

CITY OF YACHATS
CITY COUNCIL WORK SESSION
September 12, 2016
Minutes

The work session of the City Council was called to order by Mayor Ron Brean at 9:30 a.m. in the Civic Meeting Room. Council members present: Max Glenn, Sandy Dunn, Barbara Frye. Greg Scott was excused. Also present: City Administrator Joan Davies; Code Enforcement Officer Don Niskanen. Audience: 5.

I. Insurance Agent for City

Ron Cutter and Wendy DiChiara of Brown & Brown Northwest Insurance spoke to the council about acting as the facilitator between the City and CIS (City/County Insurance Services). Mr. Cutter pointed out that the cost of coverage is nominal, compared to the expertise and representation that an independent agent can provide an entity. He also said that CIS prefers the cities have an agent, to help them avoid pitfalls, understand the full scope of the programs and negotiate premiums for insurance. His offer to the City was to represent them at no charge for the remainder of this fiscal year, demonstrate the advantages to having his company do the work, and if no advantage is perceived by the Council by budget time, there will be no cost for this year, and the relationship will end. City Administrator Joan Davies asked Mr. Cutter to provide an estimate of what it would normally cost in a year, and have it to her before the Council meeting on Thursday.

II. Continued Discussion: Hwy 101 Project

The project and the tentative construction schedule was discussed in general, and the Administrator was asked to post the schedule to the website, and send a letter to the directly-affected businesses advising them updates will be on the website, as the City receives them.

III. Continued Discussion: Vacation Rentals

Council members expressed a need to identify appropriate capacity for vacation rentals, based on current statistics. Councilor Max Glenn wanted to compare the number in the residential zones, as compared to commercial zones. Mayor Brean said they should not have restrictions on zoning. Councilor Dunn pointed out that CC&R (covenants, conditions and restrictions) and HOA (home owner agreements) could be used in an analysis. Councilor Barbara Frye asked how much the city could absorb, and still retain the sense of "community" that is valued by full-time residents.

Mayor Brean asked the City Administrator to have the City Planner put together a density percentage, as well as the total number of vacation rentals, by neighborhood. It was noted that Seaside is sacrificing certain neighborhoods; Lincoln City had divided itself by east and west designations previously, and that didn't work. The number of Yachats vacation rentals has remained about the same for the past three years, at about 126. Attendee Gerald Stanley said he believed there is relevancy in a comparison between company-owned and privately-owned rentals.

More discussion included limitations already in place, such as limiting vacation rental ownership to only one property; building limited to no more than four bedrooms; and the aspect of Air BnB and how it is affecting cities throughout the world. Another consideration for Yachats is that a property is considered a bed and breakfast, if the owner lives in the house while renting out space.

IV. Continued Discussion: "No Fragrance" status in The Commons.

1 City Administrator Joan Davies reported that consideration of no smoking on City property has also
2 been a topic of discussion, along with promoting the no fragrance policy for The Commons. Use of the
3 501 will require adding the policy to that building. Mayor Brean said that there has always been a
4 problem with how to enforce it, if the City made it a hard and fast requirement. Facilities manager Leon
5 Sterner said that he had ended up monitoring smokers during the Maria Muldaur concert, because with
6 225 people in attendance, there were several who stood outside the doors to the concert area, to
7 smoke. The same thing happens during day events, and the open doors pull the smoke into the multi-
8 purpose room. He suggested putting "no tobacco use" in the rental agreement, and he can mention it to
9 renters, in promotion of better behavior. Code Enforcement Officer Don Niskanen said most people
10 already cooperate with no smoking anywhere on The Commons property. There was discussion about
11 putting up "no smoking" signs, making it "all City property", and the Mayor asked for a draft policy in
12 placing City property into a tobacco-free zone.

13
14 **V. Continued Discussion: Business Cards with new Logo**

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16 The City Administrator asked for one last confirmation on the number of cards each person wanted
17 ordered, and anything special they want on them. The Mayor and Councilor Frye want the City phone
18 number on theirs; Councilor Glenn wants his cell number on his; Councilor Scott wants his home
19 number and website address on his. Councilor Dunn does not want any new cards, because her term is
20 ending soon.

21
22 **VI. New Discussion: Deferred Compensation Program for Employees**

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24 City Administrator Davies provided the Council with paperwork on setting up a deferred compensation
25 program for City employees. There is no cost to the City, other than the time to set up the deductions in
26 payroll, and it is a proven benefit to employees who want to take a pre-tax deduction out of their
27 paycheck and have it invested long-term. The Council had no objections to the program and were
28 familiar with the benefits.

29
30 **VII. Status Update: Affordable Housing Needs**

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32 Councilor Glenn reported that he has met with local major employers, and learned that two of the
33 restaurants employ 55 people during the peak season, with a third one employing 20-30. They told him
34 that half of their employees are living in their vehicles or camping in tents, because there is no housing
35 in Yachats that they can rent, or afford to rent. Mayor Brean said he recently read an article about steel
36 buildings for housing, but didn't know if they would work on the coast. Councilor Dunn said there are
37 143 lots in her neighborhood, some of which are unencumbered, but the CC&R prevent more than one
38 home per lot. They could pass something that would be less restrictive, but she said it takes a long time
39 to get all members of an HOA to agree to changes. Councilor Frye mentioned that in Seattle, they have
40 allowed "skinny houses", and they have changed the appearance of the city.

41
42 **VIII. Status Update: Water Availability**

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44 The City is still on Level I curtailment, although the recent drizzling rain has helped the river to some
45 degree. Lead testing was performed on all of the City-owned buildings, and there were no issues. The
46 Mayor said that progress continues on obtaining the tank site south of the river. An appraisal was
47 obtained, which came in at \$80,000, while the property owners had been asking \$160,000. They had
48 come down to \$140,000, but pointed out that they had paid system development charges for the
49 property, which should be valued at \$20,000. No development was made on the site, however.

50
51 **IX. New Discussion: Construction Excise Tax**

1 Attorney Layne Morrill had provided the City with information concerning new legislation that allows a
2 three per cent excise tax on new construction. He had spoken to the Council at the previous meeting,
3 encouraging them to adopt language that would institute the tax in Yachats. Mayor Brean said he had
4 talked to other mayors to see if anyone else was applying the tax. They said they had some discomfort
5 in not being accustomed to charging builders something extra to build. He asked Mr. Morrill if he knew
6 of any places outside Oregon where such a tax had been deployed. Mr. Morrill said that Oregon school
7 districts have used it for years, to get revenue for improvement to schools. Lincoln County collects the
8 tax on every permit. The Legislature has allowed them to do that for years, and will now allow cities to
9 apply the tax, to a new revenue source to support affordable housing.

10
11 Mayor Brean said he thought it might be putting the cart before the horse, but he was not saying it was
12 a bad idea. Mr. Morrill said the county would collect the tax, then pay the City, through an
13 intergovernmental agreement. A percentage is also specified to be paid as an incentive to affordable
14 housing developers. Councilor Dunn asked if he knew what money would have been gained last year, if
15 the tax had been in place. Mr. Morrill said \$3 million last year, at one percent, would have gained the
16 City \$30,000. Councilor Glenn asked about requirements for it to be a 501(3)(c) developer. Mr. Morrill
17 added that there are provisions for waiving systems development charges, and Councilor Dunn said
18 that would be about the only thing that could be forgiven, because the City does not control taxes.
19 Mayor Brean said the concept appears straightforward, but was unclear to scale and actual applicability
20 to supporting a City program.

21 22 **X. Monthly Review: Status of Work on Measurable Objectives/Goals**

23
24 Mayor Brean reported ongoing conversations with the State about the 804 Trail and the Oceanview
25 Drive project.

26
27 Councilor Glenn asked about the social media position that was being considered by the City and
28 Chamber. Administrator Davies told him that she had never heard back from the Chamber about it.

29
30 Mayor Brean said he had looked into having Dahl's pay a little extra for road damage caused by heavy
31 trucks, and that they had suggested putting it into the franchise fee. He asked the City Administrator to
32 look into that.

33
34 Councilor Frye reported that the additional parking project is waiting on Mayor Brean to connect with the
35 property owner.

36
37 The 501 building and possible uses was discussed at length: Code Enforcement Officer Don Niskanen
38 reported on how a survey of available meeting spaces and fees along the central Oregon coast had
39 been conducted, in establishing fees for use of The Commons, and that since then, the sound and
40 lighting in the multi-purpose room has been improved. Councilor Dunn asked for consideration of the
41 parking spaces and the big windows at the 501, when planning events. She also asked if the ball field
42 could be used for overflow parking for big events. Mayor Brean said it was part of the Commons master
43 plan to not allow parking on the field, as he recalled.

44
45 Councilor Frye reported on the informational meeting this month about the proposal of a clinic for
46 Yachats. Lincoln Community Health Clinics staff met with local citizens and were impressed with the
47 good questions and good discussion. LCHC is anxious to pursue this further. She said Councilor Scott
48 made a good point at the meeting by pointing out that the City is just facilitating the project, and would
49 only possibly be a landlord, not owning the project. Gerald Stanley said he had wondered where they
50 would put the clinic, since he had heard talk about not moving City Hall. Councilor Frye continued that
51 they need to talk about recruiting providers and project the patient volume, but that takes time. Mr.
52 Stanley said there were never enough patients for the former clinic, and they ran out of grants, so that
53 was why it failed, in his opinion. This clinic would be set up differently. Mayor Brean explained that the

1 council had not made a decision on whether to move City Hall, and that it will take some time for the
2 plans to all come together. In the meantime, the 501 needs to be put to use.

3
4 Councilor Dunn said she has not heard anything lately from Lane County about the transportation to
5 Florence project. They are the lead on the project.

6
7 The Planning Commission continues to work on the formula business restrictions, and have a dark sky
8 initiative designated as their next project.

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10 **III. Set the Agenda for the Sept. 15, 2016 City Council Meeting**

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12 Proposed agenda was approved.

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14 The meeting was adjourned at 12:00pm.

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16 _____
17 Ronald Brean, Mayor

18 Attest: _____
19 Joan Davies, City Administrator