

**WALDPOR CITY COUNCIL  
NOVEMBER 10, 2016  
MEETING NOTICE AND AGENDA**

The Waldport City Council will meet at 2:00 p.m. on Thursday, November 10, 2016 in the City Council Meeting Room, 125 Alsea Highway to take up the following agenda:

1. CALL TO ORDER
2. MINUTES: *October 13, 2016*
3. PUBLIC COMMENTS/PRESENTATIONS
4. PUBLIC HEARING: *Agreement to lease premises with option to purchase (former Public Works shop)*
5. DISCUSSION/ACTION ITEMS
  - A) *Receipt of Annual Audit for FY 2015-2016*
  - B) *Consideration of Change to Financial Management Policy*
  - C) *Parks, Recreation and Trails Master Plan/Open Space*
  - D) *Other Issues*
6. COUNCIL COMMENTS AND CONCERNS
7. REPORTS:
  - City Manager*
  - Public Works Director*
  - City Librarian*
  - City Planner*
8. EXECUTIVE SESSION(S):
  - A) *Pursuant to ORS 192.660(2)(h): To consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.*
  - B) *Pursuant to ORS 192.660(2)(e): To conduct deliberations with persons designated by the governing body to negotiate real property transactions.*
9. ACTIONS, IF ANY, FROM EXECUTIVE SESSION
10. GOOD OF THE ORDER
11. ADJOURNMENT

The City Council Meeting Room is accessible to all individuals. If you will need special accommodations to attend this meeting, please call City Hall, (541)264-7417, during normal office hours.

\* Denotes no material in packet

Notice given this 4<sup>th</sup> day of November, 2016 - Reda Q. Eckerman, City Recorder

**WALDPOR CITY COUNCIL  
OCTOBER 13, 2016  
MEETING MINUTES**

1. **CALL TO ORDER AND ROLL CALL:** Mayor Woodruff called the meeting to order at 2:00 p.m. Mayor Woodruff and Councilors Christenson, Campbell, Cutter and Holland answered the roll. Councilor Gates arrived at 2:10 p.m. Councilor O'Brien was excused. A quorum was present.

2. **MINUTES:** The Council considered the minutes from the Council meeting of September 8, 2016. Councilor Cutter **moved** to approve the minutes as presented. Councilor Campbell **seconded**, and the motion **carried** unanimously on a voice vote.

Mayor Woodruff read the proclamation for Domestic Violence Awareness Month.

3. **PUBLIC COMMENTS/PRESENTATIONS:**

Roxie Cuellar from the Port of Alsea addressed the Council regarding the suggestion in the Parks Master Plan that Robinson Park be used for group gatherings. She asked that the Council give maximum latitude to the Port with regard to that park. Parking is an ongoing issue, and they are considering a public plaza or boardwalk, but the Port would like to keep their options open. John Maré, representing the Trails Committee and the Waldport Walkers mentioned that a small group of walkers took the Lint Slough Trail that morning, and were delighted to find that the inmate works crew had done a great job of widening the trail and extending it further to the south. Councilor Cutter suggested the City consider cautionary signage regarding bears, as there is a fair population of them in that area. City Manager Kemp noted that staff would take this under advisement and ascertain the type and quantity of signs, and whether it was a recommended practice.

4. **DISCUSSION/ACTION ITEMS:**

A. Proclamation for Domestic Violence Awareness Month: Previously addressed.

B. Draft Parks Master Plan Review: City Manager Kemp explained the review process, noting that the document has been publicly released for citizen review and comments. City Planner Larry Lewis reviewed the goals of the Master Plan. Following discussion, Mr. Kemp noted that public feedback would be encouraged, and the Council could take the month to review the document. It will be on the agenda for the November meeting for further discussion.

C. Other Issues: None.

5. **COUNCIL COMMENTS AND CONCERNS:** Mayor Woodruff noted receipt of a letter from a citizen, complimenting City staff and Colleen Nickerson from the Heritage Museum for their assistance in locating history on a family member.

6. **REPORTS:** The written reports from the City Manager, Public Works Director and Code Compliance Officer were included in the packet. City Manager Kemp reviewed an upcoming conditional use application for a woodcutting venture in the Industrial Park, noting that the hearing was scheduled before the Planning Commission on October 31 at

2:00 p.m. Mr. Kemp apprised the Council of the recent hiring of a new Library Director, Sue Bennett, and gave a brief review of her credentials. He also noted the potential impact of the new flood insurance rate maps, which removed 58 properties from the flood zone, and added 198.

7. EXECUTIVE SESSIONS: At 3:36 p.m. the Council recessed into Executive Session, pursuant to ORS 192.660(2)(h), and 192.660(2)(e). The topics of discussion were the status of the water storage tank project and the potential lease of the old Public Works shop.

At 4:50 p.m., the Council reconvened into Open Session.

8. ACTIONS, IF ANY, FROM EXECUTIVE SESSION: None.

9. GOOD OF THE ORDER: Nothing further.

10. ADJOURNMENT: At 4:51 p.m., there being no further business to come before the Council, the meeting was adjourned.

Respectfully submitted,

Reda Q. Eckerman, City Recorder

APPROVED by the Waldport City Council this \_\_\_\_ day of \_\_\_\_\_, 2016.

SIGNED by the Mayor this \_\_\_\_ day of \_\_\_\_\_, 2016.

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Susan Woodruff, Mayor



## **CITY COUNCIL MEETING AGENDA COVER SHEET FOR DISCUSSION / ACTION**

**TITLE OF ISSUE:** Public Hearing – Former Public Works Property

**REQUESTED BY:** City Manager

**FOR MEETING DATE:** November 10, 2016

### **SUMMARY OF ISSUE:**

The City of Waldport owns an almost one-acre site adjacent to Lint Slough, that formerly housed the City's Public Works Department. The City is interested in reuse of the property, and has recently changed the zoning to C-1, Retail Commercial. The City Council authorized a negotiating period of 90 days at its meeting on August 11, 2016. The attached negotiated draft agreement includes a lease with an option to purchase the property.

### **STAFF RECOMMENDATION or ACTION REQUESTED:**

After a public hearing, i) approve Agreement for Lease of Premises with Option to Purchase by and between the City of Waldport and Gatsby Spirits and Dan Lewerenz, substantially in the form attached ("Agreement"), and ii) authorize the City Manager to execute the Agreement.

### **BACKGROUND:**

The former Public Works Property (the "Property") is generally located at 555 NE Lint Slough Road and consists of an approximately 0.92 acre lot, with two existing outbuildings that total approximately 8,000 square feet. An aerial photo depicting the Property is attached. The City purchased the Property from the State Department of Fish and Wildlife for \$21,000 in 1988. The City Council recently amended to zoning to Retail Commercial (C-1). Attached is a summary of uses (outright and by Conditional Use Permit) that may be allowed on the Property.

#### **Outreach and Solicitations/Negotiation Period**

The City has been focusing on a brewery, brewpub, or similar type of uses on the Property, possibly also including a recreational or public use component. Numerous contacts, solicitations and outreach efforts did not generate much beyond the initial discussion phase or brief follow up actions. The City Council authorized a 90-day negotiation period with Mr. Jeff Alexander, who has extensive experience in the industry.

#### **Proposed Agreement**

Staff has negotiated a Lease of Premises with Option to Purchase by and between the City of Waldport and Gatsby Spirits and Dan Lewerenz ("Agreement"), a draft of which is attached. Some of the major business terms for consideration include:

1. Term: Initial term is five years, with two optional extensions of five years each.
2. Rent: Base rent during initial term is \$2,200 per month, with annual escalation based on increases in the Consumer Price Index. Rent does not commence until after licenses are received, but no later than one year after commencement. Base rent during the optional terms shall be based on fair market rent, as determined by comparable rents along the coast for similar properties. Rent during option years may also include percentage rent.
3. Use: The main building is for an operation of a brewery, still, and wine production facility, including tasting room and food service for consumption of beverages on the Property, with ancillary uses of retail souvenir items. The pole building and land are for uses that are compatible with main building uses or with the surrounding recreational area.
4. The tenant has a first right to purchase the Property for five years, after completion and acceptance of an appraisal within 120 days, prepared by a mutually chosen appraiser, at a mutually agreed upon price. The purchase price will escalate based on CPI.
5. The city will be able to use the Property for events up to 12 times annually at no charge, and the public will be able to access areas of the Property for recreational use.
6. The city will be responsible for maintaining the main building from leaking. The tenant will be responsible all other repairs and maintenance, as well as alterations, subject to approval by the city, and tenant improvements.
7. An option to purchase the Property will be effective for six years. The parties will prepare an appraisal within the first 120 days, which will be the basis for the price to be agreed upon. The price will escalate monthly based on CPI increases.

#### Rent Analysis

The main building is approximately 5,000 square feet and the pole building approximately 2,610 square feet. The project includes mostly industrial, with some retail/restaurant, and office uses.

The proposed rent of \$2,200 equates to approximately \$0.28 per square foot of building space. (If only the main building is included in the calculation, as the pole building value doesn't contribute as much value, this equals \$0.44 per square foot.) There is no ground rent. While comparable rental properties in this market are scarce, industrial property rates seem to generally be around +/- \$0.50 per square foot, with retail and office ranging higher.

Although the rate being proposed may be considered as "less than market," note that, in lieu of this, the Property will be available to the public during certain hours, and that the parties will work together on promoting and allowing public recreational activities that complement the prominent Lint Slough location. In addition, the city is not responsible for general maintenance or improvements, other than maintaining the main building to keep it from leaking. The lease rate will be revisited before the first year of each option.

#### Public Hearing/Purchase Option Requirements

Pursuant to State ORS 221.735, a public hearing is required, with the purpose of discussing the lease with option to purchase. The notice was published in the Newport News Times. At such time as the purchase option is triggered, there will be a resolution of sale.

Attachments: Agreement  
Property Information  
C-1 Zoning Potential Uses

AGREEMENT FOR LEASE OF PREMISES  
WITH OPTION TO PURCHASE

THIS AGREEMENT, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2016, by and between the City of Waldport, a municipal corporation, hereinafter called "Landlord", and Gatsby Spirits/Dan Lewerenz, hereinafter called "Tenant",

WITNESSETH:

In consideration of the covenants, agreements and stipulations herein contained on the part of the Tenant to be paid, kept and faithfully performed, the Landlord does hereby lease, demise and let unto the said Tenant those certain premises, as is, situated in the Lincoln County, Oregon, more particularly described as follows:

Parcel # 13-11-19-AD-00801-00, located at 425/555 NE Lint Slough Road, including an approximately 5,000 square foot building ("Main Building") and an approximately 2,610 square foot building ("Pole Building") located on an approximately 0.92 acre parcel ("Land"),

SUBJECT TO:

1. The rights of the public in and to that portion of the herein described property lying within the limits of public roads, streets or highways;
2. Rights and easements for commerce, navigation, fishery and recreation;
3. Any adverse claim based on the assertion that some portion of said land is tide, submerged or submersible lands, or has been created by artificial means or has accrete to such portion so created; and
4. Public utility easements, if any.

TO HAVE AND TO HOLD the said described premises ("Premises") unto the said Tenant from \_\_\_\_\_ to 12:01 a.m., \_\_\_\_\_ for a monthly rental amount determined as follows:

1. BASE RENT/TERMS:

1.1 Lease Commencement Date: \_\_\_\_\_, 2016, the date the Lease has been signed by Landlord.

1.2 Initial Term: This Lease is effective from and after the Lease Commencement Date. Subject to any termination provisions set forth herein, the initial term of this Lease shall be for a period of five (5) years from the commencement of the term, which shall be on the first of the month after the later of: a) receipt of all applicable

licenses; b) two hundred seventy (270) days after delivery of possession and Tenant's receipt of all necessary building permits; or c) one year from Lease Commencement ("Term Commencement Date" or "Rent Commencement Date").

Commencement of the lease is contingent up Tenant's approval of condition of the premises within one hundred twenty (120) days of Lease Commencement, and Tenant's receipt of all governmental permits necessary for Tenant's operation of its intended business.

- 1.3 Base Rent/Initial Term: During the first year of the Initial Term, Tenant shall pay to Landlord as base rent the sum of \$2,200.00 per month. Rent shall be payable on or before the fifth day of each month in advance at such place as may be designated by Landlord.

Rent shall increase annually determined by a percentage equal to the percentage change in the Consumer Price Index published by the United States Bureau of Labor Statistices of the United States Department of Labor, but at no time shall the adjustment be less than two percent (2%) or greater than five percent (5%) over the base rent payable for the prior period. Comparisons shall be made using the index entitled U.S. City Average (Portland Index)-All Items and Major Group Figures For All Urban Consumers (1982-84 = 100) for the latest available month preceding the month of the Rent Commencement Date, or the nearest comparable data on changes in the cost of living if such index is no longer published ("CPI Increases").

Such CPI factor shall be utilized as hereafter set forth:

Such indices are published each calendar month, but are not immediately released. Accordingly, the parties agree to use the CPI for the month which is two (2) months prior to the date of rental increase. For instance, for a rent increase taking place on July 1, 2018, the parties will compare the CPI for the month of May, 2018, to the CPI for May, 2017.

- 1.4 Base Rent/Optional Terms: Upon mutual agreement, and no later than sixty (60) days before the end of the prior term, the parties shall have the option to renew the Lease for two additional terms of five (5) years each ("Optional Term"). Base Rent during the first year of each Optional Term shall be based on fair market rent, as determined by comparable rents along the coast for similar commercial/industrial properties. Rent during each Optional Term may include Base Rent and Percentage Rent. The Base Rent during the second through fifth year of each Optional Term shall be based on CPI Increases.
- 1.5 Additional Rent: All taxes, insurance costs, utility charges that Tenant is required to pay by this lease, and any other sum that Tenant is required to pay to Landlord or third parties shall be additional rent.

2. PERCENTAGE RENT:

There shall be no Percentage Rent during the Initial Term. There may be Percentage Rent during one or both Optional Terms, which shall be determined by mutual agreement.

3. LATE FEE:

If Tenant shall fail to pay the rental amount within fifteen (15) days of its due date, there shall be added to the rental amount a late fee of ten percent (10%) of the rental amount.

4. ACCEPTANCE OF LEASE:

Lessee accepts said lease and agrees to pay to the order of Lessor the rental above stated for the full term of this lease at the times and in the manner aforesaid. Lessee assumes all risks associated with the use of the premises in any manner, except that Lessee shall not be responsible for the acts or omissions of persons other than the Lessee and its representatives occurring upon the premises during the "events" for which Lessee has surrendered possession of the portion of the premises on which the occurrence takes place. It is understood that the Tenant takes the Premises as is, subject to all faults, defects and hazards.

5. USE:

Lessee is hereby authorized to use the Main Building for the operation of a brewery, still, and wine production including a tasting room and restaurant selling food and drink for consumption on the premises, with ancillary sales of retail souvenir items, and for no other purpose without the Lessor's express, written consent in advance obtained, in its sole discretion.

Lessee is hereby authorized to use the Land and Pole Building for uses that are compatible with the operation and use of the Main Building, or that are compatible with the surrounding recreational use area, subject to Landlord's express, written consent in advance obtained, of which this consent may be reasonably withheld.

6. LIMITS ON USE:

Tenant will not make any unlawful, improper or offensive use of the Premises; it will not suffer any strip or waste thereof; it will not permit any unnecessary noise pursuant to Waldport Municipal Code Chapter 8.10, Section 8.08.085 as currently written or hereinafter amended; or do anything or permit anything to be done upon or about the Premises in any way tending to create a nuisance. Tenant agrees to maintain the Premises in a reasonably good and safe condition. In the event that there shall exist on the Premises any substandard condition, which is caused by

Tenant, Tenant shall immediately use its best efforts to clear and remedy the same. Tenant shall be liable to the Landlord for any increased insurance premiums occasioned by such conditions.

7. OPTION TO PURCHASE:

Landlord shall grant tenant a first right to purchase the Premises at a price agreed to by both Tenant and Landlord ("Purchase Option"). The Purchase Option shall be effective on the Lease Commencement Date and shall terminate six (6) years after the Option Commencement Date, as defined below, with the Tenant giving one hundred eighty (180) days' notice to the Landlord that Tenant desires to exercise the Purchase Option.

The purchase price will be based on an appraisal by a mutually selected licensed commercial real estate appraiser in the state of Oregon ("Purchase Price"). The appraisal will be completed and accepted within one hundred twenty (120) days of the Lease Commencement Date ("Option Commencement Date"). Appraisal costs shall be equally split between Landlord and Tenant.

The Purchase Price shall increase as determined by a percentage equal to the percentage change in the Consumer Price Index published by the United States Bureau of Labor Statistics of the United States Department of Labor, but at no time shall the adjustment be less than two percent (2%) or greater than five percent (5%) year over year. Comparisons shall be made using the index entitled US City Average (Portland Index) - All Items and Major Group Figures For All Urban Consumers (1982-84 = 100) for the latest available month preceding the month of the Option Commencement Date, or the nearest comparable data on changes in the cost of living if such index is no longer published ("CPI Increases").

Such CPI factor shall be utilized as hereafter set forth:

Such indices are published each calendar month, but are not immediately released. Accordingly, the parties agree to use the CPI for the month which is two (2) months prior to the date of purchase. For instance, for a purchase taking place on July 1, 2018, the parties will compare the CPI for the month of May, 2018, to the CPI for May, 2017.

The Tenant will be credited for any Alterations, as defined in Section 12, if said alterations add value to the appraisal, toward the Purchase Price under the Option to Purchase, subject to depreciation. Tenant's Work, as also defined in Section 12, will not be considered towards the Purchase Price under the Purchase Option.

Upon sale of the Premises, the buyer (whether Tenant or another party) shall work with Seller on allowing and promoting a number of public recreational activities on the Premises that complement its prominent location on Lint Slough. The buyer

shall also allow the general public to access certain Land and parking areas at no charge.

8. SPECIAL PROVISIONS:

8.1 Tenant shall allow or provide for the following:

- a. During the Initial Term, Tenant shall: i) have the tasting room and any retail areas open to the public on weekdays and weekends from May through September, on weekends (including Friday evenings) from October through April, and on holidays at Tenant's discretion; and ii) allow up to twelve (12) Landlord events per year at no cost, subject to availability and with Landlord providing at least one (1) weeks notice.
- b. During the Initial Term and any Optional Terms, Tenant shall work with Landlord on allowing and promoting a number of public recreational activities on the Premises that complement its prominent location on Lint Slough.

8.2 Wastewater Treatment: Tenant shall comply with all applicable wastewater treatment ordinances, either as now existing or as hereafter adopted.

8.3 Loading Hours/ Nuisance: Tenant shall not suffer or permit any activity which constitutes a an unreasonable nuisance or unreasonable inconvenience to others. Tenant shall keep reasonable hours for loading and unloading.

9. TAXES, UTILITIES & OTHER FEES:

Tenant shall pay for all water, heat, light, power and other services or utilities used in the leased premises during the term of this lease and shall be responsible for the personal property taxes, on all personal property located on the premises during the Tenant's occupancy thereof.

Tenant shall also pay all taxes and assessments which may be now or hereafter levied upon said real property and the improvements placed thereon during the term of the lease, promptly, when the same are levied and assessed and before the same shall become delinquent.

Upon request, Tenant will promptly deliver to Landlord receipts or other satisfactory evidence of such payment.

10. FIRE INSURANCE:

Tenant agrees to insure the premises against loss by fire, vandalism or other casualty, with extended coverage, in a company or companies satisfactory to the Landlord, for the maximum insurable value thereof, and both the Landlord and the

Tenant shall appear as named insured under such policy, as their respective interests shall appear.

Tenant shall be responsible to provide insurance upon the fixtures, appurtenances and person property located upon the premises against loss by fire, vandalism or other casualty.

To the extent that any insurance proceeds become available by reason of any loss, damage or casualty to the premises, the proceeds of any such policy of insurance shall be applied toward the cost of repair or restoration, such proceeds to be credited first toward the portion of any such repair or restoration chargeable to the party having such insurance except as provided in Section 22 below.

11. REPAIRS AND MAINTENANCE:

11.1 Landlord's Obligations: Landlord shall be responsible for the repair and maintenance required to preserve and maintain the Main Building from leaking.

11.2 Tenant's Obligations: The following shall be the responsibility of Tenant:

- a. Repair of interior walls, ceilings, doors, windows, and related hardware, light fixtures, switches, and wiring and plumbing from the point of entry to the Premises.
- b. Any repairs necessitated by the negligence or by improper maintenance of Tenant, its agents, employees, and invitees.
- c. Ordinary maintenance of the heating and air conditioning system.
- d. Any repairs required under Tenant's obligation to comply with any laws and regulations that would not otherwise apply to Landlord but for Tenant's occupancy of the Premises.
- e. All other ordinary maintenance and repairs to the Premises, including all equipment.
- f. Tenant hereby agrees to maintain and keep the leased premises in good order and repair during the entire term of this lease at Tenant's own cost and expense; and to keep the premises neat and clean.

12. ALTERATIONS AND IMPROVEMENTS:

Tenant shall not make any addition, renovation, alteration, reconstruction or change to the Premises or change the appearance of the buildings without the prior written consent of the Landlord ("Alterations"), and shall submit to Lessor adequate plans

and specification and shall obtain all necessary permits and pay necessary fees. Any such Alterations shall become a part of the realty and belong to Landlord upon termination of the Lease, subject to provisions in the Purchase Option, as defined in Section 7.

Tenant shall be responsible for all tenant improvements that are necessary to render the premises suitable for Lessee's purposes ("Tenant's Work"). All Tenant's Work shall be carried out in a good and workmanlike manner. Tenant's Work includes demolition, architecture, electrical, plumbing, and HVAC, including, but not limited to the following:

- Foundation
- Trench and spot drains
- Seal concrete floors
- Brewhouse plumbing and wiring
- Light fixtures
- Bar and brewery triple basin and hand wash sinks
- Interior painting
- Tasting room construction
- HVAC
- Tanks, silo will have footings designed, no structural connections to existing building or roof, unless approved by Landlord

Tenant's Work, unless becoming part of the realty as specified above or in Section 21, shall be the property of Tenant, and is subject to provisions in the Purchase Option, as defined in Section 7.

13. INSPECTION:

The Landlord, its agents and representatives, at any reasonable time may, upon notice, enter upon or into said premises for the purpose of examining the condition thereof and for any other lawful purpose, with twenty four (24) hours notice.

14. TRANSFER OR SUBLEASE:

Tenant may assign, transfer, pledge, hypothecate, surrender or dispose of this lease, or any interest therein, or permit any other person or persons whomsoever to occupy the premises without the written consent of the Landlord first being obtained, if Tenant retains a majority interest. Assignments are otherwise subject to Landlord's prior express written consent; which consent may not be unreasonably withheld.

Subletting is not allowed for the Land or Main Building, however subletting of the Pole Building to other commercial businesses is allowed so long as Tenant is not in default nor in violation of this Lease. Additionally, Tenant shall not assign or

sublet to a business whose use is restricted within the project or not allowed by Waldport Municipal Code. The use of the Pole Building is subject to Landlord's prior express, written consent, which consent may not be unreasonably withheld.

Tenant shall give Landlord at least sixty (60) days written notice of its intention to assign or sublet.

Tenant, if a corporation or partnership, shall not change or substitute individuals as corporate officers or partners for those at the time of execution of this lease without prior written consent of the Landlord.

15. LIENS:

Tenant shall keep the demised premises free from all liens of every kind and description caused, incurred, permitted or suffered by any act or omission of Tenant, and Tenant shall not have the right or authority to incur any mechanics', laborers', materialmens' or any other liens, without Landlord's consent.

16. COMPLIANCE WITH LAW:

- a. Tenant, at Tenant's expense, shall comply with all laws, rules, orders, ordinances, directions, regulations and requirements of federal, state, county and municipal authorities pertaining to Tenant's use of the premises, including without limitation, any laws requiring alteration of the premises because of Tenant's specific use, and all applicable federal, state, and local laws, regulations or ordinances pertaining to air and water quality, hazardous materials (as hereinafter defined), waste disposal, air emissions, and other environmental matters, all zoning and other land use matters, and utility availability, and with any direction of any public officer or officers, pursuant to law, which shall impose any duty upon Landlord or Tenant with respect to the use or occupation of premises.
- b. In the furtherance of, and not in limitation of, Tenant's obligations under the foregoing paragraph, throughout the term of this lease, Tenant shall do or cause to be done all things necessary to preserve and keep in full force and effect permits required for the conduct of its business and operations from the time of commencement of this lease until its expiration or termination.
- c. Tenant shall comply at Tenant's own expense with all laws and regulations of any municipal, county, state, federal or other public authority respecting the condition and use of said lease premises, including but not limited to federal and state laws and regulations regarding work place conditions if any employee of the Tenant or subtenant (if permitted by Landlord) performs any work on the premises.

17. USE OF HAZARDOUS MATERIAL:

Tenant shall not cause or permit any hazardous material to be brought upon, kept or used in or about the premises by Tenant, its agents, employees, contractors, or invitees without the prior written consent of Landlord, which shall not be unreasonably withheld as long a Tenant demonstrates to Landlord's reasonable satisfaction that such hazardous material is necessary or useful to Tenant's business and will be used, kept, and stored in a manner that complies with all laws regulating any such hazardous material so brought upon or used or kept in or about the premises.

As used herein, the term "hazardous materials" means any hazardous or toxic substance, material, or waste, including, but not limited to, those substances, materials, and wastes listed in the United States Department of Transportation Hazardous Materials Table (49 C.F.R. 172.101) or by the United States Environmental Protection Agency as hazardous substances (40 C.F.R. Part 302) and amendments thereto, petroleum products, or such other substances, materials, and wastes that are or become regulated under any applicable local, state, or federal law.

18. AMERICANS WITH DISABILITIES ACT:

Tenant shall take all proper and necessary action, at its own expense, to cause the demised premises to be kept, maintained, used and occupied in compliance with the Americans With Disabilities Act of 1990 (ADA) and with all applicable laws, ordinances, rules, regulations and any other state or local requirements governing discrimination against persons with disabilities or persons otherwise defined as being handicapped.

Tenant shall indemnify, hold harmless, and defend Landlord against any and all claims of liability for failure of the premises to comply with disability access requirements under the ADA or state and/or other related federal law, rules and regulations. This indemnity extends to claims based on: (1) non-compliance of the premises, including fixtures and improvements provided and installed by Tenant; or (2) policies, practices and procedures of Tenant; or (3) auxiliary aids or services provided by Tenant or which should have been provided by Tenant which were not provided.

This indemnity does not apply if a claim concerns: (1) non-compliance of the common areas including fixtures and improvements resulting from acts or failures to act by Landlord; or (2) policies, practices or procedures of Landlord; or (3) auxiliary aids or services provided by Landlord (or which should have been provided by Landlord but were not), unless the claim concerning the common areas is by an employee of Tenant or by an applicant for employment with Tenant.

19. INDEMNIFICATION:

Tenant shall indemnify, defend, and hold Landlord harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities, or losses which arise during the lease term as a result of Tenant's use or activities, or of Tenant's agent or contractors.

20. LIABILITY INSURANCE:

Tenant, at its expense, shall maintain at all times during the Term of this Lease Commercial General Liability insurance in respect of the Premises and the conduct and operations of Tenant's business, with Landlord as additional insured. Such insurance shall be written for limits of \$1,000,000.00 combined single limit, or its equivalent. Tenant shall deliver to Landlord such fully paid for policies or certificates of insurance, in a form satisfactory to Landlord, issued by the insurance company or its authorized agent, at least ten (10) days before commencement date of this lease. Tenant shall procure and pay for renewals of such insurance from time to time before the expiration of any existing policy, and Tenant shall deliver to Landlord such renewal policy or certificate at least fifteen (15) days before the expiration of any existing policy.

All such insurance policies shall be written as primary policies and shall not be contributing with or in excess of any coverage provided by Landlord. All such policies shall be issued in the name of the Tenant with Landlord as additional insured.

All policies of insurance shall be issued by responsible insurance companies authorized to provide insurance in the state of Oregon . All policies of insurance must contain a provision that the company writing the policy give Landlord thirty (30) days written notice in advance of any cancellation or material change of coverage, including any reduction in the amount of insurance.

Tenant, at its expense, shall provide insurance for its own property, including, but not limited to, any structures which the Tenant shall erect, equipment or other personal property pertaining to the Tenant's operations during the term of this lease.

21. OWNERSHIP OF IMPROVEMENTS:

All partitions, plumbing, wiring, additions to or improvements upon said leased premises except trade fixtures, whether installed by Landlord or the Tenant, shall be and become part of the building as soon as installed and are the property of the Landlord; provided however, except as otherwise provided in this lease, that trade fixtures attached to the premises with the Landlord's consent shall remain the

independent property of the Tenant, provided however that if the removal of the trade fixture would damage the premises, then the trade fixture shall be deemed to have been affixed to the premises and shall be the property of the Landlord.

22. DESTRUCTION OF PREMISES:

In the event of the destruction of the building in which said leased premises are located by fire or other casualty to the extent of fifty percent (50%) or more of the sound value of said building, the Landlord may or may not elect to repair said building; written notice of Landlord's said election shall be given to Tenant within fifteen (15) days after the occurrence of said damage; if said notice is not so given, Landlord conclusively shall be deemed to have elected not to repair; in the event Landlord elects not to repair said building, then in that event this lease shall terminate with the date of said damage.

If the building in which said leased premises are located is but partially destroyed and the damage so occasioned shall not amount to the extent indicated above, or if greater than said extent and Landlord elects to repair, as aforesaid, then the Landlord shall repair said building with all convenient speed and shall have the right to take possession of and occupy, to the exclusion of the Tenant, all or any part of said building in order to make the necessary repairs, and the Tenant hereby agrees to vacate, upon request, all or any part of said building which Landlord may require for the purpose of making necessary repairs, and for the period of time between the day of such damage and until such repairs have been substantially completed, there shall be such abatement of rent as the nature of the injury or damage and its interference with the occupancy of said leased premises by said Tenant shall warrant; however, if the premises be but slightly injured and the damage so occasioned shall not cause any material interference with the occupation of the premises by said Tenant, then there shall be no abatement of rent and the Landlord shall repair said damage with all convenient speed.

In any event the Landlord's obligation to repair any damage or destruction to the premises shall be limited to the amount of available fire insurance proceeds. In the event the Landlord is required to make any such repairs or elects to do so, any portion of any insurance proceeds which would be paid to the Tenant by reason of its interest in the subject premises shall be payable to the Landlord and shall be included as part of the insurance proceeds available for costs of repair or reconstruction.

23. WAIVER OF LIABILITY:

Neither the Landlord nor the Tenant shall be liable to the other for losses arising out of damage to or destruction of the leased premises, or the building or improvements of which the leased premises are a part or with which they are connected, or the contents of any thereof, when such losses are caused by any of the perils which are

or should be included in or insured against by a standard form of fire insurance with extended coverage, as required hereunder. All such claims for any and all losses, however caused, hereby are waived. However, nothing herein contained shall be deemed to exculpate the Tenant for liability for such losses to the extent that Tenant fails to obtain and keep in effect insurance against such losses as herein required, nor anything herein contained be deemed to exculpate the Tenant for liability for such losses should such exculpation have the effect of voiding or nullifying any insurance coverage for such loss which might otherwise exist for the benefit of the Landlord.

24. CONDEMNATION:

In case of the condemnation or appropriation of all or any substantial part of the said demised premises by any public or private corporation under the laws of eminent domain, this lease may be terminated at the option of either party hereto on twenty (20) days written notice to the other, and in that case the Tenant shall not be liable for any rent after the date of Tenant's removal from the premises.

25. HOLDING OVER:

Strict and literal compliance with the terms and conditions provided for any renewal of this lease shall be a condition precedent thereto, and in the event the Tenant shall for any reason hold over after expiration of this lease, other than pursuant to a valid renewal hereof, such holding over shall not be deemed to operate as a renewal or extension of this lease but shall create a tenancy from month-to-month which may be terminated at will at any time by the Landlord.

26. NOTICES:

Any notices required by the terms of this lease to be given by one party to the other, or desired so to be given, shall be sufficient if the writing is in a sealed envelope, deposited in the United States registered or certified mail with return receipt requested and with postage fully prepaid and addressed to the other party at the following address, or such other address as to which either party may have properly notified the other:

LANDLORD:	City Manager	TENANT:	Gatsby Spirits
	City of Waldport		Dan Lewerenz
	P.O. Box 1120		1085 Tasman Dr. #459
	Waldport, OR 97394		Sunnyvale, CA 94089

Any such notice shall be presumed to be delivered within forty eight (48) hours after

deposit in any United States registered or certified mail. In the event that the person desiring to give such notice shall become aware that such notice was not so delivered, the notice shall, nonetheless, be deemed to be effective within forty eight (48) hours after such deposit. However, within a reasonable time after such discovery the person desiring to give notice shall take appropriate steps to give actual notice to the other. No further attempts shall be required, however if such notice cannot be delivered due to the failure of the party for whom such notice is intended to provide information as to such person's address or to accept delivery.

27. STRICT PERFORMANCE:

Full, strict, complete and literal performance, and the time thereof, are of the essence of this agreement; any waiver by either party of any breach of any covenant or agreement herein contained to be kept and performed by the other party shall not be deemed or considered a continuing waiver and shall not operate to bar or prevent non-breaching party from any right or remedy for that breach or for any succeeding breach, either of the same condition, covenant or agreement, or of any other.

28. ATTORNEY FEES:

If suit or action is instituted to enforce compliance with any of the terms, covenants or conditions of this lease, the non-prevailing party in such suit or action agrees to pay the prevailing party's reasonable attorney fees in addition to the prevailing party's costs incurred in such suit or action.

29. RIGHT TO ADVERTISE:

During the period of sixty (60) days prior to the date fixed for the termination of said lease, unless the parties have reached agreement and have renewed the same as provided herein, the Landlord may post on said premises or in the windows thereof signs of reasonable size notifying the public that the premises are "For Sale" or "For Rent" or "For Lease".

30. SURRENDER OF PREMISES:

At the expiration of said term or upon any sooner termination of this lease, or upon the termination of any extension hereof, or upon the termination of any month-to-month tenancy created hereafter, the Tenant will quit and deliver up said leased premises and fixtures and all future erections or additions to or upon the same, broom clean to the Landlord, or those having Landlord's estate in the premises, peaceably, quietly and in good order and condition, reasonable use and wear thereof, damage by fire, unavoidable casualty and the elements, to the extent covered by insurance, alone excepted, as the same are now in or such better condition as the premises hereafter may be put in. Tenant shall deliver the keys to

the premises at the time of surrender of the premises.

29. SUCCESSORS:

All rights, remedies and liabilities herein given to or imposed upon either of the parties hereto shall extend and inure to the benefit of and bind, as the circumstances may require, the heirs, executors, administrators, successors and assigns of such parties.

30. SIGNS:

During the period of this lease, neither party shall place any signs, emblems, flashing lights or similar devices upon the premises without consent of the other; Landlord shall not unreasonably withhold consent to the placement of an attractive and aesthetically pleasing sign designating the occupants of the business, trade or profession in which such occupants are engaged, and Tenants shall not withhold consent to placement upon the premises by the Landlord of aesthetically attractive directional signs. All such signs shall be of reasonable size and consistent with the architectural style of the building and compliant with all codes, ordinances, laws and other applicable requirements.

31. NEAT AND PRESENTABLE CONDITION:

Tenant agrees at all times during the term of this lease to maintain the leased premises in a clean, neat, orderly and presentable condition.

32. INTEGRATION:

This is the complete and entire agreement between the parties, and supersedes any other or prior agreement. Any modification hereof shall be effective only if reduced to writing and subscribed by the parties sought to be bound thereby.

33. DEFAULT:

The Tenant's failure to pay the rent provided hereunder, or any portion thereof, for a period of twenty (20) days after the same becomes due and payable, shall be a default and shall operate, at Landlord's discretion, to terminate the tenancy of the Tenant hereunder. No notice to quit or to pay such rent shall be required and the holding of such tenancy thereafter shall be wrongful. However, if the Landlord, after such default in payment of rent, accepts payment thereof, the lease is reinstated for the full term hereof, subject to termination by subsequent defaults in payment of rent or to termination for other default as hereafter provided. Acceptance by Landlord of payment of arrearage of rent, or a portion thereof, shall not reinstate the lease unless the Tenant shall pay or perform, all sums the payment of which is in arrears and all other defaults then existing.

The Tenant shall not be considered in default hereunder, and this lease shall not terminate, by reason or any act or omission of the Tenant in breach of any requirement hereof, (excepting only failure to pay rent or other sums due to the Landlord hereunder) until and unless Landlord shall give to the Tenant notice of such act or omission in breach of this lease agreement, and Tenant shall fail to cure the same within thirty (30) days after such notice. However, whenever such breach shall relate to the provision of insurance or to the payment of any taxes, assessment, or any other sum due to a third party, the same shall be provided or paid within ten (10) days after such notice.

With respect to all matters relating to the condition of the premises, if the act or omission complained of by Landlord may not reasonably be cured within thirty (30) days, the Tenant shall nonetheless not be deemed in default hereunder if the Tenant shall commence the cure of such breach within ten (10) days following receipt of such notice and shall diligently prosecute such cure to completion.

Landlord shall be in default in the event it shall fail to perform any act of omission or commission otherwise required of it under this Lease, Tenant has provided written notice of the alleged breach, and Landlord fails to substantially cure the breach within thirty (30) days of the written notice.

34. REMEDIES:

In the event the lease shall terminate for Tenant's default, as aforesaid, and if the Tenant shall fail to immediately surrender possession of the leased premises and fixtures, in any of such cases, the Landlord immediately or at any time thereafter, without demand or notice, may enter into and upon the demised premises and every part thereof and repossess the same as of Landlord's former estate and expel Tenant's effects at the expense of Tenant, forcibly if necessary, and store the same and/or lock the demised premises, all without being deemed guilty of trespass or other wrongful act, and as a remedy pursuant thereto and not in derogation hereof, and without prejudice to any other right or remedy which otherwise might be used for arrears of rent, breach of this agreement, or otherwise. In the event of Landlord's default, Tenant may elect to abate rent until the default is cured. Tenant may also pursue any other remedy provided by law.

All of the Landlord's rights and remedies hereunder shall be cumulative, one with the other, and with any other right or remedy as may exist by force and effect of law or otherwise.

35. GRAMMATICAL CONSTRUCTION:

In construing this lease, it is understood that the Landlord or the Tenant may be more than one person, and if the context so requires, the singular pronoun may be taken to mean and include the plural, the masculine may include the feminine and

the neuter, and vice versa, and generally all grammatical changes shall be made, assumed, and implied as are necessary to carry out the intent hereof and to make the provisions of this agreement apply equally to corporations as to individuals.

IN WITNESS WHEREOF, the parties have executed this instrument in duplicate to be effective as of the day and year above set forth, and any corporate signature is affixed hereto only pursuant to the board of directors or other governing body thereof.

LANDLORD:  
CITY OF WALDPOR

TENANT:  
GATSBY SPIRITS/DAN LEWERENZ

BY: \_\_\_\_\_

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

ATTEST: \_\_\_\_\_  
Reda Q Eckerman, City Recorder

ATTEST: \_\_\_\_\_

APPROVED AS TO FORM:

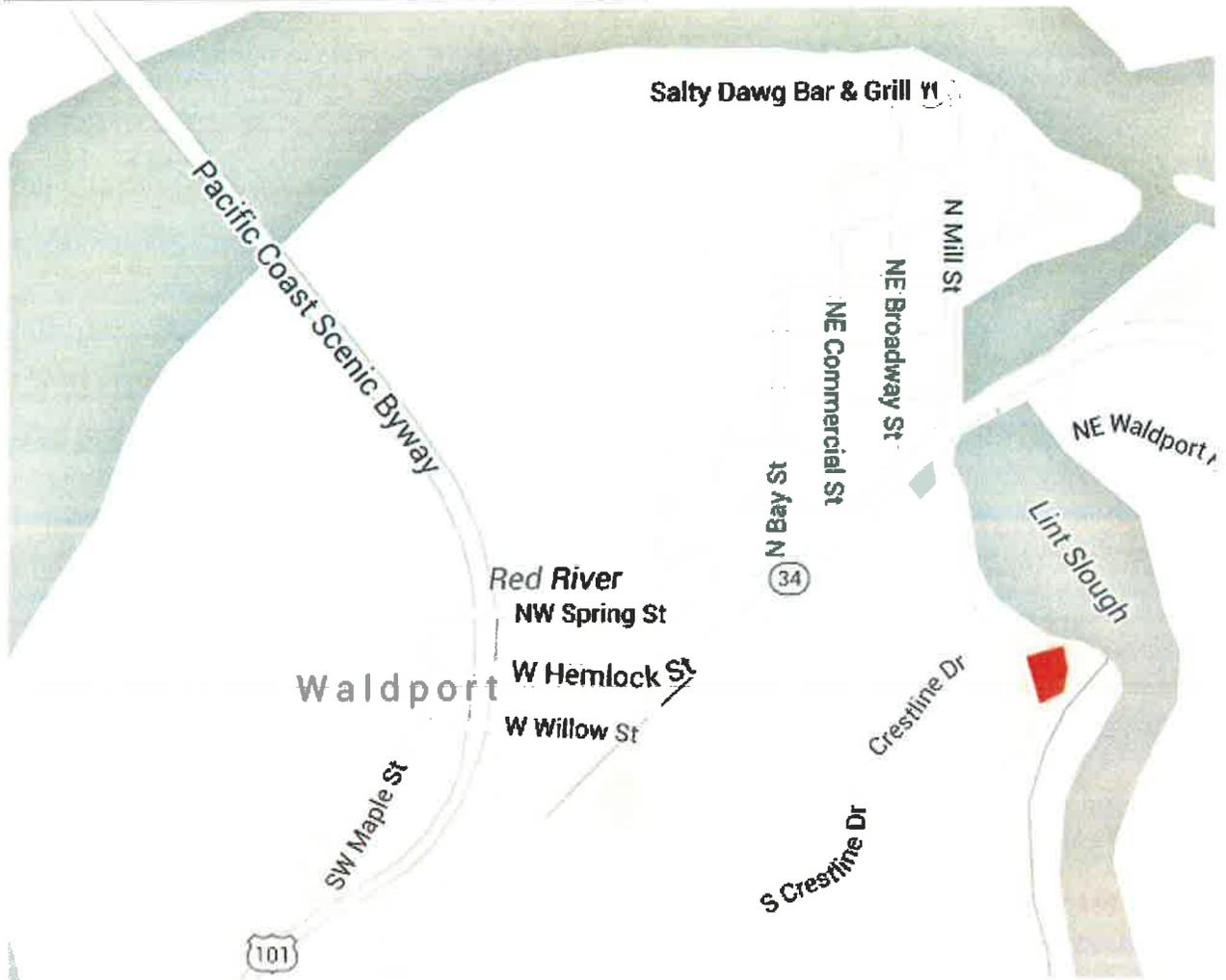
BY: \_\_\_\_\_  
Pete Gintner, City Attorney

## THE PROPERTY

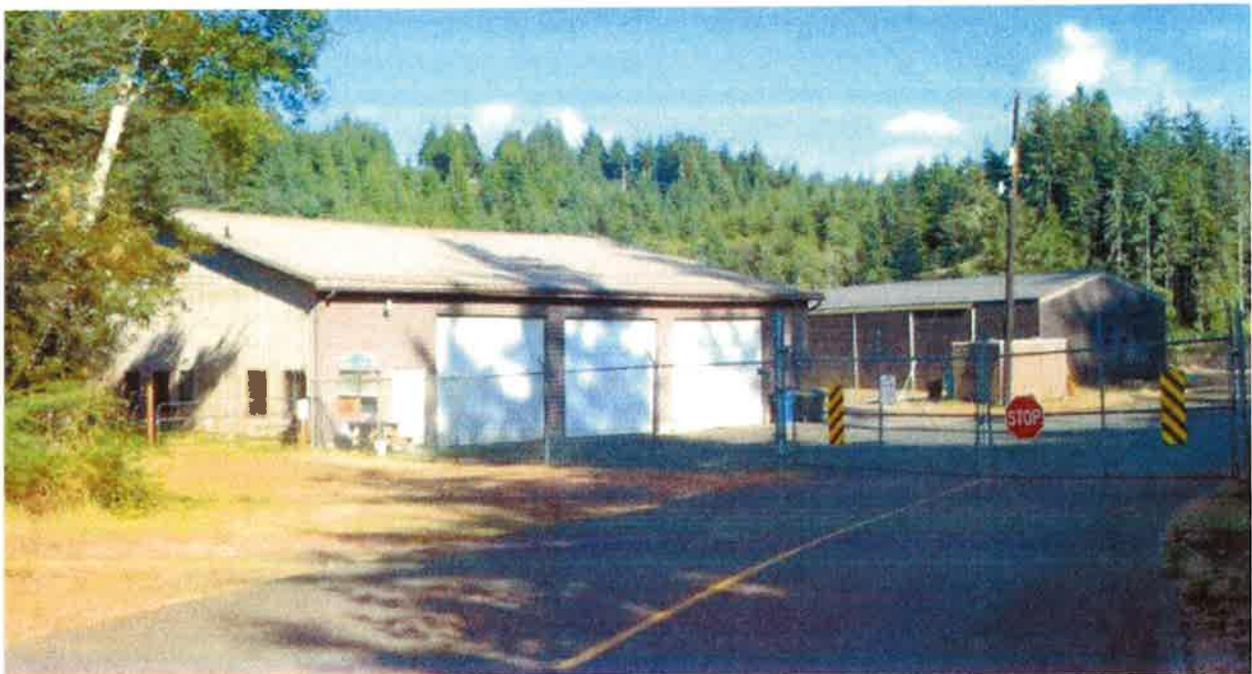
**Table 1 –Property Parcel Information**

<b>Map Taxlot:</b>	13-11-19-AD-00801-00
<b>Lot Size:</b>	Approximately 0.92 acre or 40,075 square feet
<b>Current Zoning:</b>	Retail Commercial (C-1)

**Image 1 – Property Location in Waldport**



## THE PROPERTY



## Commercial C-1 Zone

### USES PERMITTED OUTRIGHT

#### Uses permitted outright (R-1) zone:

1. A one-family dwelling built on site.
2. A factory built dwelling.
3. A manufactured home, subject to siting standards.
4. Agricultural use of land provided that no livestock shall be raised or kept on the premises and provided further that no commercial structure shall be constructed or maintained on the premises.
5. A travel trailer or recreation vehicle stored unoccupied on a lot in combination with an approved dwelling.
6. Residential Homes (residential treatment or training home, a residential facility or an adult foster home that provides residential care alone or in conjunction with treatment or training or a combination thereof for five or fewer individuals who need not be related. Staff persons are not counted for these purposes.)
7. Family day care center.

#### Uses permitted outright (R-3) zone:

8. Two-family dwelling, subject to the general exceptions to lot size requirements (area deficiency results in single family dwelling only)
9. Multi-family dwelling, subject to the general exceptions to lot size requirements.
10. Residential facility as defined in ORS 197.660 (residential care, residential training or residential treatment facility that provides residential care alone or in conjunction with treatment or training or a combination thereof for six to fifteen individuals who need not be related. Staff persons are not counted for these purposes.)

#### Uses permitted outright (C-1)

11. Retail store or shop, such as food store, drug store, apparel store, hardware store, furniture store or similar establishment.
12. Repair shop for the type of goods offered for sale in retail trade establishments permitted in a C-1 zone, provided all repair and storage shall occur entirely within an enclosed building.
13. Personal or business service establishment such as barber or beauty shop, tailor shop, laundry or drycleaning establishment, or similar establishment.
14. Clinic.
15. Club, lodge or fraternal organization.
16. Financial institution.
17. Hotel, motel or resort.
18. Indoor commercial amusement or recreation establishment such as bowling alley, theater or pool hall.

19. Mortuary.
20. Newspaper office, print shop.
21. Office.
22. Private museum, art gallery or similar facility.
23. Signs, advertising.
24. Restaurant, bar or tavern.
25. Laundromat.
26. Retail sale of sporting goods or bait.
27. Gift shop.
28. Automobile service station including minor repair, providing it is conducted entirely within an enclosed building.
29. The manufacture, fabrication and/or assembly of those goods offered for sale on the premises that are permitted for sale in the C-1 zone, provided all manufacturing, fabricating, assembling, and storage not exceed 80% of the total floor area of the establishment and provided further that it shall occur within an enclosed building and provided that the use does not create a public nuisance or an unreasonable hazard to health or property because of excessive noise, smoke, odor or dust, or because it constitutes a fire, explosion or other physical hazard.

### **CONDITIONAL USES**

#### **Conditional Uses Permitted (R-1)**

1. Cemetery.
2. Church, non-profit religious or philanthropic institution.
3. Community center.
4. Nursery school, kindergarten or similar facility.
5. Governmental structure or use of land for necessary public utility facilities.
6. Home Occupation, subject to meeting standards.
7. Golf course or country club, but not miniature golf course or similar type of amusement facility.
8. Private, non-commercial recreation club such as tennis, swimming or archery club, but not commercial amusement or recreation enterprises.
9. Public park, playground, golf course, swimming pool or similar recreation use.
10. Public school or private school offering curriculum similar to public school.
11. Temporary real estate offices offering residential property within a specific subdivision or development for sale, rent or lease.
12. Residential Day Care Facility as defined in ORS 197.660 (Note: there is no clear definition of this currently in that section - I believe the distinction is made in order to ensure no overnight residency...)

#### **Conditional Uses Permitted (R-2)**

13. Townhouses.
14. Bed and Breakfast Inn.

### Conditional Uses Permitted (C-1)

15. Recreation vehicle park.
16. Outdoor commercial amusement or recreation establishment such as miniature golf course or drive-in theater, but not including uses such as race track or automobile speedway.
17. A use permitted in the C-1 zone with drive-in service facilities such as an automobile service station or a drive-in restaurant.
18. Boat or marine equipment sales, service, storage, rental or repair.
19. Cabinet or similar woodworking shop.
20. Lumber or building material sales or storage.
21. Plumbing, heating, electrical, or paint contractors storage, repair or sales shop.
22. Upholstery shop.
23. Mini-warehouse.
24. Processing and packaging of non-explosive chemical materials and non-environmentally hazardous materials.
25. Car wash.
26. Auto detail shop.
27. Convalescent home.



# CITY COUNCIL MEETING AGENDA

## COVER SHEET FOR DISCUSSION / ACTION

**TITLE OF ISSUE:** The Annual Financial Report for fiscal year ending 6/30/2016

**REQUESTED BY:** City Manager and City Accountant

**FOR MEETING DATE:** November 10, 2016

**SUMMARY OF ISSUE:**

The audit concluded with an unqualified (favorable) opinion (shown on page 2 of the report) that states “In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position . . . in accordance with accounting principles generally accepted in the United States of America.”

1. Net Position: The city’s net position decreased \$375,340 or 3% during the 2015/2016 fiscal year. The total expenses for programs and services increased \$738,469 and includes an actuarially estimated pension expense of \$456,178 beyond Waldport’s rate contributions to PERS.

Beginning with fiscal year ending 6/30/2015, GASB 68, Accounting and Financial Reporting for Pensions, was implemented. The total impact to the city since GASB 68 implementation is a net estimated obligation of \$155,383. The effect of this new standard is more discernable on the Statement of Net Position (page 5 of the report) and an excerpt from the statement of PERS elements is shown to the right. For FYE 2015, the financial impact of this long term estimate for reporting pensions **improved** the city’s net position by \$300,795. For FYE 2016 reporting for pensions **worsened** the city’s net position by \$456,178, reversing the prior year’s estimate of \$300,795 and adding an additional \$155,383 for the current year estimate.

	2015	2016
Net pension asset	367,167	-
Deferred outflow related to pensions	80,508	51,927
Net pension liability	-	164,348
Deferred inflow related to pensions	146,880	42,962
	300,795	(155,383)

Several changes effected the latest PERS valuation. The 7/01/2015 PERS contribution rates reflected legislative changes (SB 822, 861) lowering projected benefits. The Oregon Supreme Court (Moro v State of Oregon) decision overturned a significant portion of the legislative changes. The PERS Board adopted new assumptions that included lowering investment return to 7.5% and increasing retiree life expectancy. Cumulative 2014 and 2015 asset returns were less than assumed.

2. Total Expenses: The total expenses for programs and services increased \$282,291 in addition to the actuarially estimated pension expense of \$456,178 beyond Waldport’s rate contributions to PERS.

Public works services at the water treatment plant increased for certifications of additional water plant operators. Public works distribution services and distribution repair materials increased and were a direct response to an increase in unexpected emergency water repairs this year, which included the temporary repair for Eckman Creek waterline.

Sewer fund's materials and services increased for public works services at the sewer treatment plant and plant equipment, which included a new dissolved oxygen sensor, mower for the grounds, and replacing the programmable logic controller. Pump station repairs and maintenance decreased from the previous year.

3. Total Revenues: Total revenues for fiscal year ending 2016 increased \$243,635 over the previous year.

Water billings were 7% higher and sewer billings were 6% higher than the previous year. Water and sewer rates increased 3% effective July 2015 and then 2.23% in August 2015 to support debt service for the new public works property. Both number of services and usage increased slightly.

Grant proceeds and contributions increased \$82,815 from the previous year and included IFA grant proceeds of \$59,112 for the Industrial Park Study, \$13,187 from Oregon State Parks for park and trail improvements, and \$10,000 from the Ford Family Foundation for the mosaic planter project and open space charrette.

#### **STAFF RECOMMENDATION or ACTION REQUESTED:**

A copy of the audit report was furnished previously to each member of the governing body, along with the auditor's letter to management. The audit report will be filed with the Secretary of State and will be posted on the city's website upon acceptancy by the governing body.

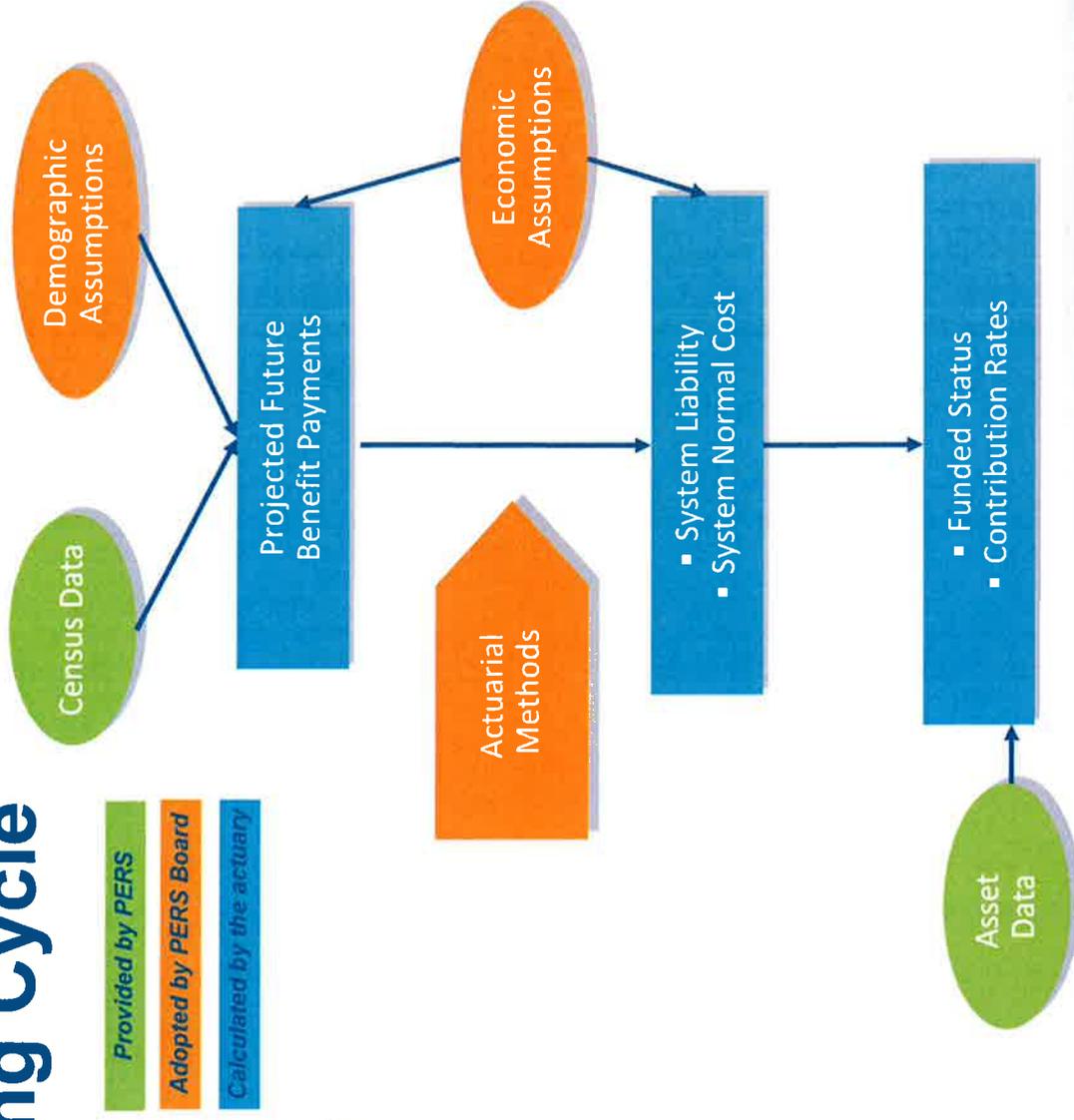
Under ORS 297.465 the governing body shall determine the measures it considers necessary to correct any deficiencies disclosed in the report. The governing body shall adopt a resolution setting forth the corrective measures it proposes and the period of time estimated to complete them. No deficiencies were noted in the audit.

#### **ATTACHMENTS:**

Some slides from PERS Actuary presentation  
[http://www.oregon.gov/pers/docs/actuarial\\_valuation-revised\\_7-29.pdf](http://www.oregon.gov/pers/docs/actuarial_valuation-revised_7-29.pdf)  
Expense Comparison with neighboring cities

# Two-Year Rate-Setting Cycle

- Provided by PERS
Adopted by PERS Board
Calculated by the actuary
  - July 2015:** Assumptions and methods endorsed by Board in consultation with the actuary
  - September 2015:** System-wide 12/31/14 “advisory” actuarial valuation results reported
  - November 2015:** “Advisory” 2017-2019 employer-specific contribution rates distributed
  - July 2016:** System-wide 12/31/15 “rate-setting” actuarial valuation results
  - September 2016:** Adoption of employer-specific 2017-2019 contribution rates



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# Changes Since the Last Rate-Setting Valuation

- The 12/31/2013 rate-setting actuarial valuation developed 2015-2017 contribution rates
  - That rate-setting valuation reflected legislative changes (SB 822 & 861) lowering projected benefits
- Since the 12/31/2013 rate-setting valuation:
  - *Moro* decision overturned a significant portion of the legislative changes
  - PERS Board adopted new assumptions and methods from the 2014 Experience Study, including lowering investment return assumption to 7.50% and increasing assumed retiree life expectancy
  - Cumulative 2014 and 2015 asset returns were less than assumed, generating approximately a \$2.8 billion actuarial investment loss over the biennium, with \$2.6 billion of that loss occurring in 2015

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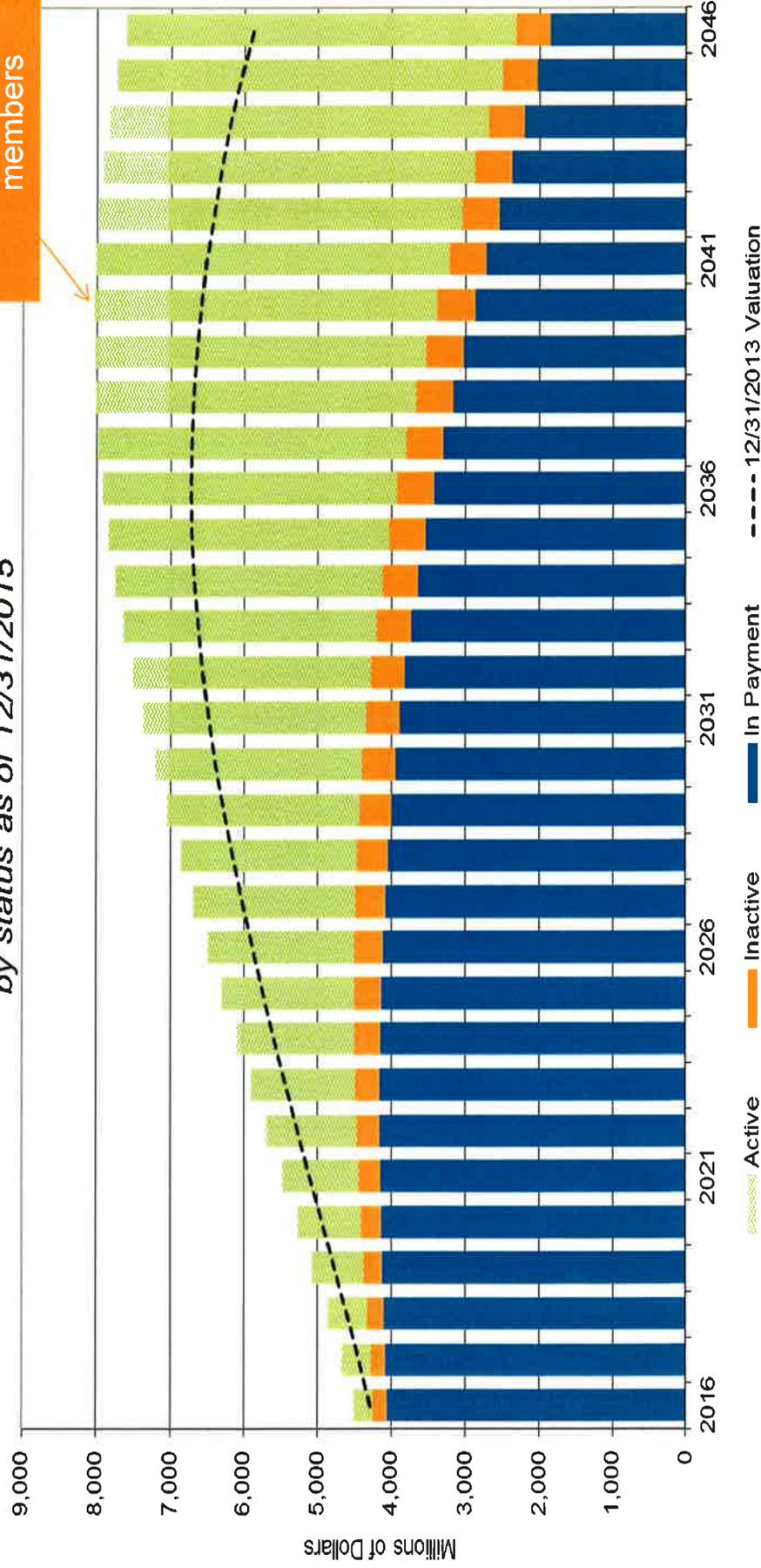
# Changes Since the Last Advisory Valuation

- The 12/31/2014 advisory actuarial valuation developed advisory 2017-2019 rates and reflected:
  - *Moro* decision - \$5.1 billion increase in Unfunded Actuarial Liability (UAL)
  - Updated investment return and mortality assumptions from the 2014 Experience Study - \$3.5 billion increase in UAL
  - The \$0.2 billion actuarial investment loss during 2014
- The 12/31/2015 rate-setting valuation develops final 2017-2019 rates and reflects the 2015 actuarial investment loss of \$2.6 billion
  - Long-term rate projections presented in November 2015 used actual investment results through October 2015 and thus illustrated most of the 2015 actuarial investment loss

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# Projected Benefit Payments

Tier 1/Tier 2 & OPSRP Expected Benefit Payments  
by status as of 12/31/2015



The dotted line depicts the projected payments from the 12/31/2013 rate-setting valuation, which did not reflect the *Moro* decision

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**"Statement of Activities" expenses are compared with neighboring cities' audits  
for fiscal year ending June 30, 2015 based upon population.**

Expense Comparison by population	Depoe Bay	Lincoln City	Newport	Siletz	Toledo	Waldport	Yachats
	1,420	8,485	10,165	1,235	3,490	2,075	725
General Government	210	434	536	91	540	194	342
Public Safety	-	414	510	-	542	167	-
Streets & Highways	106	275	187	85	83	139	239
Community & Recreation	72	502	256	34	143	137	152
Economic Development	11	4	-	10	-	9	-
Interest Expense	-	7	75	-	19	25	38
Water	376	365	369	330	210	208	618
Sewer	474	513	439	269	208	262	1,089
Harbor	390	-	-	-	-	-	-
Total	1,638	2,514	2,371	820	1,743	1,141	2,478



## **CITY COUNCIL MEETING AGENDA COVER SHEET**

**TITLE OF ISSUE:** Financial Management Policies  
**REQUESTED BY:** City Manager and City Accountant  
**FOR MEETING DATE:** November 10, 2016

### **Summary:**

Financial Management policies were adopted by Council in May of 2000 and have been amended as needed by Council motion. Expanding on the disposition for capital assets should provide more definitive guidance for these infrequent transactions. Providing an overview for internal control policy seemed prudent in light of the continuous need to identify, assess, and mitigate risks.

### **Staff Recommendations:**

Recommend a motion by council for changes to the Capital Assets Financial Management Policy, providing an update for disposition of capital assets, and changes to the Internal Control Financial Management Policy, providing an overview for internal controls.

### **Attachments:**

Capital Assets Financial Management Policy  
Internal Control Financial Management Policy

# CAPITAL ASSETS

**Purpose.** Capital assets Stand-alone equipment purchased, constructed, or donated shall have an expected useful life in excess of one year and cost (or estimated fair market value of donated assets) shall be valued at \$10,000 or more. Improvements to an existing capital asset shall extend the life of the asset for more than five years and the cost of the improvement shall be \$10,000 or more. Expenditures of a refurbishing or a repair nature shall not be capitalized. Capitalized assets shall be depreciated on a straight line basis with the following assumed using the estimated useful life of the asset.

Description	Useful Life	Description	Useful Life
Berms	20 years	Reservoirs, Dams	50 years
Buildings	50 years	Road Signage	10 years
Building Improvements	10 years	Sewer Conveyance Systems	50 years
Equipment, Business	7 years	Sidewalks	30 years
Equipment, Computer	5 years	Storm Systems	50 years
Equipment, Public Works	12 years	Street Lighting	20 years
Equipment, Recreational	15 years	Traffic Lights	20 years
Furniture	20 years	Treatment Plants	100 years
Parking Lots	15 years	Vehicles	6 years
Pathways, Pedestrian	10 years	Water Distribution Systems	50 years

Description	Useful Life
Equipment	5-15 years
Buildings	50 years
Water and Sewer Systems	5-100 years
Streets	20 years
Other Improvements	10-30 years

**Inventory Control and Assessment.** An inventory of existing capital assets and needs assessment shall be conducted annually. Adequate insurance shall be maintained on all capital assets. Assets shall be maintained to ensure safety, functionality, and preservation of the asset until costs of maintenance outweigh benefits of the repairs.

**Inventory.** Each department is responsible for maintaining control over the capital assets, equipment, and materials inventory in their area of responsibility. Finance shall provide an updated listing of inventories to each department on a yearly basis. The department head shall verify that the inventory is correct, indicate any adjustments required and the reason for the adjustment, and return a signed copy to finance in a timely manner.

**Acquisition.** When a new capital item is ordered, finance shall provide the ordering department with an asset number tag and an asset acquisition form. The department shall affix the tag to the item, and verify acceptance of the item by returning the completed asset acquisition form to finance. Finance shall record the asset in the capital asset inventory system.

**Transfers.** Transfers of assets shall be reported to finance on a capital asset transfer form. This form is to be signed by both receiving and sending department heads.

**Disposition.** Disposition of assets shall be recorded on asset disposition form noting whether sold, destroyed, or traded. Periodically a list of surplus property shall be submitted for council approval and sale with the Oregon Administrative Services Surplus Property division or other approved means.

**Disposition.** Capitalized assets, with an original cost/value of \$10,000 or more, may qualify for disposition if designated as surplus, found to no longer function or is no longer in use, or traded for a newer or more functional item. "Surplus property" means tangible personal property recorded as a capital asset that is no longer needed by the city.

- A surplus property resolution, submitted for council approval, shall describe the property, listing the original value and year of acquisition, describe the proposed disposition of property, and state the minimum acceptable terms of sale including price.
- A notice shall be published at least once in a place or manner of general circulation within the city to encourage competitiveness and a fair process.
- If one or more offers/bids are received at or above the minimum acceptable terms, the City Manager or designee shall complete the sale.
- If no acceptable offers/bids are received, Council may, by motion, accept the highest offer among those received, provide other terms or direction of disposition, or decide to keep the property.

**Capital assets purchased with grant funds** shall adhere to the provision of each grant. Grants may include specific requirements, restrictions, or conditions relating to the disposition of the property.

**Sale of city's real property** shall observe requirements of state statutes (ORS 221.725).

*Amended by City Council motion June 5, 2003*

*Amended by City Council motion February 14, 2008*

*Amended by City Council motion June 14, 2012*

*Amended by City Council motion October 9, 2014*

# INTERNAL CONTROLS

**Purpose.** In order for the City of Waldport to assure accountability and manage risk, it should build a framework of internal controls. Management has the responsibility to identify risks, prioritize them, and to design internal controls to manage them.

**Policy.** The city understands that the basic principles of a good internal control framework include segregated duties, design that is simple and practical, design that allows for monitoring and testing, controls that address high priority risks, controls that are written into policies and procedures, consistency, and endorsement from top management. Internal control is the means by which risk can be managed and includes the following controls.

**Overview.** The establishment and monitoring of internal control shall be an on-going process. Internal controls may be preventive, detective, or corrective. The strength of controls placed in operation shall be based on management's policy to tolerate, monitor, or avoid recognized risks. Internal controls shall be designed to provide reasonable, but not necessarily absolute, assurance that: city goals and objectives are met; financial reporting is reliable; assets are safeguarded; transactions are accurately and properly recorded and executed in accordance with management authorization; errors and irregularities are prevented to the greatest extent possible; and errors and irregularities that do occur are detected, reported, and corrected in a timely manner. City management shall appropriately balance the risks and costs of internal controls in such a manner that the costs to control do not outweigh the benefits of such controls.

**Internal Controls for Receivables/Revenues.** Cash is receipted for any amount over five dollars. Receipt books shall contain consecutively numbered receipts. All cash shall be locked in a secure location when unattended. Receipts are recorded for checks received, except for utility billing payments and business licenses. Checks shall be endorsed with city's endorsement stamp. As is feasible with limited staffing, duties are assigned in such a manner to segregate batching and processing from reconciling to detect errors or omissions. Leak adjustments to the utility billing subsidiary ledger are reviewed and approved by City Manager.

**Internal Controls for Payables/Expenditures.** Purchases of \$10,000 to \$150,000 require at least three informally solicited competitive price quotes. If three quotes are not reasonably available, it should be documented. Also purchase orders, with notes and documentation attached, are required for purchases of \$10,000 to \$150,000 and shall be submitted to City Manager for approval. Purchase orders are not required for routine purchases and established contract services. Department heads will evaluate quality and pricing of routine purchases periodically. Once goods are received, department head shall approve invoice and designate line item expenditure(s) for payment processing. The City Manager and a Council Member shall review accounts payable invoices and supporting documentation. Checks over \$5,000 require two signatories. Vendor checks shall be mailed directly to the payee. A check number log is maintained to account for completeness, and includes accounts payable, payroll, voided and stale checks. Periodically a list of surplus property shall be submitted for council approval.

**Additional Internal Controls.** Establish sound personnel policies that include well designed job descriptions, background checks, and reference checks. Purchase employee bonding. Monthly bank statements are reconciled in a timely manner, and reviewed and approved by the City Manager. Revenue and expenditure activity, in comparison with budget, is reported to Council monthly. Historical revenue and expenditure activity is prepared for the yearly budget committee and available to the public.

**Amended by City Council motion February 14, 2008**

**Amended by City Council motion October 9, 2014**



## **CITY COUNCIL MEETING AGENDA COVER SHEET FOR DISCUSSION / ACTION**

**TITLE OF ISSUE:** Parks, Recreation and Trails Master Plan / Open Space

**REQUESTED BY:** City Manager/City Planner

**FOR MEETING DATE:** November 10, 2016

### **SUMMARY OF ISSUE:**

The City Council received and discussed the draft Parks, Recreation and Trails Master Plan at the Council meeting on October 13, 2016. City staff is updating the draft plan and will bring the final plan to City Council for review and adoption at the December Council meeting. Hard copies are not being distributed at this time in order to save some paper. However, copies will be forwarded to the City Council prior to the December meeting.

The following input has been received to date:

- The Port of Alsea provided input at the October Council meeting. The Port acknowledged the inclusion of Port-owned property in the master plan, but wants to ensure that future uses of their park land remains flexible, and that they will not be restricted to a specific type of park use or facility. Staff is adding language to ensure this flexibility is maintained.
- Staff met with the Lincoln County School District (LCSD). LCSD acknowledges inclusion of its properties in the master plan. We discussed potential future uses for the undeveloped portion of the school campus, e.g. additional ball fields. We also discussed the former high school open space and the feasibility of the potential amphitheater, as well as other potential improvements at the open space site.
- The City will proceed with the amphitheater feasibility study, which will be completed over the next several months. The feasibility study will enable the City to determine if the amphitheater is a viable and acceptable use of the property. The feasibility study will be completed after the Master Plan is adopted and will be an appendix to the Master Plan.
- The Master Plan Goals and Objectives E & F are being further detailed to identify priorities.
- Additional photographs and sketches will be included in the Master Plan document.

After today's meeting, members of the public and individual Councilors may continue to meet with City staff to go over the plan and offer suggestions for consideration by the Council.

### **STAFF RECOMMENDATION or ACTION REQUESTED:**

No formal City Council action is being requested at this time. The purpose of this discussion is for the Council to offer feedback and suggestions before drafting the final plan for consideration.

## ***CITY COUNCIL MEETING – November 10, 2016***

### **CITY MANAGER REPORT**

#### ***1. Lincoln County Economic Development Grant Application***

The City submitted an application to the County for a \$15,000 grant to cover costs associated with the Industrial Parks Master Plan, in anticipation of us not receiving the entire \$25,000 from property owners for the transportation/traffic element of the plan. (As of November 1<sup>st</sup> we've received approximately \$3,700 in voluntary contributions, and anticipate receiving some more soon.)

#### ***2. Trails Update (from City Planner)***

##### **a. Bridgeview Trail**

City staff met with ODOT to discuss the scope of the project and schedule. The project includes 1) restriping Hwy 101 along the seawall to increase the width of the walkway along the seawall and, 2) design and construction of the Bridgeview Trail along the old railroad/power line easement that parallels the highway at the top of the bank. Design is anticipated to take place in 2017 through early 2018 with construction the summer of 2018.

##### **b. Wazyata Beach Access**

The City will be submitting an Ocean Shores Permit application to the Oregon Parks & Recreation Department for the drainage improvements that are proposed near the beach. The application will be submitted as soon as the engineering drawings are revised (November). The permit will take 60 days to process. Construction of drainage improvements and the trail is anticipated to take place between January and April 2017.

##### **c. Lint Slough Trail**

The trail is nearly complete from the south end of the Wastewater Treatment Plant to the southerly end of the Lint Slough Road right-of-way. A split rail fence will soon be constructed along the grassy section on the west side of the Wastewater Treatment Plant to demarcate the trail alignment.

#### ***3. Sea Lion***

We have received the sea lion artwork figure from Florence, and have it stored temporarily at the Public Works shop, as we await approval from ODOT to place it at the corner of Starr Street and Highway 101.

#### ***4. Scenic Byway***

The draft Corridor Management Plan for the route, which extends from Highway 101 on the west to Interstate 5 on the east, is completed and undergoing review by various agencies and entities. We have billed by the COG \$9,306 of the \$14,500 contract amount, of which \$12,000 is being funded via a County Economic Development Grant.

#### ***5. Open Space MOU***

Staff met with Rich Belloni of the Lincoln County School District, who subsequently met with Steve Boynton, Superintendent of Schools, and the Board of Education. The Board has decided to not renew our Memorandum of Understanding, and will retain and maintain the property while the City works through its analysis and evaluation of the site, and budget. Kendall Fields property will also stay with the District.

**6. *Seashore Family Literacy***

Sentila McKinley at Seashore Family Literacy has prepared a report of its operations, a copy of which is attached. We are indeed grateful to have Sentila's vision, warmth and heart in our community.

**7. *Bear Signs along Lint Slough Trail***

Councilor Cutter raised the issue of providing signs for bears along Lint Slough Trail. While we could pursue this idea further, it potentially ties into the entire recreational immunity question. If we do not place a sign at a certain location, and something happens in that area, it could possibly open us open to some sort of liability (as apparently happened in Pacific City). Plus, if we place signs for bears there, what about other possibly threatening creatures, or placing signs on other public trails or parklands?

Seashore  
Family  
Literacy



PO Box 266  
125 NW Spruce St.  
Waldport, OR 97394  
541.563.READ (7323)  
[www.SeashoreFamily.org](http://www.SeashoreFamily.org)

A community-based,  
nonprofit organization  
dedicated to helping  
children, adults and  
families improve reading,  
writing, math, computer  
and communication skills.

- After-School Tutoring
- Homework Help
- Adult Literacy
- Summer Camps
- Family Nights
- Ukulele Group
- Free Lunch
- Green Bikes
- Writing Groups
- Clothes Closet
- Community Garden

October 28th, 2016

Dear Friends and Supporters of Seashore Family Literacy,

As you know by now, after all these years, my intentions are far better than my actions. This report is way overdue. However, it was always one of the things I wanted to do, but way beyond my skills. I am very grateful that we can show you what your support has done through the years and can do in years to come.

This momentum could not have happened without the community involvement and support you have given us. Your kindness has allowed us the opportunity to serve this community for over 25 years. I am truly grateful.

It has been an exciting year for Seashore Family Literacy. We have grown leaps and bounds, not only in the number of people that we have provided services for, but Seashore has also become a place of service for so many!

The pages in this report could never capture all the daily happenings at the Center, but I hope it is an affirmation that your gift and kind support is making a difference in all our lives! Thank you for helping make our future brighter and more sustainable. As always, you are welcome to visit us anytime.

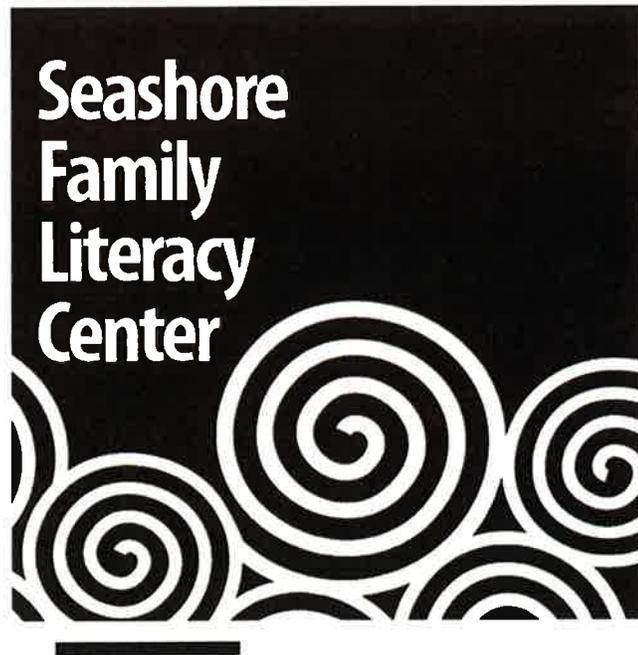
With much gratitude,

Senitila McKinley  
Founder & Director  
Seashore Family Literacy

*Literacy transforms lives, community, and the world*

# 2015-2016 ANNUAL REPORT





## Our Mission

Dedicated to helping children, adults and families improve reading, writing, math, computer & communication skills.

## VISIT US ON THE WEB

This year we updated our website and launched a new website that provides specific information about our Green-Bike Co-Op program



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## 'I love our little community!'

"One year ago my family and I were homeless. I didn't have a job, I didn't have a lot going for me..."

When I came to Seashore everything changed. I met Senitila and the volunteers. Everyday they were helping us do a little more to get out of a bad situation. Now because of Seashore and the caring people there, I have a job, an apartment, I have been studying for my GED, I am part of a community. I love our little community, I am so grateful!"

-Robby, Local Resident

## WHAT WE DO



"After serving a lovingly prepared breakfast by early-rising volunteers, to children who need a safe place to be while their parents are at work... While seasoning ground beef donated by generous community members who simply asked what we needed to feed the children..."

A steady stream of folks came in from the community to donate clothes, inquire about our needs, and give their time to help grow food in the garden, to help feed anyone who needs nourishment...

We had more people give than receive today, an amazing thing to witness, such a generous community spirit. That's something we should be proud of here in Waldport!

We are a community of people who are willing to learn and give of their knowledge and skills. What an incredible place to live, love, work, and play."

-Melaia Kilduff, Summer Meals Program Director



# Youth Literacy

## After School

Extending learning beyond the classroom, the "Achievement Club" runs daily after school from 3:00 to 6:00. During these hours we assist students with their homework, offer enrichment activities and a healthy snack. Students receive individualized tutoring in reading and math. Changing monthly themes focus on STEM curriculum and activities include: art, music, games, robotics, and horticulture.



## Youth Works

We offer part-time job opportunities to high school aged youth throughout the summer and school year. The program encourages positive work skills and habits. Youth work at the Green Bike Co-Op, in the garden, assist with tech support and the Summer Meals Program. Each year we provide job opportunities for 7 - 9 students.



## From the Garden

The "Healthy Habits GROW" program offers students classes in planting and caring for their own food. Volunteers are on hand to help students learn how to prepare healthy snacks and meals using food from the garden. Students enjoy learning about dirt, bugs, flowers, seeds, and they love eating the fresh fruits & vegetables that they grow.



## Meal Programs

We focus on providing a wholesome evening with food and literacy activities for young families and their children. Providing a centered "learning evening" has been the mission of these community meals. Local churches sponsor and contribute by preparing meals and hosting activities. This program is strengthened by our community partnerships.

# Our History

## 1992 – FOUNDING

When Seashore's founder, Senitila McKinley, came to Waldport, from Tonga in 1978, she spoke very little English. Through struggling to learn English to help her own children with school work, she saw first-hand the need for family literacy services in South Lincoln County.

It was in response to her own and other's experiences that she founded Seashore.

Senitila began to organize her first Summer literacy programs and held them at St. Luke's Episcopal Church. Local high school students helped form Seashore. Initially it operated under the auspices of "Oregon Literacy".

## 1994 – GROWING

Partnerships with Lincoln County School District, local banks, and churches allowed us to to operate for many years out of various buildings in Waldport.

## 2000 – ORGANIZING

Senitila and a group of community members formed Seashore Family Literacy as a non-profit, 501(c)3. The newly formed Board of Directors began to establish the Center's future. Regular, daily programs were held and services included tutoring, art, music, a clothing closet and community meals.

## 2006 - GREEN BIKE CO-OP IS FOUNDED

The Green Bike Co-Op was created to provide transportation for local community members. It was also a way to promote good health and recreation in our area.



## 2012 – PERMANENT HOME

Through the support of a generous donor we moved into the DaNoble House. The space provides a permanent home for youth and family literacy services, and administrative operations.



## 2016 - TODAY

Beyond the services provided at the DaNoble House, Seashore saw the need to reestablish the services that Seashore had been providing for years to help meet the basic community needs, including free clothing and food.

In 2014, Seashore purchased the deed to acquire the former middle school gym/cafeteria and surrounding lot. The property provides space for community functions and outreach. The adjacent lot is home to the "JOY Garden".

We continue our mission directed work, while also looking towards the future. Through the generosity of sharing talents our programs continue to be volunteer driven.

Our future plans include improving Seashore's "Center For Learning" infrastructure, interior and exterior. The Board of Directors has prioritized the list of improvements for the building and are completing projects as funds are raised.





### **Tutoring Job Corps**

*Mondays & Thursdays 2-4*

We have a group of volunteers who work one-on-one with the students from Angell Job Corps who need extra help and instruction with reading / writing and math. The transformation we see in both the students and volunteers is inspiring!

### **Healthy Habits GROW**

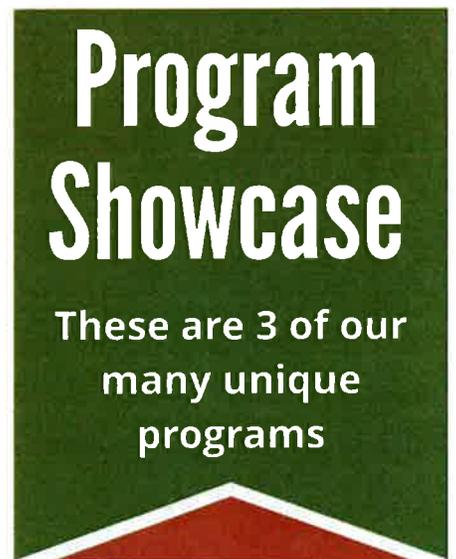
*Monday - Friday - Summer*

Our garden program is thriving. This summer, lessons are infused with teachings about Pacific Island culture. We have hard-working volunteers who maintain the garden daily. Our youth enjoy growing their own produce & eating fresh food!

### **Ukulele Group**

*Wednesdays 1:30-3*

Happy music fills the building on Wednesday afternoons. Folks of all-ages gather to learn, teach and practice on the ukulele. The group is a wonderful way to share culture through music!



# Progress Report

## We Had a Great Year

2015-2016 key #'s at a glance

- 30** Adult students learning to read and write
- 20** Adult students learning to speak and understand English (ELL & ESL)
- 5,800** Total learning hours across all programs
- 4,500+** Hours of service donated by volunteers
- 44** Community Events held at the Shelter Me Building
- 1,200+** Community meal & literacy event attendees
- 500** Children's books distributed free to families and kids
- 99%** Of learners (all ages) achieved or made progress toward a personal goal!



We celebrated our 3rd Annual "Shelter Me Week", helping to make our community a home for everyone! We had over **400** youth and adults attend events during the week-long celebration including:

- LIONS Vision Screening
- Parade
- Resource Fair
- Cooking Class
- Ukulele Group
- Volunteer Appreciation Picnic
- City and County Proclamations
- Mental Health First Aide Training
- Common Bowl Community Dinner





*"We are feeding a lot more people, that is pretty cool!"*



"I am really amazed by how much the program has improved this year! We have more than 25 kids attending lunch everyday. Two days a week we take food up to the park for kids that can't make it to the Center. We are feeding a lot more people, that is pretty cool!"

-Jasmine, Summer Meal Program Site Coordinator

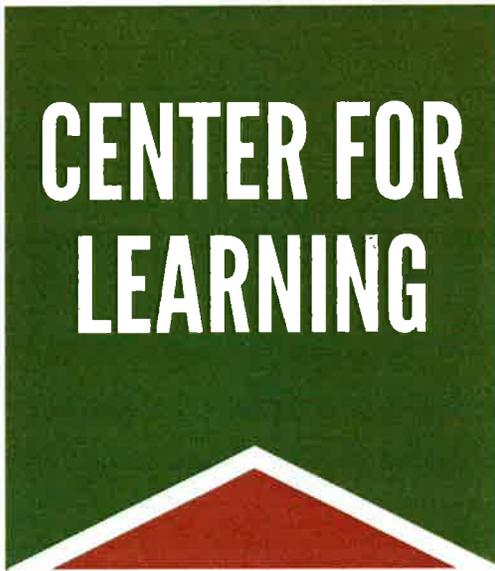


"I have been making cinnamon rolls in the kitchen every Thursday. Everyone loves the cinnamon rolls, I enjoy making em', its like my service to the program. It's the best day of the week for me when I get to come in and make cinnamon rolls. I also help cook meals for the homeless that live in our community. I make eggs and toast or soups. I work with whatever ingredients we have."

- Michaele , Volunteer



Since 2008, Seashore Family Literacy has been a sponsor of the USDA Summer Food Service Program (SFSP) through the Oregon Department of Education. This program provides free meals to children 1-18 years of age. We serve food cooked on-site. We make an effort to serve as much food from scratch as we can, which is unique to any of the SFSP sites in Lincoln County. We are also the only site that can boast a "garden to table" opportunity. This provides our local children with healthier and heartier meals!



The Center is used for a wide range of educational programming, events, cultural and enrichment activities, and supports community outreach:

- Adult GED and ELL Tutoring
- Free Summer Meals Site
- Community Resource Fairs
- Dental Van
- LIONS Mobile Health Screening
- Hands Across the Bridge Celebrate Recovery
- Free Weekly Community Dinners
- Ukulele Music Group
- Adult Cooking Classes
- Summer Camp Program
- Clothing Closet
- Student School Supply Giveaway
- Community Thanksgiving Dinner
- Professional Development Workshops

## UPGRADES & RENOVATION UPDATE

- Fire alarm and security systems installed
- New commercial grade fridge and freezers
- New dishwasher
- Restroom renovations & new exterior doors
- Installed new ductless heating systems
- Replaced water heater and fixed leaky faucets
- Sealed and painted the building exterior
- Repaired / refinished the gym floor
- Re-established the "Seashore Joy Garden"



## FUTURE PROJECTS

The center has great potential for future expanded use by the community. The vision is to strengthen the long-term health of the building, which will in turn, strengthen the overall health of Seashore Family Literacy as an organization. Projects are being completed as funds are raised. Future renovations include: Insulation of 3 perimeter walls in the gym (to prevent dry-rot), installation of energy efficient windows (for natural light), and interior painting.



**“Give a man a fish and you feed him for a day;  
Teach a man to fish and you feed him for a lifetime.” -Maimonides**

# Highlights of Giving



## CHANGING LIVES

Our volunteers help “teach people to fish” by giving them stronger voices with improved literacy skills. When youth and adults learn new skills and work on achieving their goals, their lives change.

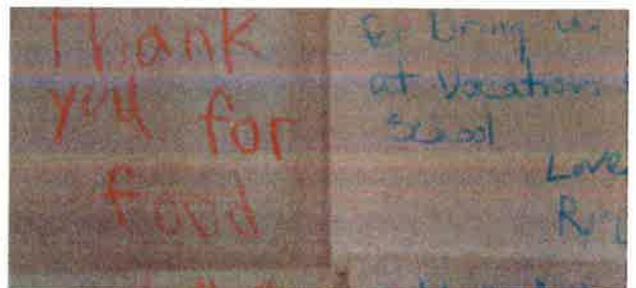
Most of our volunteers tutor youth and adults with literacy challenges. Others serve on the Board, work in the garden, prepare meals, or help run administrative aspects of the organization. Bottom line: We are a small staff, but with your help and that of many others, we are delivering on our mission to improve literacy and positively impact the lives of the greater South Lincoln County area.

**This year over 200  
volunteers gave more than  
4,500+ hours of their time.**



“ I volunteer because I enjoy helping the people in our community. It’s amazing when people come in and they are down and out, we offer them a cup of coffee, something to eat, clothing, we listen to them... When they leave they’ve got a smile on their face, they feel better and it brings a sense of accomplishment. Senitila has got such a big heart and big load. We all have a hand in helping her accomplish her mission of serving our community.”

- Linda, Seashore Volunteer





## FUNDING PARTNERS

Oregon Community Foundation  
(Red Tail Fund)

Spirit Mountain Foundation

Oregon Department of  
Education

Lincoln County Community and  
Economic Development Fund

Three Rivers Foundation

Samaritan Health Services

Columbia Bank

Confederated Tribes of Siletz  
Indians

Our Savior Lutheran Church

St. Lukes Episcopal Church

Community Presbyterian  
Church

Atonement Lutheran Church

Trust Management Services

## REGIONAL PARTNERS

Angell Job Corps

PAADA, Partnership Against Alcohol  
and Drug Abuse

Medical Teams International

Lincoln County Public Health

Lincoln County School District

Youth Development Coalition

Food Share of Lincoln County

Community Services Consortium

Partnership for a Hunger Free  
Oregon

## LOCAL PARTNERS

Pacific Sourdough

Grandpa's Feed Store

D & S Electric, LLC

Waldport Library

Spruce Ridge Homes & Design

Kenny's Custom Painting

Copeland Lumber

Waldport LIONS

Windermere Real Estate (Seal  
Rock)

City of Waldport

Port of Alsea

Crestview Boosters Club

Rays Food Store

Waldport Foursquare Church

Waldport Chamber of Commerce

Grand Central Pizza

Thompson's Nursery

Seashore Family Literacy would like to thank the many wonderful individuals, foundations, and companies who provided financial and in-kind support in 2015-2016 to help further our mission of helping children, adults and families improve reading, writing, math, computer and communication skills.

Together we are transforming lives and our community through access to literacy services.

### GRANT FUNDING 2015-16

<u>Foundation</u>	<u>ALLOCATION</u>	<u>AMOUNT</u>
LCSD 21st Century (Community Learning Center Fund)	After School & Summer Program	\$15,000
Confederated Tribes of Siletz Indians	Safety Fence for Playground	\$2,600
Three Rivers Foundation	6 Chromebooks	\$1,194
Samaritan Health Services	Garden Program	\$7,000
Spirit Mountain Foundation	Commercial Freezer & Fridge	\$5,000
Lincoln Community Economic Development	Restroom Renovation	\$10,000
Oregon Department of Education	Commercial Kitchen Upgrades & Expanded Summer Program	\$10,000
Redtail Fund of the Oregon Community Foundation	Capacity Building Staff	\$15,000
	<b>Total Funded</b>	<b>\$65,794</b>



**During the 2015-16 fiscal year, more than 150 individuals, 20 businesses and 7 foundations invested in Seashore Family Literacy.**

Seashore's programs and services are the vision of the organization's founder and director, Senitila McKinley. Limited part-time staff coordinate the efforts of over 300 students and volunteers.

In addition to grants, we operate with a lean budget and a can-do-attitude. Our generous community minded donors, contributed just over \$68,000 in FY 2015!

Our donors are helping us address the barriers of low literacy in our community. As a result, we are able to provide more services every year... Thank you!

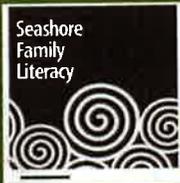


# Board of Directors

- Don McDonald, Board Chair
- Ruth McDonald, Treasurer
- Michael Schlosser, Board Member
- Susan Stewart, Board Member
- Kenny Hake, Board Member
- Mike Smith, Board Member



Much of Seashore's success over the years is the result of a strong and dedicated group of volunteers, along with the financial support of local organizations and businesses.

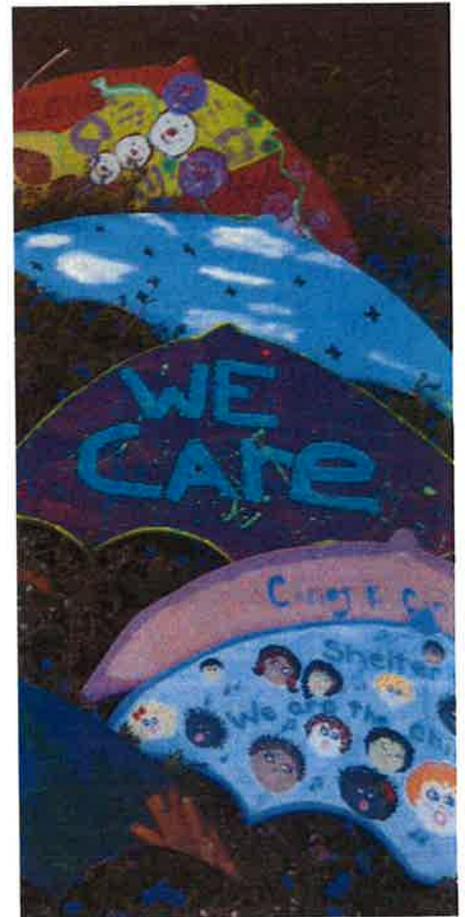


We are so grateful to the volunteers, board members, and friends over the years who have chosen to contribute regularly to our programs.

Seashore programs are primarily run by volunteers and rely on the generosity of community-minded individuals. We apply for grants but also need sponsors and donors to help cover programming expenses.

We are a registered nonprofit organization, donations are tax deductible.

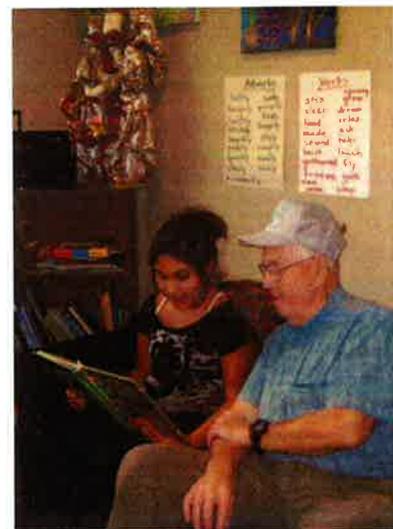
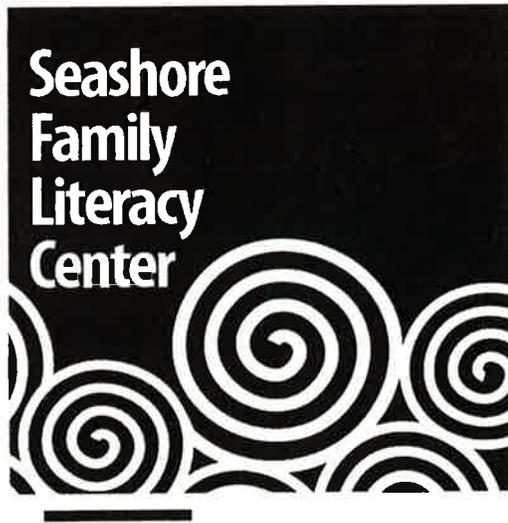
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[seashorefamilyliteracy@gmail.com](mailto:seashorefamilyliteracy@gmail.com)





# Seashore Family Literacy Center





# Public Works Department Report for the month of October 2016

## Water Treatment Plant

Plant Production:	<u>6.13</u>	MG
Rainfall:	<u>17.8</u>	inches

## Wastewater Treatment Facility

Effluent Flow:	<u>7.26</u>	MG
Rainfall:	<u>17</u>	Inches

## Public Works Dept.

Alarm call outs:	<u>3</u>
Locates:	<u>2</u>
Sewer plugs:	<u>1</u>
Water service installations:	<u>0</u>
Sewer connections:	<u>0</u>
Water Leaks:	<u>2</u>

## Department General Overview

The City of Waldport Public Works Department is excited to report the work they have completed to help protect the public's investment. Their work includes identifying issues, maintaining infrastructure, and targeting resources to minimize long term costs while providing the best possible service to our citizens.

In addition to their normal operating duties, the public works crew spent October preparing and reacting to storms and the upcoming winter events.

The plant operators are doing an exceptional job operating and maintaining the city's water treatment facilities. Both plants are continuing to do a great job processing terrific standards in water quality.

Administratively, we have been working very hard planning our future direction as a successfully operating department. October was spent planning our Winter and finding avenues to prepare for the upcoming winter events.

## Director's Report October 2016

### Programs

We had an increase in attendance for programming this month due to a couple of special Halloween costume event held with the baby, toddler and teen groups. The library also held the Teen Scream Night on the 26<sup>th</sup> that was well attended. We had 38 teens attend in addition to 22 adults. The event was held after hours and the library was decorated up as a haunted house. Ray's donated pumpkins for all three events.

The library also participated in Jump Start's Read for the Record event on October 27<sup>th</sup>. Jump Start is a literacy program and every year they sponsor the Read for the Record program where libraries where schools across the world read the same book on the same day. This year they chose *The Bear That Ate My Sandwich*, by Julia Sarcone-Roach. Sharon also held a reading of the book at the elementary school on the same day. More information can be found on their website <https://www.jstart.org/campaigns/read-for-the-record>. The final tally of the number of participants will be publicized later this month.

### November

As recommended by the Board, the library will be open on Veteran's Day. We have set up a Veteran's display in the foray and in the glass case in the computer room. We are also giving away donated paperback books to Veteran's and current service members in keeping with similar programs offered to service members. The Board suggested a war movie or documentary run throughout the day, however, staff had a concern about the content of movies being suitable for children with the Moore room located so closely to the children's area.

In addition to our regular events for November, we have Family Night scheduled for November 10<sup>th</sup>. Families will decorate holiday boxes and box up donated food for the Holiday food give away. The library has a bin set up for food donations and Ray's has also agreed to donate food.

On November 18<sup>th</sup>, we have scheduled the Birdman for a performance at the elementary school. The library had left over funds from the summer reading programs due to a performer canceling which allowed us to use toward this performer.

The library is collecting new unwrapped children's books through the month of November ending December 5th to be donated to the South Lincoln Needy Children's Christmas program.

### December

December 4<sup>th</sup> at 2:00 pm will be the Volunteer Holiday Program.

We are in the process of arranging a musical program featuring the Waldport High School band at the Community Center. Date and time to be announced.

### Future Programs

We plan to begin an adult coloring activity once a week in January. We will begin offering the program once a week during the day and see if there is any interest in an additional time in the evening.

We have identified a couple of programs as possibilities for the spring and summer. One is a coding class for teens. Technological jobs are forecasted to grow by 22% through 2020 and preparing our teens is important especially with girls. I plan to meet with teachers at the high school to see if they offer similar programs and the possibility of creating a partnership to offer the coding class. One of the challenges with the program will be for the library to purchase laptops for use in the program. We will be applying for grants to purchase the laptops. The laptops would also be available for adult programming such as computer classes and instruction for the library's databases.

We have been gathering ideas for possible programs. I hope to meet with the Alsea Historical Society about working together to provide a genealogy program using the library's database, Heritage Quest. I also plan to investigate the possibility of having a summer reading program for adults. Other libraries have had similar programs. I plan to visit the literacy center and OCCC to find out what programs they offer so we could fill in any gaps and the possibility of partnering with them on programs.

### **Usage Statistics**

As per the Board's recommendation, we have begun counting the non-cataloged items.

Usage statistics are up from last month but are still a little lower compared to the same time last year. A significant increase to note is the increase in the number of patrons added. The number has almost doubled compared to the other months this year.

## Waldport Public Library Monthly Circulation FY 2016-17

Patron Category	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	TOTAL
LCLD-Adult	3,073	3,068	2,655	2,874									
LCLD-Youth	176	174	117	96									
Waldport Adult	2,200	2,070	1,854	1,860									
Waldport Youth	126	110	67	56									
CITIES (Adult & Juv)	58	28	26	41									
Temporary 1 yr	49	64	62	81									
Temporary	152	62	3	15									
OCCC	1	21	19	20									
Oregon Passport	86	60	71	77									
Interlibrary loan out	<u>50</u>	<u>64</u>	<u>80</u>	<u>83</u>									
Chinook Circ	5,971	5,721	4,954	5,203									
% circ in public lib	50%	48%	48%	45%									
*Non-cataloged	766	n/a	n/a	438									
Library2Go *	<u>179</u>	<u>186</u>	<u>202</u>	<u>220</u>									
	945	186	202	658									
<b>GRAND TOTAL</b>	<b>6,916</b>	<b>5,907</b>	<b>5,156</b>	<b>5,861</b>									
<i>Last Year</i>	<b>6,379</b>	<b>6,613</b>	<b>6,016</b>	<b>5,948</b>	<b>5,456</b>	<b>6,097</b>	<b>6,487</b>	<b>6,026</b>	<b>6,333</b>	<b>5,755</b>	<b>5,385</b>	<b>6,363</b>	<b>72,858</b>
Interlibrary loan in	49	53	*35	45									
Computers	1,058	1,268	979	1,018									
WiFi	362	n/a	n/a	194									
Patrons added	36	30	37	53									
Program attendance	552	342	151	329									

\*Previous  
ly reported

\*Beginning  
Closure: Aug. no Closure: as 229.  
July 4 - mag. pb. or Sept 5 - Corrected  
9 hours Wifi count 9 hours to 35.

**Waldport Public Library  
Board of Trustees  
Minutes of Regular Meeting September 13, 2016**

**Members Present:**

Jan Hansen, Vice Chair  
Brian Fodness  
Barbara Smith-Huggins

**Others Present:**

Kerry Kemp, City Manager  
Reda Eckerman, City Recorder  
Pam Fodness, Sr. Librarian

**Members Absent:**

Shirley Hanes, Chair  
Gary Hodges

**Call to order, introductions & review of agenda:** In the absence of the Chair, Jan Hansen chaired the meeting. There were no changes proposed to the agenda.

**Minutes:** The minutes for the regular meeting of August 9, 2016 were unanimously approved on motion by Barbara Smith-Huggins, second by Brian Fodness.

**Financial Report:** Kerry Kemp reviewed the financial report. He noted that there had been no receipt of revenues from the Library District as of yet, but the beginning working capital was quite healthy. Pam Fodness noted that former Director Jill Tierce had purchased sufficient supplies to ensure that the Library was well-stocked prior to her departure.

**Committee Reports:** Ms. Fodness reported that Norm Streeter's final tally for the Friends of the Library book sale was \$869.26 for the first day, \$1381.45 for the second, for a grand total of \$2253.71. After subtracting the starting revenue of \$160 (in order to make change), the net receipts for the sale were \$2093.71. The Friends also received \$55 in new memberships. Ms. Fodness noted that at their meeting the previous week, the Friends had decided to sell the remaining book bags for \$2 apiece. They will be displayed for sale at the Library.

**Director's Report:** It was noted that the circulation was down in August, but part of that could be attributed to the book sale, as Ms. Fodness pointed out that a similar trend had appeared in previous years. Additionally, the Library is no longer tracking magazine, newspaper and wi-fi use. In July, the total of 6,916 had included 766 in the non-catalogued category. Setting that category aside, the August total of 5,907 was only 250 less than July, and the Library2Go number was up by 7.

The Board reviewed the Summer Reading 2016 Statistic Review, provided by Sharon McCrum, and discussion ensued regarding the current year's successes. Mr. Kemp mentioned that some of the offerings had not been inexpensive, but they were certainly worthwhile. It was noted that there was some funding provided by the Ready to Read program, and the Friends of the Library had paid for the "Reptile Man" program. The Big Trucks event was well-received, and the participants are looking forward to next year.

**Waldport Public Library, Board of Trustees  
Regular Meeting, September 13, 2016**

Attendance at the Teen Wii-Fit Day was down compared to the previous year, but new teens had shown up.

With regard to the Library building, Ms. Fodness noted that Public Works was going to be doing some plumbing repairs and parking stripes, and the railing on the back door had been repaired.

**Old Business:** Mr. Kemp reported on the recruitment for the Library Director position. There were six applicants, and they were all qualified in their own way, so all six were interviewed by a panel comprised of Mr. Kemp, Ms. Eckerman and Diedre Conkling from the Library District. Ms. Conkling was also involved with the advertising and recruitment efforts, and brought a great deal of much-appreciated expertise to the process. The results of the interviews are still being reviewed, and Mr. Kemp noted that the Library Board will be receiving an email notification when the final selection is made.

**New Business:** The annual statistical report was reviewed by the Board. It was noted that the proposed incorporation of South Beach into Newport will result in a loss of tax funds that will be felt by all the libraries. However, at present, there is no accurate estimate of the impact this will have on our library.

**Board Members concerns:** None stated.

**Actions or Recommendations to the City Council:** Barbara Smith-Huggins noted that she had given a tour of the Library facility to Mayor Woodruff during the Open House that was held for Jill Tierce. It was felt that an annual visit or tour by the City Council would be a good tradition to start. This could be done as part of a "new councilor" tour of City facilities in general, though it would also be nice if the "old councilors" would also participate.

A brief discussion ensued regarding Veteran's Day, and whether the Library should be closed or remain open on that day. The group also discussed ideas for a Veteran's Day display. The topic will be placed on the October meeting agenda for further discussion.

**Public Comment:** None.

**Announcements:**

Baby Story Time has moved to Wednesdays at 10:00 a.m.  
Pre-School Story Time will still be on Thursdays at 2:00 p.m.

**Next Regular Meeting:** Tuesday, October 11, at 9:30 a.m.

**Adjournment:** Ms. Hansen adjourned the meeting at 10:35 a.m.

**City of Waldport**  
**2016 LAND USE / BUILDING PERMIT ACTIVITY**

<b>Date</b>	<b>Application/ Activity</b>	<b>Applicant</b>	<b>Zoning</b>	<b>Tax Map/Lot Location</b>	<b>Description</b>	<b>Status</b>
<b>For the Period <u>May 1, 2016</u> through <u>October 24, 2016</u></b>						
5/23/16	Land Use Compatibility Statement (LUCS)	Port of Alsea	M-W	North of 13-11-18/ 2400 North of Port St	LUCS for Joint US ACE & Oregon DSL application for repair of existing debris boom	Completed 5/23/16
5/23/16	Building Permit	Ocean Quest Homes	P-F (PD)	13-11-30CA/6400 – 600 Green Dr Fairway Villas PD Phase 1	New single family dwelling	Approved 5/27/16 per #2-PD-PC-16 conditions
5/23/16	Manufactured Home Placement Permit	Malnack	R-2	13-11-30BA/7700 480 Wedge Dr Land & Sea Subdiv.	New manufactured home	Approved 5/27/16
5/23/16	Building Permit	Malnack	R-2	13-11-30BA/7700 480 Wedge Dr Land & Sea Subdiv.	New attached garage	Approved 5/27/16
6/9/16	Building Permit	Ocean Quest Homes	P-F (PD)	13-11-30CA/6500 – 580 Green Dr Fairway Villas PD Phase 1	New single family dwelling	Approved 6/13/16 per #2-PD-PC-16 conditions
6/10/16	Building Permit	Jerry Phillips	R-1	13-11-19CD/2600 739 Highland Dr Alsea Highlands	Addition to single family dwelling	Approved 6/13/16
6/16/16	Building Permit	Antoinette Sutto	R-3	13-11-18DD/3700 225 Spencer St	Remove/replace attached garage	Approved 6/17/16
6/16/16	Manufactured Home Placement Permit	Jayne Kirtchem	R-2	13-11-30BA/10100 1225 Wedge Ct Land & Sea Subdiv.	New manufactured home	Approved 6/17/16
6/16/16	Building Permit	Jayne Kirtchem	R-2	13-11-30BA/10100 1225 Wedge Ct Land & Sea Subdiv.	New attached garage	Approved 6/17/16
7/8/16	Building Permit	Brent Barth	R-2	13-11-30BA/9400 375 Wedge Dr Land & Sea Subdiv.	New single family dwelling	Approved 7/8/16

**City of Waldport  
2016 LAND USE / BUILDING PERMIT ACTIVITY**

<b>Date</b>	<b>Application/ Activity</b>	<b>Applicant</b>	<b>Zoning</b>	<b>Tax Map/Lot Location</b>	<b>Description</b>	<b>Status</b>
7/19/16	Building Permit	KAK Investments LLC Hi-School Pharmacy	D-D	13-11-19BD/6000 110 Hwy 101 Hi-School Pharmacy	Façade and roof improvements	Approved 8/1/16
8/5/16	Building Permit	Quayle Builders	R-2	13-11-30BA/7900 1220 Forest Pkwy	New single family dwelling	Approved 8/8/16
9/19/16	Building Permit	FDH Velocitel	I-P	13-11-31B/200 150 Dahl Ave	Replace antennas at cell tower	Approved 9/19/16
7/8/16	Building Permit	Brent Barth	R-2	13-11-30BA/9400 375 Wedge Dr Land & Sea Subdiv.	New single family dwelling	Approved 7/8/16
7/26/16	Land Use Compatibility Statement (LUCS)	Jessica Owens	D-D	13-11-19AC/2600 22 Aalsea Hwy (former Bayshore Realty)	OLCC LUCS for marijuana dispensary	Completed 8/5/16
8/23/16	Building Permit	Jyl Wheaton	I-P	13-11-31B/205 215 Dahl Ave	Remodel w/ 2 <sup>nd</sup> floor loft, 4 interior rooms, frame-in overhead doors, new windows, and deck	Approved 8/26/16 per #1-CU-PC-16 conditions
10/3/16	Building Permit	Richard Nelson	R-1	13-11-19AA/300 650 Waldport Heights	New detached garage replacing existing detached garage	Approved 10/3/16
10/3/16	Conditional Use Permit	Steve & Kathy Brandel	I-P	13-11-31B/705 Crestline Dr/Ann St Industrial Park	Conditional use for firewood business	Planning Commission approved w/ conditions 10/31/16
10/21/16	Land Use Compatibility Statement (LUCS)	Coastal Cannabinoids	C-1	13-12-25AB/2500 1466 SW Hwy 101	OLCC LUCS for marijuana dispensary	Completed 10/21/16
10/25/16	Building Permit	Dahl & Dahl	I-P	13-11-31B/200 150 Dahl Ave	Four new storage buildings at Ideal Storage.	Approved 10/28/16 per #3-CU-PC-04 conditions

**WALDPORT PLANNING COMMISSION**  
**MAY 23, 2016**  
**MEETING MINUTES**

1. CALL TO ORDER AND ROLL CALL: Chair Woodruff called the meeting to order at 2:00 p.m. Chair Woodruff and Commissioners Peterson, Stole, Andrew, Barham and Yorks answered the roll. Commissioner Quayle was excused. A quorum was present.
2. MINUTES: The Commission considered the minutes from the April 25, 2016 meeting. Commissioner Andrew **moved** to approve the minutes as presented. Commissioner Barham **seconded** and the motion **carried** unanimously.
3. CITIZEN COMMENTS AND CONCERNS: None.
4. CORRESPONDENCE: None.
5. PUBLIC HEARING - Proposed Amendments to Waldport Development Code Section 16.32 Retail Commercial Zone C-2: City Planner Lewis reviewed the staff report, noting that a notice of public hearing had been mailed to all property owners in the C-2 zone. Commissioner Barham asked if the conditions included would be more appropriate if contained in the conditional uses section of the chapter. Dennis Meredith noted that it would be better to know conditions ahead of time rather than having to react to a problem later on. Commissioner Barham stated that his preference would be to leave the old language in the outright uses, and add the proposed language under conditional uses. Commissioner Andrew asked about the removal of storage and Mr. Lewis responded that leaving it in meant that someone could do storage only, which was not something the City necessarily wished to see as a use in a C-2 zone, it was more of an industrial use, and there is zoning for that up on the hill. Senitila McKinley expressed appreciation for the notification letter and wondered about the purpose for changing the language. Mr. Lewis responded that there was not a specific request or a particular property, but that there had been a handful of inquiries regarding the old public works shop, and one of the proposed uses that seemed to be popular was a brewery, which would not be allowed under the current code language. The other issue was that there were currently some businesses that were or could be engaged in manufacturing goods that were not necessarily food or beverages, such as clothing or craft items, and there was currently no mechanism in place in the C-2 zone for fabricating, outside of food or beverages. Following further discussion, Commissioner Woodruff **moved** to amend the outright permitted use to read as follows: "Processing, packing or storage of food or beverage, excluding those products involving rendering of fats or oils, or slaughtering." Commissioner Stole **seconded**, and the motion **carried** unanimously. Commissioner Barham then **moved** to include a new conditional use to read as follows: "Processing or packing; provided that the use does not create a public nuisance or an unreasonable hazard to health or property because of excessive noise, smoke, odor or dust, or because it constitutes a fire, explosion or other physical hazard." Commissioner Peterson **seconded**, and the motion **carried** unanimously. It was noted that the previous amendment to the C-1 outright permitted uses would allow for non-

food or beverage manufacturing uses to be permitted outright in the C-2 zone as well.

6. DISCUSSION/ACTION ITEMS: The Board reviewed the Planning Report. There were no comments, nor any additional discussion/action items.

7. COMMISSION COMMENTS AND CONCERNS: Chair Woodruff wondered about the election of positions. Consensus of the Commission was that this would be done at the beginning of the year.

8. ADJOURNMENT: At 2:47 p.m., there being no further business to come before the Commission, the meeting was adjourned.

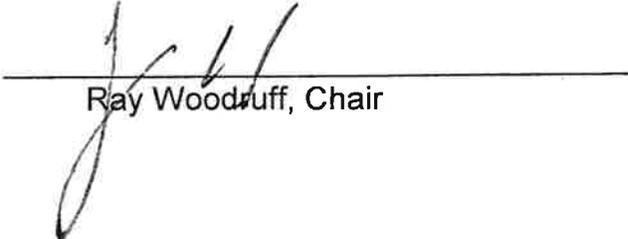
Respectfully submitted,



Reda Q. Eckerman  
City Recorder

APPROVED by the Planning Commission this 31 day of October, 2016.

SIGNED by the Chair this 31 day of October, 2016.



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Ray Woodruff, Chair