

November 16, 2009
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, Bain, Bertuleit, Brusselback, Kilbride, Obtshka, Patrick, and McConnell were present.

Staff present was City Manager Voetberg, City Attorney McCarthy, Community Development Director Tokos, Public Works Director Ritzman, Interim Finance Director Schultz, Parks & Recreation Director Protiva, Fire Chief Crook, Police Chief Miranda, and Executive Assistant Atkinson.

Mayor Bain explained he would be adding two items to the agenda this evening; a resolution regarding the *ConnectOregon* III grant, and the upcoming December 2, 2009, joint meeting with the Lincoln County Commissioners.

PUBLIC COMMENT

Joe Haxel, Newport citizen, requested the Council make the storm and waste water problems occurring in the Nye Beach area a priority on their list of projects. He stated from the end of October the bacteria counts in the ocean have been extremely high, and he wanted to make sure the Council knows this problem still exists.

Dr. Robert Smith, chair of the Senior Citizen Advisory Committee, and also a member of the Newport Budget Committee requested Budget Committee members be invited to attend the December 7th meeting when Council will be discussing the Parks & Recreation Business Plan in detail. He also spoke about the educational program being offered by Newport educators for Coast Guard members throughout the United States. With his hat on as chair of the Senior Citizen Advisory Committee, he complimented Peggy O'Callaghan for the great job she does at the Senior Center, and said she has a great power point prepared for tonight's meeting. He also thanked Council for their service to the community.

Kathy Cleary, owner of Toujours in Nye Beach, thanked Council for allowing she and Doug Fitts to speak at their noon work session with regards to the flooding problems in Nye Beach. She explained she was speaking this evening to get the major flooding issues in the Nye Beach area on the record. Cleary thanked the Fire Department for their quick response during the first major flooding incident that occurred in this fall. She also thanked Lee Ritzman and Ron Garrison for assisting the Nye Beach area today in light of the projected storm to hit this evening. Cleary stated that Scott & Stefanie Doll, owners of Café Stefanie, had also had substantial flooding in their business. They could not attend tonight's meeting, but Scott wanted to pass along to the Council that the City knows what the problem is, can they please fix it. Cleary said she would end on that note.

CONSENT CALENDAR

The consent calendar consisted of the following items:

- A. Approval of minutes from the work session, and regular meeting of November 2, 2009
- B. Listing of Claims Paid, Oct. 2009
- C. Fire & Police Monthly Reports, Oct. 2009
- D. Resolution No. 3484, amending Resolution No. 3481, Airline Sustainability Task Force
- E. Award Contract for Aerial Apparatus for Fire Department

MOTION was made by McConnell, seconded by Patrick, to adopt the consent calendar as presented. The motion carried in a voice vote.

COUNCILOR'S REPORTS AND COMMENTS

Obtshka reported on the success of the Senior Health Fair held recently at the Newport Senior Center. He further reported on the upcoming renovations planned for the Senior Center, which are being funded by a grant. A holiday celebration will be occurring at the Senior Center on December 22nd from 1-3 pm.

Obtshka reported the Lincoln County Economic Summit was being held tomorrow at the Best Western at Agate Beach. He also reported on a DEQ meeting to be held this Thursday evening, November 19th, at City Hall. The only topic on the agenda is to hear public input on the smoke and odors emanating from the local paving plant.

Obtshka reported the Police Department will be meeting with the Nye Beach businesses tomorrow evening, November 16th, to meet and problem solve some issues occurring in their neighborhood.

Obtshka thanked Community Planning Director, Derrick Tokos, on the work he did to assist in the formation of the new parking district in Nye Beach.

McConnell reported on the most recent Airline Sustainability Task Force meeting. He noted that Don Lindley was elected Chair, and Burt Lippman, Vice Chair.

Patrick stated she had a question on the airline sustainability resolution being adopted in the consent calendar. She commented that the task force needs to have a representative from the airline industry, and that is not indicated in the amending resolution. It was the task force's wish per Patrick, and it is very important to have that knowledge and background for the task force.

McCarthy indicated that under Section one of the amending resolution; adding a member would be allowed. Obtshka said he agreed with Patrick that the expertise is needed. Patrick said she still would like the amending resolution to have an airline representative added as a member to the task force.

MOTION was made by Patrick, seconded by Obtshka to amend the consent calendar, and amend Resolution No 3484 by adding an airline representative to Section 1, No. 1. Under discussion, Patrick also indicated that support staff in Resolution No. 3484 should include the Airport Director, even though that position is vacant at this time. Hearing no opposition by either motion maker, it was determined to include the Airport Director as support staff with the original motion. On call for vote, all members present voted aye, motion carried.

Bertuleit reported he had attended the recent Bicycle & Pedestrian meeting, but was only able to stay for a short while. He also attended a meeting that evening with a

group of citizens working on the Airport business plan. He stated the meetings for the Airport business plan have been very productive, and City Manager Voetberg has been helpful. He further reported there will be an Airport Committee meeting tomorrow at noon, and the group meeting on the Airport business plan is meeting weekly.

Kilbride reported on the Retirement Trustees Board meeting he had attended. He explained in detail the employee's retirement plan, including the defined contribution and defined benefit portions of the plan. He reported with the drop in the stock market, a \$399,000 contribution might need to be budgeted for the next fiscal year to keep the plan whole. Kilbride noted the defined contribution portion of the plan had been down 30%, but was now down only 11.2%, which indicated there has been some market improvement.

Brusselback inquired if the deficit amount would be dealt with at budget time, and the answer was yes. Kilbride reported there is \$61,982 in a forfeiture account, and he would recommend that be used to offset contributions.

Bertuleit stated City Manager Voetberg has been with the City close to 6 months, and he would like him to share his view of how the City is doing at the Council's December 7th meeting. He said he would also like an update on how the Council's goals are being met at the December 7th meeting.

OFFICER'S REPORTS

Report of the Mayor: Bain asked for topics of discussion to provide to the Lincoln County Board of Commissioners for their joint meeting with the City Council on December 2nd at 6 P.M. Topics suggested were: (1) animal control and licensing, (2) LinCom, (3) tourism, (4) road and trail systems, (5) a mutual project, (6) sidewalks, (7) homeless issue, (8) Lincoln County Land Trust, (9) Regional Airport District, and (10) Blue Ribbon Task Force.

Report of the City Manager: Voetberg stated that room tax fees; as well as business license fees, and how they are calculated had been discussed earlier in the year. Council had requested Voetberg attend a Newport Lodging Association meeting to explain and answer any questions with regards to these fees, which he had done. Staff is now ready to go forward with the fee changes, which will be a code amendment under licensing in the municipal code, and will allow for public comment.

Patrick suggested City staff hold one meeting at City Hall on this subject and invite members of both the lodging association and vacation rental agencies to participate. She indicated there are inequities with these fees and how they are being calculated. She asked that a letter sent by Lee Hardy be shared with the entire Council on this same topic.

Bertuleit commented it was good to hear we had received the grant to light the Yaquina Bay Bridge. The question was asked who would foot the electric bill, once the lights were installed. Voetberg stated he thought it would be the City.

DISCUSSION ITEMS & PRESENTATIONS

Consideration of Suspending Recreation Annual Passes until Adoption of New User Fees. Protiva noted the draft business plan for Parks and Recreation had been distributed today, with plans for a formal presentation at the Council's December 7th meeting. The plan recommends fee increases. With that in mind, and to prevent any

inequities, he would recommend Council consider suspending annual recreation passes until the adoption of new user fees has taken place.

MOTION was made by McConnell, seconded by Brusselback authorizing City staff to suspend selling Parks & Recreation annual passes until the consideration and adoption of a new fee schedule. The motion carried in a voice vote.

Power Point Presentation from the Senior Center Advisory Board. Peggy O'Callaghan, Senior Center Coordinator, and Jim Protiva, Parks & Recreation Director, shared a power point presentation on the many activities occurring at the Center, as well as the proposed renovation project planned for the Senior Center.

ACTION ITEMS

Authorization to lease the Abbey Street Pier. Tokos reported that the major portion of the Abbey Street Pier had been vacated recently by the former tenant. He explained it is a two story building, with approximately 3,000 square feet, and was built in 1980. Don and Fran Mathews were subleasing a portion of the building from the former tenant, and wish to remain in that location to operate their ice cream shop, Bay Latte. Tokos indicated there could be as many as three leases, as there are currently three different retail spaces in the building.

Kilbride asked if there was a reason why we would not want to lease this facility, and Tokos said no.

MOTION was made by Patrick, seconded by Brusselback, to have the Council find that it is in the public interest for the City to lease the Abbey Street Pier building, and to authorize the City Manager to secure new tenants, including negotiations of a lease with the owners of Bay Latte. On call for vote, all members present voted aye, motion carried.

Joint Memorandum of Understanding regarding the Potential Establishment of the Otter Rock Marine Reserve. McCarthy explained she had brought this matter before the Council at the request of Councilor Obtshka. The Council had received a memorandum of understanding on this same topic in December 2008, and had made a motion in support at that time. There have been a few revisions to the original MOU, and Roy Hageman from the Depoe Bay Near Shore Action Team came forward to explain those revisions. He noted that the major change was that all signees had to have consensus.

Obtshka inquired if the non-extraction from the beach clause was included in the revised MOU. Mr. Hageman stated he did not believe so. Bain said he had been asked the question if rock hounds would still be able to comb the beaches, so he would share that bit of information with the citizen who had contacted him.

MOTION was made by Obtshka, seconded by McConnell, that the Council authorize the Mayor of the City of Newport, on behalf of the City of Newport, to execute the joint Memorandum of Understanding regarding the potential establishment of the Otter Rock Marine Reserve. Under discussion, Kilbride requested that the verbiage "and no funding requirements will be imposed on the City of Newport" be added to the motion.

Neither Obtshka, nor McConnell had a problem with those words being added to their motion. The motion carried in a voice vote.

Approval of Bonded Debt Refinancing and New Money Borrowing. Interim Finance Director Schultz explained the City would anticipate issuing a full faith and credit agreement in the approximate amount of \$10,262,000 for the purpose of refinancing three outstanding loans from the State of Oregon; and to finance a new utility billing system. The City is pursuing the refinancing to realize debt service savings. He further explained two resolutions will need to be enacted. One resolution will need to be adopted by Council and one by the Urban Renewal Agency. Because of the need for an Urban Renewal Resolution, it was noted the Council would hold an Urban Renewal Agency meeting following the regular Council meeting.

Obtshka asked what the new interest rate would be for the bonds. Schultz said it would go from 4.388% to 3.22% interest rate. There was some question on whether there would be a penalty for paying the loans off earlier than projected. Schultz did not think so, but Kilbride said if there is a call date, there could be a call provision.

MOTION was made by McConnell, seconded by Patrick, to approve Resolution No. 3483: a resolution of the City of Newport authorizing the refinancing of outstanding obligations of the city and the financing of a utility billing system upgrade.

Kilbride asked what was wrong with our current system. Schultz explained it would reduce the labor cost for reading the meters, and could save the City approximately \$200,000 a year. Ritzman explained further savings that would benefit the City.

Bain called for the vote, and all members present voted aye, motion carried.

Council recessed and convened as the Urban Renewal Agency at approximately 7:35 p.m.

Following the Urban Renewal Agency meeting, the City Council reconvened at approximately 7:41 p.m.

Resolution No. 3485, authorizing the submission of an application to the Oregon Department of Transportation for *ConnectOregon* III funds for an airline subsidy for continuation of airline service to the City of Newport and surrounding areas: McCarthy explained Council had requested staff pursue the *ConnectOregon* III grant funds even with the short turnaround time—this Friday, November 20th, thus the reason for the resolution.

MOTION was made by Patrick, seconded by McConnell, to adopt Resolution No. 3485, authorizing the submission of an application to the Oregon Department of Transportation for *ConnectOregon* III funds for an airline subsidy for continuation of airline service to the City of Newport and surrounding areas.

Under discussion, Wally Sherman asked if a dollar figure had been determined to include in the grant request. It was noted that staff and a few councilors will be meeting in the morning to discuss and determine an amount to include in the grant. Mayor Bain said he would contact Sherman with that figure once it was determined.

Hearing no further comments, Bain called for the vote. All members present voted aye, and Resolution No. 3485 was duly adopted.

Patrick asked for an update on Georgia Pacific. Brusselback indicated he and McCarthy expect to be meeting with their representatives soon. McCarthy noted there has been active communications between both parties.

PUBLIC COMMENT

Wally Sherman, "Depoe Bay Beacon" indicated he could not locate the Parks & Recreation Business Plan on our website, and was wondering if he could attain a hard copy. Protiva provided both he and Larry Coonrod, "News-Times" reporter a copy.

ADJOURNMENT

There being no further business to discuss, the meeting adjourned at approximately 7:45 p.m.

Cheryl Atkinson, Exec. Assistant

William D. Bain, Mayor