

November 3, 2014
6:00 P.M.
Newport, Oregon

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

Staff present was City Manager Nebel, City Recorder Hawker, Community Development Director Tokos, Finance Director Murzynsky, Public Works Director Gross, Rob Murphy, Interim Fire Chief Murphy, Jim Protiva, Parks and Recreation Director, and Police Chief Miranda.

PLEDGE OF ALLEGIANCE

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

Roumagoux noted that Sawyer was excused for the October Council meetings but was absent this evening. MOTION was made by Beemer, seconded by Swanson, to excuse Sawyer from this evening's meeting. The motion carried unanimously in a voice vote. Allen noted that Sawyer has been in California attending to a family medical issue.

CONSENT CALENDAR

The consent calendar consisted of the following items:

- A. Approval of City Council minutes from the regular meeting of October 21, 2014, and the joint meeting with Lincoln County and the Port of Newport of October 20, 2014.

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

PUBLIC HEARING

Public Hearing and Possible Adoption of Resolution No. 3693 - Supplemental Budget. Hawker introduced the agenda item. Nebel reported that as part of the budget process to create the estimated expenditures for the 2014/2015 fiscal year, department heads were asked to project full expenditures of dollars that had been appropriated for capital projects in the last fiscal year. He stated that the purpose of this effort was to create a clean beginning fund balance in each of the city's operating funds that support capital outlay expenditures. He noted that in the 2014/2015 fiscal year, the budget appropriates funding on a project specific basis in separate capital outlay funds. He added that in the past, there was a lump sum available for capital outlay within the operating budgets for water, sewer, streets, and other similar departments. He stated that this created significant confusion in determining how much of the fund balance was

truly intended for capital improvements that did not get expended in the fiscal year versus operating costs. Nebel reported that by segregating capital outlay monies into separate capital outlay funds with the revenues for those projects being directed to the capital outlay funds, it gives a much clearer picture of the operating fund balances. He stated that in order to create accurate beginning fund balances, staff assumed that the capital outlay funds would be expended in the previous fiscal year. He stated that it was indicated to the Budget Committee and the City Council that staff would carryover those funds in supplemental budgets during the first half of the current fiscal year. He added that this has been done for the airport capital outlay projects. He noted that this resolution is primarily focused on water capital projects. He stated that it establishes a new project appropriation for a project that was included in the lump sum capital outlay appropriation from the previous fiscal year that did not get fully expended during that fiscal year. He reported that in some cases, it adjusts the amount for projects that were specifically appropriated for the current fiscal year. He added that as staff incorporates these supplemental budgets into the current year budget, the city will fully convert to budgeting on a specific project basis for the current fiscal year. He noted that while this task remains a bit convoluted, once the work is completed, the budgeting for capital projects will be much cleaner and more transparent in the future.

Nebel reported that in addition to the projects, there are a couple of other adjustments that are included in the recommended supplemental budget. He added the supplemental budget recognizes that revenues exceeded projections in the Room Tax Fund by \$329,350 during the last fiscal year. He stated that the supplemental budget provides for the eligible share of room tax monies to be transferred to the General Fund. He added that the appropriations are increased by \$15,000 due to the receipt of grant funds from Lincoln County and the Oregon DLCD to complete the city and county joint study on additional Oregon State University student housing in Newport.

Nebel reported that \$4,700 was recommended in the Parks and Recreation Fund to be carried over to complete the purchase of furniture. He added that this purchase crossed fiscal years and will be funded from the excess beginning fund balance.

Nebel recommended that Council appropriate funds for the installation of more than a thousand feet of fencing at the back of the public works yard. He stated that during this year, the city has experienced numerous thefts and vandalism from its vehicles and lost fuel from this location, and that part of the yard is not fenced. He noted that the cost of the fencing was inadvertently doubled in the packet materials. He added that the total cost of the fencing is \$27,000 with \$13,500 being appropriated from the Street Fund and \$13,500 from the Water Fund for this purchase. He stated that the surplus fund balance amount in the Water Fund over what was projected is added to the contingency account for the Water Fund. He noted that in the Room Tax Fund, the proposed appropriation increase amounts to \$441,481 of which \$129,873 provides a carryover for an unexpended city grant for the PAC; \$177,687 is the General Fund's share of the increased revenues projected over the last fiscal year; with the remaining amount of \$133,921 being allocated to the contingency fund in the Room Tax Fund.

Nebel recommended that Council hold a public hearing on Resolution No. 3692.

Roumagoux opened the public hearing at 6:10 P.M. She called for public comment. There was none. She closed the public hearing at 6:11 P.M. for Council deliberation.

MOTION was made by Allen, seconded by Swanson, to adopt Resolution No. 3693 with Attachment A, a resolution adopting a supplemental budget for the fiscal year

2014/2015 with the appropriation for fencing the public works yard being reduced from \$27,000 to \$13,500 in both the Street and Water Funds with the remaining amount reverting back to contingency in each fund. The motion carried unanimously in a voice vote.

COMMUNICATIONS

Report from the VAC Steering Committee - Request for an Extension of Time for the Report to City Council. Hawker introduced the agenda item. Nebel reported that he and Saelens have been meeting regularly with the Visual Arts Center (VAC) Steering Committee to work through the three priorities that Council had requested in a future report from the Committee. He stated that the Committee originally indicated that the report would be provided to the City Council in December of 2014. He added that the Steering Committee is requesting an extension to complete the report in February of 2015, with it being presented to Council at the March 2, 2015 meeting. He noted that overall, the VAC Steering Committee has taken its responsibilities very seriously, including the preparation of this report. He reported that the Committee has developed a governance model which will be part of the report presented to both the OCCA and the City Council, and that the Committee is continuing to work on the financial model for more sustainability of the VAC building and activities. He stated that the Committee is also working on operational plans that will increase the usage of the facility with corresponding increases in rent payments to offset facility expenses. He added that he and Saelens met with the Committee on October 28, and that he recommended that the Committee request an extension to complete this report until February of 2015 for presentation to the City Council in March of 2015. He stated that one of the primary reasons for doing this is that there have been delays in providing key financial information necessary for this effort. He noted that Murzynsky is deep into various issues relating to his first city audit. He stated that Murzynsky needs to play a role in this process and will have some time to do that during November. He added that he has been helping the Committee with several concepts and owes them a report which was delayed, in part, because of the efforts required in retaining the U.S. Coast Guard Air Facility at the Newport Municipal Airport which has taken him away from some of the other work that he wanted to do on behalf of the Committee.

Nebel reported that he has been very encouraged by the constructive nature of these meetings, and believes that the end result will be good for the VAC and the city. He stated that he also believes that it is better for the Committee to get the issues right rather than get a premature report to the City Council. He noted that the Committee agreed with his suggestion for requesting an extension in providing this report to the Council.

MOTION was made by Saelens, seconded by Beemer, that the request for an extension by the Visual Arts Steering Committee to submit a report to the City Council be extended with the report being completed in February 2015, and presented to the City Council at the March 2, 2015 City Council meeting. The motion carried unanimously in a voice vote.

From Salmon for Oregon - Appeal of Tourism Facilities Grant Denial. Hawker introduced the agenda item. Nebel reported that the appeal by Salmon for Oregon was

scheduled for Monday, October 6, 2014, but that at that meeting, Salmon for Oregon was not present, and in reviewing e-mails with Jim Wright, it became apparent that staff did not specifically notify him that this matter was going to take place at that meeting. He stated that as a result, the item was rescheduled for the October 20, 2014 meeting, and with the joint meeting between the city, Lincoln County, and the Port of Newport, on the announced closure of the U.S. Coast Guard Air Facility taking place on this date, the regular City Council meeting was moved to Tuesday, October 21, 2014. He added that in discussing this with Mr. Wright, he indicated that he would prefer that this matter be considered on November 3, 2014, since he had a conflict with the October 21 date. He apologized for the confusion regarding the scheduling of this appeal.

Nebel reported that the Tourism Facilities Grant Review Task Force met on July 14, 2014 and reviewed four applications for funding, including an application from the Salmon for Oregon Association, Inc. for the spring Chinook program in Yaquina Bay. He stated that the Task Force recommended against funding the Salmon for Oregon project due to the vagueness of the proposal; lack of a solid revenue source to continue funding this program in out years; the project was not a perfect fit for this funding; and the application was incomplete. He stated that in reviewing each of the proposals for funding, the Task Force identified a series of questions relating to each proposal. He added that the Task Force indicated that answers were not given to all questions, requested by the Task Force, from Salmon for Oregon regarding their proposal. He noted that there were concerns with the proposal, including that permits had not yet been obtained; a question on whether net pens would qualify as real property under state law; and there was no demonstrated support for continued operation of the net pens. He stated that certain information was requested and was not provided in the form requested by the Task Force.

He added that the Task Force concluded that Salmon for Oregon had significant omissions in its responses to questions, and as a result, the Task Force did not recommend funding this request.

Nebel reported that the recommendation from the Task Force went before the City Council on September 2, 2014. He stated that three grants were awarded, and the Salmon for Oregon Association, Inc. grant was not awarded by the City Council. He added that Jim Wright, Executive Director for the Salmon for Oregon Association, submitted a letter indicating that he would like to appeal the denial of the application by the City Council. He noted that in the letter of appeal, Wright focused on the legal questions of whether room tax funds could be spent for this purpose. He added that Wright indicated that the Task Force applied a very narrow definition in regard to tourism facilities, and he cited the 2008 Oregon Department of Justice opinion OP-2008-3 by indicating the following: "Parsing the words, the relevant definition of "improve" is to "increase the value of (land or property) by bringing under cultivation, reclaiming for agriculture or stock raising, erecting buildings or other structures, laying out streets, or installing utilities (as Sewers)."

Nebel reported that in reviewing the minutes from the Task Force, the fit of the project as meeting the definition of a tourism facility was only one item of several that the Task Force expressed concerns about. He stated that a subsequent request was made to Wright to respond to specific Task Force questions as part of his appeal of the City Council's previous decision.

Nebel reported that the City Council has been supportive of the spring Chinook project for Yaquina Bay, and has provided previous financial support in the amount of \$5,000 for the administration of the implementation of this project.

Nebel reported that in reviewing the recent responses from Wright to the questions from the Task Force, there are several specific things that remain outstanding issues that need to be addressed prior to recommending any grant award for this project. He noted that Question #2 from the Task Force was not adequately responded to outlining what relationships Salmon for Oregon would have with state agencies in the operation of this facility. He added that while it was indicated that ODF&W is supportive of this initiative, the specific role of ODF&W with Salmon for Oregon is not clearly defined with the response. He noted that there is a statement that the annual operating costs are \$55,000, but there is no breakdown of what those costs would be. He stated that Question #9 has not been adequately addressed since the Port of Newport has not entered into any agreement with Salmon for Oregon regarding the placement of pens on port property. He noted that Question #10 relates to water quality issues for the purpose of rearing salmon in the pens in Yaquina Bay, and there is no indication that any analysis has been done to determine whether the fish will experience any problems at a port location. He stated that Question #15 asks about the long-term sustainability of this project as well as long-term revenue sources to cover the funding of \$55,000 in annual operating expenses. He noted that it is inferred that state legislation is going to be introduced to fund these types of projects, however short of that legislation being introduced and passed by the state legislature, there are no other indications about how this operation would be sustained over time. He reported that another issue requiring further explanation is that the financial report seems to show the overall total of income is resulting in a deficiency of \$2,418. He asked whether Salmon for Oregon has an operational plan to keep the organization financially viable to maintain the operation of the fish rearing pens over the next ten years. Nebel stated that the tax information that was submitted seems to indicate several issues with the 2013 filing, and page 2 of schedule A from the 990 appears to be missing from the submitted material.

Nebel reported that there is a legal question that the City Council may want to request a legal opinion on, and that is whether there are any impediments for the city using the room tax for the purchase of rearing pens. He stated that in reviewing the information submitted by Wright, he believes that this would be an eligible expense for room tax revenues, but that he is not an attorney versed in municipal law and it may be appropriate to request a legal opinion on this specific question, should the Council wish to go forward with this project.

Nebel reported that the City Council has several potential actions that it could take, including denying the appeal for Salmon for Oregon. He added that if this is done, the City Council could schedule one last round of applications for the remaining \$26,000 in the tourism facility grant funds sometime in the first part of 2015, and Salmon for Oregon could be invited to reapply. He added that the City Council could grant the request for funding as requested in the appeal from Salmon for Oregon and provide the \$25,000 in tourism facility grant funds, directing the City Manager to develop a grant agreement for the disbursement of these funds. He reported that it is his opinion that the best scenario would be to accept the letter of appeal from Salmon for Oregon but hold off on making a decision on granting the funds to Salmon for Oregon. He added that this would give them an opportunity to fully respond to the information that may be requested by the City

Council, and hold \$25,000 in funding to allow Salmon for Oregon to comply with the request for information by no later than April 30, 2015. He stated that if Salmon for Oregon is unable to satisfy the City Council by adequately responding to the questions posed by the Council; the Council could create one last round of tourism facility grant funds if the project is ultimately denied.

Nebel reported that the Task Force did an excellent job in fully vetting the proposals for funding that were subsequently approved by the City Council. He added that he is also in agreement with the Task Force that, at this time, the Salmon for Oregon proposal is not ready for consideration for approval. He stated that the proposal does provide a great opportunity to enhance the spring sports fishery on Yaquina Bay that could draw tourists to the city during the off-season. He stated that this is a good project that is not ready to receive a funding commitment of room tax dollars from the city.

Nebel introduced Jim Wright, Executive Director of Salmon for Oregon. Wright said that John Brenneman and Tom Becker, Sr. send their best wishes, and that it was Tom Becker who introduced him to this project. He stated that he is not a professional grant writer, and had a learning curve with the Tourism Facilities Grant Review Task Force. He noted that he understands the hesitancy of the Task Force in recommending approval of the request at the time of review. He stated that the project has been approved, as of June 6, 2014, for Yaquina Bay and Coos Bay, but that there is no budget for the project. He added that he has taken on funding responsibility for the project, and intends to make the 2015 deadline for funding. He stated that Senator Arnie Roblan is assisting in offering legislation to fund these projects for an extended period of time, and that the legislation will be submitted through the Coastal Caucus. Wright reported that he has attempted to provide information as it has come to him, and that he has not been purposefully vague, and he tries to be as transparent as possible. He asked for forgiveness in regard to the omissions in the application. He stated that the projects are worthy and will conservatively add \$1.5 million to the spring economy of Newport when the project is functional.

Wright introduced Tom Simpson who appeared on behalf of the U-da-Man Fishing Tournament. Simpson reported that the U-da-Man group is now 14 years old, and has been sponsoring a fall Chinook tournament for all those years. He stated that the 2014 competition brought in 54 boats and 180 fishermen. He noted that the project has the support of the Port of Newport, and business people from Waldport to Depoe Bay want to see the project come to fruition. He stated that the project will allow for a spring tournament in 2017 or 2018, at which people will buy tackle, rent boats, use local lodging, visit restaurants, and more. He expressed hope that the city would continue to support Salmon for Oregon. He added that there would be plenty of volunteer help to get the project off the ground. He urged Council to hold the funding until the end of the fiscal year to determine whether there is money from the legislature for continued support of the project.

Allen asked Wright whether he was comfortable with the four items listed in the suggested motion. Wright reported that he is comfortable with the four items listed in the suggested motion. Wright stated that he has work to do in other areas, and that ODF&W is looking for help from Salmon for Oregon in this effort.

Allen referred to the first item which is: Demonstrate the financial sustainability of the fish rearing program for a ten year period by showing a detailed estimate of operational costs and supporting revenue to financially sustain this operation. Wright stated that he

is comfortable that ten years is not a problem. Allen noted that there are two other components; other improved real property and substantial purpose of supporting tourism. He added that right now, the only opinion that has come out in regard to the statutory definition of a "tourism-related facility" is an informal Attorney General's opinion from November 2008. He stated that Council will have to rely on the City Attorney to review the opinion and make his own opinion. Wright stated that in the 2008 opinion, the raising of stock fits the definition.

Saelens stated that he would like to see this project succeed, but that there are a number of crucial questions that have not been answered. He noted that he is concerned with financial stability of this program. Wright reported that there will be economic legislation coming from the state's General Fund which may not be known until the end of the fiscal year. He suggested the deadline for supplying the requested information be changed from April 30, 2015 to June 30, 2015.

Allen asked whether there is any issue associated with allowing Salmon for Oregon a deadline of June 30, 2015. Nebel reported that there is not, and the issue needs to be resolved.

Nebel introduced Margaret Daily representing the Task Force.

Dailey reported that the Task Force has been meeting for three years, and originally started with \$1,000,000. She noted that the Task Force has been comprised of the same members for all three years. She added that the forms were developed during the first year with minor changes. She stated that the application requests substantial concrete information, and the Task Force expects a plan as to how the project will proceed, what the applicant is going to do, and how the applicant is going to do it. She stated that Salmon for Oregon failed to complete the application which is the principal reason for denial. Daily reported that the Task Force asked for additional information and did not get the information that was requested. She added that the application was vague and incomplete, and did not contain a commitment from working partners, or the Port of Newport or ODF&W. She stated that the applicant had basically no funding commitments or fundraising plan on how this would go forward. She noted that the only thing the Task Force can make a judgment call on is what they are given. She stated that nothing would prevent Salmon for Oregon from applying in the future. She noted that the Task Force did not get to the issue of real property because the application was incomplete. She added that the real property issue is serious, and noted that the City Council will have to rely on the City Attorney to determine whether the project qualifies as real property. Daily reported that she is concerned about waiting and having the City Manager give attention to one applicant. She stated that the Task Force was to review information that it was not provided. She noted that the request is for two net pens that can be placed anywhere in Yaquina Bay to benefit Yaquina Bay. She reiterated that the Task Force did not get a complete application; there is an issue with real property; and suggested that Council consider another round of applications next year.

Allen stated that he agrees on the legal issue and will probably support having a legal review. He added that there is now \$26,000 available, and that most prior requests have been that amount or greater. He noted that he supports giving the applicant an opportunity to provide the additional information since there is such a small amount of money left, and unless it is replenished, the grant program will conclude with this round. Dailey noted that this is giving the applicant special treatment when all other applicants have been required to meet deadlines and provide information on their own. Allen stated

that the city has an appeal process, and that the City Manager has looked at the project and circumstances, and at amount left, and amount of request. Allen added that it is his opinion that the project is worthy and he does not see any reason not to provide the applicant more time. He stated that Council can decide by the end of the fiscal year whether the applicant meets the required standards. Dailey stated that she does not think it is appropriate for the City Manager to give special attention to one applicant, and that no group is entitled to that level of special attention.

Busby stated that the nature of this request makes it difficult to answer a lot of these questions. He added that he strongly supports what they want to do and would not let procedure get in the way. He suggested that if a majority of Council supports the project, that tentative approval could be given with the contingency that requirements be met in the future.

Beemer agreed with Allen and Busby.

Allen stated that in no way was anyone diminishing the work of the Task Force, but that Council is trying to comply with procedure and the appeal process. He added that Council has discretion and has to make some decisions. Ann Aronson, a member of the Task Force, stated that she is disappointed as the Task Force has spent years going over applications, and that now it appears that Council is saying that it is perfectly okay to have special treatment.

Saelens asked whether there is anything that would stop the group from reapplying when it is known whether the legislature has provided funding for the project. Nebel reported that Council has several options. He noted that there were four applicants for the remaining funds, and that if the City Council had appropriated all requests, there would be \$1,000 remaining. He added that part of the rationale is that the fourth proposal could ultimately meet the established rules, and the recommendation was to allow the group an opportunity to do that. He stated that the City Council could also decide not to grant the appeal as requested and invite Salmon for Oregon to apply in another grant round. He noted that he did not think, at the end of program, that it made the most sense going forward with only \$26,000 left and a program that Council has previously supported. He stated that another key issue is the legal question that the City Attorney will answer regarding whether this is an appropriate use of transient room tax funds. He stated that he is still comfortable with his recommendation.

Saelens stated that he did not see a reason for going beyond April. He added that he wants to see all the questions answered before approval, and he believes that an April deadline will allow sufficient time to do that. Allen stated that he agrees with Nebel's rationale and fully supports his recommendation on that basis. Aronson stated that to give one group this special attention is not fair and taints the whole process. She added that everyone else was able to do the work. Allen noted that this is also a policy choice of Council.

Allen stated that he has written additional language for the motion.

Swanson noted that as much as she supports this project, she does not think that one group should have special consideration.

MOTION was made by Allen, seconded by Beemer, to retain the remaining \$26,000 in tourism facilities grant funds through June 30, 2015 to allow the Salmon for Oregon Association, Inc. to provide the following information regarding its proposal for the placement of fish rearing pens in the Yaquina Bay: 1. Demonstrate the financial sustainability of the fish rearing program for a ten-year period by showing a detailed

estimate of operational costs and supporting revenue to financially sustain this operation; 2. Describe what organizations would be responsible for future maintenance and operation of the rearing facilities and what specific role Salmon for Oregon will play with this effort; 3. Secure specific authority and a location from the Port of Newport for the rearing facilities on port property and demonstrate that the water quality issues at this location will meet the rearing requirements for salmon; 4. Describe required permitting and obtain authorization from any regulatory agencies that will be necessary for the rearing pens in Yaquina Bay, with the above information being provided to the City Council on or before June 30, 2015, and also to obtain a legal opinion from the soon-to-be City Attorney Steve Rich as to whether this project meets the statutory definition of a tourism related facility, and as far as the definition goes, it sets out certain criteria: the project must be other improved real property; have a useful life of ten or more years; and have the substantial purpose of supporting tourism or accommodating tourist activities. The motion carried in a voice vote with Swanson voting no.

CITY MANAGER'S REPORT

Report on Question from Rex Capri Regarding Sidewalk and Street Work. Hawker introduced the agenda item. Nebel reported that the packet contains a report from Public Works Director Tim Gross regarding two issues brought to the attention of the Council by Rex Capri.

Nebel reported that the first issue pertains to the condition of a section of NE 3rd Street. He stated that the section of NE 3rd Street from NE Harney Street and continuing east remains under the jurisdiction of Lincoln County. He added that although there was discussion in the past regarding transferring this street to the city, the transfer was never completed by the city and the county. He noted that as part of the transfer, the city would request that the county resurface the roadway prior to the city accepting responsibility for this section of street. He stated that city staff will have a discussion with the county regarding this project.

Nebel reported that the second issue raised by Mr. Capri concerned the gaps in sidewalk on NE Nye Street from NW Olive Street to NW 15th Street. He stated that the city has been appropriating \$15,000 per year for various sidewalk improvements, and that these funds have been used to infill gaps in sidewalks at various locations in the community. He added that the plan for this year is to repair and complete sections of NW 9th Street between SW Angle Street and SW Bay Street just east of the hospital where there is a significant amount of pedestrian traffic. He noted that city staff is looking at completing the sidewalk between NW 3rd and NW 6th Streets, and between NW 7th and NW 8th Streets next year if funding is appropriated for that purpose.

Nebel reported that decisions on future projects will be determined during the budgeting process for the fiscal year beginning July 1, 2015 and ending on June 30, 2016. He noted that based on current plans, it is the intent of the Public Works Department to request funding for those first two infill sections on Nye Street in next year's budget.

Rex Capri appeared before Council. Nebel explained that research is currently being conducted regarding the jurisdiction of NE Harney Street. Gross explained the sidewalk repair and extension program, and reported that Nye Street is a priority one project. Allen asked that Capri be kept informed during the 2015/2016 budgeting process.

Report on Fire Department Volunteer Compensation. Hawker introduced the agenda item. Nebel reported that during this past year, the IRS, the U.S. Department of Labor, BOLI, and PERS raised issues in regard to compensation for volunteer firefighters. He stated that this spring, he and Acting Fire Chief Rob Murphy worked to evaluate any modifications that the city might need to make in regard to volunteer compensation. He noted that Christy Monson, from Speer Hoyt, has worked on this issue for dozens of fire districts and has made presentations at various state meetings on these standards. He noted that fire districts have done everything from nothing to eliminating all pay to volunteers in an effort to be compliant, but that the IRS standards actually provide some flexibility related to compensating volunteers. He stated that the city has modified its practices to incorporate those standards by defining “nominal compensation” for volunteers. He noted that the primary changes in the policy that the city has implemented is elimination of any reference that seemed to infer that the volunteers were being paid for specific work done. He stated that a section was added to the policy that sets a yearly cap on volunteer reimbursement/compensation at 20% of staff firefighter wages for the previous year, and that this change meets the definition of “nominal compensation.” He reported that there are provisions in the city policy which have not been utilized and have been eliminated including a provision for compensating volunteers who are at home in a standby mode. He added that a new form for volunteer firefighters has been developed and implemented that acknowledges their volunteer status and tax reporting requirements.

Nebel reported that overall these are minor modifications that will not significantly change the practices the city has utilized to pay stipends to volunteers. He stated that this policy will not have any significant impact in the funds paid by the city for volunteer expenses. Nebel noted that the packet contains a report from Acting Fire Chief Murphy that outlines the specific issues addressing the policy and includes a policy showing modifications needed to bring the city’s practices in compliance with IRS and other standards according to the recommendations from Christy Monson. He added that the city has implemented these changes. Nebel reported that since this is an item that was previously shared with Council, staff wanted to provide a final report on the outcome of the discussions.

Swanson asked whether the current stipend is available for one member per shift, as noted on page 229 of the packet. Murphy reported that that is an error and there is currently funding for two volunteers per shift.

Allen asked whether other departments are making similar changes. Murphy reported that the department changes vary based on each agency’s risk.

Busby asked whether the fire personnel support this change, and Murphy noted that they are supportive of the change and have been kept informed throughout the process. He added that every attempt was made to maintain as much of the previous method as possible.

Report on Proposed Bicycle Pump Track at Coast Park. Hawker introduced the agenda item. Nebel reported that at the October 6, 2014 City Council meeting, a public hearing was held on the proposed modification to Coast Park regarding the possible construction of a pump track. He stated that based on comments made at the public hearing, the City Council referred the matter back to city staff with a request that a

meeting be held with adjacent property owners and the pump track group to discuss the impact that the proposal might have on the adjacent property owners. He noted that on October 22, 2014 an on-site meeting, with four of the immediate property owners, was facilitated by the Parks and Recreation Advisory Committee. He reported that at that meeting, many ideas were exchanged, however, it continues to be the opinion of the property owners that this use is not compatible with the adjacent land uses. He noted that it was recommended that a follow-up meeting be held on November 19, 2014, at 8:30 A.M. at the Recreation Center to explore other options for the bike pump track, and that the Parks and Recreation Advisory Committee provide a specific recommendation to the City Council for future consideration by the Council.

Nebel reported that overall, he thinks that with future projects of this nature, it is very important that formal recommendations to be made by city advisory committees to the City Council early in the process to determine whether there is interest in pursuing some of these more significant concepts. He stated that this would have generated more public engagement earlier on in the process that may have been helpful to the proposed development of this course. He added that as he indicated in his evaluation meeting with the City Council, one of his goals is to better define the relationship between the City Council and advisory committees to formalize communications between advisory committees, city staff, and the City Council, and to develop general policies as to the types of issues that require a formal report by the committees to the Council for consideration.

Report on Agate Beach Wayside Project. Hawker introduced the agenda item. Nebel reported that a letter has been directed from residents in Agate Beach to the City Council and the City Manager regarding the Agate Beach Wayside project. He stated that several years ago, the city was successful in getting a financial commitment from ODOT to improve the parking areas, create public restrooms and showers, and improve gate access from the parking lot to Agate Beach. He added that staff has solicited assistance from state elected officials in order to move along the process of ODOT retaining a consultant for this project since this project needs to be let by September 2015. He noted that ODOT finally hired a consultant this past month for the design process, and the consultant's initial efforts will include: property survey; geological and wetlands evaluation; and an evaluation of conditions in the general project area. He added that the city anticipates having this initial information by the middle of November.

Nebel reported that the Community Development Department has scheduled an initial meeting for the property owners in this area to discuss the right-of-way and geological issues, and to obtain direct community input that will be relayed to the consultants regarding issues, ideas, and concerns. He stated that ODOT will be participating in this meeting on November 18, 2014, at 6 P.M., at City Hall, and that notices will be sent to the impacted property owners. He noted that following the November 18 public meeting, there will be a meeting with the consultant that property owners will be invited to participate in. He added that at this point, the consultant will develop a number of alternatives on how the project can proceed to allow for more specific comments from the neighborhood on design alternatives. He stated that following the second meeting, the consultant will put together a plan for this project.

Nebel reported that while he has not been a part of the early discussions on this project, he knows that there was a fair amount of lively debate on this matter at the town

hall meeting that was held at the Northside Fire Station with various property owners who are not necessarily in agreement with each other. He stated that there will obviously be a number of different opinions on how to proceed with this project. He added that the key elements to qualify for the funding that the city has obtained will require inclusion of parking lot improvements, construction of restroom/shower facility, and improving the access from the improved wayside to the beach. He noted that how this is accomplished will be a matter of reviewing property and geological information about the site and incorporating the public comments on the best approach in moving forward.

Nebel stated that the city understands the frustration of the property owners in not having any specific discussion in the last couple of years on this matter. He added that city staff has likewise been frustrated by the lack of progress that ODOT has made in moving this project forward during this timeframe. He reported that the project has always called for opportunities for obtaining public input and that will be the case through the planning and design process for this project. He noted that based on the concerns expressed in the letters that are included in the packet, he felt it was appropriate for a brief report to Council on this matter and to obtain any other thoughts, ideas, or concerns the Council has on moving forward.

Report on Efforts to Maintain the U.S. Coast Guard Air Facility in Newport. Hawker introduced the agenda item. Nebel reported that on Monday, October 20, 2014, the city in conjunction with Lincoln County, and the Port of Newport, held a joint community meeting on the announced closure of the Newport Air Facility. He added that overall the meeting was very well attended. He stated that after brief introductions, the public had the opportunity to provide comments on the impact that this closure would have on search and rescue missions along the Oregon coast. He stated that a complete accounting of the various comments that were made at this meeting have been included in the record that City Recorder Peggy Hawker has prepared (and is been included in this packet for Council approval).

Nebel reported that on Tuesday, October 21, 2014, the City Council met to consider further actions regarding this issue. He stated that various communications have been prepared and will be forwarded to the appropriate personnel continuing to express the significant safety concerns about the elimination of this service by the Coast Guard.

Nebel reported that on Thursday, October 23, 2014, Senator Merkley's staff invited he and Mayor Roumagoux to meet with Senator Merkley along with representatives from the county, port, Fishermen's Wives, and State Representative Gomberg. He stated that the Fishermen's Wives were very effective at conveying the message that if the air facility is closed there will be more lives lost that could have been otherwise been saved with the proximity of the air facility in Newport. He added that there were a lot of questions for Senator Merkley on the budget impacts of closure of the facility. He stated that there was also emphasis that the Coast Guard needs to review its response standards since utilizing the same standard in the Pacific Northwest is different than applying the same standard to the Gulf of Mexico or the Atlantic Ocean. He noted that Senator Merkley asked a number of questions regarding this issue, and indicated that the Oregon congressional delegation will work hard to reverse this decision.

Nebel reported that on October 28, 2014, a press conference was held, in Portland, with Senator Merkley, Congressman Schrader, Congresswoman Bonamici, the Newport

Fishermen's Wives, commercial fishermen, and coastal first responders. He stated that the press conference called for the Coast Guard to reverse its decision to close the Newport helicopter facility. He added that later in the day, Senators Merkley and Wyden and Congressman Schrader announced that the Commandant of the Coast Guard has agreed to extend the closure date to December 15, 2014. He stated that this date may be significant since the existing federal continuing resolution expires on December 10, 2014, and that this may give Congress an opportunity to address financial matters as part of a new continuing resolution that could potentially be in place prior to the revised closing date.

Nebel reported that on Wednesday, October 29, 2014, he met with Kevin Greenwood from the Port of Newport, Wayne Belmont and Terry Thompson from Lincoln County, Kyle Linhares, from Representative Gomberg's office, to review next steps. He stated that the Governor's office has advised that the congressional support from other Pacific coast legislators may be beneficial in working toward a final solution on this matter. He added that as a result, the city, county, and port are going to contact their coastal counterparts in Washington and northern California to raise awareness of the reductions in life safety services, and request that they contact their federal legislators in maintaining the search and rescue capabilities that currently exist on the west coast. He noted that city staff will be working with Carolyn Bauman, utilizing her urban planning intern, to develop a fact sheet on the issue of the closure, and a summary of the concerns that have been expressed, including some research on the federal budget. He added that the fact sheet will be used to provide information when contacting people that may not be as familiar with the issue as we are. He stated that this fact sheet could accompany any contacts made to various counterparts on the Pacific coast in regard to maintaining the search and rescue capabilities that currently exist. He added that there has been discussion regarding compiling a record of all the documents that have been obtained to this point, and forwarding the compilation to the Commandant of the Coast Guard, Secretary of Homeland Security, and other appropriate personnel. He stated that the documents could either be delivered to the appropriate personnel through local Coast Guard connections in order to ensure a timely delivery to the appropriate people. He noted that if a delegation ends up traveling to Washington, D.C., these documents could be hand delivered to the appropriate offices.

Nebel reported that the Port of Newport's website has been designated a depository of all documents relating to this matter, and that the city's website contains a link to the Port of Newport link of all related documents. He stated that the city, county, and port are forwarding all documents to this website to create a central location where all the testimonies, letters, news stories, audio files, and video of the special joint meeting, and other documents will reside. He added that he hopes that this site will be a quick reference location for all the stakeholders that are working toward reversal of this decision.

Nebel reported that earlier today, there was a stakeholders meeting that included county officials, port officials, and representatives from the Fishermen's Wives, to measure the progress to date. He added that one of the issues is dealing with individual stories where the helicopter has made a difference off the coast, and the second part is the analytical piece as statistical information is needed to back up the need for the station to remain open. He reported that the News Times is putting together a 16-page

insert for an upcoming edition, and that News Times staffers are researching the archives to compile information that will be helpful going forward. He stated that the News Times will be looking for sponsors of the insert that will come out around Thanksgiving. He added that there is some level of frustration in not knowing what is going on at the federal level, but that stakeholders are trying to communicate with various legislative offices.

Roumagoux reported that Ginny Goblirsch has come forward as an historical resource. Busby asked whether any local organizations are engaged with a lobbying firm, and Nebel reported that the firm that lobbies for state ports has picked up this issue as it is important for all Oregon ports. He added that there is good support from Portland.

REPORTS FROM MAYOR AND COUNCIL

Roumagoux reported that she met with Senator Merkley on October 23.

Roumagoux reported that the new Seataqua program kicked off on October 24, and that she used a wet lab at the Hatfield Marine Science Center for a classroom.

Roumagoux reported that she attended the “Celebrate Women” event at the Visual Arts Center on October 26.

Roumagoux reported that she attended the quarterly meeting with ODOT on October 28.

Roumagoux reported that she and Nebel met Commander O’Meara at the Coast Guard station for lunch and a tour on October 29.

Roumagoux reported that Bruce Mate had visited with her about the OSU campus expansion and had shown her the latest architectural drawings.

Roumagoux reported that she attended the Oyster Cloyster on November 1, and that it was a well-attended and well-received event.

Swanson reported that she attended the Safety Fair on October 25, and had seen a nice emergency manual developed by the school district, and a “go bag.”

Swanson reported that she attended the city’s Emergency Planning Committee meeting on October 28. She noted issues discussed at that meeting included: an update on the emergency operations center; the back-up emergency operations center; employee training; and the expiration of the Natural Hazards Mitigation Plan. Tokos reported that the plan is being updated with grant funds, but until it is updated, the city is not eligible for FEMA hazard mitigation grants. He added that he expects the updated plan to be presented to the City Council within the next 60 days.

Swanson reported that she participated in a ride-along with Chief Miranda on October 31, and was impressed with the professionalism and courtesy of the city’s police officers.

Murphy extended an invitation for Councilors to participate in a ride-along with the Fire Department.

Saelens reported that the county is working on its emergency operations plan, and that it contains a section on solid waste. He noted that a contractor was selected for this effort, and that the contractor will be requesting information on current zoning for locating emergency facilities.

Beemer reported that he, too, had met with Bruce Mate regarding the OSU campus expansion.

Beemer reported that he attended a recent meeting of the Port of Newport Commission. He stated that the mitigation project is ongoing, and it appears that the dredging at the international terminal will be completed after the first of the year, which would allow a log yard to be built.

Allen asked whether the letters of appreciation, related to the Coast Guard issue, which were requested at the last meeting, had been sent. Nebel noted that they are still in the drafting stage, but that copies will be provided to Council when they are completed.

Allen reported that he attended a meeting of the West Coast Governor's Alliance on Ocean Health, on October 22, in Florence. He noted that this is a collaboration of California, Oregon, and Washington organized to deal with ocean related issues. He added that the group is trying to redefine its focus and wanted input from local officials. He stated that this meeting was well-attended and a good opportunity at which to provide input.

Allen reported that he attended the "History of Surfing" exhibit at the Pacific Maritime and Heritage Center on October 24. He noted that it was interesting, informative, and well-attended.

Allen reported that he attended the Emergency Preparedness Fair on October 25. He stated that a highlight was a lecture, by Jenny DeMaris, on response after the major predicted earthquake. He noted that he talked with DeMaris after the lecture, and she indicated a willingness to make a presentation to Council, along with City of Newport emergency response officials, in the spring regarding what is going on at the county and city levels.

Allen reported that he had talked with Steve Wyatt, Executive Director of the Lincoln County Historical Society, at surfing exhibit, and asked him to provide an update on what is going on there. He noted that Wyatt can explain the benefit of tourism facilities money.

Allen reported that several Councilors attended the recent South Beach informational meeting. He noted that this was a good meeting that prompted thinking about issues facing the Urban Renewal Agency going forward. He added that there have been changes in past ten years relative to the Urban Renewal Agency. He stated that Ordinance No. 1910, adopted in April of 2007, changed the composition of the URA members making its membership that of the City Council. He noted that in the past, the URA was referred to as the Newport Development Commission. He stated that when the City Council assumed the responsibilities of the URA in 2007, an Urban Renewal Agency Advisory Committee, consisting of the former members of the Newport Development Commission, was created to meet annually and provide advice to the City Council. He noted that this advisory committee fell by the wayside due to lack of activity with the Northside Urban Renewal District closing, and the South Beach Urban Renewal District not having taken off at the time. He suggested that Council might wish to consider organizing another URA Advisory Committee with a different perspective and ask stakeholders to take a preliminary look at what will be considered with a new northside plan and expansion of the South Beach Plan, and come back to City Council with recommendations. Beemer supported the idea. Saelens asked whether Allen envisioned one committee or one for each district. It was noted that having two separate bodies might be something to consider. Nebel noted that every group requires staff support and the concept of having a group meeting occasionally would be more viable

than a group that meets monthly. He added that conceptually, the idea has a lot of merit, but that staff would need to know whether the mechanics of support exists. It was reported that Tokos will be speaking at the Chamber luncheon this Friday regarding a potential new northside district. Tokos noted that at any point, another group could be empaneled. He stated that any proposal to form a new northside district would include some funding for staffing. It was agreed that it is appropriate to hold future discussions on this issue.

PUBLIC COMMENT

Rex Capri addressed Council regarding the stop signs at NE 7th and Harney Streets. He suggested that a right turn eastbound onto NE 7th Street from Harney Street should be permitted without stopping, as it will create bottlenecks during the periods when school is not in session. Gross reported that the change was predicated by pedestrian traffic, and that he would not recommend this suggested change. Saelens noted that parents queue on the north side of 7th Street, and other motorists park on the south side of 7th Street, which creates congestion in the area. He questioned as to whether parking should be allowed on the south side of 7th Street. Gross reported that he would talk with Sue Graves, from the school district, regarding this issue.

ADJOURNMENT

Having no further business, the meeting adjourned at 8:18 P.M.

Margaret M. Hawker, City Recorder

Sandra N. Roumagoux, Mayor