



CITY OF YACHATS

CITY COUNCIL MEETING

November 20, 2019, 2019

Draft Minutes

Meeting Call to Order

Mayor W. John Moore called the November 20, 2019 regular meeting of the City Council to order at 2:00 pm in Room 1 of the Yachats Commons. Council members present: W. John Moore, Max Glenn, James Kerti and Leslie Vaaler. Staff present: City Manager Shannon Beaucaire. Audience: 20.

I. Announcements, Correspondence, and Proclamations

No announcements or correspondence. A Proclamations will be read later in the meeting.

II. Public Comment - none

III. Consent Agenda

A. October 2 and 16, 2019 Minutes

Councilor Vaaler moved to approve the consent agenda: Aye – 5; No – 0.

IV. New Business

A. F-Y19 Audit Update – Theresa Hanford, Auditor

Theresa Hanford reported the audient is nearly complete and it was going very well. She noted improvements in internal controls and that they are having to make many fewer adjustments.

Hanford reported they are conducting an audit of the URD based on discussions with the Secretary of State. She noted they will be auditing the FY17 URD audit as well. She noted the FY18 was under \$150,000 and therefore did not need an audit. Hanford explained a “review” is less extensive than a full “audit,” where in a review they do not look at the source documents.

Mayor Moore asked about costs going forward. Hanford indicated they were going to try to integrate the audits for the URD and the City so she estimated \$2,500 to \$3,000 per audit. She indicated they would combine what they could, but they have to do certain aspects for every audit.

Mayor Moore clarified the City could have the URD expend over \$150,000 every other year, as it was a City decision as to handle that.

B. PERS Employer Incentive Fund

1 Manager Beaucaire explained there was an opportunity to get a 25% match for unfunded
2 actuarial liability (UAL) through the Employer Incentive Fund (EIF). Martha noted the City was
3 a 139%, which was not as high as many other cities. Martha indicated she needed permission
4 from the City to submit the application, which is done through survey monkey. The City could
5 later decide not to deposit the funds with no consequence. She noted the handout had the most
6 current information on the projected rates. She noted the City would need to decide if they
7 wanted to use the PERS account investment pool or invest the money in their own fund.

8
9 Vaaler asked if the 7.2% annual return was guaranteed. Martha indicated that number was their
10 estimate and not a guarantee.

11
12 Sue Forty indicated the most important issue at present was whether they wanted to complete the
13 application and noted an application did not mean the City was committed to taking the money.

14
15 Mayor Moore asked about the timeline for needing to move the money into savings. Martha
16 indicated monies given before this fiscal year would impact FY21 and money after July 1, 2020
17 would show in FY22. She noted this was the first year the State has offered a 25% match.

18
19 Mayor Moore asked Manager Beaucaire what the City could afford set aside. Manager
20 Beaucaire stated she found documentation indicating the City has already set aside \$63,000. She
21 noted they could look at the current interest rate on the LGIP. Vaaler reported she spoke with
22 Judy Richter from Toledo who indicated the LGIP rates had dropped below 3%. Martha
23 indicated the minimum contribution was \$25,000.

24
25 Councilor Tooke clarified this system runs through 2035. Mayor Moore noted the PERS average
26 yield has been better than the current LGIP fund. Vaaler noted there was a \$1,500 fee to set up
27 the PERS fund and \$500 per year thereafter, and there was no guarantee the fees for this fund
28 would not go up. She added the legislature currently caps the annual fee at \$2,500 per year.

29
30 Martha explained from her chart that if the City were to contribute \$100,000, the savings would
31 be 1.65%, or \$6,689, of what they would need to contribute the PERS.

32
33 Councilors agreed it was appropriate to go forward with the application, and Vaaler added that
34 she wanted to look more closely at the information.

35
36 Vaaler read from a letter from a state actuarial business specialist that stated the City currently
37 had a -1.8% transition surplus which was assigned when the City joined the pool. However, the
38 transition surplus would be fully amortized at the end of December 2027 at which time rates
39 would substantially increase.

40
41 **Glenn moved to direct the City Manager to authorized staff to apply for the matching 25% for**
42 **the PERS Employer Incentive Fund: Aye – 5; No – 0.**

43
44 Forty reported the Finance Committee met last week and was recommending that financial
45 reports be issued when the books had been closed. She explained the change from a cash to a
46 modified-accrual system necessitates allowing the books to be kept open past the last day of the
47 month until the month's bills have been processed. She also reported she met with each

1 Councilor to set up accounts so they can log into the accounting system and access more detailed
2 information.

3
4 Forty reported she was working with Manager Beaucaire on getting the last of the old budget
5 into the new system. She highlighted the efforts to be able to see reports on the true costs of
6 operating different components of the City.

7 8 **I. Proclamations - continued**

9 Mayor Moore read a proclamation honoring Janet Rackleff and Janet Hickam for their service to
10 the Yachats Public Library and the Yachats community.

11 12 **IV. Public Hearing**

13 **A. Vacation Rentals in Zones C-1 and R-4 Input from Citizens**

14 Mayor Moore opened the Public Hearing on a discussion of removing the vacation rental cap in
15 zones C-1 and R-4 at 2:33 pm.

16
17 Mayor Moore noted the commercial zone already allows for business and the R-4 zone allows
18 for hotels. Mayor Moore reviewed the boundaries of the C-1 and R-4 zones. He highlighted that
19 R-4 zones on the north end of the City are were on the west side of Highway 101 where the
20 Overleaf/Fireside and Adobe hotels were located, and the R-4 zones on the south end of the City
21 included the Koho tract and properties at the south end of Yachats Ocean Road.

22
23 1. Drew Roslund (Overleaf Loop) reviewed the history of the Overleaf community and
24 highlighted the minimal complaints and their patrolling their own community.

25
26 2. Letter read by Roslund: Randall and Paula Rapetti (2130 Overleaf Loop) expressed support
27 for allowing vacation rentals in the Overleaf area due, in part, for the oversight provided by the
28 Overleaf Lodge staff.

29
30 3. Letter read by Roslund: Timothy A Smith (2065 Overleaf Loop) supported the removal of the
31 cap on vacation rentals in the R-4 and C-1 zones. He was not in favor of any cap on vacation
32 rentals.

33
34 4. Letter read by Roslund: (Stephen LaSky – two homes in Overleaf area that not currently
35 vacation rentals) expressed disfavor with any cap on vacation rentals.

36
37 5. Mike Ruane (591 Aqua Vista Loop) did not like that R-4 zone homes would get special
38 treatment. He opposed any cap on vacation rentals.

39
40 6. Candy Neville (Eugene residence; 1430 King Street vacation rentals) asked that Council go
41 back to having evening meetings. She read a letter into the record that indicated there should be
42 no cap on vacation rentals.

43
44 7. Charles Moreland (88448 Tokyo Lane, Bandon) recalled some history of planning the 804
45 Trail and the conflict that resulted. He did not think he should need a license to have a vacation
46 rental license in a commercial zone.

1 8. Ariana Carlson (1750 Highway 101 N) wanted her rent to not be so high and asked how the
2 City could grow to allow more people live in the City at affordable rents.

3
4 9. Jamie Michelle (operations manager at Sweet Homes Vacation Getaways) suggested the City
5 not create a class of vacation rentals. She supported not having a cap in the R-4 and C-1 zones.
6 She asked that the cap on R-1 through R-3 zones not be lowered.

7
8 Mayor Moore closed the public testimony at 3:15 pm

9
10 1. Cap in Commercial zone: Vaaler noted the competing considerations. She suggested that
11 opening up the cap in R-4 and C-1 would further “pit neighbor against neighbor” and would have
12 unintended consequences. She suggested it would be hasty to make this decision now.

13
14 Kerti noted the current zoning map was last amended in 1992 and asked if the City could
15 reexamine the zoning map. He stipulated that it made intuitive sense to allow vacation rentals in
16 R-4 and C-1 zones but that the location of some of these zone areas would significantly impact
17 residential neighborhoods. He also favored delaying this particular decision. He indicated he
18 could support removing the cap for C-1 only.

19
20 Glenn asserted the greatest consequences were happening in R-1 zones. He believed the
21 business of operating a vacation rental home was consistent with the R-4 and C-1 standards with
22 the understanding of reducing the overall cap to 100.

23
24 Tooke stated C-1 are for businesses and it made sense to exempt from the cap. He noted a
25 license would still be required. Tooke stated the vacation rental issue was never about affordable
26 housing. He suggested the greatest limitation for growth in Yachats would be water. Tooke
27 noted that the goal was to have vacation rentals negatively impact the character of a
28 neighborhood. He also supported lifting the cap in R-4 zones. He was not certain about
29 reducing the cap for the other residential zones.

30
31 Mayor Moore supported a cap in general to keep a balance between residences and businesses.
32 He had a hard time justifying a cap in a commercial zone. He also favored removing the cap in
33 the R-4 zone. He acknowledged that there would be unintended consequence for any decision.

34
35 Vaaler did not believe that the issue had been adequately advertised to local people. She thought
36 they should get more input from people who live next to these zones. Glenn suggested that
37 prolonging the decision would only make things more devising.

38
39 **Glenn moved to remove the cap on vacation rentals in zones R-4 and C-4: Aye – 3; No – 2 (Kerti**
40 **and Vaaler).**

41
42 Mayor Moore explained there were 18 vacation rentals in C-1 and 7 in R-4 for a total of 25. He
43 explained reducing the cap from 125 to 100 would not reduce the cap in zones R-1, R-2, and R-
44 3. Glenn and Kerti agreed with this approach. Vaaler suggested that they consider going below
45 100 in these other residential zones, noting the vacation rentals in the R-4 and C-1 would
46 increase. She suggested lowering the cap for zones R-1, R-2, and R-3 to 90. Tooke indicated he
47 would go with the consensus of the Council. Mayor Moore did not favor lowering the cap to 90,

1 in part, because the complaints are mostly coming from the residential zones. Mayor Moore
2 wanted the cap to change to 100 for zones R-1, R-2, and R-3.

3
4 Kerti moved to adjust the cap in zones R-1, R-2, and R-3 to 100: Aye – 4; No – 1 (Vaaler).

5
6 Conditional Use for New Licenses: Vaaler suggested that all vacation rentals get a conditional
7 use in all zones. Vaaler asked Planning Commission Chair Helen Anderson about conditional
8 uses in these zones. Anderson noted there already was a conditional use required to operate a
9 hotel for R-4 zones and it would be harder to deny a conditional use in a C-1.

10
11 Morgen Brodie (258 W 2nd Street) asked if the City had looked at density of rentals rather than
12 an absolute cap.

13
14 Glenn moved to require conditional uses in all residential zones and referred the matter to the
15 Planning Commission: Aye – 5; No – 0.

16
17 Starting the Waiting List: Vaaler asked how long they would keep open the time to submit
18 names to a waiting list. Kerti suggested opening the list around February 1, 2020 was reasonable
19 but believed they should start discussing the process before then. Kerti asserted that the waiting
20 list should not have to wait until the number of licenses drops below the cap. He explained
21 getting information about how many people want to be on a waiting list would help their
22 decision making and management of the process.

23
24 Manager Beaucaire explained factors impacting staff should a waiting list be implemented,
25 including whether applicants have to submit information annually to remain on the list, time to
26 determine whether people at the top of the list were still interested, and how interactive and
27 involved the list should be. Glenn suggested that if people were on a list, they might call more
28 frequently about their status. Tooke suggested they discuss the process before February 1, 2020.

29
30 Mayor Moore suggested they could finalize the vacation rental ordinance and hold the waiting
31 list procedure until later.

32
33 Vaaler asked about the requirement to have the phone number of the property manager visible at
34 the street. Duke Tracy indicated there were other vacation rentals with longer driveways in the
35 City. Tom Lauritzen indicated when he and Joan Davies did their survey on vacation rentals,
36 over 100 homes were in violation of having the sign visible from the street. Manager Beaucaire
37 noted there was a list on the website with house and phone numbers. Kerti indicated he preferred
38 to keep the language as is, noting some driveways have multiple houses on a driveway.

39
40 Mike Ruane asked that the City remove the requirement for bear proof trash cans for vacation
41 rentals, noting they were no longer available from Dahl.

42
43 Mayor Moore closed the hearing at 4:05 pm

44 45 **VI. Reports**

46 **A. Financial Report** – addressed earlier

47

1 **B. Council Reports**

2 Vaaler reported that she had a request from a citizen to have the audio tape available on the
3 website.

4
5 Kerti reported he will be attending the Parks and Commons Commission meeting on November
6 21, 2019 and the Commission had asked for more specific direction on the 804 Trail
7 beautification project.

8
9 **C. City Manager Report**

10 Manager Beaucaire highlighted:

- 11 1. The City was awarded a \$20,000 grant for the wastewater master plan update
12 2. The City was awarded a \$100,000 grant to pave Driftwood
13 3. There was a spreadsheet outlining risk items for insurance purposes and critical items were
14 based on OSHA criteria.
15 4. There have been discussions on improved traffic flow signage for Ocean View Drive, the
16 archeological study has had a short delay, and Lincoln County Counsel, Wayne Belmont,
17 will be at the second meeting in December.
18 5. She was expecting drawings for the City Hall move project on Friday, November 22, 2019
19 6. The City was extensively researching what trees to plant in the four sidewalk wells.

20
21 **VI. Other Business**

22 **A. From Mayor** - none

23 **B. From Council** - none

24 **C. From Staff** - none

25
26 Mayor Moore adjourned the meeting at 4:10 pm.

27
28 ATTEST:
29
30
31

32
33 _____
34 W. JOHN MOORE, Mayor

35 _____
Shannon Beaucaire, City Manager

Date: _____