

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48

CITY OF YACHATS

CITY COUNCIL WORK SESSION AND REGULAR MEETING

September 6, 2017

Minutes

Mayor Gerald Stanley called the September 6, 2017 work session and regular meeting of the City Council to order at 9:300 pm in the multi-purpose room of the Yachats Commons. Council members present: Mayor Gerald Stanley, Barbara Frye, Jim Tooke, Max Glenn, Greg Scott. Staff present: City Manager Joan Davies. Audience: 28.

Work Session Discussion Topics

A. Vacation rentals and proposed changes to Code

Manager Davies explained the difference between the two versions of the vacation rental (VR) ordinance presented to Councilors, noting she deleted the 135 total VR number as there are now 145 including pending applications (n=14). Version 1 was what was voted on at the July Council meeting. Version 2 reflected what Manager Davies and the City Attorney worked out based on input from the public and what the work committee discussed since the last vote. Manager Davies explained the City Charter requires posting the ordinance a week ahead of a vote. The Council could vote on proposed changes today, which could be formally adopted at the next Council meeting. If that vote were not unanimous, another vote would be required. Councilor Frye indicated she has suggestions and wanted to know when to comment. Councilor Glenn stated he wished the Council had addressed the matter in 2014. Councilor Scott believed discussion of Frye's issue should be prioritized. Councilors discussed clarifications about public input during the work session.

Mayor Stanley told the audience they could ask clarification questions following the Councilors' discussion. Frye reminded the audience that a work session is the only time Councilors could discuss matters as a group. Manager Davies assured the audience that current applications would be processed.

Frye summarized her amendments as follows:

Effective September 6, 2017, a pilot project would be implemented to include all elements of the July 29, 2017 proposal and:

- a. Deleting the section 4.1 requirement to have a professional property manager manage the property.
- b. Establishing a cap at 125 beginning [date to be specified]. Once the number of VRs drops below the cap, licenses would be issued on a first-come/first-serve basis.
- c. Processing all applications in process.
- d. Establishing a moratorium on new applications until [date to be specified].
- e. Requiring a quarterly report from the City Manager to the Council be provided, including:
 - i. the number of current licenses
 - ii. complaint history (number, nature of, location)
 - iii. number of licenses requested and denied
 - iv. identification of homes using Air BnB and VRBO for rentals for periods of less than 30 days.

1 Frye presented justification for the pilot program because of the Council needs time to evaluate the
2 proposed changes before they become permanent. She explained a moratorium would allow time
3 to observe and assess the impact on neighborhoods and to monitor the impact of improved
4 administration and enforcement.

5
6 Mayor Stanley asked for clarification on the moratorium. Manager Davis explained 30 days are
7 required before a moratorium can be put into effect.

8
9 Glenn stated he was in favor of dropping the requirement for a professional property manager,
10 citing examples of existence of poor property managers and of property owners having success at
11 managing their own properties. Scott explained the original intent of the property manager
12 component was to attain better updating to contact person for VR properties.

13
14 Manager Davies noted it would not be a burden to issue monthly reports on VR data.
15 Commissioners leaned toward receiving monthly reports.

16
17 Stanley asked the Council to consider cap to be 135 rather than 125. Scott believed 125 was a
18 reasonable number, especially given Yachats is well above percentages of VRs in other Oregon
19 cities. Frye concurred with Scott. Glenn noted the two-year pilot program would give the Council a
20 chance to evaluate the impact on the City. Mayor Stanley noted, as there have been more active
21 vacation rentals than they were previously aware of, 135 may more accurately reflect the current
22 status.

23
24 Mayor Stanley stated he was hearing a consensus to move forward with Frye's proposal. Glenn
25 and Frye emphasized existing licenses would not be impacted by a moratorium.

26
27 Glenn asked if Frye's changes were included in the revised changes ordinance. Manager Davies
28 noted she had highlighted three options for language that Councilors need to address. Option 1
29 stipulated a cap of 125 with renewals taking precedence and open licenses being accepted first-
30 come/first-serve. Option 2 added language of the moratorium including an expiration date and
31 handling of incomplete license applications. Option 3 was a statement suggested by the City
32 Attorney, which Manager Davies was not in of favor of. Scott noted Option 1 specifically mentions
33 a number for a cap while Option 2 does not mention a specific number. Scott explained without a
34 specific number, no new licenses could be issued. Commissioners agreed to combine Option 1
35 and 2.

36
37 Davies noted the Council needed to vote separately on the amendment from the administrative
38 policy.

- 39
40 1. Morgen Brodie (258 W 2nd St) was curious about how the first-come/first-serve system would
41 work.
42 2. Wayne Connor (420 W 2nd St) wanted to know if current license on his newly acquired home
43 was in effect and if his current application would be considered. He also asked about
44 monitoring VRBOs. Scott noted VRBOs are required to be licensed. Connor stated City Hall
45 had promised to issue him a license. Manager Davies indicated at no time had anyone from
46 the City promised the issuance of a license.
47 3. Pat Armstrong (190 W 2nd St) wanted to know about timing of home purchase closure and
48 getting a license.
49 4. Todd Korgan (665 Hwy 101) asked if Council would consider transferring licenses with home
50 sales.

- 1 5. Jamie Michele (665 Hwy 101) wanted clarification on the cue and how people would be
2 informed new licenses were available.
3 6. Todd Korgan (665 Hwy 101) asked if the Council considered doing something about VRs that
4 are inactive.
5

6 Manager Davies and Councilors discussed whether applications would remain on a wait list in
7 perpetuity or whether a pool of applicants would be collected during each available license period.
8 Scott noted this topic was a policy issue that should be addressed at a later time.
9

10 Scott reported his analysis of rental income indicated 48% of rentable months produced no income
11 or income under \$100, and suggested the vacancy rate is really a demand problem (i.e., when do
12 people come to the coast?). Scott expected some attrition of the unused rentals given increases in
13 license fees.
14

- 15 6. Todd Korgan (665 Hwy 101) asked if the Council considered doing something about VRs that
16 are inactive.
17 7. Duke Tracey (178 Yachats Ocean Rd) asked how one avoids bias in how available licenses
18 are announced and granted. Manager Davies noted this point is valid and should be
19 addressed.
20 8. Linda Hetzler (Drift Inn) wanted to know if licenses have an end date.
21 9. Rhonda Moran (214 Coolidge) asked why there was uncertainty on the “not transferrable”
22 language in the policy.
23

24 Frye stated owners need to be more attentive to renewal notices. Glenn noted the proposed
25 changes put more responsibility on the owner. Tracey asked if the Rock Park Cottages were
26 licensed individually as a single unit. The property manager indicated each unit has a separate
27 unit. Hetzler asked if there were still a rule that an individual could only have one license.
28 Manager Davies stated she would look into the matter.
29

30 **B. Proposals for the inspection, analysis and recommendation of options for a**
31 **treatment program regarding conditions at the Little Log Church & Museum and**
32 **Library relocation project**

33 Manager Davies summarized how she came to interact with Jonathan Pincus. Pincus submitted
34 proposals to identify the scope of work and estimates for repair work for both the LLC&M and 501
35 Building. Scott asked why this issue was before the Council, as he believed the issue was the
36 purview of the Library group and Parks and Commons Commission. Pincus stated he was present
37 because Manager Davies asked him. Tooke suggested Pincus go to the Library Relocation
38 Committee meeting later that afternoon at 2pm.
39

40 **C. South Tank site update**

41 Matt Wadlington from Civil West Engineering reported they had hired a contractor to grade the site
42 and build a retaining wall. The tank is scheduled to be installed this fall. Their plan is to work on
43 the drainage line on Crestview in the spring. There has been one change to move the tank 10 feet
44 up the hill. The additional clearing and grading cost \$27,000. Frye wanted to know why this
45 change was needed. Wadlington noted the oversight came in how the pictures taken during
46 original assessment were translated by the computer, and they could not identify the correct slope
47 until the area was cleared. He did not expect much of a net change in visibility, except during
48 construction phase when it will be more visible. He noted there might be additional costs with
49 required changes in the retaining wall.
50

1 Dean Shrock stated he was stupefied by this announcement as he presented to the Council photos
2 identifying the slope issue. He noted he had visited the site with Rick McClung, John Moore, and
3 others. Shrock questioned who should be responsible for the costs. Frye noted a visual inspection
4 had made the steep slope situation obvious. Mayor Stanley was concerned about the failure to
5 identify the issue and about the low estimate of what this change would cost. Frye expressed
6 concern over why this change was being approached with such nonchalance. Scott noted the
7 Council made a decision to outsource engineering decisions to Civil West when the opted to
8 eliminate the Public Works Director position. Scott asserted, in the big picture, this change is minor.
9

10 Shelly Shrock asked about the delay until spring to put in drainage. Wadlington noted drainage is
11 currently routed to existing drainage routed under Crestview. Shelly Schrock noted this area was
12 where the road washed out last year. Dean Shrock was seriously concerned water was going to
13 drain straight down rather than through the path of the theoretical design. Dean Shrock asked that
14 someone accompany him to the property to assess potential water runoff. Tooke asked what
15 guarantees Wadlington could make about drainage. Wadlington could not make any guarantees.
16

17 Mayor Stanley asked Councilors if anyone wanted to take action to delay acceptance of the current
18 adjustments. Frye indicated they need to move ahead with the project. Tooke and Wadlington
19 agreed to look at the site with the Schrocks after the Council meeting. Hetzler noted some
20 contractors incur overages more than others as part of the bidding strategy and asked if the
21 Council had looked at that factor in choosing a contractor.
22

23 Mayor Stanley indicated the Council was accepting the report from Civil West and would move
24 forward with the project.
25

26 **D. Proposal for training in using Keesey's Parliamentary Procedures**

27 Frye suggested having a training on Keesey's Procedure, as it is unfamiliar to most people. She
28 reported she knows a parliamentarian who is willing to conduct a training in Yachats in October or
29 November for \$250 for a 2-3 hour class. Glenn wanted the training to be held after the new City
30 Manager arrives. Mayor Stanley asked for the status on deciding on using Keesey versus Roberts.
31 Other Councilors reported the matter had been decided in favor of using Keesey.
32

33 **E. Review of contracts for Friends (Support Manager) and Visitors Center (Operations)**

34 Manager Davies noted the Friends of the Commons currently manage the User Support Manager
35 contract. The question before the Council was whether they want to put this contract under the
36 jurisdiction of the City. Parks and Commons Chair John Moore noted the User Support manager
37 currently reports to the Treasurer of the Friends, which is not the most efficient way for the City
38 Manager to interact with the User Support person. Moore noted the undue burden on the Friends
39 to operate with a paid employee. Glenn asked Moore what his understanding of the Friends' role
40 was. Moore noted they are to support the Commons. Frye thanked current User Support Manager
41 Leon Sterner for his dedication and work.
42

43 Mayor Stanley asked Manager Davies about the legalities of paying a nonprofit to hire an
44 employee to do City work. Manager Davies reported the City Attorney had indicated, while not
45 illegal, it is a better policy to pay employees directly. Manager Davies also noted the contract
46 could be expanded to include duties that currently do not fall under any position.
47

48 Sterner was in favor taking the burden from the Friends and having the contract under City
49 management.
50

1 Manager Davies reported she had highlighted the elements in the Visitors Center contract staff
2 position that the Council should address. Scott asked Manager Davies to summarize the main
3 issues with this contract. Manager Davies indicated:

- 4 a. This contract provides for a review of the Visitor Center books and accounting and requires a
5 review by independent CPA each year
- 6 b. An authorized representative of City shall be entitled to inspect books, records and accounts,
7 an activity, which currently is not performed.
- 8 c. The City pays \$64,765 to the Visitors Center to operate and hire this contracted position.
9 Manager Davies noted she had never received a quarterly report on time. She suggested
10 having quarterly payment issued contingent upon receipt of the quarterly report.

11
12 Glenn asked about the role of recruiting and training volunteers as indicated in the contract. Glenn
13 noted the volunteer base is down, and he wants to see something to help boost volunteerism.
14 Hetzler indicated she would help with volunteer recruitment. Mayor Stanley reported the Visitors
15 Center did not hire an assistant for 6 months, and this money remains in the budget for hired
16 assistance.

17
18 Scott asked Manager Davies about City staff acting as an accounts payable clerk. Scott thought
19 the Visitors Center should assume that responsibility. Frye had concern over the existing contract
20 and suggested the new City Manager revise the contract.

21
22 Scott expressed concern over the expectations on the new City Manager. Frye disagreed with
23 Scott's suggestion that this issue not be a top priority for the new City Manager. Heltzler asked to
24 sit down with Manager Davies to work out details for a new contract. Scott noted Manager Davies
25 had done her due diligence in reviewing the contracts.

26 27 **F. Pollinator program update – City's commitment or level of participation**

28 Mayor Stanley summarized the history of the County actions on spraying. ODOT requested they
29 get a letter of intent from a government rather than private agency to continue the program. The
30 new project focused on planting bee-attracting plants. Mayor Stanley suggested the City highway
31 planting areas be included as part of the project. Mayor Stanley noted the cities of Newport and
32 Waldport, Lincoln County, and a private group have signed on.

33 34 **G. Approve agenda for September 13, 2017 City Council meeting at 6:00pm**

35 Manager Davies noted the addition of a review of the purchase of a backhoe.

36
37 Mayor Stanley adjourned the work session at 11:52am.

38 39 **REGULAR MEETING**

40 Mayor Stanley called to order the regular meeting of the City Council at 12:04pm.

41 42 **I. Formal vote to hire new City Manager (Shannon Beaucaire)**

43 Glenn moved to hire Shannon Beaucaire as the new City Manager to begin October 1, 2017 per
44 the signed contract: Aye - 5; No - 0.

45 46 **II. Ordinance 347 – Amendments to Yachats Municipal Code: Vacation rentals**

47 Frye moved to amend Yachats Municipal Code 4.08 to include the July 29, 2017 vacation rental
48 proposal to be effective October 15, 2017: [opened to discussion]

49
50 Manager Davies read into the record the changes to the July 29, 2017 vacation rental proposal
51 section 4.08.040C as included in the meeting packet.

1. Todd Korgan (665 Hwy 101) wanted to be on the record that the City's actions will cause property values to go down and will limit the ability of middle class people to buy second homes. He also feels it is misguided to compare Yachats to Newport. Scott noted he believed Korgan misinterpreted his statistic about demand.
2. Lane Connor (420 W 2nd St) expressed concerned over changes in property laws affecting home purchases.
3. Duke Tracey: suggested looking at VR rental on month-by-month basis to assess demand. He also asked to make available occupancy rates on month-by-month basis
4. Tom Lauritzen (204 Shell St) appreciated the efforts of the Council to create this policy. He noted VRs on his street have decreased his property value and wanted the Council to address existence of a business (VR) in a residential zone.
5. Jamie Michele (665 Hwy 101) reported no less than four potential buyers have backed out of transactions.

Glenn requested Frye's proposal be included in the minutes. Manager Davies noted the proposal was included in the meeting packet and is accessible online. Tooke stated he does think VRs are businesses and should be treated as such. Manager noted the City Attorney had instructed her to change the word, "moratorium."

Vote on motion: Aye - 5; No - 0.

III. Training for Keesey's Parliamentary Procedures

Frye moved to have the City provide a training on Keesey's Parliamentary Procedure open to all elected and appointed persons: Aye - 5; No - 0.

IV. Approve analysis of LLC&M and 501 Building

Manager Davies explained she put Pincus before the Council so that all parties know that this process is being followed. No vote taken.

Manager Davies clarified Clerk Jackson did send electronic VR license rental renewal notices twice. She reported response rates by licensees are very low and paper notices work better

V. Pollinator Program – City's commitment or level of participation

Scott moved to authorize the Mayor to sign a letter of intent with ODOT to approve support of pollinator program: Aye - 5; No - 0.

VI. Contract for Friends (Support Manager) and Visitors Center (Operations)

Frye moved, per the Parks and Commons Commission request, to notify the Friends of the Commons that the City is ending the contract with them for User Support and reestablishing a new contract for that position as a City contract: Aye - 5; No - 0.

Glenn moved to request the City Manager and President of the Chamber of Commerce meet to clarify and strengthen the exiting contract, to specify language for the new contract, and to have the City Manager write a letter to specify enforcement for the existing contract: Aye - 5; No - 0.

VII. Award contract for code enforcement to begin 10/01/17 (Driftwood Consulting)

Glenn emphasized the City's need for strong code enforcement, noting this issue was raised at every meeting on vacation rentals. Glenn noted the new City Manager was in favor of this contract.

1 Glenn moved to approve a City contract for Code Enforcement services with Driftwood Consulting
2 to begin October 1, 2017: Aye – 5; No – 0.
3

4 Mayor Stanley adjourned the regular meeting at 12:38 pm.
5
6
7
8
9

10 _____
11 GERALD F. STANLEY, Mayor
12

13 ATTEST:
14
15

16 _____
17 Joan Davies, City Manager
18

Date