

October 7, 2013  
6:00 P.M.  
Newport, Oregon

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

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

### **PLEDGE OF ALLEGIANCE**

Council and the audience participated in the Pledge of Allegiance.

### **PROCLAMATIONS, RECOGNITIONS, AND SPECIAL PRESENTATIONS**

Roumagoux proclaimed the week of October 20 - 27, 2013, as National Magic Week in the City of Newport.

Sawyer proclaimed October 25 - 27, 2013 to be Rogue Ales 25<sup>th</sup> Anniversary Days in the City of Newport. Jim Cline and John Maier accepted the proclamation on behalf of the Rogue Brewery.

Roumagoux read a proclamation of intent to participate in the Great Oregon Shakeout and work toward becoming a safer community. Rob Murphy accepted the proclamation.

Sawyer proclaimed October 2013 as Aviation Appreciation Month in the City of Newport.

Roumagoux proclaimed the week of October 6 - 12, 2013 as National Fire Prevention Week in the City of Newport. Rob Murphy accepted the proclamation.

Hawker administered the oath of office to Firefighters Dawn John, Jonathan Anderson, Trent Michels, Michaela Puentes, Denise Naegeli, and Lieutenant Deborah Helmricks.

### **CONSENT CALENDAR**

The consent calendar consisted of the following items:

- A. Approval of City Council minutes from the special meetings and executive sessions of September 9, 2013, September 11, 2013, and September 30, 2013; work session, executive session and regular meeting of September 16, 2013.

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

## OFFICER'S REPORTS

**Mayor's Report.** Roumagoux reported that she attended the League of Oregon Cities Conference and the Oregon Mayor's Association Conference in Portland. She announced that she had been elected to a two-year term on the Oregon Mayor's Association board of directors. She noted that Senator Betsy Johnson had received the Mark O. Hatfield Meritorious Service Award at the LOC Conference.

Roumagoux reported that she and the City Council had received many letters regarding the Visual Arts Center. She read the names of the authors of the letters that had been received to date: Sandra Ellston, Gloria Sturgis, Charlotte Carter, Shirley Steinhauser, Sheri Powell, Kate Saunders, John Edstrom, Frances Van Wert, Rodney Gregson, Elizabeth Atley, Michael Gibbons, Fred Schrinert, Susan Morrison, Sandra Post, Elenor DeSosa, Alice Lafond, Mimi Sendor Fox, Karen Fitzgibbons, Neal Austin, Sandy Blackman, George Coston, Bill Halverson, the VanHook family, Linda Briggs, Pam Almer, and the Yaquina Bay Economic Foundation. Roumagoux read the letter from YBEF. All letter writers expressed support for maintaining the Visual Arts Center as it is.

Roumagoux reported that for this part of her report, she was putting down the Mayor's gavel and picking up her artist's brush. She stated that she has been a professional artist for the last 45 years. She added that last week, she had called former City Manager, Don Davis to walk her through the beginning of the VAC. She noted that his vision was based on Sausalito, California, and that with URA funds, Davis talked with local art leaders and leaders of the Yaquina Arts Association to plan the remodel of the existing natatorium bathhouse, but discovered that the building was below the flood line. Roumagoux added that Davis turned over the keys to the YAA to run the VAC and agreed that the city would pay the utilities and building maintenance. She added that she moved to Newport in 1984 when Sharon Morgan ran the PAC and before OCCA agreed to operate the VAC. She stated that she was involved with the VAC as an artist and teacher of art; she scheduled classes through Sandy Wold formerly with the Parks and Recreation Department; curated exhibits; taught; exhibited; conducted independent study; and private workshops at the VAC. She reported that in every event, she worked through the director at the time. Roumagoux noted that the early years were not easy, and there were many contentious meetings. She added that one of her clearest visions is of Davis trying to get warring artists to agree on the use of the VAC building. She noted that the YAA managed the building, and another group wanted to display contemporary art. She stated that eventually the OCCA director, Morgan, was approached to manage both the PAC and VAC. Roumagoux reported that she has made money from her art; sold art from VAC exhibits; made money from workshops; and that her career as an artist has been affected by her relationship with the VAC. She stated that at this time, she is declaring a potential conflict of interest, and added that with that, the brush goes down, the gavel comes back. Allen noted that in declaring a potential conflict of interest, it allows Roumagoux to participate in the discussion, and if she had declared an actual conflict of interest that would prohibit her from participating.

**City Manager's Report.** Smith reported that he had attended the LOC Conference. He added that the keynote address on amazing cities was excellent.

Sawyer reported that he had attended the LOC Conference and thought it was a good conference as well.

Allen stated that he appreciated all the work that Ted Jones did for the city, and particularly liked the capital project updates.

## DISCUSSION ITEMS AND PRESENTATIONS

**City Manager's Evaluation Process as Developed by Council Sub-Group.** Allen reviewed the process and evaluation tool that was developed by the Council Sub-Group. Allen noted that since evaluations usually take place in closed session, it is advantageous for the Council and City Manager to work together on an evaluation summary that is reported publicly, and that this draft contains that option. He noted that the quarterly review process will occur after the goals have been established. Allen reported that the document is a draft and straightforward. Swanson noted that the quarterly evaluation is a goals check, and that there is one formal annual evaluation. Saelens reported that during the course of this group's meetings, he was in contention for the City Manager's job, but felt comfortable continuing with the process, as it was a different issue than an application for the City Manager's position. Beemer thanked Allen, Swanson, and Saelens for their work with this group. Allen noted that when a new City Manager is hired, that person can look at this document and revise/adjust accordingly, and Council can move forward at that time.

## ACTION ITEMS

**Re-Envisioning the City's Role in Supporting the Visual Arts.** Tokos reported that the issue before Council is consideration of whether the city should encourage the arts community to undertake a visioning process to explore the role that public resources should play in supporting the visual arts. He reviewed several questions relative to the Visual Arts Center: (1.) what role should the city play in supporting the visual arts; (2.) is it in the public interest for the city to own and subsidize a visual arts center, or might that need best be accommodated by private or non-profit interests or in another facility; (3.) if the city elects to surplus the Visual Arts Center property should stipulations be placed on the sale of the property to ensure that the resulting use complements Nye Beach; (4.) and if it is in the public interest that the city continue to own the Visual Arts Center, where will the funding come from to maintain the building in a manner in which it needs to be maintained. Tokos reported that the expenses run between \$60,000; and \$90,000 annually, and management costs are pretty static at \$41,000 annually; utility costs are fairly static and are approximately \$10,000 annually; water and sewer are not billed; and cleaning costs are approximately \$5,000. Tokos noted that this year, the city's costs will likely be \$100,000 due to elevator repairs. He added that the city has limited funds for building maintenance purposes. Tokos reported that the elevator repair monies will come out of the transient room tax fund contingency because there is no other way to fund this repair. He added that ongoing maintenance is a significant challenge. Tokos noted that the property is in a tourist commercial zone; has panoramic views of the ocean; and the assessor values the property at 2.5 million, although that includes property unrelated to the VAC building itself. Tokos stated that the question before Council is not to initiate the sale, although that is a potential outcome down the road, but

for Council to decide whether to move forward with this type of re-envisioning process to obtain feedback. He added that public feedback would inform the Council's upcoming budget discussions. Tokos stated that the Visual Arts Center would serve as the venue for collecting information, and the Oregon Coast Council for the Arts staff would be responsible for soliciting input and presenting the feedback and recommendations at a future Council meeting. Tokos reported that the local arts community and public have a vested interest in the VAC and should be afforded an opportunity and time to re-envision the city's role in supporting the visual arts. He added that this could lead to new ideas for how some of the concerns could be addressed and may chart a course for how overall community support for the visual arts might be strengthened.

Roumagoux suggested that there be a time for information gathering, and for Council to talk about these issues again. She stated that she would like to have this occur at the VAC. She noted that she would like people to go back and look at the building. She suggested that a space for public comments be placed on the third floor, across from Sally's office, and that paper and a suggestion box be made available.

Busby noted that the VAC is one piece of a bigger puzzle. He added that the Infrastructure Task Force is looking at many funding methods. He noted that there are many things to consider, and that the view will be across the city. He added that the VAC is a big asset to the community.

Beemer stated that a report from the Finance Director indicates that the city has been spending more, by seven figures, than it has been taking in for the last several years. He added that this cannot be done for too long without running out of money. He suggested enlisting the help of people who are opposed to the potential sale of the VAC to determine how to balance the city budget. He reported that a representative of Quade Commercial Construction had told him that the VAC building had issues at the time the third floor was constructed.

Allen noted that he supports the process the Mayor spoke about in gathering more stakeholder input. He added that Council had received a lot of e-mails and letters, which caused him to begin thinking of ways to raise additional revenue. He suggested that an option would be an additional transient room tax if the city goes through a public input process. He added that he would like to see various options vetted with a comprehensive look at the budget and other resources. Allen noted that he is the chair of the Infrastructure Task Force which arose out of increases in water and sewer rates. He reiterated that this issue should be carefully vetted and considered.

Sawyer noted that this is not a new process. He added that the last City Manager was asked to look at city properties, and that it is important that all properties be evaluated. He stated that he does want citizen participation if a decision to sell the property is made. Sawyer reported that former Mayor McConnell started the process of looking at the Recreation Center a few years ago, and that several excellent recommendations came out of the process, including establishing a foundation. He asked that other recommendations be brought forth, and asked whether there is a better facility for the visual arts.

Saelens reported that several Councilors came up with the idea that, given the current economic situation, an inventory of city properties with the value of each, should be compiled. He stated that he supports the public involvement process. He agreed that this was done too quickly, but underscored the fact that no Councilor ever intended to

blindsided the public. He noted that if it had been a different property, there could have been a different group of interested citizens.

Swanson asked the audience to remember that the Council cannot operate without citizen feedback.

Roumagoux asked for public comment, and the following persons spoke in support of continued city support for the VAC: Sally Carr, Leonard Lowe, Michael Gibbons, Mary Peterson, Karen Wilson, Elenor DeSosa, Cheri Aldrich, Sylvia Hosie, Ginger Rea, Catherine Rickbone, Charles Littlehales, Terry Obteshka, Ken Hartwell, Sally Houck, Christine Harrison, Gary Lahman, Cynthia Jacobi, Maria Sause, Juergen Eckstein, Robert Riggs, Nancy Jane Reid, Ed Cameron, Wendy Engler, Rio Davidson, Nancy Mittelman, Mary Eastman, Amber Sprague, Anja Chavez, Terry Brady, Meredith Maislen, Gus Willemin, Paul Stangeland, Barbara Flewellyn, Sylvia Pauly, Carla Perry, Steve Myers, Colleen Caubin, and Wendy Engler.

Smith reported that Tokos gets his direction from the City Manager, and he noted that Tokos is simply following instructions from Council in this situation. He added that if there is a problem, it is because of his instructions. He stated that Tokos does his job well and his ethics are untouchable.

MOTION was made by Allen, seconded by Sawyer, that the Council direct the City Manager to coordinate with the staff at the Visual Arts Center to put in place a process for soliciting public input on the city's role in supporting the visual arts. Further, the process should address the questions discussed tonight, and any other relevant questions that come up during the course of the public input process, with information presented to Council by March of 2014.

Allen noted that all that is happening at this time is the start of the public visioning process. He added that the process will include the stakeholders and staff. Roumagoux suggested having Sally Houck, from the VAC, provide updates to Council. Roumagoux added that the process works. Allen stated that if the motion is approved, an update could be made at the next meeting regarding the proposed process for implementing the input. He added that if there are questions about that process in a couple of weeks, those questions can be fielded at that time. Allen stated that he appreciates the public input tonight and that it has opened his eyes to the importance of the VAC. Allen added that there are four questions on the table, but he believes that it is in the public interest for the city to own and subsidize the VAC, and if so, a way of funding needs to be determined, whether it is public or a public/private process or something else. He summarized by noting that he believed the VAC should be supported as a public facility, but it must be done within the city's means. Hearing no further discussion on the motion, the motion carried unanimously in a voice vote.

Allen asked that the next agenda include a discussion item regarding the progress of discussions between staff and Rickbone and Houck regarding the process for re-envisioning the VAC. MOTION was made by Allen, seconded by Saelens, to direct city staff to come back to the regular meeting of October 21 with a discussion item regarding the preliminary process they envision, along with stakeholders, to achieve the objectives in Tokos' staff report including the four questions and others. The motion carried unanimously in a voice vote.

Roumagoux suggested that staff check in with Houck at the VAC. She added that it is important, as an artist, to use this as an opportunity to review the facility, and discuss

whether it is doing what all groups want; what could be better; and how the facility could generate more than what is there.

Saelens stated that earlier this year, several Councilors requested an inventory of city-owned property.

Roumagoux announced that there would be a short break. After the break it was determined that the consideration of the need to partition the Visual Arts Center property would be tabled and that the agenda item would occur at a later meeting.

## **PUBLIC HEARINGS**

**Public Hearing and Consideration of Ordinance No. 2060 for Annexing a South Beach Property Owned by Spy, LLC, into the Corporate Limits of the City of Newport and Withdrawing the Property from the Newport Rural Fire Protection District and Lincoln County Library District.** Roumagoux opened the public hearing at 9:08 P.M. She asked for the staff report. Tokos reported that the issue before Council is to hold a public hearing and consider whether an application filed by Spy, LLC, regarding the Coastcom property in South Beach, conforms with the city and state requirements governing the annexation of real property and, if so, whether it is in the public interest to bring the property into the corporate limits of the city with a I-1/"Light Industrial" zoning designation. Tokos noted that the legal description for the southern property boundary is vague and could complicate things for the applicant, and also must be accepted by the Oregon Department of Revenue. He added that the legal description was prepared by a licensed surveyor and is a very good representation of property. He recommended adopting the annexation ordinance as is, and if there is no issue with the state, it is done. If there is an issue with the state, the matter will come back to the city, and the boundaries will have to be cleaned up at the applicant's expense.

Roumagoux called for public comment. Miranda asked whether it is possible to include all of Highway 101 contiguous to property annexed by the city to help with jurisdictional issues. Tokos noted that Miranda's point is excellent, but the city cannot do that.

Roumagoux closed the public hearing at 9:15 P.M. for Council deliberation. Beemer stated that he knows the principals of Coastcom well. He added that this business is growing rapidly, and is a business the city should support. A brief discussion ensued regarding withdrawal from the Library and Fire Districts, and Tokos noted that these services will now be provided by city departments.

MOTION was made by Beemer, seconded by Sawyer, to read Ordinance No. 2060, an ordinance annexing territory to the City of Newport, withdrawing the annexed territory from the Newport Rural Fire Protection District and Lincoln County Library District, and establishing zoning for the annexed territory and that the Mayor be authorized to sign the ordinance following review by the City Attorney, by title only and place for final passage. The motion carried unanimously in a voice vote. Hawker read the title of Ordinance No. 2060. Voting aye on the adoption of Ordinance No. 2060 were Allen, Roumagoux, Busby, Beemer, Swanson, Saelens, and Sawyer.

## **ACTION ITEMS**

**Consideration of Ordinance No. 2058 Repealing and Re-Enacting Chapter 4.15 of the Newport Municipal Code Pertaining to Taxicabs.** Hawker reported that issue before Council is consideration of Ordinance No. 2058 repealing and re-enacting Chapter 4.15 of the Newport Municipal Code pertaining to taxicabs. She added that there were several small changes made to the ordinance, and those changes were presented to Council this evening. She added that the major change is that the ordinance would become effective after legal review rather than immediately after passage.

William Trope, owner of Yaquina Cab, addressed Council regarding several different issues relative to the ordinance, including: why the ordinance is declared an emergency; why the ordinance does not contain a provision for a public hearing before the City Council; and the appeal process stopping with the City Manager if an endorsement is not approved by the Police Chief.

Ken Franklin stated that he agrees that Council should be able to review anything related to city transportation. He added that he thinks there is an emergency situation arising in that there are people on the streets needing taxi services. He noted that he is simply trying to make a living; has been a five-year veteran of temporary permits for the Seafood and Wine Festival; and has petitions from many folks who think there should be options for taxi service.

A Council discussion ensued. Swanson asked why Council should retain power over taxicab endorsements. Allen noted that there are different levels of services, and in this case, the business license is not an issue, rather what is done with the business license relative to obtaining a taxicab endorsement. He added that a policy choice has to be made as to whether to delegate complete authority to staff or reserve some to Council.

Sawyer noted that the staff can handle issues, but Council has the right to establish an ordinance.

Allen noted that he is not in favor of including a provision that allows for a challenge from a competing business if an endorsement is approved. He added that if an endorsement is denied, the appeal process can begin.

MOTION was made by Allen, seconded by Busby, to read Ordinance No. 2058, an ordinance repealing and re-enacting Chapter 4.15 of the Newport Municipal Code pertaining to taxicabs, by title only, and place for final passage with the amendments discussed tonight and subject to legal review for legal sufficiency. The motion carried unanimously in a voice vote. Hawker read the title of Ordinance No. 2058. Voting aye on the adoption of Ordinance No. 2058 were Sawyer, Saelens, Swanson, Roumagoux, Busby, Beemer, and Allen.

**Formation of Business License Review Task Force.** It was agreed to table this matter until the first meeting in December.

## **COUNCIL REPORTS AND COMMENTS**

Sawyer reported that he attended the LOC Conference and learned a lot. He noted that he appreciated the “Amazing Cities” speaker, and related that talk to reconfiguring the parking in front of City Hall.

Saelens reported that he attended the LOC Conference, and the opening session and the “Amazing Cities” session were valuable.

Saelens reported that he attended a recent meeting of the Parks and Recreation Committee that went well.

Swanson reported that she attended the LOC Conference and learned a lot.

Saelens reported that he attended a recent meeting of the Wayfinding Committee which is doing quite well.

Saelens reported that he attended the Solid Waste Advisory Committee meeting.

Saelens reported that he attended the recent Town Hall meeting on composting.

Busby reported that he attended the emergency preparedness fair, and it was quite successful.

Beemer reported that he attended the recent Solid Waste Advisory Committee meeting.

Allen reported that the Infrastructure Task Force will meet this Thursday and the grants consultant will provide an update.

Allen reported that he, Roumagoux, and Beemer attended the announcement of the shovel ready site on the Lawson property.

Allen reported that he attended the Legal Issues Workshop at the recent LOC Conference at which public records and insurance were discussed, among other issues.

Allen reported that he attended the recent Town Hall meeting on composting.

Allen reported that he attended a recent day-long OPAC meeting. He noted that he has been the coastal public at-large representative, but will be moving into the city elected official position, leaving a vacancy in the public at-large position. He noted that there were interesting motions made with respect to the DLCD rule on ocean planning. He added that a letter will be sent to the LCDC Commissioners from OPAC voicing concern.

Paul Stangeland expressed concern that Ken's Cab would not accept cab clients during certain periods of time.

## ADJOURNMENT

Having no further business, the meeting adjourned at 10:12 P.M.

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Margaret M. Hawker, City Recorder

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Sandra N. Roumagoux, Mayor