

July 20, 2015
6:05 P.M.
Newport, Oregon

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

Staff present was City Manager Nebel, City Recorder Hawker, City Attorney Rich, Community Development Director Tokos, Public Works Director Gross, and Police Chief Miranda.

PLEDGE OF ALLEGIANCE

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

PROCLAMATIONS, PRESENTATIONS, AND SPECIAL RECOGNITIONS

Proclamation - Recognizing the 26th Anniversary of the Americans with Disabilities Act. Roumagoux proclaimed July 26, 2015 as Americans with Disabilities Act Awareness Day. She read the proclamation into the record.

Presentation by the Police Department on the New Body Cameras Worn by Officers. Sergeant Sarazin made a PowerPoint presentation regarding the operation of the new body cameras worn by Newport Police Officers. He reviewed what they are; why they are used; and where the videos go. He responded to Council questions.

CONSENT CALENDAR

The consent calendar consisted of the following:

- A. Approval of City Council minutes from the work session and regular meeting of June 15, 2015, the special meeting of June 29, 2015, and the Town Hall meeting of June 29, 2015;
- B. Approval of a favorable recommendation to the OLCC to grant a winery new outlet liquor license to Noble Estate Vineyard, LLC at 146 SW Bay Boulevard;
- C. Ratification of the Mayor's appointment of Councilor Engler to the Lincoln County Transportation Services District Advisory Committee;
- D. Approval to surplus and sell a 1987 Amertec ARFF truck.

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

COMMUNICATIONS

From HDR Engineering, Inc. - Presentation and Possible Adoption of Resolution No. 3724 Accepting the Seismic Evaluation of the Big Creek Dams No. 1 and No. 2. Hawker introduced the agenda item. Nebel reported that the city operates two reservoirs as part of the raw water supply that feeds the city's water system. He stated that during the construction of the new water treatment plant, it was discovered that soils adjacent to the Big Creek Dam No. 1 (lower dam) were geologically unstable and required significant modifications to the design of the foundation of the new water plant. He added that it also raised concerns regarding the stability of the dam structures in the event of a seismic event impacting Newport. He noted that HDR Engineering, Inc. was retained to conduct a geotechnical evaluation and seismic stability assessment for both the upper and lower dams. He stated that the preliminary study showed that both dams were at significant risk of failure during a moderate seismic event. He added that as the result of this initial evaluation, the Oregon Water Resource Department Dam Safety Division elevated Big Creek Dams No. 1 and No. 2 as the second and third most critical dam structures in the state. He added that in May of 2013, HDR Engineering, Inc. was selected as the engineer of record for a dam study and design. He noted that through the city's grant consultant, Chase Park Grants, \$250,000 was secured from the Oregon Water Resource Department (OWRD) Water Conservation/Reuse and Storage Grant to offset the cost of the study. He stated that it was especially beneficial to the city in that the grant award allowed the city to count funds spent on earlier work to satisfy the city's grant match.

Nebel reported that HDR Engineering, Inc. has concluded its evaluation, and that a copy of the report can be viewed on the city's website. He stated that the report reviews a number of alternatives, with the most cost effective alternative being the construction of a new dam structure between Dams No. 1 and No. 2. He noted that this structure would be constructed by excavating the native soils down to bedrock, and constructing the new dam out of rolled compacted concrete. He added that this structure would take a smaller footprint requiring less excavation than a new embankment dam. He stated that for planning purposes, the cost for this alternative would be approximately \$19 million dollars. He noted that this structure would be less susceptible to seismic or hydraulic damage and would provide a much higher level of protection from flooding that would occur from a dam failure, and would assure a source of drinking water for the city following a significant seismic event.

Nebel reported that Verena Winter, Project Manager for HDR Engineering, is in attendance and will be presenting the report findings to the City Council. He recommended that, after the presentation, the City Council formally accept the report by adopting Resolution No. 3724. He also recommended that Council authorize staff to initiate preliminary design for alternative no. 2. He noted that with the significant attention of the potential for a Cascadia Subduction Zone event to occur in the Pacific Northwest, there may be greater opportunities to take advantage of funding if the city is in a position to go forward with a specific resilience project in the future. He stated that it is appropriate that the city continue moving forward with this effort to place itself in position to take advantage of any funding opportunities that may occur in the next few years. He added that this is a significant amount of money, but due to risk factors and the need to secure a reliable source of raw water in the event of a major seismic event,

it is important that the city continue moving toward addressing a known weakness within the its infrastructure.

Verena Winter, Project Manager for HDR Engineering, Inc., made a brief PowerPoint presentation regarding the seismic evaluation of the Big Creek Dams, including an overview; seismic deficiency verification; alternatives for corrective actions; storage capacity; alternatives for corrective actions; alternative one, raising and modifying the existing dam; alternative two, a new roller compacted concrete dam; alternative three, a new embankment dam at the same location as the proposed roller compacted concrete dam; related structures; comparison of all alternatives; the elimination of alternative one, raising and modifying the existing dam; preliminary environmental review; cost estimates of \$19,000,000 for both remaining alternatives, which were for comparison only rather than for budgeting; next steps, including pre-design; defining the dam failure consequences; design requirements for dam; geotechnical verification; budgetary cost estimate; environmental permitting process; comprehensive survey of the dam site and access roads; and an update to the Emergency Action Plan.

Busby noted that there are three issues, and the first one is acceptance of the study. He stated that he has had the 561-page report for three days, and has not had an opportunity to fully understand the document. He noted that he needs additional time before being asked to make a decision. He stated that the second issue is that Council needs a benefit analysis before making a decision. He asked what the city would get for a new dam, and noted that hard data is unavailable. He asked what the percentage is for a catastrophic failure of the existing dam, and whether it is worth \$50,000,000 to go forward. He stated that the third issue is that \$50,000,000 is a lot of money, and if Council is going to make decisions of this magnitude, the public needs to be involved. He added that a public hearing is needed on this issue.

Allen noted that the report is detailed, but that voting affirmatively on the adoption of a formal resolution means that he fully understands what he is accepting. He stated that the cost/benefit analysis is an issue. He added that another issue is the current longevity of the existing dam given minor issues. He stated that a catastrophic earthquake will destroy everything. He noted that public involvement is another issue. He asked whether Council could agree that of all the alternatives, number two looks best, and have staff put together a scope of work and some estimates. He stated that having additional information on the preferred alternative, along with more time to review the study, would be helpful in making a decision.

Nebel asked Gross whether there is any issue in delaying the acceptance of the report at tonight's meeting. Gross noted that, at some point, both need to take place. He stated that if Council is not interested in moving forward, there are no agencies that will provide funding, and added that the acceptance of this report is the approval of the city to move forward. Gross stated that he has graphs that demonstrate how structures would fail, and added that he may be able to provide what level of earthquake that these structures are designed to handle. Allen asked how much time would it take to have a scope of work brought back, adding that having option two more thoroughly analyzed might be helpful. Nebel asked Gross when this additional information could be ready for Council review before action. Gross noted that the public process component would take place after the completion of the preliminary design.

Nebel suggested an alternate at the second meeting in August to allow staff time to provide additional information, and to allow time for Council to review the report and

formulate questions.

MOTION was made by Allen, seconded by Swanson, to direct staff to provide a more comprehensive resiliency study of old versus new structures at the second meeting in August. Nebel noted that if this motion passes, staff will provide a report containing additional information. He asked that questions be funneled to him, which he will share with Gross, for a response prior to the August 17 meeting. The motion carried unanimously in a voice vote. Busby asked whether alternative two provides more capacity than the other alternatives, and Winter noted that all alternatives provide the same capacity.

CITY MANAGER REPORT

Approval of the Donation of City Property to Habitat for Humanity. Hawker introduced the agenda item. Nebel reported that in the fall of 2014, the City Council requested staff to review whether Habitat for Humanity could be a recipient of donated city land to build affordable housing in the city. He stated that following this discussion, it was determined that if Habitat could comply with ORS 271.230 and Section 2.25.090 of the Newport Municipal Code, then the city could transfer property at no cost to a qualified non-profit for the purpose of constructing affordable housing on surplus city property. He noted that in March of 2015, Sally Bovett, Executive Director of Habitat for Humanity of Lincoln County, approached the City Council to make it known that Habitat for Humanity is interested in pursuing surplus city property for building affordable homes in Newport. He added that as a result of that meeting, a letter was submitted by Sally Bovett to the Planning Commission, and a revised proposal was later submitted to address questions and issues raised at the Planning Commission meeting. He stated that the Planning Commission consequently recommended that the City Council consider transferring this property. He noted that the City Council held a work session on June 15 to discuss this issue, and at that meeting, Council requested that the Lincoln Community Land Trust be contacted since they had also expressed an interest in obtaining city property for workforce housing construction. He added that the Board of Directors of the Land Trust has provided a letter of support for the city proceeding with Habitat for Humanity on this project.

Nebel reported that the property that would be conveyed is located southeast of City Hall adjacent to SW 10th Street, Pine Street, and Hatfield Drive. He recommended that Council approve the request.

Mark McConnell urged City Council support of the land donation.

Chris Boyle urged City Council support of the land donation.

Kathy Jones urged City Council support of the land donation.

Linda Broder urged City Council support of the land donation.

Denver, Sheryl, and Trenton Reeves urged City Council support of the land donation.

Sally Bovett urged City Council support of the land donation.

Engler asked how these properties were selected. Bovett stated that she was told, through other connections, that this property might be available, and she approached the city regarding the land donation. She added that Habitat for Humanity has been trying to build in Newport for years.

Sawyer asked Tokos how long it takes before taxes are paid on the property. Tokos

explained that the property only transfers when a certificate of occupancy is issued. Sawyer asked for an estimate of SDC's per unit, and it was noted that these fees would be approximately \$10,000 per unit. Bovett stated that the entire budget, per home, including land, is \$100,000. Sawyer added that some of the lots had been obtained for parking for City Hall. It was noted that very few cars could be accommodated at this location, and that there would be a problem with cars competing with pedestrians crossing Tenth Street. Gross stated that the cost per parking space is prohibitive.

Allen stated that, in follow-up to the previously-held work session, he wanted to make sure that the Lincoln County Land Trust had formally indicated that they had no interest in the property and that there was not a conflict. He also asked what other governmental entities had provided property for Habitat for Humanity. He noted that the materials indicated that the City of Lincoln City had donated lots to Habitat for Humanity, but that in information received from the Lincoln City City Recorder, it shows that the City of Lincoln City sold five lots to Habitat for Humanity for approximately \$20,000 each for a total of \$100,000. Bovett reported that the City of Lincoln City provided five lots for \$95,000, so the donation was half the value of the lots, which Bovett indicated were probably worth at least \$40,000 each. Bovett indicated that Habitat for Humanity took Treasury STRIPS in 2002 to pay off the note in 2007. She added that Habitat for Humanity gave one of the lots back and kept four lots all of which have homes on them. She noted that at that time, the SDCs were also waived. Allen asked about the 20-year period for maintaining the inventory for workforce housing. Allen noted that the statute and ordinance provide for at least 20 years, and the question is, does the city want to donate for a specific purpose, and asked whether the time frame should be extended. Bovett reviewed the model for providing home opportunities, noting that it allows for personal growth to be earned through equity. She added that the 20-year limit is the city's limit, and that she would not want to extend the time frame based on philosophy.

Engler asked whether it is possible to waive SDC's for non-profit organizations. Tokos noted that would be inconsistent with the current methodology. She asked whether all city properties had been reviewed related to what properties might be suitable for what uses. Tokos noted that properties had been reviewed with Council, along with specific conversations regarding properties that might be possible for residential uses. Engler stated that while she supports Habitat for Humanity, she thinks that giving away city property in the core of downtown is difficult. She added that location is the issue, and she does not think that this location is the best property to give away right now. Bovett responded that it is the best location for families due to the location next to the recreation center and swimming pool. She added that the property has not been used since 1940. Engler stated that she has a problem giving the property away. Bovett suggested looking at the economic investment the city has in affordable housing, and noted that this is a great opportunity for the city.

Roumagoux stated that she sees five lots and five homes, and that trumps a parking lot.

Saelens stated that he does not disagree with Roumagoux. He noted that as a new Councilor two years ago, Council looked at all city property with the intent of looking at the best use for those properties in the future. He stated that quite a bit of time was spent looking at larger properties. He suggested possible multi-family units. He added that he feels uncomfortable voting yes this evening without further discussion.

Sawyer stated that there is not much the city can do with the lots, and if it wanted to

do something long-term, it would have to acquire numerous lots around these lots. He added that the city needs to do something to break the cycle of subsidized housing, and tonight is a good time to do it.

Busby stated that he believes that Habitat for Humanity is a great organization, but believes that the city should not subsidize housing. He added that it bothers him that only five families will benefit from this. He noted that the city could best use the money by paving a block of street. He added that this is a heavy singular charitable donation. He noted that the city should sell the property at the right price. Bovett noted that the City Council talks about investing in affordable housing, and asked how it expects to do that. She added that she is frustrated in hearing about how important affordable housing is with no action. She noted that the city will collect SDC's on the development of the properties, and they will be added to the tax rolls. She stated that five homes in this area will benefit children far greater than paving a road. She added that at some point, someone has to say that this is a valuable and important issue, and invest in it.

Saelens asked about the placement of multi-family buildings on the property, and Tokos stated that the property is zoned R-2 and that duplexes are permitted.

Allen asked Bovett whether she had a sense, nationwide, of how much property is coming from private individuals versus public entities. Bovett noted that the public entities donating property have made it a priority. Allen asked Bovett whether private individuals have made donations. Bovett confirmed that private individuals have made donations.

Nebel noted that Council had met in the fall and discussed the surplus of these lots. He added that during those meetings, the City Council generally indicated that it wished to pursue this issue. He stated that staff has pursued the issue and developed an agreement that meets the city requirements. He added that affordable housing is a big issue, and employers are hiring staff that cannot live in Newport. He noted that this solution is not perfect, but will result in affordable housing in the heart of Newport. Tokos reported that many different strategies had been pursued, including accessory dwelling units, manufactured housing, revolving loans, and other tools. He added that all strategies need to be pursued to address this difficult problem.

Allen asked whether there is a reason to look at three lots rather than starting with one. Nebel noted that these properties were identified as surplus during a City Council review. Tokos noted that two of the lots are attractive for duplex construction, and the lot on the south side of Pine Street could have a single-family residence, but he reiterated that none would be turned over to anyone until a certificate of occupancy was issued. He added that staff would be working on cleaning up right-of-way boundaries on Pine Street, while protecting utilities and easements.

Engler stated that this effort smacks of piecemeal planning. She added that she thinks that Habitat for Humanity should identify other properties, and suggested that all plans be settled before giving property away.

MOTION was made by Swanson, seconded by Sawyer, that the City Council determine that the city- owned property identified as Lot 7 and Lot 8, Block 40; a portion of Lot 13 and 14, Block 41; and Lot 3 and Lot 10, Block 33, Case and Bayley's Second Addition to the City of Newport, is surplus and not needed for public purposes; and authorize the City Manager to execute the conveyance of said property from the City of Newport to Habitat of Humanity of Lincoln County for the development of affordable housing, in accordance with the terms outlined in the agreement. Allen stated that,

similar to Engler and Busby, he supports Habitat for Humanity, but would like to see this in other plans. The motion carried in a voice vote with Busby, Allen, and Engler voting no.

Final Approval for Support and Financial Participation in an Application for a NOAA Coastal Resilience Grant by Lincoln County. Hawker introduced the agenda item. Nebel reported that on June 15, the City Council heard a report from Lincoln County Emergency Manager Jenny Demaris, and Lincoln County School District Safety Coordinator Sue Graves, regarding an opportunity to apply for funding for the NOAA Coastal Resilience Grant in the amount of \$1.5 million. He stated that of this amount, \$500,000 would be from local funds and in-kind matching funds with \$1 million being provided by NOAA. He noted that Demaris indicated that the local match would be covered by the Lincoln County Board of Commissioners utilizing their annual Public Safety Emergency Grant Program of \$30,000 per year toward this project for four fiscal years. He stated that in addition, Demaris and Graves would be requesting that other governmental entities provide matching funds which would range from \$2,500 for sponsorships spread over four fiscal years from a small agency, and up to \$5,000 per fiscal year from the larger governmental units. He noted that the city routinely receives \$5,000 annually for both the Police and Fire Departments from the county grants for small emergency management projects which the city matches with an equal amount of money. He noted that if this grant is awarded, the funds would be redirected toward this specific project. He stated that overall, the impact of this project on the city and Lincoln County would be very significant, and would provide real measures for our citizens in case of a major natural disaster affecting the Oregon coast. He noted that he has reviewed this with both Miranda and Murphy who support redirecting these funds for this purpose if the grant is awarded.

Nebel reported that on June 29, the City Council gave preliminary approval to financially participate in the local match with Lincoln County, in the amount of \$20,000, that could be provided in installments over four fiscal years.

Nebel reported that if the grant is awarded, the funds will be used for: 1. the purchase and placement of 100 disaster supply caches throughout Lincoln County; 2. the development of an emergency water plan that will review current water systems throughout the county to determine the capability to provide purified water during catastrophic events; and 3. the development and implementation of a citizen and business emergency water education plan to include resilience building in homes and businesses.

Nebel reported that this grant opportunity could be very significant for all of Lincoln County, and he recommended Council approval.

Saelens stated that he has a potential conflict of interest because of his work with the Solid Waste Advisory Council and his county job. He added that his reaction to this request is unrelated to his professional work at the county.

Sawyer stated that this work was done in Siletz three years ago, and that Newport is behind the curve. He added that this is money that the city would be receiving regardless.

MOTION was made by Engler, seconded by Sawyer, to authorize the City Manager to submit a Supporting Partner Commitment Form for a NOAA Coastal Resilience Grant being requested by Lincoln County committing the City of Newport to provide a total of

\$20,000 allocated over four fiscal years, if the grant is received. The motion carried unanimously in a voice vote.

Report on the Hedge at 58th and Rhododendron Streets. Hawker introduced the agenda item. Nebel reported that Rennie Ferris addressed Council regarding the hedge at 58th and Rhododendron Streets. He noted that there is a requirement to keep a clear vision zone with vegetation below three feet within the clear vision zone corners on private property and in the public right-of-way. He added that this property owner has installed a six-foot fence which is in violation of the city's code provisions for fences falling within the front yard of a residential structure. He noted that the city's Code Enforcement Officer is notifying the property owner of these issues. He stated that from a general enforcement standpoint, the city prioritizes ordinance enforcement with health and safety issues being of the highest priority, but that the city also attempts to act on a complaint basis for many non-health and safety issues occur that throughout the city.

Discussion Regarding Fluoridation of the City's Water System. Hawker introduced the agenda item. Nebel reported that earlier this year, Gary Lahman and Bill Wiist of the Lincoln County Public Health Advisory Board met with him regarding the addition of fluoride to the city's drinking water. He stated that they indicated that fluoride appears to have been discontinued when a former Water Treatment Plant Supervisor stopped adding fluoride to water over safety concerns as to how the system was set up in the old water plant. He added that as a result, fluoride has not been part of the city's water system for the past decade.

Nebel reported that the history of fluoride in Newport dates back to August 23, 1960, when the city called for a special election to obtain the advice of citizens on whether to add fluoride to the drinking water. He stated that this election was approved by the voters with 1,070 voting yes, and 1,049 voting no. He added that, at that time, the City Council initiated various steps to go forward with the necessary equipment to add fluoride to the drinking water. He noted that a citizen group, at that time, petitioned the Council not to proceed with this change, and ultimately, the citizen group obtained enough signatures on a petition to initiate a vote to amend the City Charter to prohibit the fluoridation of the city water system. He stated that the citizens turned down the amendment on a vote of 704 yes, and 789 no. He noted that in anticipation of a favorable outcome, the City Council bid the equipment necessary to feed fluoride into the water system, and conditioned the bid upon being able to cancel the order if the Charter provision was approved by the voters.

Nebel reported that fluoride continued uninterrupted until 2005 when it was discontinued from the system. He stated that as part of the budget deliberations, he had requested that Gross provide an estimate for the cost of providing the containment necessary for fluoride as well as the fluoridation equipment for the plant. He noted that the cost was \$300,000, and that he did not recommend the funding be included in the budget adopted in June. He added that he indicated to the Budget Committee that he felt this issue would be better served by being handled outside of the budget discussions, since there are strong feelings on both sides of the issue. He stated that he had also indicated at that time, that he would provide a report to the City Council at the July 20 meeting to kick off a discussion on how to proceed with this public policy issue.

Nebel reported that Hawker and others have done research to fill in some of the

gaps that exist as to how the decision to cease adding fluoride was made. He stated that Patricia Patrick-Joling recalls a discussion, while she served on the City Council, regarding fluoridation of the city's water system, but that Hawker has checked past minutes and can find no discussion items where the Council took any action on discontinuing adding fluoride to the water system. He added that he spoke with former Councilor, Peggy Sabanskas, who also recalled a discussion regarding this issue. He noted that, again, in checking past Council minutes, there has been no reference to this discussion that we have been able to find. He stated that there was a task force on drinking water quality, but that staff has been unable to locate any notes from those discussions. He added that staff has concluded that the discussion on fluoridation may have been at that type of meeting instead of at a Council meeting.

Nebel reported that in regard to the design of the new plant, former Public Works Director, Lee Ritzman, indicated to us that there was an intent to include the provisions for adding fluoride to the new plant, but when the plant was over budget, decisions were made as to what components would be eliminated from the project during the design phase, and one of those issues included the fluoridation equipment. He stated that these modifications appear to have been authorized by the City Manager at the time.

Nebel reported that in reviewing these issues, Resolution No. 1165-A provides for adding fluoride to the water supply. He stated that there is no evidence of any Council action rescinding this motion or redirecting staff on this matter. He noted that as a result, it would appear that Resolution No. 1165-A continues to be the last legislative direction provided by the City Council on the issue. He stated that Rich has advised that since fluoride has not been added to the water supply for a decade, the Council is free to take whatever appropriate steps they would like on the matter.

Nebel reported that prior to the Council revisiting this issue, it may be appropriate for the Council to conduct a public hearing/public input process on the matter. He stated that based on the last legislative direction provided by the City Council in 1962, it is his position that the city should be adding fluoride to the water. He noted that based on the ten year gap in following this practice, it is appropriate to get public feedback prior to making a decision to continue on that path, or to rescind that resolution and continue the system without the addition of fluoride.

Nebel recommended that the City Council solicit public input on the fluoride issue, directing comments to the City Recorder via e-mail at publiccomment@newportoregon.gov or by mailing a written comments to: City Hall, 169 SW Coast Highway, Newport, Oregon 97365. He further suggested that Council schedule a public hearing at the September 8 Council meeting to solicit additional information prior to making a decision on the matter.

Nebel reported that if a decision were made to add fluoride to the water system, staff would need to proceed with the design and cost estimate for the actual installation of the equipment. He stated that it is likely that the earliest that fluoride equipment could be put back in place in the plant would be sometime in the 2016/2017 Fiscal Year. He noted that funding for engineering could be appropriated from the current year contingency to cover those costs. He added that if a decision were made to rescind the 1962 resolution, then staff would continue to not add fluoride to the water.

Allen noted that in 2010, it was mentioned that the elimination of fluoridation was a cost issue with the new plant, and that it was eliminated, initially in 2005, due to employee-related health and safety issues in the old plant.

Rich noted that the report, in the packet, contains a statement that since fluoride has not been added to the water supply for a decade, the Council is free to take whatever appropriate steps they would like on the matter. He added that the ten-year passage of time is a fact, but not legally anything. Sawyer asked whether Council is obligated to adhere to the resolution since fluoridation was voted in by the residents. Rich noted that Council adopted a resolution; the initiative petition failed meaning that the prohibition on adding fluoride to the water also failed. He stated that if an ordinance was adopted, it would be more problematic.

Gary Lahman, Chair of the Lincoln County Public Health Advisory Board, addressed Council. He thanked staff for researching the fluoridation issue. He stated that there is a sample resolution in the packet that the Public Health Advisory Board adopted earlier this month. He reported that according to the Center for Disease Control, fluoridation is single most important issue in preventing tooth decay. He added that public health is changing, and the emphasis is more on preventative health and trying to prevent disease before it starts. He stated that 65% of public water systems fluoridate water. He added that he supports Nebel's recommendation of a public comment period. He noted that the science is without question, and that he will provide Council with all the scientific review articles to make a scientific decision. He introduced Rebecca Austen, Lincoln County Public Health Division Director, and Rachel Peterson, Health Promotion Program Manager, who were present to make a presentation.

Austen and Peterson distributed a packet with more details regarding community-wide fluoridation. They made a PowerPoint presentation that covered: what is fluoride; the discovery of fluoride as a tooth decay prevention product; the history of community water fluoridation; the top ten public health achievements of the 20th century; the percent of state populations with fluoridated water as of 2012; the percent of third graders who have had a cavity as of 2010 statistics; information indicating that Lincoln County is worse than the rest of the state for numbers of students who have had a cavity; fluoridation and oral health; and fluoridated water systems in the region (none in Lincoln County, but Corvallis, Philomath, Albany, Lebanon, and Sweet Home).

Susan Anderson addressed Council regarding her concern about everyone having fluoride. She stated that it may be appropriate for children, but may not be appropriate for every human. She added that she is concerned about the sources of fluoride as most is coming from China. She expressed concerns about water costs, and questioned whether more needed to be spent on fluoridation. She stated that Newport has an aging population, and some of the common health issues are osteoporosis and hyperthyroidism. She added that studies show that fluoride is not appropriate for people with osteoporosis and hyperthyroidism. She noted that putting fluoride in the water will be an additional cost for people needing to remove it, adding that a filter costs at least \$300. She suggested that a grant to educate the community regarding the benefits of fluoride for children might be appropriate.

Marletta Noe stated that she grew up here, drinking lots of water, but tooth decay in her family, was a matter of genetics. She added that it was her parent's responsibility to take her to the dentist. She noted that she would like to see this matter go to a vote of the people.

Jenny Stokes recommended a vote and public comment on the issue. She stated that she is concerned because studies have shown that the developing brain is a target for fluoride, and that fluoride lodges in different tissues.

Allen asked why the resolution of the Public Health Advisory Committee is directed only toward Newport and no other Lincoln County cities. Lahman stated that if all Lincoln County cities fluoridated, there would still be a significant number of others that will not get fluoride. Lahman added that the Public Health Advisory Committee would like to go to other cities, but if Newport reinstated that fluoridation practice that it had for 40 years, it would be a powerful incentive for other Lincoln County cities to follow that lead. Allen suggested amending the resolution to make it more county-wide.

Saelens asked whether large Oregon cities are fluoridating their water systems. It was reported that there is a list of approximately 46 cities, included in the previously-distributed packet, that fluoridate water.

Sawyer asked what the monthly cost to the homeowner would be if the city began fluoridating water. Gross stated that once the equipment is in place, the cost is for the chemical. Nebel noted that while it is a minor cost; it is more of a public policy issue, and that the equipment is the most expensive part of the process. Sawyer asked whether there would be funding available for the city if it opted to move forward with the purchase of fluoridation equipment. Austen noted that she could look into other options, but that the CDC provides technical assistance.

MOTION was made by Sawyer, seconded by Saelens, to request public comment on resuming the addition of fluoride to the city's drinking water, with written comments being due by Wednesday, August 26, and a public hearing being scheduled for Tuesday, September 8, 2015, on this matter. Allen noted that the language of the motion is indicative of moving toward resuming fluoridation, and added that he would like to have seen the motion more neutral. The motion carried unanimously in a voice vote.

Discussion Regarding Tourism Facilities Grant Remaining Funds. Hawker introduced the agenda item. Nebel reported that he had distributed a letter from Salmon for Oregon. He noted that a number of years ago, the City Council re-appropriated \$1,000,000 in Room Tax Funds that had originally been dedicated for the development of an event center. He stated that these funds have been distributed for a number of tourism infrastructure grant projects for various non-profit and governmental organizations since that time. He noted that, of the original amount, \$26,000 remains unappropriated. He noted that Council had reserved \$25,000 for Salmon for Oregon for the purchase of rearing cages and other infrastructure necessary to create a spring Chinook season in Yaquina Bay. He added that Salmon for Oregon has made a significant effort to convince the legislature to appropriate funding necessary to sustain such an operation. He stated that while a bill was introduced during the recent legislative session, that bill was not approved by the legislature. He added that the guidelines of the last round of funding provided that the project be ready to go within a prescribed time period. He noted that as a result, the original application was turned down by the City Council as recommended by the Tourism Infrastructure Review Committee, and by the City Manager. He stated that Salmon of Oregon appealed the initial decision of the City Council and the Council gave the group until June 30 to pull together the answers to a number of questions that were part of the initial review of their proposal. He added that without state funding, Salmon for Oregon is not able to go forward at this particular time. He recommended the commitment of \$25,000 of the remaining funding be terminated and that the City Council determine how to proceed with this last amount of funding that has been designated for tourism infrastructure projects.

Nebel reported that he is looking for direction. Saelens asked whether the funding needs to remain as grant money or for a tourism-related use. He asked whether there are projects that were not fully funded that could use the additional funding. Sawyer reported that at the end of the process, some groups wanted more money, but wanted to be fair to others. He suggested that the process be opened to previous grantees to use to finish projects. It was suggested that the process be limited to successful grantees from the last three years. It was the consensus of Council that the process be handled administratively, and to invite previous recipients to make a request. Nebel agreed to bring a recommendation to Council, for action, at the next meeting.

Scheduling a Work Session. Hawker introduced the agenda item. Nebel reported that he met with Roumagoux and Busby in a quarterly meeting as outlined in the evaluation process adopted by the City Council last year. He stated that one of the items that he presented to Roumagoux and Busby was a desire for the Council to prioritize a number of organizational issues that he believes are important for him to be working on during the next 18 months. He noted that it is clearly impossible to do everything at once, and that he would like clear expectations, from a timing standpoint, of what is most important to both him, as City Manager, and the Council. He stated that there is a list of issues for potential discussion at work sessions, including: the Farmer's Market, creation of a Youth Advisory Council in conjunction with Newport High School, the homeless problem in Newport and Lincoln County, potential involvement of the city in the Loyalty Days Parade, and beautification efforts.

Nebel stated that he thinks an extended work session should be scheduled at which the City Council could cover a range of these issues. He suggested a meeting lasting from 10:00 A.M. until 2:00 P.M., with a working lunch. He noted that if the Council is supportive of this lines, potential dates include Tuesday, August 4 and Friday, August 7.

MOTION was made by Allen, seconded by Engler, to schedule a work session on Tuesday, August 4, from noon until 3:00 P.M., in Conference Room A, to discuss prioritization of various issues facing the City of Newport. The motion carried unanimously in a voice vote.

Nebel reported that staff is working with the Postal Service and the Coast Guard to commemorate the 225th anniversary of the Coast Guard. He noted that a reception is planned on Tuesday, August 4 from 4:00 - 5:30 P.M., in the City Council Chambers.

LOCAL CONTRACT REVIEW BOARD

The City Council, meeting as the Local Contract Review Board, convened at 9:10 P.M.

Award of Contract to WH Pacific for Development of Airport Master Plan. Hawker introduced the agenda item. Nebel reported that the city has been successful in getting preliminary approval of an FAA Airport Improvement Program Grant to prepare a new Airport Master Plan. He stated that this planning process will cover an 18-month period, and that the FAA has a defined process that guides the consultant in completing the plan. He noted that this will include the establishment of a local review committee, in addition to the Airport Committee, and the City Council, which will play a role in the planning process. He stated that proposals were received and reviewed by an internal

selection committee in accordance with FAA requirements. He added that the selected consultant provided a cost estimate, noting that the FAA requires that contracting entities proceed to contract for a second estimate for purposes of determining fairness of the prices in the proposal from the selected consultant. He noted that the FAA is prepared to approve the contract.

Engler asked how this master plan will compare to the previous master plan. Engineering Technician Roman reported that this update will be much more comprehensive. Nebel reported that 90% of the update is funded by the FAA, and that \$35,000 will be paid out of this year's budget, and \$15,000 out of next year's budget.

MOTION was made by Allen, seconded by Busby, to award the Airport Master Plan contract to WH Pacific, in the amount of \$501,151, contingent upon final FAA approval, and award of an FAA Airport Improvement Program Grant for this purpose. The motion carried unanimously in a voice vote.

Notice of Intent to Award a Contract for Custodial Services. Hawker introduced the agenda item. Nebel reported that the city solicited proposals to provide custodial services for a period of three years with two additional periods of one year each for a total of five years. He stated that the requirements of the new contract have changed a bit from the previous contract, with the most significant change related to the elimination of the cleaning of the public restrooms that are located throughout the city. He noted that effective with this agreement, the city will assume maintenance responsibilities for those exterior restrooms. He added that the contract covers cleaning of the City Hall and Police Department, Senior Center, Airport FBO building, Water Treatment Plant, Wastewater Treatment Plant, Library, main Fire Station, and the Visual Arts Center. He reported that the low bidder is the current contractor, Associated Cleaning Services, Inc. with a monthly fee of \$5,822.

MOTION was made by Swanson, seconded by Sawyer, to approve a notice of intent to award a contract for custodial services for the City of Newport to Associated Cleaning Service, Inc., and authorize the City Manager to sign a contract between the City of Newport and Associated Cleaning Service, Inc. for a term of three years, with an option to extend for up to two additional one-year terms, at the city's discretion, contingent upon no protest after seven days. The motion carried unanimously in a voice vote.

Notice of Intent to Award a Contract for the Big Creek Pump Station. Hawker introduced the agenda item. Nebel reported that on June 24, two bids were received for the replacement of the Big Creek Wastewater Pump Station. He stated that this is the second phase of a multi-phased project to address various issues within the Agate Beach wastewater system. He added that this system has been plagued with aging capacity issues that has resulted in chronic failures and wastewater overflows. He noted that the station to be rebuilt is located off of Big Creek between the Best Western Hotel and Agate Beach. He stated that a new force main was constructed from this location south to increase capacity as part of this overall system plan, and that upgrading the lift stations are the next phase of this plan.

Nebel reported that the low bid came in 30% higher than the engineer's estimate for this project. He stated that there were only two bids for this project, and that staff, working with the consulting engineer, has reviewed this issue, and the consulting

engineer did discuss, with other companies that had taken out plans, to determine why they did not bid. He noted that the basic response was that after a number of soft years, there is a lot of work that these companies are bidding on and they did not have time to do this project. He stated that the contractors that did not bid felt this project was about a \$2,500,000 project according our consulting engineers, Brown and Caldwell. He noted that as a result of the bid evaluation, he does not believe the city would be served by rejecting the bids and rebidding. He added that with the critical nature of this work, he thinks it is important to move forward with this project with these bids.

Nebel reported that there are sufficient bond funds to cover this project, however, it may impact the city's ability to complete all of the projects that are included in this multi-year phasing through the Clean Water SRF Loan through the Oregon Department of Environmental Quality in the amount of \$8,906,800. He stated that in the alternative, the DEQ has indicated that they are seeing significant cost increases within the structural work and it may be possible to borrow additional funding through their program to complete all the work that is scoped in the original plan. Allen asked whether Gross is comfortable with the DEQ assertion that additional monies are likely available. Nebel noted that there are two options, including eliminating a project planned for this round, but that other funds might be available. He stated that either way, the city can manage a shortfall.

MOTION was made by Sawyer, seconded by Allen, that the City of Newport issue a Notice of Intent to Award the Big Creek Wastewater Pump Station Project to James W. Fowler, Co., Dallas, Oregon, in the amount of \$2,618,037, contingent upon no protests and the approval of bid documents by the Oregon Department of Environmental Quality; and authorize the City Manager to execute the contract after seven days in the event there are no protests on behalf of the City of Newport. The motion carried unanimously in a voice vote.

Approval of Contract Amendment for Chase Park Grants, LLC. Hawker introduced the agenda item. Nebel reported that the city has contracted with Chase Park Grants, LLC, since July 2012, and that Amendment No. 2 makes a couple of changes to the contract through June 30, 2016. He stated that the monthly fee is increased from \$5,330 per month to \$5,386 per month, and that these fees cover preliminary research on the applicable grants, corresponding timeliness, and grant criteria. He noted that the consultant participates in conference calls with city staff at least monthly to discuss research findings and specific grant opportunities and provide general grant related technical assistance for all these funds. He noted that in addition to the general services, specific projects are authorized by task order and are in addition to the fees paid as part of the general contract. He reported that overall, Chase Park Grants has been successful in securing significant funding for various city projects, and that Chase Park Grants provides all the support, preparation of materials, applications, and other items that would have to be done in-house, or by contract with a separate entity. He stated that Chase Park Grants has developed a very clear understanding of the city and works very closely with state and federal agencies to keep Newport on the radar as potential funding sources are being developed which should help with many long-term projects as well.

MOTION was made by Engler, seconded by Saelens, to approve Amendment No. 2 to the Grant Consulting Services Agreement with Chase Park Grants LLC, which

modifies the monthly compensation and clarifies the consultant's obligations through this contract. The motion carried unanimously in a voice vote.

RETURN TO CITY COUNCIL MEETING

The City Council returned to its regular meeting at 9:26 P.M.

MAYOR AND COUNCIL REPORTS

Roumagoux suggested, due to the late hour, to forego the Mayor and Council reports. Council concurred.

Saelens thanked staff for organizing and attending the neighborhood meeting at Wilder last week. He stated that the entire issue was due to a lack of information. He stated that the neighborhood is interested in seeing more plans on the bicycle pump track.

Sawyer requested to be excused from the August 17, 2015 City Council meeting. Council concurred.

PUBLIC COMMENT

Gary Lahman stated that he would leave a document, from the American Dental Association, which contains a concise review of scientific data associated with fluoridation.

Marletta Noe suggested spending \$300,000 to repair Big Creek Park.

ADJOURNMENT

Having no further business, the meeting adjourned at 9:30 P.M.

Margaret M. Hawker, City Recorder

Sandra N. Roumagoux, Mayor