

1 Depoe Bay City Council  
2 Regular Meeting  
3 Tuesday, May 20, 2014 - 7:00 PM  
4 Depoe Bay City Hall

5

6 PRESENT: Mayor A.J. Mattila, D. Goddard, B. Leff, S. Hoitink, S. Olsen, R. Gambino, B. Berry

7

8 STAFF: City Recorder P. Murray, City Superintendent B. Weidner, Recording Secretary  
9 E. LuMaye

10

11 I. PLEDGE OF ALLEGIANCE

12 Mayor Mattila called for all to stand for the Pledge of Allegiance.

13

14 II. CALL TO ORDER

15 Mayor Mattila called the meeting to order and established a quorum at 7:00 PM.

16

17 III. APPROVE MINUTES: May 6, 2014 Regular Meeting and May 5, 2014 Budget Committee Meeting

18 Motion 1: Olsen moved to approve the minutes from the May 6, 2014 Regular Meeting as submitted.

19 Leff seconded the motion.

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21 Mayor Mattila said it was moved and seconded, and called for discussion. There was none.

22

23 Vote: Motion 1 passed.

24 Ayes: Goddard, Leff, Hoitink, Olsen, Mattila, Gambino

25 Abstain: Berry

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27 Motion 2: Leff moved to approve the minutes from the May 5, 2014 Budget Committee Meeting.

28 Goddard seconded the motion.

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30 Mayor Mattila said it was moved and seconded, and called for discussion. There was none.

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32 Vote: Motion 2 passed.

33 Ayes: Goddard, Leff, Olsen, Mattila, Gambino

34 Abstain: Hoitink, Berry

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36 IV. ACCOUNTS PAYABLE

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38 Motion 3: Hoitink moved to approve the Accounts Payable as submitted. Leff seconded the motion.

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40 Mayor Mattila said it was moved and seconded, and called for discussion. There was brief discussion.

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42 Vote: Motion 2 passed.

43 Ayes: Goddard, Leff, Hoitink, Olsen, Gambino, Berry

44 Abstain: Mattila

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46 V. SPECIAL ORDERS

1 A. Proclamations

- 2 • Emergency Medical Services Week – May 18-24, 2014

3 Brady Templeton of PacWest Ambulance, read the Proclamation into the record (copy attached to  
4 original of these minutes). Murray asked if the Council would like to move to proclaim Emergency  
5 Medical Services Week.

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7 Motion 4: Goddard so moved. Leff seconded the motion.

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9 Mayor Mattila said it was moved and seconded, and called for discussion. There was none.

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11 Vote: Motion 4 passed.

12 Ayes: Goddard, Leff, Hoitink, Olsen, Mattila, Gambino, Berry

- 13  
14 • May 2014 as Mental Health Month

15 Murray read the Proclamation (copy attached to original of these minutes) into the record. Mayor  
16 Mattila said it's a really important Proclamation, and asked for a motion.

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18 Motion 5: Leff so moved. Goddard seconded the motion.

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20 Mayor Mattila said it was moved and seconded, and called for discussion. There was none.

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22 Vote: Motion 5 passed.

23 Ayes: Goddard, Leff, Hoitink, Olsen, Mattila, Gambino, Berry

24  
25 Leff asked about another Proclamation; Murray said an organization had requested their Proclamation  
26 be on the June 3 agenda. Organization member Monica Kirk was present and was willing to discuss the  
27 Proclamation, but all Councilors did not have a copy, nor did Ms. Kirk. This item will appear on the June  
28 3 agenda.

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30 VI. REPORTS OF OFFICERS, BOARDS, OR STANDING COMMITTEES

31 There were no reports.

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33 VII. PUBLIC COMMENTS

34 Jerome Grant, 1048 SW Morning Walk, addressed the Council regarding an idea for use of the fish  
35 plant: the idea was the possibility that ODF&W or OSU Hatfield Marine Science Center might be  
36 interested in using the fish plant for research, and to have it open to the public with touch pools and  
37 living reef animals. He offered to contact State agencies to find out if there is any interest. Mayor  
38 Mattila was interested in ensuring the City retain the ice machine and hoist. He applauded Mr. Grant's  
39 idea. Leff clarified that whoever expresses interest, the City has to advertise the building for lease.  
40 Murray questioned whether Mr. Grant was suggesting an Inter-Governmental Agreement (IGA) or a  
41 State Agency lease; Mr. Grant said an IGA would probably be an avenue. Olsen suggested the Harbor  
42 Commission might work on this. Mr. Grant said he didn't want to reach out and touch people unless  
43 the Council showed genuine interest in the idea. Berry said as long as the building isn't vacant he was  
44 interested.

45

1 Maggie Thomas 124 SE 40 Lane addressed the Council regarding a petition she circulated relating to  
2 the fish plant (copy attached to original of these minutes). She said what she heard a lot of was that  
3 the fish plant was not going to bring in enough revenue for the City to make money. She said petition  
4 signers would like to see all businesses supported, especially the hotels because that's where the City  
5 gets tax revenue. There were also other ideas, such as a maritime museum that the Kids Zone could be  
6 involved with and there was a possibility of grant money, and Kids Zone was receiving a lot of that right  
7 now. She personally did not feel it would be appropriate for the City to subsidize one business. She  
8 gathered from the engineer's report that the City has already put in \$300,000, with income only being  
9 just over \$102,000; so to put more money in to subsidize one business would put the City further into a  
10 hole. She encouraged the Council to think about other options that could benefit the City as a whole,  
11 and give tourists something else to do so they will stay another night and bring in more tax revenue.

12

### 13 VIII. UNFINISHED BUSINESS

#### 14 A. Fish Plant Engineering Report

15 Dave Crimp, Clearwater Engineering, provided a general overview of his report, and the recommended  
16 repairs that were generic improvements that would benefit anybody in the building. He said his goal  
17 was to make the building suitable for rent or for sale. He did not agree with Ms. Thomas that the  
18 building won't make money, saying rent revenue could pay back cost of improvements in only 10  
19 years. He said the recommended immediate repairs are basic things any landlord needs to supply. He  
20 was also convinced odor problems can be solved. He said a lease agreement can include an agreement  
21 to control odors, waste, and noise. He suggested the City periodically inspect the property. He said he  
22 doesn't see the Newport bayfront as having an offensive smell. (Copies of follow-up documents  
23 attached to original of these minutes.)

24

25 Geoff Molfino, 923 SE Eddy, Newport, said he didn't want to involve himself too deeply in local politics,  
26 other than to say there have been statements made without full knowledge, and the odor and noise  
27 opinion is based on an assumption that his company would be processing fish, and that's not what they  
28 do or plan to do; they hold live sea animals until they're passed on. They only utilize one-two trucks per  
29 week. He said he has the support of Depoe Bay fishermen who would deliver crab. He hopes people  
30 will take a knowledgeable view as to proposals the city gets for using the fish plant. Leff said whatever  
31 happens, the City has to put out public notice. She said she's researched commercial leasing, and it's  
32 not unusual for buildings to be rented "as-is" with a specific list of repairs that need to be made before  
33 the building can be used, and asked Mr. Molfino if a public notice went out that included having to do  
34 that work as part of the lease agreement, would he be interested; he said he would, and that there's  
35 nothing on the list that would be a problem. He's looking for a win-win situation where his company  
36 can survive and meet the needs of the City, too. (Copies of five letters from Mr. Molfino attached to  
37 original of these minutes.)

38

39 David deBelloy, Enterprise Marine Services, 45 Oceana and third generation fisherman, Depoe Bay,  
40 said the fish plant is getting a bad rap with the smell - the fish cleaning station isn't getting the  
41 attention it needs. He said the fish plant doesn't deal in rotting carcasses, it deals in fresh, live product.  
42 He said the Newport bayfront is proof that fish plants don't generate a bad smell, and took the Council  
43 on a virtual walk along the bayfront, noting a number of restaurants having outdoor seating, coffee  
44 shops, ice cream shops, gift shops, and overnight rentals with near proximity to several fish plants  
45 along the bayfront. His point was that those businesses wouldn't thrive if the fish plants generated  
46 unpleasant odors. He said he and other fishermen moved their boats to Newport when Depoe Bay's

1 fish plant closed, and the benefits to re-opening the plant include employment opportunities, the City  
2 receiving rent income, and more commercial fishing boats in the harbor. He said fix the building, or get  
3 rid of it. He advised the Council to check with legal because when the City got the grant money to take  
4 care of the building in the past, he believes there's something in the agreement that says the building  
5 must remain a fish plant.

6  
7 Ms. Thomas wanted a chance to rebut comments made; Mayor Mattila said the rules are that you talk  
8 on one subject, if you've talked about it, then that's the rules, but he appreciated her comments and  
9 her concerns. He promised her the fish cleaning station will be handled.

10  
11 Weidner said he is still getting price quotes on the jib, and is working with U.S. Crane.

12  
13 Leff suggested contacting the insurance company for what they need if an RFP goes out that includes  
14 the fish plant repair work in the lease, when the work is completed, how to know if it's done to  
15 satisfaction. There was additional discussion about which core items should be repaired as a landlord,  
16 and which ancillary items could be left for a tenant to repair/improve. The Council directed Weidner to  
17 review the near-term improvements list with Mr. Crimp, and revise. Once revised, Murray will provide  
18 to insurance and attorney for comment, including improvements in an offer for lease proposals.

19  
20 Olsen addressed Mr. Grant, saying his idea is fascinating, and wondering how long it would take Mr.  
21 Grant to get feedback. Mr. Grant indicated it wouldn't take long. Murray said the building agreement  
22 doesn't have specific words about seafood processing; it was an economic development grant. If the  
23 city decided to offer the building for sale, the city would notify the USDA first and they'd have 120 days  
24 to respond whether or not they want the building back. Goddard asked Murray to get something in  
25 writing from the USDA to find out where the City stands as far as having to pay back the \$300,000 if  
26 the building is sold. She also asked if the City could put out a formal RFP to lease the building; Murray  
27 said yes, but the Council needs to decide what it is that is being offered: as is? Just the lower floor?  
28 State agencies only? She said the notice presenting the offer must be crafted carefully. The Council  
29 authorized Mr. Grant, as Harbor Commission Chair, to make general inquiries of State agencies, as  
30 discussed earlier.

31  
32 B. Contracted Services – Temporary Help

33 Weidner said he has been talking with temporary employment services about getting part-time help  
34 with weedeating downtown curbs. There was discussion about how an agreement with a temporary  
35 employment agency works. Weidner said the money isn't in the budget, but he really needs somebody  
36 at least two days a week for most of the summer. Murray said it isn't Personal Services, so the money  
37 would come out of an expense line item. Olsen asked about doing an experiment with the bathrooms;  
38 Weidner said he's already working on that. Goddard asked about boat fueling services by a temporary  
39 service person.

40  
41 Motion 6: Goddard moved to approve Weidner's request, and she'd like to throw in that we start off  
42 with four days per week, to try to get on top of everything that needs to be done.

43  
44 Mayor Mattila asked Goddard to revise her motion to include whatever Weidner needs to get things  
45 done.

46

1 Amendment Goddard revised her motion to whatever Weidner needs, within reason. Leff seconded  
2 the motion.

3

4 Mayor Mattila said it was moved and seconded, and called for discussion. Weidner said he'd like to  
5 have the temporary employee start on June 1. He will choose an agency that will give the best deal to  
6 the City; some said they might have difficulty recruiting. There was brief discussion.

7

8 Vote: Motion 6, as amended, passed.

9 Ayes: Goddard, Leff, Hoitink, Olsen, Mattila, Gambino, Berry

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## 11 IX. NEW BUSINESS

12 A. Depoe Bay Chamber of Commerce Annual Report/Request for Reimbursement and Contract  
13 Renewal

14 Goddard stated that after speaking with the State of Oregon Ethics Commission today, she has no  
15 conflict of interest to declare on this agenda item; however, she also stated she is the president of the  
16 Chamber, and the Chamber pays rent to her for the building they are in. Hoitink also declared a  
17 potential conflict of interest because he volunteers for the Chamber.

18

19 Richard Huntpalmer, 235 Hazelton Place, reviewed the Chamber's Advertising Expenses Report (copy  
20 attached to original of these minutes). Olsen made reference to a 2008 survey the Chamber  
21 commissioned, noting the survey included a comment that "the chamber sometimes plays favorites",  
22 and that someone had recently come to the Council complaining of this same thing happening. He  
23 wondered at this being an issue in 2008 and again in 2014. Mr. Huntpalmer couldn't speak to the 2008  
24 survey, but said the Chamber is a membership organization, and they have a duty to promote those  
25 member businesses. He thought doing another survey was a good idea. Leff made reference to a letter  
26 of thanks to the Chamber submitted by John O'Brien (copy attached to original of these minutes),  
27 echoing his comments directly to Mr. Huntpalmer. Murray read Mr. O'Brien's letter into the record.

28

29 Motion 7: Leff moved that we reimburse the Chamber of Commerce \$4,999 for the advertising per our  
30 contract with them. Gambino seconded the motion.

31

32 Mayor Mattila said it was moved and seconded, and called for discussion. Goddard asked if Leff  
33 wanted to throw in a contract for the next fiscal year. There was discussion; Mayor Mattila said to  
34 make that a separate motion.

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36 Vote: Motion 7 passed.

37 Ayes: Goddard, Leff, Hoitink, Mattila, Gambino, Berry

38 Noes: Olsen

39

40 There was a question about renewing the contract. Murray read the contract renewal language into  
41 the record (copy of current fiscal year contract attached to original of these minutes).

42

43 Motion 8: Hoitink moved to renew the agreement for the next fiscal year. Leff seconded the motion.

44

45 Mayor Mattila said it was moved and seconded, and called for discussion. There was lengthy  
46 discussion. Gambino asked if that meant the City would be paying in advance; no, the City wouldn't be

1 reimbursing the Chamber’s advertising expenses until this time next year. There was additional  
2 discussion on Gambino’s question. Mayor Mattila shared his feelings on the importance of supporting  
3 the Kids Zone, and if the Council couldn’t consider Kids Zone equally with the Chamber, then he was  
4 not in favor of voting on a new contract. It was pointed out that Kids Zone is a charitable contribution  
5 and the Chamber is an investment in economic development, which everyone benefits from. Mayor  
6 Mattila said Kids Zone is equally as important as the Chamber, and the kids are our future; and if the  
7 Council could come to an agreement or an understanding that they get funding as well as the  
8 Chamber, he’d be happy to vote that way. An audience member said Neighbors For Kids (NFK / Kids  
9 Zone) didn’t request any money during the budgeting process, and perhaps Mayor Mattila should have  
10 suggested the City give them some; Mayor Mattila said they did ask the year before and were turned  
11 down. Berry said he wasn’t comfortable making an agreement on something he might not be here for  
12 next year, because elections are coming up and he might not be re-elected, so he felt awkward making  
13 an agreement on a contract. He was told that is the essence of government. There was additional  
14 discussion. Mayor Mattila asked Murray to repeat the motion: she said “The motion is to renew a new  
15 agreement with the Chamber of Commerce for the upcoming fiscal year”. Goddard added “to provide  
16 advertising for the City of Depoe Bay.” Murray said that wasn’t included in the motion, but there was  
17 discussion that the agreement that the upcoming fiscal year, which starts July 1, would be unchanged  
18 from the existing contract. Mayor Mattila asked Hoitink if he would like to revise his motion to include  
19 Kids Zone in the same consideration. Hoitink said no. Mayor Mattila called for the vote. Goddard  
20 wanted to continue the discussion. She said this was apples and oranges, and that giving money to the  
21 Kids Zone should have been done during the Budget Committee. She said the funds for the Chamber  
22 contract are included in the approved budget. Mayor Mattila asked Murray about the budget; Murray  
23 said the only charitable contribution the Budget Committee approved was for the Depoe Bay Food  
24 Pantry, but the Council can modify what was approved as long as it isn’t something the Budget  
25 Committee specifically considered. She said giving NFK a contribution could be brought up at the June  
26 3 Budget Hearing. Mayor Mattila said he wanted to see that one of the City’s most valuable assets gets  
27 some financial recognition from the City. Murray advised him to bring this up at the Budget Hearing.  
28 Mr. Huntpalmer asked the Council to consider that deferring the contract renewal puts a short-term  
29 strain on the Chamber. He noted that there was tremendous community support for the contract last  
30 fall when the contract renewal got pushed back, and maybe the Council should get more public input  
31 on this. Goddard said the Chamber office supports Kids Zone with things like an on-going book sale  
32 from which all proceeds go to the Kids Zone, buying candy for the Easter Egg Hunt, and in other ways.  
33 Mayor Mattila strongly urged reconsideration of the motion. Hoitink said if that’s what everybody  
34 wanted, he’d take it back and withdraw his motion. Murray asked Leff if she’d withdraw her second.  
35 Leff said she didn’t have a problem with putting off a vote on a business issue, but she had a huge  
36 problem with Council members saying they were holding a contract on a business arrangement  
37 hostage to a charitable contribution. Mayor Mattila said the motion has been withdrawn and will be  
38 discussed at the June 3 meeting. Mr. Huntpalmer said in the future the Chamber will provide the  
39 information packets to the Council farther in advance of the meeting.

40

#### 41 B. OLCC License Renewals

42 Murray said every year the Council either provides a written renewal recommendation to OLCC, makes  
43 a written request for additional time to investigate specific requests, or takes no action – which results  
44 in a favorable recommendation to OLCC. She noted no complaints were received on any of the  
45 establishments. Gambino asked about some of the codes. (Copy of license renewal list attached to  
46 original of these minutes.)

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Motion 9: Leff moved to approve the list of license renewals. Gambino seconded the motion.

Mayor Mattila said it was moved and seconded, and called for discussion. There was none.

Vote: Motion 9 passed.

Ayes: Goddard, Leff, Hoitink, Olsen, Mattila, Gambino, Berry

X. CORRESPONDENCE

There was one other item of correspondence (copy attached to original of these minutes): an email from Patti Green at OPRD regarding the Whale Watch Center being closed June 1 through June 15 for renovations.

XI. CITY STAFF REPORT

Weidner reported 1) An RFP will be in tomorrow's newspaper for paving Bay Street from Collins & Conway to the Bay Street parking "S" turn at the Community Hall. 2) The Allyn parking lot has been striped and the parking lot is being cleaned up. 3) Crew members have been coming in early the last few days to get the town prettied up for the Fleet of Flowers. 4) Sludge hauling is complete; 370,000 gallons were hauled.

Murray reported before the next Regular Meeting on June 3, there will be a 6:00 Executive Session to meet with Christy Munson to discuss the Wave franchise.

XII. COUNCIL COMMENTS

Olsen thanked LuMaye for her work on video.

Goddard asked why there was no video recording tonight; LuMaye replied some troubleshooting was necessary.

XIII. ADJOURN

There being no further business, the meeting was adjourned at 9:18 PM.

\_\_\_\_\_  
A.J. Mattila, Mayor

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Emma LuMaye, Recording Secretary