



State of the City Message August 2024 Mayor Charles McNeilly

I, Charles McNeilly, am proud to come before you and, as your Mayor, deliver my second State of the City message as stipulated in our Charter.

I say without hesitation that fiscal year 2023-2024 was an exceptional year for Rockaway Beach; one for the record books.

City Staff prepared and City Council passed three proclamations, sixty-two resolutions, and six ordinances. City Staff won 6 grants for a total amount of \$843,000. City Council awarded 12 Community Grants for a total of \$60,000; 1 Marketing Grant for total of \$3,000; 7 Facade Grants for a total of \$102,951 and approved 8 Wayside Use applications.

The Planning Department approved 27 new dwelling units, 3 new Additional Dwelling Units, and 8 non-living space conversions to living space. Public Works, among other improvements, delivered Anchor Street Playground and Parking to rave reviews; and installed new restrooms at the Wayside ... all under budget. Emergency Preparedness trained the first cadre of our Community Emergency Response Team and we have over sixty members of our community engaged in Emergency Preparedness activities. Our Fire Department, with your support, ordered a new and necessary ladder truck with delivery expected in early 2025. City Manager Shepard continued to cultivate our City Staff to meet our City's growing needs with the hiring of Marni Johnston as Finance Director and the reorganization of current positions to provide redundancy and focus.

The City rolled out a new Utility Billing program ... no more annoying postcards to get lost ... and new business license software that will enhance tracking and communication with businesses in Rockaway Beach. Additionally, the city implemented a new cyber security policy, updated its phone system, installed new and secure data servers and firewalls including cloud-based system backups and access points.

The City rolled out a QR code program to give visitors an effortless way to access our official visitor website ... visitrockawaybeach.org ... and learn where to shop, eat, sleep, and recreate while in Rockaway Beach. The QR codes are deployed at motels, short term rentals, merchants, and restaurants throughout Rockaway Beach.

City revenues for Fiscal Year 2023-2024 are projected to exceed the budget by \$932,000; while City expenses are projected to be less than budget by \$3.6 million. Our City managed spending closely while benefiting from favorable interest rates and better than expected lodging taxes. Our current annual financial audit will begin shortly, and as a reminder, the City completes each annual audit on a timely basis and receives a positive opinion each year from our independent auditors.

Last year the City was awarded a grant from Oregon Department of Land Conservation and Development to retain consultants, Cascadia Partners, to assist the City in making Zoning Code and Comprehensive Plan amendments to make room for middle housing, in response to Senate Bill 406. The State of Oregon requires the City to make these updates before July 2025.

The planning phase of the Salmonberry Trail is continuing through our work with Oregon Department of Transportation and Alta Planning + Design. The City will be seeking funding for constructing a portion of the Trail through an Oregon Department of Transportation Community Paths grant. Go to our city website (corb.us) to learn more about the Salmonberry Trail Project.

The City has applied for Congressionally Directed Spending funds to construct a new sewer force main. The request is still under review with the Senate subcommittee, but if awarded, this project would allow for increased development in the Lake Lytle area.

Last year the City underwent an audit of its Floodplain Development program, which allows the City to participate in the National Flood Insurance Program. In response, City

staff have been working with the Federal Emergency Management Agency to complete this audit and will be making changes to our Flood Hazard Reduction code in 2025.

At the beginning of the year, the City entered a long-term agreement with Tillamook County to take over the management of the Lake Lytle boat launch area. The City was awarded funding from the Oregon Department of Parks and Recreation to construct new restroom facilities at this location and bring in the necessary infrastructure to support it. Watch for more updates on the Lake Lytle Project.

Our Fire Department has a full time Chief, Captain and firefighter, two seasonal grant funded positions, and ten active volunteers. Chief Hesse is also currently serving as Chief of the Tillamook County Fire Defense Board in addition to his duties in the City. Our Fire Department provided career education at Tillamook High School and Neah Kah Nie High School, sharing the challenges and rewards of a firefighting career. Did you grow up wanting to be a firefighter? Well, here is your chance to live out that dream and join our Fire Department as a volunteer. A step you will not regret.

Our Fire Department continues to take the lead in training EMTs in partnership with Tillamook Bay Community College. During last fiscal year, our Fire Department trained 21 EMTs that now respond to medical emergencies in Tillamook County. Medical calls still lead the way in our over 401 911 calls for service last fiscal year. Our Fire Department responded to 330 medical calls which made up 82% of the department's 911 call volume. Additionally, our Fire Department responds to fire alarms, structural fires, water rescues, missing persons, motor vehicle accidents, and more. They also actively promote beach safety, fireworks control, and gladly assist wherever needed. And let us not forget the Halloween event of the year ... Trunk or Treat, which will be held in October at our new Anchor Street Parking Lot.

Public Works continues to enhance our livability by keeping our city clean and delivering paving projects, speed zone reductions entering our City from the north, no parking signs on 101 next to Boardwalk entrance, maintaining our reservoirs as well as our water and

sewer treatment plants and more. Public Works completed the S. Pacific St. Waterline, Storm Water & Road Surfacing project on budget. Public Works has an ongoing relationship with Neah Kah Nie School District from delivering sand for an environmental learning activity to offloading a new scissor lift for the High School. And let us not forget the Christmas Tree Lighting Ceremony and 4th of July Celebrations; all made possible by Public Works.

The Tillamook County Sheriff's Office Rockaway Beach Patrol responded to over 2,200 incidents last fiscal year; handling over eighty distinct types of incidents from traffic stops to business checks to burglary to missing persons and more. Contracting with the Sheriff saves money, administration and supervision time, and improves hiring possibilities for new officers. Further, it is always advantageous to find ways to work collaboratively with other governmental entities. It helps lift up us all.

Our City Council approved a five-year Street Capital Improvement plan, adopted the south coral street stormwater feasibility study, and approved a proposal from HBH Consulting Engineers for Water & Wastewater Capital Improvement Plan Updates and a System Development Charge Study.

City Council took a critical step in assuring the City has enough short-term rentals to support a robust tourist economy while protecting our neighborhoods from excessive numbers of short-term rentals by setting a Cap on the number of licenses allowed, and establishing an annual review of our Short-Term Rental Ordinance and Cap. The City Council also approved a proposal from Granicus for Short-Term Host Compliance Software and Services. This software will more than pay for itself with improved STR compliance and will make the STR complaint process easier and more centralized. Please watch for information on the rollout.

City Council approved the City joining the Jetty Creek Working Group; authorized a grant contract to accept \$50,000 to kick off our Drinking Water Source Protection Plan project;

approved a Scope of Work from GSI Water Solutions for the facilitation of a sourcewater protection plan and approved a Scope of Work from Sustainable Northwest for the facilitation of watershed acquisition. City Council established and appointed five Rockaway Beach Citizens to the Sourcewater Protection Plan Development Advisory Committee. With these actions and more the City is starting the critical journey to taking control of its primary source of drinking water – Jetty Creek Watershed – and with active community engagement. The city is gearing up for the first of two Sourcewater Protection Plan Town Halls on Thursday, September 12th at 5:30pm at City Hall. I hope to see you there.

The City Council approved the proposal from SSW Consulting for Strategic Planning Services. A project that will deliver a five-year roadmap for our City; a roadmap that will be built with your input and engagement. The roadmap will play a critical role in project selection and budgeting going forward. In essence, how the City spends its limited resources on your behalf. So far, we have over 700 responses to our community survey! If you have not completed the survey, paper copies of the survey are available at City Hall, or you can complete the survey electronically on our city website. The deadline for the survey responses is August 25th. SSW Consulting will host our first Strategic Plan Town Hall on Wednesday, September 18th from 5:30 to 7:00pm at City Hall. Please mark your calendars and plan to attend!

The City's finances are in great shape. We forecast financial resources of \$26 million in the fiscal year 2024-2025; and our approved budget is balanced as required by law. The City is fiscally conservative and is always watching every revenue and expense as evidenced by our recent significant capital projects that came in on or under budget.

The City's main revenue streams consist of water and sewer service charges, property taxes, and transient lodging taxes. The City's property tax rate is \$0.988/\$1,000 of assessed value. The combined rate of tax, bonds and districts is the lowest of all cities in Tillamook County. On the plus side, we enjoy a greater benefit from transient lodging taxes than state law stipulates. With our grandfathered allowable usage the City can

apply 51% to city services per our Ordinances compared with 30% in other jurisdictions. On the negative side transient lodging tax is not a stable source of funding. Addressing the instability of a funding source used for city services is a priority and the City Council established the Economic Stability Reserve Fund for the purpose of supporting governmental functions through a potential economic downturn or future budget deficit. Economic Stability Funds shall not be used to supplement water or sewer operating funds.

City leadership recognizes the need for investment as our property owners and businesses deserve to have the best infrastructure and services available; and we are so financially reliant on a positive visitor experience that we must continue to improve our infrastructure to support tourism.

We have at least ten initiatives that will move us forward; they are:

- Strategic Plan and Visioning
- Economic Stability Fund
- Planning and Funding the next 20 years of water and sewer infrastructure improvements
- Sustainable drinking water supply
- Resilient critical facilities
- Accessibility improvements to the Rockaway Beach Wayside
- Salmonberry Trail Project
- Addressing aging infrastructure and building new recreation facilities
- Nedonna Beach water system replacement
- Increasing the reliability of wastewater system components

So, let us embrace the future as a community, continue to work collaboratively, and move forward to dream and chart the glory days ahead.

Let me conclude by acknowledging our City leaders -- Superintendent Dan Emerson, Fire Chief Todd Hesse, City Planner Mary Johnson, City Finance Director Marni Johnston, City Recorder Melissa Thompson and their leader City Manager Luke Shepard.

These individuals love our community and work tirelessly to deliver top drawer service and move our city forward. We are blessed to have these individuals working for us. Thank you for your dedication to our beloved community and your accomplishments in fiscal year 2023-2024.

Of course, all the individuals that these leaders supervise deserve our praise too. All staff in the City of Rockaway Beach work tirelessly each day to make the city we love work smoothly. It truly takes a village, and we have some wonderful villagers.

It is a distinct pleasure being the Mayor of the City of Rockaway Beach, your Mayor. Thank you for the opportunity and your continued support.

I am still listening.

And, thank you for your time and attention!