



**State of the City Message
FY2024 – 2025**

Mayor Charles McNeilly

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

I say without hesitation that fiscal year 2024-2025 was another exceptional year for Rockaway Beach as we continue to chart our path forward. Our city's net position increased by over \$2 million this past fiscal year, indicating that our city is well funded and financially sound. Our city managed spending closely while benefiting from Finance Director Marni Johnston's cash management acumen and the continued flow of transient lodging tax. Our current annual financial audit will begin shortly, and as a reminder, the city completes each annual audit on a timely basis and receives an unqualified opinion each year from our independent auditors.

The city's main revenue streams consist of water and sewer service charges, property taxes, investment interest income, 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, with our grandfathered allowable usage of transient lodging taxes, the city enjoys a greater benefit than allowed under more recent state rules. The city can apply 51% to city services per our Ordinances compared with 30% in many other jurisdictions. During the last four quarters the transient lodging tax was up \$65,452 over the previous four quarters. The City Council amended our use of transient lodging tax ordinance to bring it in line with state law, eliminating the necessity of limiting use of funds to media advertising. We

could, for example, under our amended ordinance fund strategic planning and research to stimulate tourism in the Spring and Fall.

City Staff:

- Wrote six successful grants securing millions of dollars towards city projects and initiatives
- Processed 37 public records requests
- Hosted 51 public meetings including five town halls; thank you City Recorder Melissa Thompson and staff
- Prepared and City Council passed 1 proclamation, 57 resolutions, and 6 ordinances; and approved 5 Wayside Use applications
- Reviewed and processed over 500 short-term rental renewals

The City Council directly infused almost \$300,000 into our local businesses and non-profit organizations to foster growth and economic development in our community. A level of financial support unseen in other Tillamook County cities. They awarded six Small Community Grants to non-profit organizations and community entities for a total of \$17,793; three Large Community Grants to non-profit organizations and community entities for a total of \$57,206.42; three Off Season Tourism Marketing Grants for a total of \$9,000; and nine Façade Grants for a total of \$209,063. Tillamook County Visitor's Association (TCVA) and the city modified the Façade Grant this year to disperse 50% of the award up front with the remainder dispersed upon completion of the project with proof of expenditures. As a result, more local businesses were able to take advantage of the Façade Grant program.

The Planning Department approved eight new dwelling units; and one single family dwelling conversion to a duplex. County occupancy data shows that 18 new dwelling units and one additional dwelling unit (ADU) were built last fiscal year with one non-living space conversion to living space completed.

The Planning Department prepared for, and the City Council held a land use hearing. The City Council upheld the Planning Commission's decision. Oregon Shores Conservation Coalition appealed the decision to the Land Use Board of Appeal (LUBA) which did remand it back to the city with two assignments of error. The city has scheduled a public hearing for September 9th to revisit the application.

On the recommendation of the Planning Commission the City Council acted to ease the housing crunch in Rockaway Beach by opening the door to allow for "Middle Housing" in our residential zones. The Council amended the city's zoning code to allow duplexes, townhomes, and other multi-unit housing as directed by Senate Bill 406. This simplifies the process for developers as they will no longer need to request a variance to build this type of housing. Throughout the month-long public engagement process, our residents have repeatedly shown support for these efforts. It's great to be mayor of a city willing to take positive steps forward on important issues.

The City Planner and Planning Commission collaborated in updating our Community Grant Program. Planning Commission recommended and City Council approved splitting the grant program into a Small (< \$5,000) and Large (\$5,000 or more) grants; added a grant scoring process; enhanced the materials including the application; and added a review process to access compliance.

We filled openings on the Planning Commission and Budget Committee with members of our community who stepped up bringing new vitality to these deliberative bodies.

Audience members shared that they had difficulty hearing the City Council Workshop and Meeting proceedings. They were also not fans of the folding chairs in the Council Room. The city responded with upgrades to the Council Room including microphones, speakers and comfortable chairs for audience members. Additional speakers were added to the 2nd floor conference room. We appreciate all who choose to attend our public meetings and town halls.

The city recognized that it can be difficult for our elected officials to separate personal from government when using their personal technology. As such, the city began providing each elected official with a city email, a laptop and access to IT services and support. It is now simple to keep our government business separate.

The city has installed an electronic reader board in front of the City Hall. This is an amazing new communication tool for events, municipal meetings, and local emergencies. I want to thank our community for suggesting the idea.

Equitable access to the outdoors is important to our community with many examples demonstrating our commitment to this value. During the last fiscal year, the city installed enhanced beach access at the Wayside with stairs and a ramp and installed two benches along the Rockaway Beach Cedar Preserve Trail.

Rockaway Beach's David's Track Chair is now available for use by residents and visitors. David's Chair's mission is to "enrich the lives of mobility impaired people with independence and freedom by empowering them to engage in outdoor activities they previously were unable to, free of charge". I want to thank St. Mary's Church for providing the space to locate the chair's shed. You can read more about this organization on their website at davidschair.org. Clearly a great fit for Rockaway Beach.

The city partnered with Neah-Kah-Nie School District, and Tillamook People's Utility District to add streetlights on HWY 101 near the high school and middle school. The enhanced safety brought by the lighting for those entering and exiting the High School/Middle School property will benefit our community.

The Fire Department continued to host the Emergency Medical Technician (EMT) class in cooperation with Tillamook Bay Community College. During the last fiscal year, the Department welcomed three new EMT's from the program – Ken Barry, Fjara Venezia, and Mackenzy McCambridge. Under the direction of Captain Grace, we are currently hosting the inaugural EMT-Advanced class in the county. The EMT program has greatly

improved the medical response abilities county-wide by adding over 60 EMT's. Our focus on Medical Emergency response continued during the last year, the additions of a powered stair chair, electric extrication tools and a lifting device for citizens who fall and need assistance getting up.

The Fire Department spent the last year recruiting new volunteers. Six recruits from the community have been working hard for the last six months with book work and hands-on practice to learn department policy and procedure and are working to complete a Firefighter One academy. Upon completion the recruits will be able to respond to 911 calls and enter a burning structure. The strong volunteer core continues to be the backbone of our department. The Staffing grant from the State Fire Marshalls Office provided the department with two firefighters from July to October. This upstaffing has greatly improved our response abilities during the busy summer months.

Rockaway Beach Emergency Management continued to train and work hard to improve readiness to respond to a natural or manmade disasters. The radio group continued to train weekly with our communication system. The CERT group and Preparedness members continued to train and add skills, including CPR, First Aid, Triage, Rescue and Hazard scenarios as well as delivering monthly community preparedness topics such as Wildfire Safety, Storm safety, Foraging, Water purification and Geology of Rockaway Beach. The 2024 Shakeout event was well attended and used as an opportunity to perform a practical exercise to test our abilities. Many valuable lessons were gained from the exercise. Goals have been set for the 25-26 fiscal year to continue to improve the program. Resources have been allocated in the current year to improve our supplies cache. Work continues on the preparation of a formal Emergency Management plan.

The development of a formal Community Wildfire protection plan has been initiated. Chief Hesse met this Spring with specialists from the Oregon State Fire Marshalls Office (OSFM) and completed a tour and survey of the City of Rockaway Beach including the Urban Growth Boundary. OSFM is currently compiling data and will be assisting in developing the community wildfire protection plan. Once completed this

plan will be used to protect Rockaway Beach and assist Tillamook County in developing a comprehensive plan for the entire county.

The Fire Department Drone program continued to improve. Innovations and improvements in mapping software, grid searching, thermal imaging and color recognition software all helped to improve the efficiency of finding a lost person. The addition of light weight auto inflatable devices has added tools for surf rescues. Pre-planning of riptide areas and hazards has also been added. Overall, the drone program improved greatly and has become a valuable tool for the Fire Department.

Public Works had another busy year with the following accomplishments sorted by area of focus:

Infrastructure & construction

- Completed the S. Pacific Street waterline, stormwater and paving project in May 2024
- Finalized the ADA-compliant Wayside Beach accessibility project in April 2025
- Adjusted five culverts at Beacon Street to meet the engineer's plan in June 2025
- Installed a larger drainage culvert under South 2nd Avenue to improve drainage in September 2024
- Performed extensive road maintenance, filling potholes with 11 tons of asphalt and scheduling slurry-seal projects

Water & sewer system upgrades

- Rebuilt a 30-horsepower sewage pump at the Nedonna Beach pumping station in January 2025
- Installed a modern Supervisory Control and Data Acquisition (SCADA) module at the Jetty Creek Water Treatment Plant, integrating water system components

- Upgraded the plant's internet with Starlink and canceled legacy phone lines, saving approximately \$1,100 per month
- Completed a comprehensive lead and copper service-line inventory and sent it to the state for approval
- Flushed water lines to maintain water quality and repaired multiple water main breaks

Parks & public spaces

- Completed landscape plantings at Anchor Street Park with a diverse selection of native species
- Reinstalled benches and tables at the Wayside and added benches along the Big Cedar boardwalk to improve accessibility
- Installed additional cameras and signage along the boardwalk, prepared a memorial bench and arranged a site for the Lions Club wagon at the Wayside

Safety & accessibility

- Added an ADA parking stall and painted a safety stripe in the Wayside parking lot
- Secured fireworks prohibition signs and ordered new cones for the 4th of July events
- Installed bike racks at City Hall and the boardwalk and responded to crosswalk maintenance requests

Technology & communications

- Added an electronic reader board at City Hall to improve public communication
- Installed QR-code wayfinding signs to guide visitors and added water conservation information on the city website

- Modernized the water system's telemetry and communication infrastructure

Emergency response & maintenance

- Cleaned up quickly after an EF-0 tornado and king-tide/bomb-cyclone events, keeping flooding minimal
- Deployed portable generators to maintain sewer and water systems during a large power outage in December 2024
- Repaired roads, culverts and sewer lines following storms and maintenance requests

Planning & grants

- Assisted in securing \$2.8 million for the Nedonna Beach water line replacement and \$435,000 for Lake Lytle Park improvements
- Applied for a \$20,000 Sustainable Infrastructure Planning Projects (SIPP) grant for leak detection and submitted a pre-application for a Transportation & Growth Management grant
- Supported a grant request for streetlights near Neah-Kah-Nie schools and facilitated a \$90,000 Oregon Watershed Enhancement Board (OWEB) grant for Jetty Creek watershed restoration
- Oversaw development of a Source Water Protection Plan and solicited proposals for the engineer of record

Other noteworthy activities

- Filled an open Utility Worker 1 position and a plant operator II position to assure appropriate staffing levels
- Delivered sand for a robotics camp, replaced a damaged Public Works vehicle within budget, and coordinated with volunteer organizations

- Worked with the Oregon Department of Environmental Quality on Recycling Modernization Act requirements
- Conducted annual safety training covering lockout/tag-out, confined space rescue, ladder safety and personal protective equipment

Let's not forget about the tornado that touched down on Rockaway Beach on Veteran's Day. The most important news was that no one was seriously injured. Unfortunately, the EF-0 Tornado did leave a trail of damage to both public and private property. Damage to roofs, outbuildings, fences, power lines, windows and trees was noted in a West to East path from the beach between Nehalem and N. 3rd. The Neah Ka Nie School District suffered the highest reported damage, estimated to be between \$150,000 - \$200,000. I'd like to thank the Fire Department, and Rockaway Beach Patrol Deputies for their quick response that night. Our Public Works Department and the Tillamook PUD personnel worked quickly and diligently to clean up the mess and return services to residents.

Finance Director Marni Johnston made major contributions to our city in FY2024-2025:

- Added a Combined Cash Investment | Cash Balance Report to the monthly Council packet and began producing quarterly financial reports available on our city web site. This is a level of financial transparency never seen before in Rockaway Beach governance
- Added another layer of security to the city's checking account. The city is now participating in our bank's Positive Pay program. Positive Pay is a fraud prevention tool offered by our bank that allows the city to proactively protect itself against unauthorized check payments by providing the bank with a list of all issued checks, so the bank can verify if any presented checks match the details on that list, flagging any discrepancies as potential fraud and preventing them from being paid unless the City confirms its legitimacy; essentially, it ensures only authorized checks are processed.

- Swept excess cash from our operating account (city's checking account) to the Local Government Investment Pool. Her actions garnered \$731,874.98 in interest income last year, which has grown substantially year over year since Ms. Johnston's arrival. To put that in perspective, the city receives approximately \$516,000 in property taxes annually.

Finance Director Johnston and City Manager Shepard held bargaining sessions with our American Federation of State, County and Municipal Employees (AFSCME) represented employees. The city reached a consensus on a four-year Collective Bargaining Agreement. The process wrapped up in June with signatures on the final agreement from the AFSCME members and the City Council.

Businesses are blooming in Rockaway Beach with:

- Green Coast Market opened with a focus on locally sourced food and drink
- Blue Water Fine Arts Gallery opened; and is dedicated to showcasing exceptional artwork from both emerging and established artists
- Seaquest Gifts have updated their space to further highlight local artisans with their Artisan Gallery on Miller Street
- The Beach Bite re-opened for pasta and pizza
- The Bayocean Food Court opened with two food trucks – Sassy Rocks and Thai Food
- Taqueria Mendez and Tropical Grill Food Trucks opened next to R&R Espresso
- And we can look forward to Pelican Taproom and Spirits of the West Distillery opening in the coming months

TCVA rolled out our next generation of Rockaway Beach Shopping Bags – small and large versions. The bags reflect the graphics on our next generation garbage cans and include QR Code access to our [official visitor website](https://visitrockawaybeach.org) (visitrockawaybeach.org). TCVA also added signs to Lake Lytle Park and Anchor Street Park. The signs are elegant and robust, and they communicate a sense of permanence and quality. I hope everyone has had a chance to check them out.

With the recent adoption of the City's five-year Strategic Plan, we can be assured that as Rockaway Beach continues to grow, it will do so on its own terms. The Strategic Plan is the result of nine months of community engagement. It outlines our community's shared vision for the future, our goals, and the steps we'll take to achieve them. Our FY 2025-2026 budget aligns allocation of city resources with the five goal focus areas identified in the newly adopted Strategic Plan: Public Safety, Economy, Transportation & Infrastructure, Community Engagement, and Good Governance.

Let me conclude by acknowledging our city leaders. If you are present, please stand and remain standing as I say your name. Public Works Director Mary Mertz, Public Works Superintendent Dan Emerson, Fire Chief Todd Hesse, City Planner Abram Tapia, Finance Director Marni Johnston, City Recorder Melissa Thompson and 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 2024-2025. Please be seated.

Of course, all the individuals that these leaders supervise deserve our praise too. All of the 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 amazing villagers.

I would be remiss if I did not mention our governing body ... the City of Rockaway Beach City Council. These individuals ... Council President Penny Cheek, Former City Councilor Alesia Franken, Councilor Kiley Konruff, Councilor Tom Martine, Councilor Mary McGinnis acted together to develop city policy and legislation; work collaboratively to move our city forward; and make tough decisions. From what I've already seen of our newest Council Member Pat Ryan, I know he will be a great addition to the governing team. Thank you all for your service to our beloved community.

Finally, I want to thank our community for all that you do to make the City of Rockaway Beach a shining star on the Oregon coast that visitors flock to every year. 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.

And thank you for your time and attention!

I am still listening.