CITY OF YACHATS

CITY COUNCIL SPECIAL JOINT MEETING WITH LINCOLN COUNTY BOARD AND CITIES

April 23, 2020

Approved Minutes

I. Meeting Call to Order

Mayor W. John Moore called the April 23, 2020 special meeting of the Yachats City Council to order at 2:06 pm by participation through Zoom. Council Members present: W. John Moore, Mary Ellen O'Shaughnessey, Jim Tooke, Max Glenn, and Leslie Vaaler. Staff present: City Manager Shannon Beaucaire, Deputy Recorder Kimmie Jackson, Waste Water Plant Lead Dave Buckwald, and Water Treatment Plant Lead Rick McClung.

Mayor Moore announced that Governor Kate Brown has issued a statement on lifting restrictions on hospitals to allow for reopening for non-emergency procedures.

Mayor Moore reviewed the procedure for the Zoom meeting and how citizens can provide public comment through chat or raising your hand and speaking.

II. Discussion and Addendum to Temporary State of Emergency

Manager Beaucaire explained that the City's emergency declaration is set to expire on April 28, 2020 and the Governor has extended the State's emergency declaration to May 8, 2020. She suggested extending the City's emergency declaration to May 8, 2020 and to allow two-week extensions as needed.

Councilor Vaaler clarified that the Council is planning to meet at their regular meeting time on May 7, 2020.

Councilor Glenn moved to approve Resolution 2020-111 extending the declaration of a temporary state of emergency within the city boundaries and delegating authority to the City Manager: Aye – 5; No – 0.

III. Discussion of Joint Meeting on April 27, 2020 with Lincoln County Board and Cities

Manager Beaucaire explained the County is proposing to extend the closure on short-term rentals to correspond to the period of emergency declared by the Governor.

IV. Discussion and Action on City's Efforts to Establish Economic Stabilization Fund

Mayor Moore referred to the City Manager's memo in the packet with feedback received to date. Deputy Recorder Kimmie Jackson read one additional letter from Nathan Bernard asking if the City would consider a furlough of staff as a good faith effort to address potential budget shortfalls and to reduce overall administrative staff.

Mayor Moore referred to proposals received for refunding the food and beverage tax and support of businesses and a discussion at the last meeting to have a short-term loan program for businesses.

Glenn reported he had spent several days calling and talking with local business people and he heard a primary concern for long-term efforts to help defray the reduction of anticipated revenue during the summer months. He indicated all respondents expressed favor for a low interest loan program with one person indicating they were fine being closed. Glenn believed the proposed loan program will provide a lifeline to local businesses. He noted the attorney's comments and information in the City Manager's memo about the issue with separation of church and state. He noted additional efforts from the State to provide funding for small businesses.

Councilor Tooke referred to the food and beverage tax option, the long-term loan option and the Visitor Amenities fund option. He suggested property owners could donate to the Presbyterian Church's fund to support local businesses. He stressed the importance of working with the League of Oregon Cities in asking the State Legislature to relax the criteria on using Visitor Amenities funds. He noted the importance of promoting tourism when the businesses are about to reopen.

Vaaler acknowledged the impact on the community and the array of different feelings. She thanked the groups who presented the food and beverage tax proposal and noted the extreme importance restaurants play in keeping the City's economy healthy. Based on the documentation on the authorization of the tax, she did not think that tax should be the source used to support businesses. She agreed restaurants would need additional support to restock their inventories set-up for safe distancing before opening.

Vaaler stated she had put great thought into how much support was needed now versus later when things start to reopen. She stated she talked to the City of Albany's Finance

Directory and Economic Development Director who echoed the concern for having support further into the future. She referred to the State's program to provide $10 million in support of businesses from1 to 25 employees.

Councilor O'Shaughnessey thanked the groups who submitted proposals and the Church for establishing a support fund so quickly and noted that private entities can often respond more quickly. She stressed the significance of balancing the two elements of getting support to businesses and not exposing the City to financial liabilities or losses.

Mayor Moore explained the Community Lending group was a nonprofit that was recommended by the attorney. O'Shaughnessey had concern over using this loan system when some businesses may not be able to repay their loan and the lending group possibly turning them over to debt collectors and reporting the delinquency to credit agencies. Mayor Moore did not think they were reporting to the credit agencies. O'Shaughnessey noted the language stated, “not currently” and was bothered by the use of “currently.” She noted the positives of having the ability to track and process the loans and also a downside of having a 2% interest rate.

O'Shaughnessey asked for clarification on the inaccuracies referred to in the City Manager's memo on the proposed food and beverage tax refund. Manager Beaucaire indicated the critical issues were addressed in her memo and indicated she could get the exact numbers later. Mayor Moore stated that she could read the memo for the different numbers. Manager Beaucaire stated that the perception that there were ample reserves was incorrect in that while there were reserves and with a decrease in food and beverage tax income, the City would go through the reserves quickly. Manager Beaucaire stated that since this tax is collected from patrons, any refund would have to go back to the patrons. Mayor Moore added that the City can use Visitor Amenities to do marking when the businesses reopen. O'Shaughnessey asked if these funds could go directly to the businesses. Mayor Moore referred O'Shaughnessey to the legal opinion.

Mayor Moore stated it was more important today to determine what the City wants to do and the amount to contribute rather than determine where the funds come from.

Mayor Moore stated he has asked Representative David Gomberg if the City could apply for funding for local distribution through the new $10 million program or whether each business would have to apply individually. Mayor Moore appreciated Glenn's mention of the additional funding for PPP and EIDL.

Mayor Moore reported he sent an email to each of the business owners on Tuesday morning for feedback on their needs for hard costs. He indicated while several businesses have debt that is beyond the City's ability to help, most have reasonable needs of $1,500 to $3,000 to get them through the next several months. He asserted a low-interest loan would be a life-line to many. He expressed great appreciation to the Church's program and all those who have donated to that fund.

Mayor Moore stated that there was previous Council consensus to have a no-interest emergency loan program and that two Councilors preferred to have more discussion at a meeting. He also noted that they heard from the City Attorney who indicated the City would be better to use a non-profit to make such a loan and provided a reference for Community Lending Works. Mayor Moore provided background on Community Lending Works and their program terms. He stated he asked the start date for interest-only payments could be postponed to April 1, 2021 and was told they can. He also added the City had already established an interest-free deferred payment plan for the October-December 2019 tax payments. Jackson stated she had only one person taking a deferment at this point but that the deadline was not until April 30, 2020.

Manager Beaucaire indicated she found the numbers on the debt service paid through food and beverage taxes. There is $769,615 in reserves with $100,000 of that dedicated to the South Tank by an intergovernmental agreement with Business Oregon. The $340,149 loan payment is only for principle and does not include interest and fees.

Mayor Moore stated there was an option for the City to pay a 4% fee with Community Lending collecting the 2% interest to the borrowers instead of the 6% fee with the City receiving the interest payments. Vaaler stated the City of Albany has an ongoing relationship with Community Lending and the Economic Development Director indicated the 4% fee is less expensive if anyone defaults. Glenn added that the group works closely with foundations in Oregon. He suggested that if the City's fund was all used, Community Lending could try to get additional funding from these foundations. Glenn also was impressed with their technical assistance and personal follow-up. Mayor Moore stated Community Lending will check in with borrowers during the periods of no-interest payments. Glenn stated their payment plan offers payment deferment in months 1-6, months 7-12 interest only payments, and months 17-48 principle and interest payments.

Tooke clarified that the City would transfer the loan funds to Community Lending. Mayor Moore stated they do look at the financials of borrowers primarily to assess whether the business has a likely chance of repayment. Tooke clarified the 4% or 6% fee is one-time and that Community Lending handles all of the collections. Vaaler added that the Finance person from Albany reported they believed the fee was worth the services provided

Vaaler stated she wanted to ensure there was funding available to businesses further down the road when things reopen. She indicated she could be satisfied with small loans now as long as other funding would be available. Vaaler heard there were 41 businesses with Yachats businesses licenses who are not part of a chain and suggested a maximum loan of $3,000 to stay within the $100,000 total funding. Glenn suggested Council was moving in the direction of loans over grant and he was thinking of a $200,000 fund with a $5,000 maximum loan.

Tooke wanted to know more about what the City could provide to businesses, such as assistance with applying for loans. He noted that small business loan applications can be complicated and he wanted to ensure that local businesses felt supported. Tooke also had concern for how quickly business could realistically reopen. He worried that sending businesses to Community Lending would be like sending them to a commercial bank. O'Shaughnessey agreed with Tooke about supporting businesses with more than just a referral to a website/lender. She believed Community Lending had the infrastructure to manage the loans but she wanted to offer more support with the process.

Glenn reported that Community Lending makes onsite visits to potential borrowers and suggested they could do this when it was possible. He reported he heard from businesses that they were looking for assistance from a medical resource like the Health Department on what was needed to ensure a safe reopening. He also noted the City could help provide sanitation supplies.

Mayor Moore stressed the importance of the businesses to the City and thought it was more practical to use Community Lending. He supported the idea of getting representatives from Community Lending to talk to businesses as part of a roll-out. Vaaler wanted one or two Councilors to be part of those meetings. Tooke suggested that the City could use retired financial experts to help businesses with their applications. Mayor Moore wanted to ensure that objectivity and fairness be maintained on granting the loans and thought Community Lending was better able to provide that. Mayor Moore indicated his background was in lending and he would be happy to help businesses apply.

O'Shaughnessey wanted to discuss what other elements could be incorporated into a multipronged approach. Mayor Moore stated he initially wanted to have a $200,000 funding pool, but with the Church's programs and Federal assistance staring to come through, he thought $100,000 would be adequate at this time. He stated they will have a clearer idea of what the Governor plans for retail store roll-out around the first of May. Vaaler stated she heard businesses could need as much as $5,000-$10,000 to stock inventory and prepare for safe opening. She wanted to ensure there was funding to help businesses with this cost.

Moderator Helen Anderson read the written questions:

1. Albany has a population of 54,453 while Yachats has 773 in terms of need to manage loans.

2. Could $50,000-100,000 be used as seed money to help train businesses to be more resilient?

3. No one has contacted Yachats Brewing. Mayor Moore indicated he did send an email to the Brewery manager.

4. What can the City do itself if they contract with outside agencies to do everything from goal setting to budgeting?

Anderson began calling on citizens to speak.

1. Nathan Bernard asked who Councilor Glenn had spoken to as Yachats Brewing was not contacted. Glenn indicated no one answered when he called the Brewery.

2. Drew Roslund stated the Overleaf and Fireside has used around $250,000 of its emergency funds to cover costs and support their workers and this type of cash outflow cannot be maintained. He noted the program the City was talking about would not assist his hotels and that it was critical to help the other businesses. He stated it was important to help with more support when businesses reopen.

3. Paul Thompson indicated he was willing to give $2,000 to the business support program through the church. He suggested the city contact all property owners to encourage private donations.

4. Nathan Bernard asked the Council to respond to the letter he sent. Manager Beaucaire stated the City was trying to avoid furloughs or laying off City employees. Mayor Moore noted the City did not have many staff. Glenn indicated he has never considered as he has seen the responses of staff during this situation. Tooke commented that the longer the situation lasts, the harder it will be. Tooke believed the last option to consider would be laying off staff. Vaaler stated all options have to be on the table and she does not want to have layoffs. Vaaler's priorities were to keep water and sewer ongoing and safe. O'Shaughnessey agreed with Vaaler that laying off staff should be a last resort, and she was optimistic about tourists returning in the future. O'Shaughnessey stated it was critical for the City to have a marketing plan for reopening. Manager Beaucaire indicated she had a priority of creating a marketing plan when it was

safe and appropriate to do so. Mayor Moore concurred that now was not the time to consider staff layoffs.

5. Jacqueline Danos asked if individuals could donate money into the loan fund, or can they go through the fund created by the Presbyterian Church and have it be added to that lending option as more seed money? Manager Beaucaire stated that people can contribute to the loan fund, but if they want to donate to be part of a grant, they should donate to the Church fund.

6. Bob Barrett thanked the Council for exploring ways to help the businesses. He stated his biggest concern was to help the restaurants as that would have a large impact on the City and on the food and beverage tax in the future. He had concern about going to a loan program for businesses that were already struggling. Barrett added that their support programs were blind, the same criteria were applied to all applicants, and all donations were going directly to applicants. He added that should the City donate money to the fund, he was happy to include a city representative on the selection committee.

7. Nan Scott reported that the Church has set up a restricted fund to handle all of the donations received and that all of the money goes directly to works and businesses.

Glenn moved to authorize city administration develop a loan program for economic assistance through Community Lending Works' Emergency Loan Program to provide loans with expertise and technical assistance that City staff cannot provide with a fund amount of $100,000, a maximum loan amount of $4,000, and a $4,000 fee in addition to the loan fund with the 2% interest going to Community Lending Works: discussion

Vaaler asked for clarification on what might happen if there were requests for loans over the $100,000 amount. Mayor Moore stated he understood from Community Lending Works that they will try to "get the biggest bang for their buck" so that they will best meet the needs of each business.

A question from the chat asked how long it would take to get the loans funded. Mayor Moore believed it could take Community Lending Works a week or more to get the program going and he would speak to them after this meeting.

Call for vote: Aye – 5; No – 0.

Glenn moved that the City Council encourage donations to the grant program created by the Yachats Presbyterian Church: : Aye – 5; No – 0.

Tooke suggested that his donation of $2,000 to the grant fund through the Church was likely equal to what he and his wife would have spent locally over several months. He encouraged others to buy gift certificates to support the businesses. Mayor Moore added that many retirees have stable income and now would be a good time to help those less fortunate.

Mayor Moore adjourned the meeting at 4:01 pm.

ATTEST:

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W. JOHN MOORE, Mayor	Shannon Beaucaire, City Manager
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	Date