, the Budget Committee will approval a City General Fund Tax Levy for the 2016-17 fiscal year as well as a General Obligation Bond Tax Levies for the next fiscal year. Likewise the Budget Committee will formally approve a budget for the Newport Urban Renewal Agency for the next fiscal year as well, including the Captured Tax Levy for this district. Finally, I would ask the Budget Committee members to provide feedback as to the budget documents and process that was utilized for developing and approving a budget for the 2016-17 fiscal year. We incorporated a number of changes based on the comments from the Budget Committee from the last two years. With this being my third budget with the City of Newport and Finance Director Mike Murzynsky's second budget for the City of Newport, it is important for us to hear from you as to how we can improve the budget materials and processes in the future.

Please note that we anticipate the May 20th meeting to be of shorter duration and we are not planning to have any food available at that meeting.

Respectfully submitted,



Spencer R. Nebel
City Manager

**CITY OF NEWPORT AND
NEWPORT URBAN RENEWAL AGENCY
RESPONSES TO THE HIT AND WISH LIST ITEMS
FOR THE 2016-17 FISCAL YEAR PROPOSED BUDGET**

The following are responses to each of the items that were raised during the review of the proposed budget by an individual member of the Budget Committee. These items were placed on the list for further explanation and/or possible modifications to the proposed budget. In addition, where staff has found any discrepancies in the budget, I have listed those as items for consideration by the Budget Committee as well. Please note that for each item there is a narrative on the background of that item fund, fiscal impact of change on modifying the proposed budget, my recommendation as to whether any changes should be made to the proposed budget, and any additional supplemental attachments.

Also, if appropriate the Chair of the Budget Committee will introduce each of these items and if a Budget Committee member would like to pursue a change in the proposed budget, then that Budget Committee member should make a motion specifying the desired budgetary change. If that motion is seconded, then the Chair will ask if there are questions or clarifications and then ask for a discussion on the item. Following the discussion, the Chair will call for a vote on that motion. If a majority of the Budget Committee members support the change, the change will be incorporated into the budget document that will be considered for approval by the Budget Committee at the May 17th Budget Committee meeting. Otherwise, the budget will remain as proposed.

THE HIT AND WISH LIST

1. Library (p.40)

Background:

Equipment (Cameras, printers, etc.) -- This item was left out of the budget as a scrivener error. Fiscal impacts have changed. General Fund expenses would be increased by \$11,500, reducing the fund balance.

Fiscal Impact of Change:

As noted above.

Recommendation:

I recommend that the error be corrected by the Budget Committee.

Supplemental Information:

None attached.

2. Storm Sewer Repair west of SE 4th Street/Abandonment of SE 3rd Wastewater Pumping Station (p.179)

Background:

This project was requested in the current budget as item CP19; however, it was not funded due to other priorities. Since the budget has been recommended, the City Engineer is indicating that televising work has been done, which indicates the pipe is in imminent danger of collapse. This is particularly critical, since the existing storm sewer follows the bottom of a former canyon and runs under several houses between SE 4th Street and the canyon one block to the west.

Fiscal Impact of Change:

The City Engineer is recommending to pull the funding from NW 6th Street storm sewer (\$380,000) and ST7 allocate \$120,000 from the Nye Creek Storm Sewer repair (NE 7th and Harney and NW 12th and Nye). We will evaluate other alternatives prior to Tuesday night for the Budget Committee's consideration.

Recommendation:

I recommend that this project be funded at \$500,000, with \$302,900 coming from the proposed budget from ST6 the NW 6th Street storm sewer project, and \$197,100 coming from ST7, Nye Creek storm sewer CIPP repair.

Supplemental Information:

See Attachment #1

3. Question on Reduction on Municipal Court Fees (p.17)

Background:

The collection of court fees is now part of the Cassell software system (which is the accounting system the City uses for general auditor, payroll, water billing, etc.) In reviewing the activity for court fees, it appears that Cassell is including a monthly debit in creating an accounts receivable for tickets. Parking tickets have always been handled on a cash receive basis. It should also be noted that TCB had a 5-month gap in employment this past fall effecting tickets issued.

Fiscal Impact of Change:

None

Recommendation:

We are still reviewing these numbers. If there are any changes, we will share that information with the Budget Committee

Supplemental Information:

None

4. Report on the Willamette Valley Communication Center Dispatching Services (p.33)

Background:

Attached is a report from Lieutenant Jason Malloy, and Fire Chief Rob Murphy on the Willamette Valley Communication Center and options for the future. This would likely

not have fiscal impact on next year's budget since the decision to change would certainly be beyond the next year's budget cycle.

Recommendation:

None.

Fiscal Impact of Change:

None.

Supplemental Information:

See Attachment #2

5. A decrease in total expenses for facilities in ground. (p.47)

Background:

This reduction is reflected in that capital improvements that are being moved to a new Capital Improvement Fund (405). Previously, these expenses were in these budgets.

Fiscal Impact of Change:

None

Recommendation:

None

Supplemental Information:

None

6. Increase in subsidy to the Airport. (p.51)

Background:

The Airport transfer shows an increase in 2016-17 to \$370,000 versus \$310,000 in the current fiscal year. Please note this is due to a combination of factors including the spenddown of the Airport fund balance over a three-year period. Also note the current fiscal year was subsidized by using \$165,163 of the ending fund balance for operations in accordance with the approved budget. Following 2016-17, the ending fund balance/contingency combination will be spent down an additional \$43,000. Furthermore, the Airport has seen a reduction in fuel sales with the single largest reduction being Coast Guard fueling.

	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
Revenues & Net Transfers	\$604,477	\$441,745	\$545,672
Expenditures	<u>\$689,312</u>	<u>\$606,908</u>	<u>\$650,335</u>
Net Expenses	(\$ 84,835)	(\$165,163)	(\$104,663)
Ending Fund Balance/Contingency	\$312,146	\$146,983	\$104,559

Fiscal Impact of Change:

None

Recommendation:

None Recommended

Supplemental Information:

None

7. Report on increasing staffing at the pool. (p.53)

Background:

Parks & Recreation Director, Jim Protiva, reports the request for increased staffing for the new pool was based on the requirements to adequately guard the various bodies of water. Because the Recreation Center is open to the public for more hours per week than the current pool, we anticipate having to increase the staff to meet the increased hours of operation. The timing of the increase will not have to happen immediately but will need to coincide with the opening of the new pools. We also expect that there will be a surge of patrons in the beginning months. Once the public gets a chance to experience the new offerings and understands how the facility is intended to operate, the need for staff time may decrease to be appropriate to bather load numbers.

Fiscal Impact of Change:

None

Recommendation:

None

Supplemental Information:

None

8. Impact of new Aquatic Center on overall pool expenses. (p.53)

Background:

Parks & Recreation Director, Jim Protiva indicates that the overall pool expenses are not anticipated to decrease based on consolidation. There will be some savings realized through efficiencies like new pumps and heaters and only having to staff one control desk, but the overall scale of the pool operation will be so much larger than the current pool that all likely savings will offset by new expenses. We are also implementing coast recovery systems, like solar, that will help offset our operation costs.

Fiscal Impact of Change:

None

Recommendation:

None

Supplemental Information:

None

9. Expectations of Parks & Recreation to generate user revenue. (p.53)

Background:

Parks & Recreation Director, Jim Protiva indicates the Parks and Recreation department currently offers services to citizens at three facilities, the Newport Recreation Facility, the 60 + Activity Center, and the Newport Municipal Pool. The Rec Center has over 160,000 annual visits and the 60+ received 54,000 visits and the pool had 100,000. The cost recovery on these operations through fees are 43%. The subsidy comes from the general fund and room tax revenue. The Newport Parks and Recreation Department is a function of the City and the arts are a function of the OCCA. The City does provide some services like facilities and maintenance and telephone and computers and the networks that run those services.

Fiscal Impact of Change:

None

Recommendation:

None

Supplemental Information:

See Attachment #3 for a breakout of operational expenses versus revenues.

10. Parks & Recreation Advertising. (p.61)

Background:

Parks & Recreation Director, Jim Protiva reports that the current proposed budget does not include any funds for Marketing and Advertising. The department request was for \$2,000 (201-4140-65300) however this did not show up as a requested item and was not funded.

Fiscal Impact of Change:

There are sufficient funds in Parks and Recreation to fund the \$2,000 advertising request.

Recommendation:

I recommend that the Budget Committee fund \$2,000 in marketing and advertising.

Supplemental Information:

11. Request to change title of the Parks & Recreation Department to the Recreation Department. (p.53)

Background:

Since the Parks & Recreation Department no longer manages the City Parks (Public Works Department now manages them), it was suggested the Parks & Recreation

Department change their name to the Recreation Department. It was suggested this would better reflect their role, and be less confusing for the public.

Fiscal Impact of Change:
None

Recommendation:
I recommend that fund 201 be referred to as the Recreation Department fund.

Supplemental Information:
None

12. Appropriation from the Housing Fund towards cleanup and refuse containers in areas where homeless people camp. (p.72)

Background:
A suggestion was made to appropriate up to \$30,000 from the City's Housing Fund to provide for cleanup of publicly owned properties, including the addition of refuse containers, with these funds coming from the City's Housing fund.

Fiscal Impact of Change:
\$30,000 additional expenses would be appropriated from the Housing Fund. Please note that \$30,000 would need to be removed from another proposed appropriation item in order for the Housing Fund to support this payment. Also, please note that \$30,000 is appropriated in the Police Department for abatement expenses. This includes the cleanup of homeless camps, as well as other property issues where public funds are used to address cleanup issues.

Recommendation:
I do not recommend that this project be added at this time.

Supplemental Information:
None

13. Eliminate the appropriation for the Lincoln County Land Trust of \$30,000. (p.73)

Background:
Newport entered into a three-year memorandum of understanding with the Lincoln County Land Trust, along with Lincoln City and Lincoln County to fund the Land Trusts' efforts in creating workforce housing. The City Council has frozen any additional contributions to the Lincoln County Land Trust pending a determination as to whether to continue with this relationship. I believe the Council should complete this discussion from a policy standpoint prior to making a determination as to whether to cease in participating in this intergovernmental agreement.

Fiscal Impact of Change:

A reduction of \$30,000 could either be used for another housing project, a homeless initiative outlined earlier, or continue in a reserve to assist workforce/affordable housing in Lincoln County.

Recommendation:

I recommend that this matter be addressed on a policy basis by the City Council versus as part of the budgeting process, since the City Council previously entered into a memorandum of understanding with other governmental entities for this effort.

Supplemental Information:

None

14. Does the Housing Fund have adequate reserves to provide leaving a full funding to address housing issues? (p.72)

Background:

The Housing Fund was initially capitalized with dollars from the sale of public property. The Housing Fund is anticipated to have a fund balance of \$134,196 with \$100,100 being available to participate some sort of housing development. The Housing Fund revenues are limited to interest earnings. This is not a significant amount of money from a project standpoint. It certainly could help fund a feasibility analysis for projects, or be utilized in some aspects to help facilitate affordable housing.

Fiscal Impact of Change:

None

Recommendation:

None

Supplemental Information:

None

15. Airport staffing. (p.76)

Background:

The Airport Advisory Committee with consent of the City Council took a look at privatizing the operation of the Airport. Just prior to developing the budget for the current fiscal year, a decision was made to redirect our energies towards utilizing City staff for Airport operations. The current budget is based on Lance Vanderbeck serving as Airport Operations and Administrative Manager, and John Matherly serving as Line Worker. In addition, \$50,000 is appropriated for temporary employees at the Airport. I will be developing recommendations for the Airport Committee to review on our permanent staffing needs at the Airport. At this point, it is not my intention to recommend hiring an Airport Director. It would be my intent to use the existing positions in order to meet the longer term needs of the Airport operation.

Fiscal Impact of Change:
None

Recommendation:
None

Supplemental Information:
None

16. Sludge Revenue at the Airport. (p.75)

Background:
The sludge revenue for the Airport in the proposed budget was identified as \$32,086. The actual revenue should be \$30,704.

Fiscal Impact of Change:
A reduction of revenue to the Airport of \$1,382 is incidental to this fund.

Recommendation:
I recommend that the revenue be reduced for services provided by the Sewer Fund by \$1,382.

Supplemental Information:
None

17. Beautification Budget, (p.82)

Background:
A line item of \$50,000 for contracted services to assist the City in maintaining public landscaped areas was included in the budget. There was a suggestion that this amount should be increased. If the source of funds is the Room Tax, there would be sufficient reserves to increase this amount.

Fiscal Impact of Change:
The Room Tax Fund is maintaining a reserve for future expenditures of \$175,247 that could be appropriated by the Council.

Recommendation:
I do not recommend an increase in this appropriation at this time. I believe that this will be a good trial to see how we can make a meaningful difference in the upkeep of City owned areas.

Supplemental Information:
None

18. What items is the Transient Room Tax Fund paying for? (p.81)

Background:

Under the City Code, 46% of the room taxes collected by the City are to be used for either promotional activities or tourism related facilities. The City Council has the authority to determine which facilities are tourism related. Furthermore, the City Council may determine that some facilities are in part tourism related facilities. The Finance Department has provided a breakdown of what charges are made directly to the Room Tax Fund. In addition, to these expenses, the Room Tax Funds make some transfers to other operating funds such as the Airport and Parks & Recreation. As discussed in the budget message, during this next year, we will be exploring ways to provide more clarity to the operating expenses for our various city facilities. This could be done by the creation of a facilities fund, which would create an operational center for all of the city’s facilities to consolidate those expenditures for those buildings. This would include buildings such as: City Hall, the Recreation Center, the Senior Center, the Library, the VAC, the PAC, and restroom operations in the City. Currently some of these charges for some of the tourist related facilities come from the Room Tax Fund, while other charges come from the General Fund. It is very difficult to make any logical sense out of the practices that have evolved for how the facilities are paid. I believe if we proceed along these lines during the next fiscal year, there will be more transparency in how we are funding various facilities and what specific things are being funded by the room tax.

Fiscal Impact of Change:

None

Recommendation:

None

Supplemental Information:

See Attachment #4

19. Contractual Beautification staff duties versus professional services. (p.82)

Background:

It was suggested at the Budget Committee meeting that instead of using contractor services, the City should hire staff individuals to maintain landscaped areas. Over the long run this may make some sense; however, I am not sure we have the capacity to adequately direct these activities by additional staff at this point. This would be a good goal to work towards.

Fiscal Impact of Change:

None by converting to contractual services to labor, provided the labor is limited to the amount recommended in the appropriation.

Recommendation:

I do not recommend we consider this change at this point.

Supplemental Information:

None

20. Typo on the Storm Drain Maintenance Budget for building and ground expenses. (p.94)

Background:

On item 251-3220-61200, building and ground expenses as a proposed budget of \$1500, this proposed budget should be \$15,000.

Fiscal Impact of Change:

This will increase expenditures in the Street Fund by \$13,500. There are sufficient reserves to cover this expense.

Recommendation:

I recommend that the building and ground expenses 251-3220-61200 be increased by \$13,500 to \$15,000.

Supplemental Information:

None

21. Report on the amount of SDC's paid by the Candy Shop/Restaurant Project. (p.100)

Background:

The total SDC's not paid for new restaurant/candy shop in South Beach was \$60,863.16. Credits included 1500 square feet of restaurant space based on prior documented uses.

Fiscal Impact of Change:

None

Recommendation:

None

Supplemental Information:

None

22. Report on NW 6th Sidewalk Project/Storm Sewer. (p.179)

Background:

\$302,900 is included in the proposed budget for this project. Please note, the City Engineer is recommending these funds be used for the storm sewer replacement outlined in No. 2 of the hit and wish list.

Fiscal Impact of Change:

If these funds are moved from this project to repair the other storm sewer project, then this project will not go forward during the 2016-17 Fiscal Year.

Recommendation:

We will discuss alternatives to cutting this project at the Budget Committee meeting.

Supplemental Information:

None

23. Report on whether sharrows on Bay Boulevard will impact the parking study. (p.179)

Background:

The Newport Transportation Plan calls for sharrows to be placed Bay Boulevard. The Parking Study should not have any impact on those plans. Please see response 61 for additional information regarding the concern of placing sharrows on Bay Blvd. prior to Eads Street.

Fiscal Impact of Change:

None

Recommendation:

None

Supplemental Information:

None

24. Report on the installation of signal light at Abbey and Highway 101. (p.179)

Background:

Community Development Director, Derrick Tokos, indicated that the Newport TSP identifies a signal at this location as a high priority. Preliminary discussions with ODOT indicates that traffic warrants a signalized intersection will be met hospital expansion. The project is SDC eligible for the amount listed. The balance of the cost would be picked up by the hospital. Funds should be budgeted now as design will need to begin in the 2016-17 Fiscal Year.

Fiscal Impact of Change:

If this project wasn't funded, \$137,467 would revert to the SDC fund balance.

Recommendation:

I do not recommend that this project be eliminated at this time.

Supplemental Information:

None

25. Other options on activated crossing lights. (p.179)

Background:

Any pedestrian crossing signals installed on US 101 must be on ODOT's approved material list since the signals are on the State trunk line. Please note; however, on further review of the cost estimates, the City Engineer is now reporting that the PED activated signals are \$30,000 per location, based on actual costs of the Highway 101 pedestrian project. If they can be obtained and installed for that price, that would allow four of the crossings to be signalized. In order to avoid a mix of types of signals, I believe that we should continue with the same crossing signs that have been used at Angle and Highway 101 and throughout the project.

Fiscal Impact of Change:

The total amount appropriated for the signals is \$120,000. Half is funded by the Newport gas tax, and the other half by the ISTEA fund exchange.

Recommendation:

I would recommend that we stick with same standard signal crossing to avoid confusion at the other pedestrian crossings on Highway 101.

Supplemental Information:

None

26. The Nye Beach Turnaround. (p.179)

Background:

A question was raised as to whether the parking plan and/or a plan for the turnaround are should be done prior to resurfacing this lot. The City Engineer reports that the Nye Beach Parking area was budgeted to replace the existing pavement and do repairs to the terraces between the two lower parking lots. With the parking study underway (it is anticipated to be completed shortly after the first of the year) and some design work occurring with the Nye Beach lift station, it may make sense to keep these funds in place, and hold on any construction until the 2017 construction season. If the scope of this project changes significantly, then a sizeable amount of dollars would need to be identified in order to complete this work. If the Budget Committee concurs that a decision on this project should be made after the first of the 2017 year, then it would be appropriate to leave the current budget in place. If the Budget Committee would like to recommend the City Council consider proceeding with more of a redesign of this area, then the Budget Committee can make a motion to that affect.

Fiscal Impact of Change:

\$125,000 has been budgeted with \$25,000 from the General Fund, and \$100,000 from the Room Tax Fund.

Recommendation:

I recommend that the funds be kept in place, unless the Budget Committee would like to recommend to the Council that a more comprehensive design for the Nye Beach

Turnaround be completed. If this recommendation were made, we would then proceed with the planning and design work for a more extensive project at this location.

Supplemental Information:

None

27. Report on the use of \$29,825 for sidewalk and bike improvements. (p.179)

Background:

A question was asked how these funds would be spent. These funds are from the State gas tax and must be used on sidewalk and bicycle improvements. It is the intent to use these funds to repair/replace sidewalk in SE Ninth Street, south of City Hall where the sidewalk is broken and heaved, and does not have any sidewalk ramps.

28. Report on Wayfinding sign to Project Phase 3.

Background:

\$6,000 remains in the Wayfinding Sign Project for South Beach. If the Wayfinding Signage Project is completed in South Beach, these funds could be used for other wayfinding efforts, or this project could be closed out.

Fiscal Impact of Change:

These projects originated from the General Fund.

Recommendation:

I would recommend the funds be left in place, and the Wayfinding Committee develop a plan for the remaining expenditure of these funds.

Supplemental Information:

None

29. Additional funding for other Wayfinding Projects.

Background:

A question was raised as to whether there is any additional funding for Wayfinding Projects. The \$6,000 mentioned above is the total available in the proposed budget for this purpose.

Fiscal Impact of Change:

None

Recommendation:

None

Supplemental Information:

None

30. What would be the cost to improve the trail from Don Davis Park to the beach?

Background:

The City Engineer reports the repair would not be that difficult, but getting permission to do the repair may be (property ownership/permitting). The City Engineer will further explore that issue.

Fiscal Impact of Change:

Change unknown.

Recommendation:

We will conduct further evaluation of what would be necessary to make more permanent improvements to that location.

Supplemental Information:

None

31. Pervious pavement at the Water Treatment Plant. (p.181)

Background:

A question was raised as to whether an asphalt design would allow storm water to drain through the pavement that could be considered at the Water Treatment plant. The City Engineer has indicated that is not really practical at this location, since there is so much infrastructure under the road imbedded in concrete that it is unlikely to get the water to infiltrate under the parking lot. Furthermore, this is an area heavy truck turning movements occur, and is a relatively small area.

Fiscal Impact of Change:

Unknown at this time.

Recommendation:

I do not recommend that we consider a pervious pavement design for this parking lot.

Supplemental Information:

None

32. Report on bridge installation at Wessel Creek. (p.181)

Background:

Wessel Creek is located between the reservoirs and the Siletz River. This is access to our intake line, and will facilitate access to a half mile stretch that we currently cannot get to with our equipment when we need to do inspections and maintenance on relief valves in the area. This would be a simple metal bridge over the creek.

Fiscal Impact of Change:

None

Recommendation:

None

Supplemental Information:

None

33. Rental of Flashbacks building.

Background:

The city will be issuing proposals for short term leases of this building.

Fiscal Impact of Change:

Any rental fees received from the Flashback building will go into a reserve that will be used for future demolition cost of any building that would be removed on this property owned by the Urban Renewal Agency.

Recommendation:

None

Supplemental Information:

None

34. Need for awnings for 60+ Center and door.

Background:

\$16,480 has been appropriated in the current year budget for awning insulation and ADA doors.

Fiscal Impact of Change:

None since it is currently budgeted.

Recommendation:

None

Supplemental Information:

None

35. South Beach right-of-way acquisition. (p.182)

Background:

The \$200,000 appropriation for right-of-way acquisition is for the 35th Street project (for any additional right-of-way that would be necessary) and to establish a right-of-way for the future extension of SE 62nd Street consistent with the Newport transportation plan.

Fiscal Impact of Change:

These funds are appropriated from the Urban Renewal Agency fund.

Recommendation:

None

Supplemental Information:

None

36. Property taxes for the URA. (p.222)

Background:

The budget shows a reduction in property taxes for the Urban Renewal Agency. This is an error since only the payments for annual debt service was included. The corrected amount should be \$2,500,000.

Fiscal Impact of Change:

This will add revenue to the property tax collection in the Newport Urban Renewal Fund.

Recommendation:

Recommend the Budget Committee increase the current property taxes projected for the 2016-17 fiscal year to \$2,500,000.

Supplemental Information:

None

37. Urban Renewal McLean Point Fund 272. (p.224)

Background:

The URA plan assumes the Hall property will be added to in tax rolls in phases, as development occurs. The first phase is expected to occur FYE 18 and the last in FYE 29. In sum, the URA plan anticipates over \$39 million of assessed value being added during this timeframe. About 3/4 of that is attributed to the Hall property. This would generate about \$6.2 million in TIF revenue, almost \$3 million of which would be distributed to the affected taxing entities through revenue sharing. Total TIF revenue for the district is expected to be a little more than \$3.2 million.

Fiscal Impact of Change:

As outlined above.

Recommendation:

None

Supplemental Information:

None

38. The lease rate for hanger spaces at the airport. (p.255)

Background:

The fee schedule indicates that the ground leases at the airport are \$.22 per square foot per year. This rate is the lease rate for the current year and will be amended after July 15, 2016 when the COLA data for 1/1/2016 is available.

Fiscal Impact of Change:

None, just corrects the error.

Recommendation:

None, the error will be corrected.

Supplemental Information:

None

39. Room rental schedule

Background:

With the development the fee schedule it is much more obvious where things need to be cleaned up over time. We have not proposed addressing this issue with the fee schedule that will be considered by the City Council in June. We certainly plan to have a more robust discussion on the fee schedule as we continue to refine it in the future. Standardizing room rental rates would make some sense as part of that discussion.

Fiscal Impact of Change:

None proposed.

Recommendation:

None

Supplemental Information:

None

40. Why are Professional Services up 42% over this year?

Background:

In reviewing Professional Services for the 2016-17 FY, it was noted that there is a 42% increase over last year's budgeted amount. The major increases under professional services is \$50,000 for beautification and \$30,000 for an SDC methodology study.

Finance has provided a listing of other increases:

- General Fund/Information Technology - 101-1025 - increase by \$5,000 -- Partner with Coast Com on FTTH Study generation \$10,000
- General Fund/Police - 101-1070 - Increase \$2,000 (same as last year's budget)
- Room Tax - 230 - increase \$50,000 for Beautification
- Streets Fund/Street Operations - 251-3210 - increase \$4,000 (same as last year's budget)

- Street Fund/Storm Drain Maintenance - 251-3220 - increase of \$3,500 (same as last year's budget)
- SDC/SDC Admin - 253-3660 - increase of \$30,000 SDC Methodology Study
- Wastewater Fund/Wastewater Plant - increase of \$10,000 (same as last year's budget)
- Northside URA - 271 - New Fund \$1,000
- McLean Point URA - 272 - New Fund \$100

Fiscal Impact of Change:

None

Recommendation:

None

Supplemental Information:

None

41. Overall the fuel costs are up 29% higher than previous year.

Background:

This is primarily over concern over the volatility of the cost of fuel. Please note that this is less than an 8% over the 14-15 FY. We have had historically low fuel rates. We have also seen years where fuel rates have gone up by 40% or 50% during the course of the year. Fuel going from \$2.20 to \$3.00 would certainly eat up that difference. We need to not forget that gas was well over \$4.00 a gallon not too long ago. I think this is an appropriate level to be prudent in budgeting for the next year (and hopefully we have lots of money leftover because fuel prices remained low!).

Fiscal Impact of Change:

None

Recommendation:

None

Supplemental Information:

None

42. Travel and meeting expense list up 24%.

Background:

Finance has shown where there is difference between last year's budget and this year's budget. Please note that the actual expenditures are typically coming underneath the budgeted amounts. This is likely to occur this year as well. If you look at the analysis you will see that while expenses are up over estimated expenditures 2015-16 they are being budgeted an approximately the same level. Often times during the course of the year there are anticipated travels that simply can't occur because of time and other

commitments. Most every Fund/Department comes in under budget to Travel & Meeting expenses than what they have estimated for the fiscal year end 2016. Departments with the highest increase are:

- Finance Department - up 50%; Additional employee, new software, may have to travel for training. Down 25% from FY 16 Budget Amount.
- Emergency Coordinator - up 100%; New employee
- Facilities Maintenance - up 52%; Budget same as FY 16
- 60+ Activity Center - up 60%; Budget same as FY 16
- Swimming Pool - up 60%; Up 150% from FY 16 Budget Amount
- Building Inspection - up 50%; Down 33% from FY 16 Budget Amount
- Street Maintenance - up 100%; Budget same as FY16
- Public Works Admin - up 51%; Budget same as FY 16

Fiscal Impact of Change:

Total cost of travel is \$46,356. This expressed as a fraction of our total payroll and fringe benefit expenses of \$11,020,221, the travel expenses 0.42% of our payroll expenses.

Recommendation:

None

Supplemental Information:

None

43. What services are provided by PW. (p.173)

Background:

The Public Works fund supports the streets, water, wastewater funds through Administration, engineering, and fleet management. Revenues for this fund are primarily charges to other funds.

Fiscal Impact of Change:

None

Recommendation:

None

Supplemental Information:

None

44.FICA expenses are up more than wages

Background:

Please note that the city provides a cell phone allowance for city employees to use their own phone for city business. This expense is part of payroll but is not reflected in the wages line item however the cell phone allowance is subject to FICA taxes. There are a couple of other similar type expenses that are not reflected in wages that are subject to

FICA that account for approximately a 2% differently between the increase in FICA and the increase in wages.

Fiscal Impact of Change:

None

Recommendation:

None

Supplemental Information:

None

45. Sidewalk on Neff Way.

Background:

A request was made for consideration for placing a sidewalk on Neff Way. We currently do not have a source of funding identified to place new sidewalks in existing subdivisions. This would certainly be a potential LID project in the future as we identify our process for determining what portions of these types of projects would be the responsibility of the city versus benefiting property owners. I would suggest holding off on this type of project until after we determined our policies for utilizing LID for these types of infrastructure projects in neighborhoods.

Fiscal Impact of Change:

We have not determined a cost however if the Budget Committee wanted to include this project we would likely develop an estimate for Councils consideration with determination as to where these funds would come from for this project. Please note the emphasis with the sidewalk funds has been dealing with infilling and replacement of dangerous sidewalks in the city.

Recommendation:

I don't recommend this project be funded for this fiscal year.

Supplemental Information:

None

46. Is the Budget Committee satisfied with revenue projections?

Background:

This is a question asked of the Budget Committee. I am satisfied with our projections.

Fiscal Impact of Change:

None

Recommendation:

None

Supplemental Information:

None

47. Total material and services for the entire budget is up substantially.

Background:

The primary reason for this is the abatement expense of \$1,025,000 relating to the FEMA grant of \$925,000 for the buyout of the houses damaged during the declared emergency in December. In addition, this line item includes \$80,640 for the construction excise tax in a new account which is collected and then paid to Lincoln County School District as a pass through. Finally, some one-time expenses such as camera equipment for the City Council Chambers \$84,000, Security access control to City Hall \$30,000, security camera upgrades to City Hall, ONP, and Recreation Center for \$29,500 are included in this line item.

Fiscal Impact of Change:

As outlined above.

Recommendation:

None

Supplemental Information:

None

48. Reduction in facilities and grounds (see item 5)

Background:

Fiscal Impact of Change:

None

Recommendation:

None

Supplemental Information:

None

49. Transient Room Tax, Capital Outlay. (p.88)

Background:

\$46,000 was inadvertently missed for transferring funds from the Room Tax for the KGW Cameras, Sea Lion Dock, and unallocated portions of the Facilities Tourism Grant Funds. This correction needs to be made.

Fiscal Impact of Change:

There are sufficient reserves for future expenditures to cover this gap in the Room Tax fund.

Recommendation:

I recommend the Budget Committee transfer an additional \$46,000 to cover those capital outlay expenses.

Supplemental Information:

None

50. Addition of Police Detective. (p.32)

Background:

The Police department has requested two new position this year. I am proposing to fund the School Resource Officer conditioned upon the Lincoln County School District supporting 50% of the personnel costs for this position. I did not support the new police detective position as a second new position. The detective position would result in an annual added cost of \$105,562 per year for this position. While there is a value in this position, it is my opinion that adding one position to the Police department this year is appropriate however I do not believe we are in a final position to make the committee for two new position in the department.

Fiscal Impact of Change:

If this position were added, we would add an additional obligation to the General Fund of \$105,562 for the year. Based on our current fund balance, reductions would need to be made in other areas of the General fund.

Recommendation:

I do not recommend this change at this time.

Supplemental Information:

See Attachment #5 from Lieutenant Jason Malloy discussing staffing in the Police department.

51. Provide a list of marketing projects for Destination Newport Committee. (p.83)

Background:

I have attached a report from Lorna Davis of the Destination Newport Committee regarding the existing list of marketing projects. Lorna reports that the budget level funded for advertising over the last decade has remained the same. With cost continuing evolving and different media valuable for marketing the community, the Destination Newport Committee (DNC) believes that the increase request will assist them in continuing to maintain and build growth in the tourism housing market in Newport.

Fiscal Impact of Change:

DNC budget has been increase by a \$100,000 during this next fiscal year in order to expand their ability to market this area. I believe the marketing efforts of DNC has helped Newport see a great growth in tourism dollars then other coastal areas.

Recommendation:

I do not recommend any changes to the appropriation to DNC.

Supplemental Information:

See Attachment #6

52. Out of state travel.

Background:

The city’s total expenses for travel and meetings proposed for the 2016-17 FY is \$62,050. Please note that the cities total payroll and fringe benefit costs are proposed to be \$11,020,221 for the year so travel and meeting expenses as percentage of payroll is 0.56%. Please note that out of state travel is generally fairly limited within the City of Newport. This includes a few department heads who many participate their national conferences. I participate in the annual ICMA conference. I also participated in the Washington/Oregon State City Managers meeting in Stevenson Washington this past year. This past year we have sent firefighters to Michigan in order to review the construction of our fire equipment and to accept its condition. In the Police department the Lieutenant was sent to the FBI Academy. Our fire fighters are required to take training in Washington State for the RIFF vehicle at the airport and the Police department occasionally needs to train out of state on criminal investigate matters. Overall the out state travel expenses are a small portion of the \$62,051 figure that has been proposed in the budget for this next year.

Fiscal Impact of Change:

None

Recommendation:

None

Supplemental Information:

None

53. List of 2015 purchases for books, DVD’s by the Library. (p.41)

Background:

A question was raised as to the level of purchases for books and DVD’s for the Library a detail of this information is provided below:

List of 2015 purchases for books, DVD, etc.

- Adult Books \$40,000
- Children’s & Youth \$15,000
- DVDs & Audio Books \$12,000
- Leased Material \$ 8,000

Fiscal Impact of Change:

None

Recommendation:

None

Supplemental Information:

None

54. Why do we need costly 4-color promotional booklets for our city departments?

Background:

A question was raised as to why do we need costly 4-color promotional booklets for city departments. A couple of departments produce annual reports regarding the activities of those departments. I am not absolutely certain which publication are in question however if reports are going to be produced there is some benefit I having them attractive and interesting so people will actually read them. Given specific examples, this is something I would be happy to review.

Fiscal Impact of Change:

None

Recommendation:

None

Supplemental Information:

None

55. and 56. In-lieu of franchise fee expenses

Background:

In-lieu of franchise expenses were missed in both the water and wastewater fund during preparation of the budget these amounts need to be adjusted with \$112,500 being add to the water expenses and \$114,600 being add to the wastewater expenses.

Fiscal Impact of Change:

These amounts will be off-set with an adjustment to revenues. Upon further review of revenues, we believe there is adequate capacity to absorb these two adjustments.

Recommendation:

I recommend that the Budget Committee concur with adding the expenses in-lieu of franchise fee for both the water and wastewater fund with these amounts being offset by the increase in projected revenues for these two funds.

Supplemental Information:

None

57. Contribution to Environment Oregon, Solarize Oregon program.

Background:

Councilor Saelens indicated that Lincoln County is making a contribution requesting local matches from the various Lincoln County Cities for the Solarize Oregon Program. City of Newport's share of this program would be \$2,000.

Fiscal Impact of Change:

The \$2,000 would come from the General Fund. Please note that as an alternative these funds could be appropriated from contingency at the point when the Council would consider making a contribution to this program.

Recommendation:

I would recommend the Council appropriate the \$2,000 from contingency at the time a decision is made to make a contribution to this program instead of a part of the proposed budget.

Supplemental Information:

None

58. Harbor Way Sidewalk and Street Project. (p.179)

Background:

A question was raised as to whether there is room to add parking at the time a sidewalk is constructed which is funded in the current fiscal year with those funds likely being carried over until the next fiscal year. The city engineer reports that Harbor Way is 24 feet and too narrow to provide for parking. The sidewalk project would not be able to accommodate any additional parking on the street.

Fiscal Impact of Change:

None

Recommendation:

None

Supplemental Information:

None

59. Agate Beach to Hwy 101 Trail Connector.

Background:

This is a project that is in the current budget and will likely be carried over into the next fiscal year. The bicycle friendly component requested was included in the estimate and should be easy to implement as part of this project.

Fiscal Impact of Change:

None

Recommendation:

None

Supplemental Information:

None

60. Funding for a restroom in Wilder Park area.

Background:

This is not something that we have planned for consideration in the next fiscal year. Typically, when we get requests for restrooms at park areas we will install a portable toilet first. Please note that we are working with a group on the Pump Track at Wilder and the provision of a portable restroom is one of the issues that has been addressed with the homeowners in the Wilder sub-division. Construction of a permanent restroom at that location is not feasible at this time since these park facilities are temporarily housed on park property that may shift over time.

Fiscal Impact of Change:

None

Recommendation:

None

Supplemental Information:

None

61. Sharrows on the Bayfront.

Background:

\$10,000 was funded in last year's budget for sharrows on Bay Blvd. It was suggested that perhaps these sharrows can be installed from the Coast Guard area of Bay Street to Fogarty Street with the balance being placed at some point in the future. City Engineer, Tim Gross reports that: "The purpose of shared lane markings is to delineate lateral positioning of bikes relative to vehicles so they can share the same lane safely. It is not safe to install sharrows in a highly congested area like the Bayfront where lanes widths are so narrow it does not allow lateral positioning of bikes and cars together. Also, encouraging bikes to ride in the road in an area with frequent turning movements, poor visibility, and frequent truck and forklift operations is unsafe. These are the reasons why staff did not install sharrows in the downtown Nye Beach District, and recommended that sharrows not be installed on the bridge which was approved by Council. Furthermore, the shared lane marking do not survive in areas of continued wheel movements like the Bayfront. Staff install them in areas where cars can straddle them. We have the sharrows on Oceanview are less than 3 years old and most of them need to be replaced. Sharrows extend to the Bayfront on Naterlin Drive; and staff intends to install sharrows north of Eads once the road is overlaid as part of the Bay/Moore project."

Fiscal Impact of Change:

If the entire \$10,000 is not used on Bay Blvd. for sharrows then these funds could be used for an alternate sharrow project. It would be appropriate to request the Bike/Ped Committee to consider alternate locations for this funds. Once the Bay/Moore project is done. It would be the intent to place sharrows on Bay Drive north of Eads once the road is overlaid as part of the Bay/Moore project.

Recommendation:

I would recommend that the discussion on the use of additional sharrow dollars budgeted for the Bay/Moore project that may not be used in accordance with the opinion with the City Engineer could be used elsewhere in the community. If the Budget Committee wishes to recommend to the City Council that the sharrows be installed through the Bayfront that could be done by motion of the Budget Committee.

Supplemental Information:

None

62. Discussion of the Transit District Grant with Lincoln County Transit, (p.50)

Background:

There was a request to discussed the city's contribution to the Transit District. Please note that the Transit District is schedule to make a report to the City Council at the May 16 City Council meeting.

Fiscal Impact of Change:

None

Recommendation:

None

Supplemental Information:

None

63. Could the city rent the old Flashback's Building (See Question #33)

Background:

Fiscal Impact of Change:

None

Recommendation:

None

Supplemental Information:

None

64. Does the city have business marketing plan for the sale of the 2.2 acre parcel out near SW 35th in South Beach

Background:

This plan has not been development at this point. This plan would be put together after the Urban Renewal Agency conducts a public outreach to establish a range of desired possible uses of this property. The property will not be repurposed until ODOT completes 35th and US 101 improvements this is schedule to happen in the calendar year 2018.

Fiscal Impact of Change:

None

Recommendation:

None

Supplemental Information:

None

65. Was the work session held in August 2015 to discuss beautification of the city?

Background:

Yes, a work session was held where this issue was discussed. There was no specific direction that was identified at that time as to how to proceed. The recommendation to provide \$50,000 for maintenance of public areas from the room tax fund is my suggestion on how to indicate better up keep of landscaped areas in the city.

Fiscal Impact of Change:

None

Recommendation:

None

Supplemental Information:

See Attachment #7

66. Adjustment to the Franchise Fees. (p.15)

Background:

In reviewing the collection of Franchise Fees for the current fiscal year, Finance Director Mike Murzynsky is recommending that we recognize an additional \$112,939 in fees for 2016-17.

Fiscal Impact of Change:

The change will add to the reserve for future expenditures in the General fund.

Recommendation:

I recommend that the Budget Committee recognize an additional \$12,939 in Franchise Fees in 2016-17.

Supplemental Information:

None

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "S. R. Nebel".

Spencer R. Nebel
City Manager

CP 19

CAPITAL CONSTRUCTION PROJECTS
For Fiscal Year 2016/2017

Please use this form for projects which are \$5,000 or more

Ref No.	ST 1
GL No.	
Finance:	
<i>For Finance Dept Only</i>	

Date Prepared: 03/21/16 Department: Storm Water

Contact Person: Tim Gross Dept Head Signature: _____

Project Number: ST1 - Single Year Project - Multi Year Project

Project Name: Storm Sewer Repair west of SE 4th Street/Abandonment of SE3rd WWPS

Project Description:

This project is to replace a failed storm drain pipe that runs under several houses between SE 4th Street and the canyon 1 block to the west. The project will also install a sanitary sewer pipe to allow the abandonment of the SW 3rd Street wastewater pump station.

Project Justification:

Recent televising has indicated that the storm sewer pipe is cracked along the sides, top, and bottom and is in imminent danger of failure. The pipe alignment runs under two or three houses. We are unsure of the exact alignment. Initial estimates indicate that the project could exceed \$500,000.

Project Type: - Capital Improvements - Planning/Study/Professional Services - Land Acquisition

Project Status: - Concept - Project Design - Construction
 - Post Construction - Project Close Out

TOTAL ESTIMATED COST OF PROJECT: unknown

ESTIMATED PROJECT COST AND REVENUES FOR FY 2016/2017			
RESOURCES		EXPENDITURES:	
Beginning Project Balance from FY 2015/2016		ESTIMATED EXPENDITURE FOR FY 2016/2017	\$500,000
Infrastructure Fee	500,000		
	-		
	-		
	-		
	-		
	-		
TOTAL RESOURCES FOR PROJECT	\$ 500,000	TOTAL EXPENDITURES:	\$500,000

CAPITAL CONSTRUCTION PROJECTS
For Fiscal Year 2016/2017

CP24

Ref No.	<u>ST 6</u>
GL No.	_____
Finance:	_____
<i>For Finance Dept Only</i>	

Please use this form for projects which are \$5,000 or more

Date Prepared: 03/21/16 Department: Storm Water

Contact Person: Tim Gross Dept Head Signature: _____

Project Number: ST6/13002 - Single Year Project - Multi Year Project

Project Name: NW 6th Street Storm Sewer

Project Description:

Replacement of storm sewer on NW 6th Street, various curb realignments, some sidewalk improvements, and asphalt overlay.

Project Justification:

The storm sewer along NW 6th Street is failing and in heavy rain events boils through the pavement. The pavement on the street is potholed and worn out. There are several curb return to adjacent streets missing. The section on NW 6th from Brook Street to High Street is very narrow with no sidewalk. This project would add a sidewalk section in that area and a mid-block crossing making pedestrian travel safer.

Project Type: - Capital Improvements - Planning/Study/Professional Services - Land Acquisition

Project Status: - Concept - Project Design - Construction
 - Post Construction - Project Close Out

TOTAL ESTIMATED COST OF PROJECT: \$ 380,000

ESTIMATED PROJECT COST AND REVENUES FOR FY 2016/2017			
RESOURCES		EXPENDITURES:	
Beginning Project Balance from FY 2015/2016	\$ -	ESTIMATED EXPENDITURE FOR FY 2016/2017	\$380,000
Infrastructure Fee	380,000		
	-		
	-		
	-		
	-		
	-		
TOTAL RESOURCES FOR PROJECT	\$ 380,000	TOTAL EXPENDITURES:	\$380,000

\$ 302,900

CAPITAL CONSTRUCTION PROJECTS
For Fiscal Year 2016/2017

CP25

Ref No.	<u>St 7</u>
GL No.	_____
Finance:	_____
<i>For Finance Dept Only</i>	

Please use this form for projects which are \$5,000 or more

Date Prepared: 03/21/16 Department: Storm Water

Contact Person: Tim Gross Dept Head Signature: _____

Project Number: ST7/15036 - Single Year Project - Multi Year Project

Project Name: Nye Creek Storm Sewer CIPP Repair

Project Description:

This project is to slip line the storm sewer between NE 8th Street to the manhole in the parking lot of Washington federal Credit Union, slipline storm drain at NE 7th & Harney, and to slipline a portion of sanitary sewer at NW 12th and Nye

Project Justification:

City staff televised this storm sewer and for almost its entire length it is quadrantly cracked and in danger of immediate failure. This is the same storm drain that failed several years ago in the parking lot of the Washington Federal Credit Union.

Project Type: - Capital Improvements - Planning/Study/Professional Services - Land Acquisition

Project Status: - Concept - Project Design - Construction
 - Post Construction - Project Close Out

TOTAL ESTIMATED COST OF PROJECT: \$ 465,000

ESTIMATED PROJECT COST AND REVENUES FOR FY 2016/2017			
RESOURCES		EXPENDITURES:	
Beginning Project Balance from FY 2015/2016	\$ 250,000	ESTIMATED EXPENDITURE FOR FY 2016/2017	\$400,000
wastewater fund	50,000		
infrastructure fee	<u>200,000</u> 100,000		
	-		
	-		
	-		
	-		
	-		
TOTAL RESOURCES FOR PROJECT	\$ 400,000	TOTAL EXPENDITURES:	\$400,000



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Newport Police Department **Memorandum**

One Team - One Future

Date: April 29, 2016

To: Spencer Nebel, City Manager

From: Lt. Jason Malloy
Chief Rob Murphy

Subject: WVCC (Hit and Wish List Item #4)

In June 2012, the City of Newport entered into a service agreement with Willamette Valley Communications Center (WVCC), who handles all dispatch services for the City of Newport Police and Fire services. Prior to 2012, dispatch services were provided by Lincoln County Communications (LinCom). After much discussion, and many LinCom board meetings, it was decided that LinCom's infrastructure was failing, and available reserve funding was not sufficient to replace needed equipment upgrades. The LinCom board voted to review alternative dispatch options. The LinCom board voted to contract with WVCC to provide dispatch services for both the City of Newport Police and Fire, and the Lincoln County Sheriff's Office.

The transition to WVCC proved to be successful operationally. WVCC is able to provide professional oversight and has an active user and administrative board, which the City of Newport is represented. Some weaknesses identified with transferring to WVCC was having a dispatch center that is located 85 miles away. Many of the dispatchers are not familiar with Newport's geography and landmarks. This has shown to provide some difficulty in determining where calls for service are, and references to landmarks; however, time has shown that this area is improving.

A consistent complaint received from the public since transferring to WVCC is wait times while on hold with dispatch, and response times once a complaint has been generated. WVCC has been open to these complaints and suggestions for improving operations. WVCC has been proactive in their solution, and made procedural changes to increase staffing at peak call volume areas. The wait and delay times have shortened and complaints have begun to decrease.

WVCC has been able to provide professional dispatch services. This includes management of personnel, and a professionally run organization.

When engaging in discussions to disband LinCom and seek alternative dispatch services, the transition group looked at using the City of Toledo or the City of Lincoln City dispatch services. Neither of these options were viable as neither had the infrastructure, or personnel to meet the needs of Newport Police and Fire.

Another option is for the City of Newport to create and staff its own dispatch center, however the costs associated to start up and staff a full-service dispatch center is not a realistic option. Startup costs would exceed one million dollars and the annual operating costs would far exceed the annual costs associated with contracting services with WVCC.

Police and Fire recommend continuing with WVCC for dispatch services. We are growing more confident with the services provided by WVCC and the inter agency relationships established with the WVCC user board and administrative board.

City of Newport Oregon
 2015-16 Parks & Recreation Recovery Analysis
 As of April 30, 2016

	Parks Administration	60+ Activity Center	Swimming Pool	Recreation Center	Recreation Programs	Sports Programs
Revenues	9,430	15,886	89,852	254,832	112,223	36,201
Expenditure	148,955	107,395	312,464	364,934	109,294	101,084
	(139,525)	(91,509)	(222,612)	(110,102)	2,929	(64,883)
	6.331%	14.792%	28.756%	69.830%	102.680%	35.813%
						43.034%



40

Question # 18 - Room Tax Fund

GL No.	Account Description	Breakdown of Charges
230-4310-60200	Finance Professional Service	Bank Charges Breakdown (based on Cash Balance)
230-4310-61100	Utilites - Electric	Electric charges for: Welcome Sign - South Bay Blvd Rest Room Visual Arts Center Don Davis Park Rest Room Welcome Sign - North 1/2 charge of Ornamental Street Lights Welcome Sign - East Archway Lights Hubert Street Rest Rooms Case Street Parking area lighting Abbey Street Parking area lighting Mariner Square Rest Room City Clock
230-4310-61110	Utilities - Gas	Visual Arts Center
230-4310-61200	Building & Grounds Expenses	Visual Arts Center - Solar Roller Blinds Visual Arts Center - Elevator
230-4310-62100	Cleaning Expenses	Garbage Service - Visual Arts Center
230-4310-633300	Maintenance Agreements	Greater Newport Chamber of Commerce OCCA OCCC
230-4310-65100	Insurance Premium & Expenses	Property/Liability Insurance for Performing Arts Center/Storage Bldg/Cover Walkway Visual Arts Center Public Restrooms Boardwalk & Observation Deck Veterans Monument
230-4310-65200	Communications Expenses	Phone Line for Visual Arts Center Voice over internet - Performing Arts Center Voice over internet - Visual Arts Center
230-4310-65300	Advertising & Marketing	DNC - Production Services, Brochures, Billboards, Advertising Ethernet Service for KGW Camera
230-4310-65700	Programs & Program Supplies	Local Event Marketing Sister City Expenses Community Celebrations 4th of July Fireworks Holiday Decorations
230-4310-66200	Postage/Shipping Expenses	Mail Machine Postage
230-4310-66300	Traffic Safety & Signage	Sign frames for Welcome Signs



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Newport Police Department Memorandum

One Team - One Future

Date: May 2, 2016
To: Spencer Nebel, City Manager
From: Lt. Jason Malloy
Subject: Police Detective (Hit and Wish List Item #50)

The Newport Police Department has undergone many personnel changes over the years. In addition to retirements, assignment changes, and turnover, NPD has also gone through changes of deployment needs. Furthermore, reductions in FTE positions has caused NPD to reevaluate deployment needs.

The Police Department requests one additional FTE position that would be assigned as a Detective Sergeant. A Detective Sergeant would give the Police Department additional investigative resources, which include supervision and direction for major crimes, increased investigatory supervision, and an additional detective that would carry a case load to balance the current load handled by two investigators. An increase in investigatory personnel would also allow patrol officers to focus on proactive police work. Many of our officers are currently assigned investigation follow-up, which reduces their availability to proactively patrol. A Detective Sergeant position will aid in decreasing patrol's reactive response, and increasing proactive patrols.

In 2003, NPD had 23 sworn FTE positions. From the 23 FTE positions we staffed a Chief of Police, four Patrol Sergeants, one Detective Sergeant, three Detectives (two criminal and one Lincoln Integrated Narcotics Team), one School Resource Officer (SRO), and 13 Police Officers assigned to patrol. On patrol, we were able to deploy one supervisor and three Officers on each shift. We were also able to deploy one Officer as a dedicated Traffic Officer. Thirteen Police Officers assigned to patrol was an adequate number that allowed us to meet our call load, our deployment needs, and the Officer Safety needs (minimum staffing levels for each shift).

In 2003, we suffered a reduction in budget cuts; two FTE Police Officer positions were eliminated. We were also confronted by a third FTE elimination, as our Department had to decide to eliminate either the SRO position, or the LINT position. The LINT position continued; the SRO position was eliminated. Even though the SRO position was eliminated, the functions of the SRO were assumed by patrol, and continue to be handled by patrol today. To meet the needs of a law enforcement

presence in Newport schools, we have requested 50% funding to staff a SRO this budget year. The remaining 50% of SRO funding will be provided by the Lincoln County School District.

The 2003/2004 FTE reductions had a serious impact on Police deployment. We were forced to evaluate how the reduction in personnel would affect our response to the community's needs. Today, we are still faced with the impacts that the reduction in three FTE Police positions 12 years ago has had on our Department. The reduction in available Police positions has had a significant effect on our available resources. The most apparent impact is the fact that the demand for Police services has increased over the years, while our personnel levels have not. Ultimately, we are doing more with less.

Since our FTE reductions in 2003, we were able to add a non-sworn Community Service Officer (CSO) position. The CSO position can dedicate the time needed to monitor and enforce ordinance-related violations. The CSO position responds to ordinance-related calls in a proactive manner. Prior to the CSO position, patrol would handle ordinance-related calls in a reactive manner only.

In 2008, NPD evaluated its deployment. It was determined that administrative needs had increased due to demands of better policies, accountability, and additional training, which is required of sworn Police Officers. The Detective Sergeant position was reassigned to administration, and was changed to a Lieutenant's position. The Lieutenant's position was assigned supervision of NPD operations, which includes supervising Patrol, Detectives, and Records.

While the Lieutenant's position has greatly assisted the administrative functions of NPD, Patrol continues to suffer a shortage of personnel. Retirements, transfers, and turnover has left our Patrol division short on personnel. While the Patrol division has experienced a reduction in personnel, the demands on patrol have not been reduced. If anything, the demands on patrol have increased. NPD Officers take pride in serving the public and responding to the demands of the citizens of Newport. This translates into the fact that we have not reduced the expectations of our Officers during any of our personnel reductions or shortages.

The City of Newport has consistently led the State of Oregon in being one of the top two jurisdictions in property crimes per capita. Our Officers have been forced into a role of reactive Police work, which means they spend more time responding to calls than being proactive and attempting to reduce crime rates. Due to a significant increase in calls for service and criminal activity, many of our Officers refer to themselves as "crime documenters" instead of "crime fighters."

Over the past two years, we have noticed a staggering increase in Police activity. Our Officers have attempted to be proactive while still responding to calls for service; however, the call load has hindered our ability to be as proactive as Officers would like to be. Generally the winter months show a reduction in calls for service, allowing our proactive activity to increase. Over the past two

years there has been only a minimal change between our summer call load and the transition to the winter months.

Today, we are forced to review our deployment needs to evaluate to needs of our Department and ensure we are using our resources in a manner that best meets the needs of the City. When all of our FTE positions are fully staffed and trained, we have 20 sworn FTE positions to deploy. This includes staffing administration, investigations, and patrol.

Ordinarily, one of our FTE positions would be assigned to LINT. On March 2, 2016, a policy board decision was made by Lincoln County Law Enforcement Administrators to disband LINT. Upon review, we do not have an adequate number of personnel to do our job as effectively as we would like. Our most current decision to reassign our former LINT position to Patrol, has left our criminal division with only two Detectives to handle a case load normally divided among three. Operational need requires that we continue to have two sworn personnel in administration, and a Sergeant on each of our four patrol shifts to provide guidance to the shifts and reduce liability to the City. With our current sworn FTE positions, we are able to deploy two administrative positions, two Detectives, four shift Supervisors, and 12 Patrol Officers. Although our Patrol shifts are balanced, there is no opportunity to assign any personnel to Detectives.

We pride ourselves on providing a safe working environment for our Officers; working at minimum staffing levels places them at risk. Our goal is to work with a balanced number of supervisors and Officers on each shift, while still staffing an effective investigative unit. Having the ability to investigate crimes and solve reported crime instead of only documenting that crimes occurred is an important function of any Police Department. We would like to contribute to reducing our crime stats and adding to the livability of Newport. Being number one and two in property crime in the State of Oregon per capita is not good for business. The Police Department generally suffers criticism for this statistic. Increased personnel would aid drastically in lowering our crime standing in Oregon. While multiple officers would help, we are requesting one FTE Police position, which would be assigned as a Detective Sergeant.

The Destination Newport Committee is an all-volunteer committee that meets once monthly for the purpose of placing advertising and marketing for the City of Newport. The current members are comprised of 3 Hotel/Lodging representatives; John Clark-Whaler Hotel, Ric Rabourn-Hallmark Resort, Judy Kuhl-Best Western Agate Beach, 2 Retail Representatives; Lance Beck-Oregon Coast Aquarium, David Heater-Mariner Enterprises, and 2 At Large representatives; Steve Beck-Farmers Insurance, and Lorna Davis-Greater Newport Chamber of Commerce. Newport News Times Publisher, James Rand, provides agency/marketing services for Destination Newport.

The Committee is requesting that an increase to the budget (which has been the same for nearly a decade) be considered for the 2016-2017 Fiscal Year. The funding is from the Transient Room Tax funds.

The following is a list of the current fiscal year's projects that the committee has utilize to promote Newport.

Outdoor Advertising/Billboards:

On Display-90 foot Portland Banner
OutFront Media-14x48 Grand Ronde
OutFront Media-14x48 Newberg

Print Media

Oregon Coast Today
Newport Symphony Booklet
1859 Magazine
Travel Oregon Scenic Byways (4 languages)
Visitors Choice/Here and Now Bend (hard and soft cover)
Visitors Choice/Here and Now Coast (soft cover)
Mile by Mile Guide
Oregon Coast Visitor Guide
101 Things to Do
Travel Newport
Newport Cultural Arts Brochure
NW Travel Magazine
Coast Explorer
Seattle Magazine
Central Oregon Coast Guide
Destination Newport Brochures

Television/Cable

KGW Webcam
KEZI Eugene TV
Comcast Cable TV and Online

Radio

KFIR-Willamette Valley

Other

Uncage the Soul-Newport Video and Commercials
Corvallis Knights-Baseball program
Eugene Emeralds-Baseball program
Oregon Welcome Centers (9)
Hospitality Vision-Corvallis hotels
OSU Beavers Football program
Oregon Coast E-Newsletter

Services

PR-Andre Haagstadt
Certified Display Brochure placement
News Times/Agency Services

The total expenditures for this fiscal are expected to be \$325,000.

Funds have been allocated for this fiscal year at \$300,000/\$25,000 contingency= \$325,000
We are asking for our 2016/2017 budget to be \$350,000/\$75,000 contingency=\$425,000

The added funds will be used for

- 1) A content marketing campaign through social media channels and on discovernewport.com
- 2) Targeted Search Engine Marketing (SEM) campaign for search/Google
- 3) Additional Television/Cable Advertising-Hulu, and You Tube Pre-roll

All of the tactics above would leverage the video we had created last year as our signature project.

Allen stated that direction is needed on the Library facility, and that something needs to be done to make the Library safe. Smith reiterated that when staff feels threatened, it calls the police. Swanson asked whether the Library could be a part of regular police patrols. Roumagoux noted that this problem is not unique to Newport, and was brought up at the Oregon Mayor's Association Conference. She noted that one cities is constructing a yurt city to deal with homelessness.

Nebel noted that staff can participate in the patrolling and cleaning up of homeless camps. He also recommended policy development and specific training in this area. A discussion ensued regarding the part that the Lincoln County Public Safety Committee could play in this issue since it is already a county-wide organization. Nebel recommended starting with a letter to this group from the city.

DISCUSSION ON THE POTENTIAL INVOLVEMENT OF THE CITY IN THE LOYALTY DAYS PARADE

Swan suggested that the city have a float in the Loyalty Days parade. Engler suggested a visioning float as a part of the city's visioning process. Roumagoux recommended that it should be kept simple. Swanson suggested that the City Employee Committee could help plan a float that would include, minimally, a truck and candy.

CITY BEAUTIFICATION EFFORTS - NEXT STEPS

Nebel reported that this issue came from the City Council's last goal setting session. He asked what Council is looking for regarding a beautification strategy for the city. Busby suggested improving the image of the city without spending a lot of money. He asked what the city could do to sponsor positive actions to make the city look better when driving through town. Sawyer suggested low maintenance vegetation in city right-of-way. Engler suggested a staff gardening position, or the hiring of someone who has a horticulture background. She reiterated that this needs to be a paid staff position. She also suggested updating the Parks Master Plan. She recommended funding a seasonal parks maintenance worker with a job description that includes a beautification component. Allen suggested a proactive effort focusing on Highway 101 north of Highway 20 or south on Highway 101 to the bridge, or east out of town. Engler reported that when the intersection of Highways 101 and 20 was reconfigured, the Shell gasoline station did not replace its landscaping. She added that the trees at Walgreens appear to be dead. She suggested reviewing existing ordinances, and if there are ordinances, related to this issue, that are unenforceable, they should be amended to make them enforceable. Sawyer suggested placing trash receptacles in strategic places in the community. The discussion was summarized to include follow-up regarding code issues, trash cans, maintenance staff with landscaping knowledge, and coordination with Thompson's Sanitary Service.

FARMER'S MARKET - DISCUSSION ON THE LOCATION AND COMMENT FROM FARMER'S MARKET STAFF AND SURROUNDING BUSINESS OWNERS

Several representatives from the Farmer's Market were in attendance, in addition to Jacob Bishop, owner of the pawn shop. Introductions were made.



Destination Newport Committee

Funding request for 2016-2017 fiscal year

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Mission Statement

The purpose of the Destination Newport Committee is to promote the city by differentiating it from the competition and to market Newport as the all-season visitor destination.



Committee Members

- ❖ Lorna Davis - Newport Chamber of Commerce
- ❖ Carrie Lewis - Oregon Coast Aquarium
- ❖ John Clark - The Whaler
- ❖ Judy Kuhl - Agate Beach Best Western
- ❖ Ric Rabourn - Hallmark Resort
- ❖ Steve Beck - Farmers Insurance
- ❖ Dean Sawyer - Newport City Council
- ❖ Spencer Nebel - Newport City Manager
- ❖ Dave Heater - Mariner Enterprises



Recent History of the Committee

- ❖ Decided in 2011 to part with Portland advertising agency, Grady Britton.
- ❖ After parting with Grady Britton, the committee decided to partner with the News-Times for all creative and production needs.
- ❖ The decision instantly freed up more than \$200,000 in the committee's budget for media buys.
- ❖ From 2011-2014, the city of Newport has realized \$24million in total combined tourism spending increases.

Highlights 2011-2015

Here are just a few of the projects Destination Newport has commissioned during the past 4 years.

90-Foot Wallscape

- ❖ Key location that towered above the streets, creating a spectacular landmark.
- ❖ Accommodated an unusual creative size for our lighthouse.
- ❖ Achieved mass market awareness with high reach levels.
- ❖ Delivered high reach and frequency over an extended period of time.
- ❖ Provides dominance in key markets and areas.



OSU Football Stadium

- ❖ 71,915 total impressions (“reach”)
- ❖ 1,306 unique campaign visitors.
- ❖ 727 total sign-ups (56% Conversion)
- ❖ 435 opt ins to receive more information from Discover Newport.

“What an awesome offer!! I would love any one of the prizes!! Go Beavs!!”

Wendy Jakeman Schmidt



Promotional Video

- ❖ +100,000 total Facebook views
- ❖ 6,217,603 Nielsen estimated campaign impressions
- ❖ 298,068 additional impressions for in-stream campaign delivery
- ❖ Used as international promotional video for Newport and the Oregon coast



“I think when you grow up in Newport, you take it for granted. I’ve been crabbing with my dad and watched those fireworks for so many years. When I go back now as an adult, I see it so differently. Love the video!”

—Laurie Bruce-Takapu



DISCOVER *Newport*

Miss Raven
SELEZ OR



Target Markets and Positioning

Newport is an authentic Oregon coast experience offering an extraordinary variety of year-round activities.

**Please see attached grid for this section on the presentation.*

Target Audience

The consumer target audience varies by season. Typically, the target audience profile is a slight male skew, but **females** are key influencers when children are in the household.

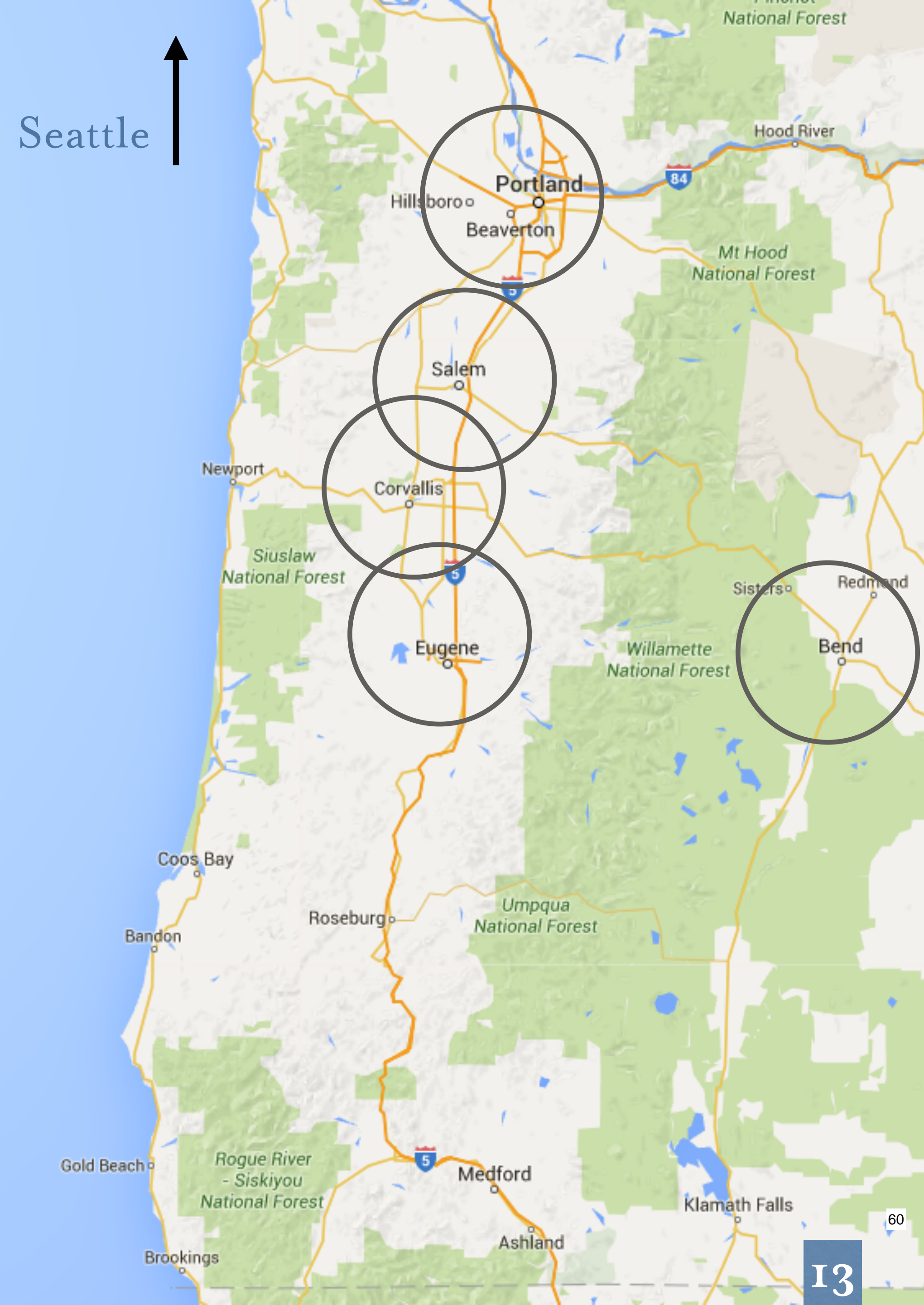
- ❖ Age 25-40
- ❖ Families
- ❖ Household income of \$50,000 to \$150,000
- ❖ Works full time, generally white collar profession
- ❖ Owns residence worth \$100,000 to \$250,000



Target Markets

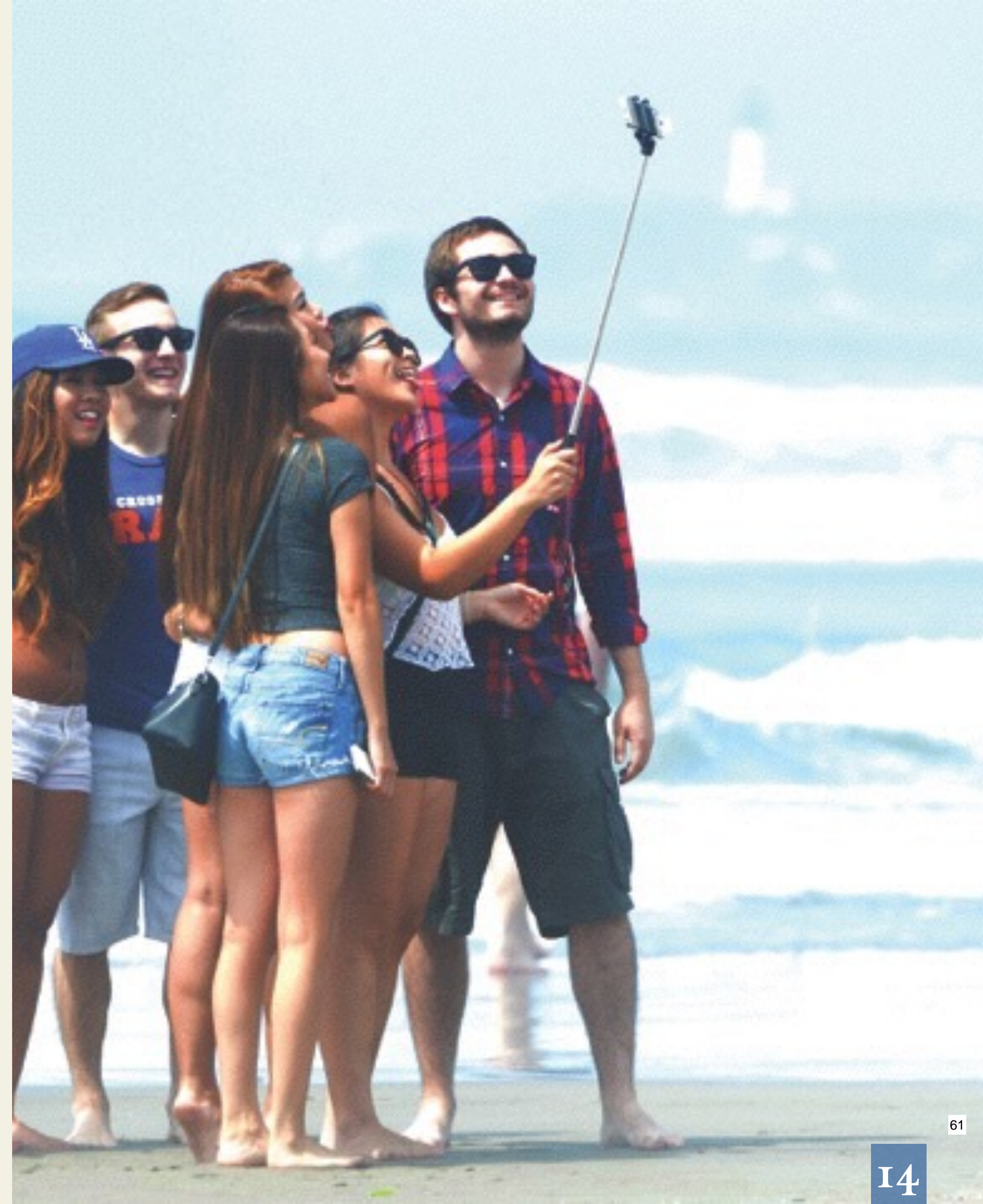
The consumer target market varies by season. Typically, the target markets include the following: Portland, Salem, Eugene, Corvallis, Albany, Bend, and Seattle.

The international market is managed by the Greater Newport Chamber of Commerce under their current contract.

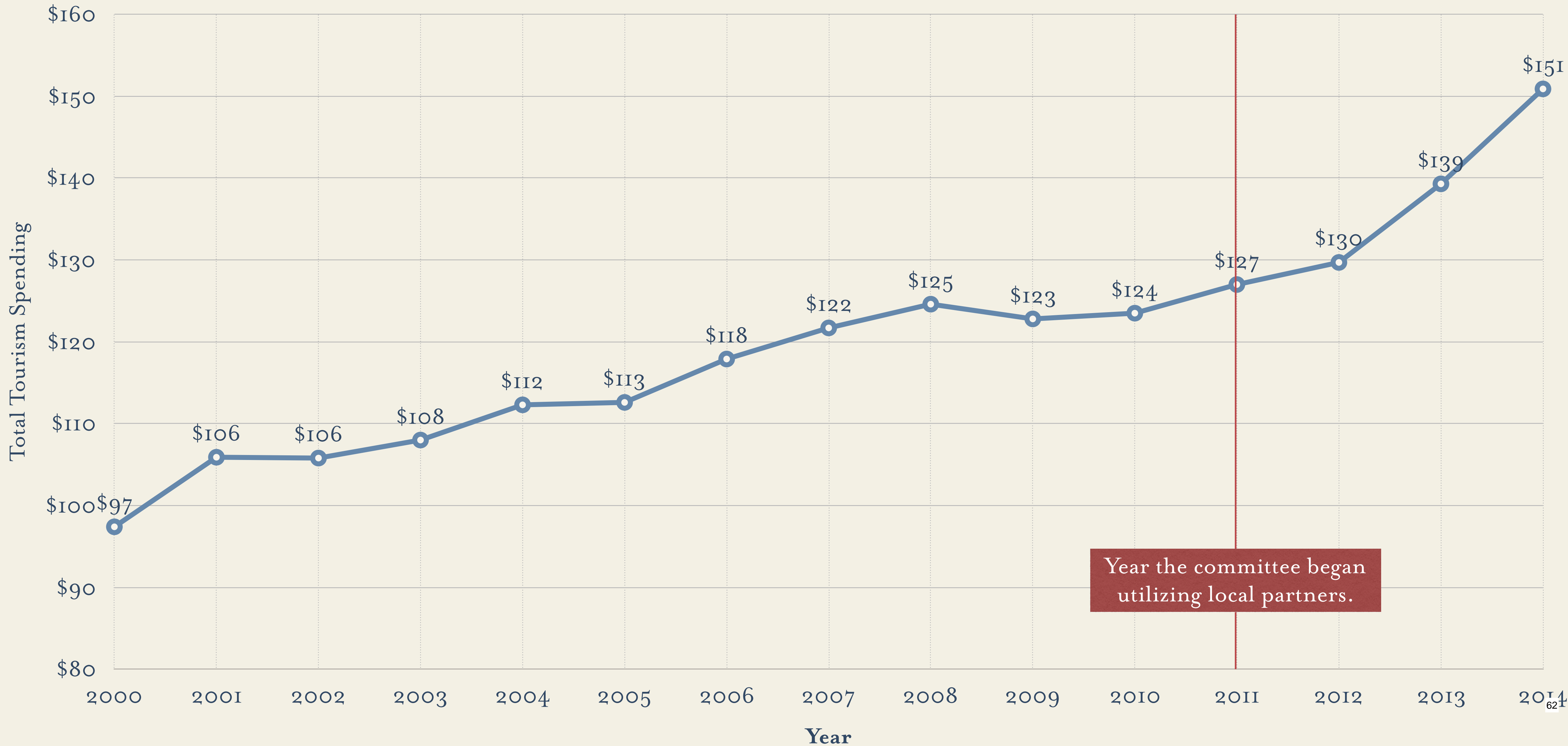


Results

Total direct travel spending in Newport was \$150.9 million in 2014. This represents an 8.3 percent increase over the preceding year in current dollars, and follows a 7.4 percent increase the prior year. Employment and earnings were also up. The growth in travel spending and related impacts has been driven by an increase in lodging sales.



Total Tourism Spending for Newport (in the millions)



\$ 27 m

Total combined tourism spending increase
in the millions from 2000-2010.

\$ 24 m

Total combined tourism spending increase
in the millions from 2011-2014.

Past, Current, and Proposed Budget

- ❖ 2003-2004 Budget - \$385,000
- ❖ 2007-2008 Budget - \$415,000 + \$25,000 contingency.
- ❖ Current Budget - \$300,000 + \$25,000 contingency.
- ❖ Proposed Budget - \$375,000 + \$50,000 contingency.



