

CITY OF YACHATS CITY COUNCIL MEETING

May 10, 2017

Minutes

Mayor Gerald Stanley called the May 10, 2017 regular meeting of the City Council to order at 2:00 pm in Room 1 of the Yachats Commons. Council members present: Mayor Gerald Stanley, Barbara Frye, Jim Tooke, Greg Scott and Max Glenn. Staff present: City Manager Joan Davies, Water Treatment Facility Manager Rick McClung, Wastewater Facility Manager Dave Buckwald, Commons Facility Manager Leon Sterner. Audience: 24.

I. Announcements

A. Mayor Stanley

Mayor Stanley announced the Economic Development Alliance is having their annual meeting on May 31, 2017, 3-6 pm. The topic is, "Your Place in the Maritime Economy."

B. Email from Jack Benz

Manager Davies read the letter into the record. Benz explained his vision and suggestions for use of the 501 Building. Stanley stated Council would retain letter for future reference.

C. Letter from third-grader

Mayor Stanley read a letter from Hayden from Kelly Creek Elementary School in Gresham. Hayden stated what he knew about Yachats and asked Mayor Stanley to write him back. Mayor Stanley stated he would respond and send brochures.

II. Public Comment

A. Robert Goat (250 Cedar Ave): Goat stated he appreciated brush bins, but was frustrated with the bin being filled with large loads so quickly. Manager Davies noted the city does not have a limit on how much a given person can dump, and the bins are changed as needed.

B. Lane Morrill (628 Radar Rd) request for resolution on workforce housing

Morrill stated he, along with Dennis Snyder, are representing Our Coastal Village, Inc., a 501(c)3 organization proposing a housing project on Diversity Dr. Morrill summarized Councilor Glenn had discussed two restaurant owners noted employees could not find appropriate housing. Morrill cited an example of a mother and daughter working at the Farm Store who had been living in a tent but got a unit in Aqua Vista Square last fall. Morrill referred to a Colliers International Evaluation study on workforce housing (including Yachats and Waldport areas) that concluded there is a current demand of 156 units for working families.

Morrill proposed a resolution for the City to adopt that notes important contribution of the workforce to the Yachats economy, acknowledges the high-priced real estate market and lack of rentals for low income workers, and recognizes the need for housing and encourages new construction of workforce housing. Morrill explained why such a resolution is needed, noting a need for more diversity in demographics and his past effort to get 19 workers living in Aqua Vista Square.

Councilor Glenn appreciated Morrill's efforts to encourage affordable housing. Glenn noted Yachats' Comprehensive Plan does address the need for housing and has action components. Glenn believed there were inaccuracies in Morrill's presentation. Glenn did not believe the resolution would benefit the City. Morrill disagreed with Glenn, stating he was not asserting the City was doing

1 nothing on this matter. Morrill stressed the need for the City to recognize there is a problem around
2 affordable housing. He further noted anyone who builds housing is subject to fair housing laws (no
3 discrimination on age, income, disability). Morrill argued this factor is why there are no local workers
4 in Fistera Gardens, but if the City were to enact this resolution, there could be a legal precedent to
5 give preference to workers without violating fair housing laws.
6

7 Councilor Scott noted that the Planning Commission is investigating the incorporation micro-homes
8 in City zoning. Scott agreed Yachats needs more affordable housing for a wide array of residents
9 but did not think the focus on workforce housing and the 60% benchmark were appropriate.
10 Councilor Frye believed there were inaccuracies in Morrill's documents and the proposal was
11 redundant on what exists. Frye noted Linda Hetzler's creative work to increase affordable housing.
12 Morrill was not aware of inaccuracies in his proposal. Councilor Tooke did not believe this particular
13 resolution was appropriate but appreciated the intent. Morrill stated he submitted resolution to get
14 housing construction started. Mayor Stanley believed strongly in efforts to get affordable housing,
15 but he did not think this is the time for such a resolution.
16

17 Nathan Bernard (Yachats Brewing and Farm Store owner) agreed there is a need for affordable
18 housing. Bernard reported he was approached by Morrill early in the project planning to request
19 financial support, Bernard noted: (1) this project was a for-profit developer developing property in
20 Yachats, (2) two of his employees currently needing housing would not meet the qualifications of the
21 project, and (3) a retiree he was familiar with would meet the requirements. Bernard did not like
22 being asked for significant business contributions when the project would not help his employees.
23 Morrill clarified Our Coastal Village, Inc. is a 501(c)3 nonprofit. Scott noted tax status was not a
24 determining factor in his decision to approve a project. Frye noted business owners' perspectives
25 impacted her position during last year's discussion.
26

27 Frye asked Linda Hetzler (Drift Inn owner) to explain her recent activity on housing. Hetzler stated
28 she has been working on rental situation for several years, and she has been looking at how to
29 create affordable housing without the need to change laws. Hetzler has found places for her
30 employees by looking at abandoned properties and encouraging owners to rent. Frye noted house
31 on her street where Hetzler was instrumental in getting renters.
32

33 **III. Proclamations, Presentations, and Special Recognitions**

34 Emergency Services Week: Monica Valencia (Marketing and Communications Manager from Pacific
35 West Ambulance). Encouraged everyone to thank EMS workers. Valencia noted Life Guard
36 memberships are available to areas just north of the city limits (\$59 annual fee for free ambulance
37 service). She provided her number: 541-994-6690 ext 729
38

39 Manager Davies read the resolutions for Mental Health Awareness Month, Older Americans Month,
40 and Emergency Services Week into the record.
41

42 Frye moved to adopt and proclaim May 21-27, 2017 as "Emergency Medical Services Week." Aye -
43 5, No - 0.

44 Glenn moved to adopt and proclaim May 2017 as "Mental Health Awareness Month." Aye - 5, No -
45 0.

46 Tooke moved to adopt and proclaim May 2017 as "Older Americans Month." Aye - 5, No - 0.
47

48 **IV. Minutes and Reports**

49 Scott asked about the Council's process of approving a Consent Agenda. Glenn recalled there was
50 no consensus on how that would be handled. The question was not resolved at this time.
51

1 **A. Minutes**

2 Mayor Stanley asked if corrections/discussion on minutes should occur before or after a motion is
3 made. Glenn noted discussion should occur after a motion is made according to parliamentary
4 procedure.

5 Scott moved to approve the April 5, 2017 Work Session minutes: Aye - 5, No - 0.

6 Glenn moved to approved the April 12, 2017 Regular Meeting minutes with one correction (page 4,
7 lines 6-7 should read, "Glenn and Sandy Dunn co-chaired a committee"): Aye - 5, No - 0.

8 Tooke moved to approve the April 24, 2017 Special Meeting minutes: Aye - 5, No - 0.

9 **B. Accounts Payable**

10 Scott moved to approve the Accounts Payable report: Aye - 5, No - 0.

11
12 **V. Reports**

13 **A. Council Reports**

14 Glenn reported:

15 1. He posted the agenda and link to City website on the Yachats Village Information and
16 Support Facebook page per the request made at the last meeting.

17 2. He attended two emergency planning meetings.

18 3. He attended the Board meeting of Cascades West Council of Governments and noted he
19 was able to participate by by video conferencing in Toledo.

20 4. He received email from owners of the Landmark who stated they have talked with their
21 contractor and City Planner Larry Lewis, and they are considering their options.

22 5. He met with EIP technology developers (Steve and Brad Berkle) on locating their world
23 headquarters in Yachats.

24 6. He found the City Council retreat to be very helpful.

25
26 Tooke reported:

27 1. He attended Curt Schrader's Newport meeting with city representatives. Schrader
28 presented an update on the political climate in DC; noted he was pleased with budget negotiations
29 that retained NOAA, Coast Guard, and other services impacting Yachats; and discussed issues
30 around infrastructure, such as broadband access, and grants available for smaller communities to
31 address improvements. Tooke noted other cities are having trouble with their sewer and water
32 facilities.

33 2. A participant at Schrader's meeting noted prior to the housing meltdown, Fannie Mae was
34 a major funder for affordable housing but is no longer providing that service. Tooke stated he would
35 further investigate this matter.

36 3. Tooke asked Water Treatment Facilities Manger McClung to report on the South Water
37 Project. McClung reported they received four bids ranging from \$1.4 million (high) and 1.085 million
38 (lowest). The engineers will take 7 days to review the proposals and then issue a Notice of Intent.

39
40 Frye reported:

41 1. Lane County Transit service from Florence to Yachats is still set to start operation on July
42 1, 2017 (noted this is pilot project so people need to use it).

43 2. Lincoln County is creating a 20-year plan on transit and has conducted a very
44 comprehensive study of needs.

45 3. Frye read into the record the first Memo of Understanding with the Lincoln County Health
46 and Human Services for establishing a clinic in Yachats. The City would provide utility services,
47 and LCHHS would commit to a long-term community health clinic. They are working together to find
48 a central location with adequate parking for locating the clinic. Frye noted they would have a table at
49 the Pride Festival on June 3&4 where they will distribute information on their services. Frye reported
50 LCHS was rated as the fourth vest federally funded health clinic best in the nation.

51

Stanley reported:

1. The City needs to find a bus stop location where two bus stops can co-exist to accommodate both the Lincoln County Transit and the Florence-Yachats Transit services.

Scott reported:

1. He, Glenn and Manager Davies have been revising the vacation rentals policy.

2. He has had three meetings with the software development group who will make water/accounting systems switchover in June.

3. The work to update the reservations system with the Parks and Commons Commission recommendations and the integration of utility billing consumption with property data are on hold as they are having issues with the municipal building data.

B. Department Reports

Stanley asked for comments on City Manager, Public Works, Emergency Planning, and Code Enforcement reports. Glenn found it helpful to have city manager's report on one page and to learn of the issues the City is dealing with from the code enforcement report.

C. Legislative Update

Manager Davies referred to her Legislative Updates report and highlighted that HB 2400 Transient Lodging Tax Bill might mean the City could get a higher percentage of transient lodging tax income (not to be spent on roads and safety), HB 3180 would allow for intergovernmental tax information sharing resulting in better enforcement of lodging taxes, HB 2409 Intersection Safety Bill would allow for current red light cameras to track speeding (estimated 90,000 instances of automobiles exceeding speed limits by 11 mph or more, and debate has begun on transportation package that would affect bridge maintenance and replacement.

Glenn noted the tie of local and state tax reporting would be helpful to many communities. League of Oregon Cities gives weekly report. Scott asked about the status of the liability waiver for recreation property. Davies reported the bill is moving forward and, if passed, it would reinstate what used to be. Scott noted this bill would have a dramatic impact on the City's ability to operate the trails system.

VI. Business

A. Declaration of support – "Freedom Cities"

Stanley summarized the Featherkile contingency's request about Freedom Cities, noting the two options presented in packet: A Declaration of Support or a Resolution. Glenn asked Manager Davies to brief the Council on federal funding threats and state ordinances on interfering with police and government processes. Davies read her highlighted items in the packet document on 8 USC § 1373, which does not prohibit policies on asking about immigration status, but only prohibits the enactment of certain policies limiting sharing of immigration status information. Davies noted the city does not have personnel to enforce items 1 and 2 in the Model Resolution, the city does not keep records identified in item 3, the city does not release utility account information in reference to item 4, and the city doesn't engage in behaviors indicated in items 5 and 6.

Glenn moved to adopt the Declaration of Support: Aye – 5; No – 0;

Davies read into the record the draft Declaration of Support that has the purpose of supporting the People Power resolution but not causing staff to violate laws. Frye emphasized Yachats does not have police force and was concerned about putting staff in position of having to enforce something they do not have resources to support. Frye believed the Declaration is reasonable. Frye recommended changing "does not" to "does not and will not" in the three stipulations of the

1 Declaration. Mayor Stanley would like to support the original intent of the group who presented the
2 freedom cities resolution to the council and supports his version of resolution. Stanley issued a
3 challenge to all to consider the prevalence of racism, noting no entity should make claim that they
4 have an exemplary record of being accepting of all people.
5 Scott argued the council needs to own their motions and believed they did address the larger picture
6 of the problems. Frye suggested new policy would be needed to implement the resolution version.
7 Frye asked for clarification on what city database is the most comprehensive. Scott noted the
8 property inventory is the most comprehensive database. Frye suggested they change the wording
9 to incorporate all databases.

10 11 12 13 **B. Continued Events Coordinator Funding and Use of 501 for Events**

14 Manager Davies recalled the Council had previously noted they did not want events scheduled past
15 June 30, 2017 in 501 building. Hetzler reported her expectations for this past year's events was not
16 met. She noted the amount of planning and energy required for music events and the royalty fees
17 charged by ASCAP, BMI, and CESAC are very expensive.

18
19 Hetzler proposed partnering with existing programs such as Elderhostel/Road Scholar to create
20 events in Yachats as these programs:

- 21 - have experience in managing coordinating travel and accommodations
- 22 - have existing networks of interested people
- 23 - are amenable to having events on weekdays
- 24 - could include local residents and visitors
- 25 - could incorporate arts activities and technical skills training.

26 Hetzler believed society is lacking people who know how to use their hands, and several locals have
27 stated they are willing to teach skills classes. She identified Waldport resident Theresa McCrackin,
28 educator and nature expert, as somebody who is willing help develop programs. Based on her
29 experience from the past year, Hetzler believed the most effective approach is to use different
30 volunteers and paid providers rather than hiring one person to do all coordination.

31
32 Mayor Stanley clarified there are two issues being raised by Hetzler: one is to be awarded the
33 \$20,000 for event planning and the other is to extend usage of the 501 Building past the June 30
34 cutoff. Frye asked if Hetzler was proposing the Council allow her and McCrackin develop programs
35 in a model like the Sitka Art Center north of Lincoln City at Cascade Head. Hetzler reported OMSI,
36 who has a satellite system in South Beach, has expressed interest in participating. Frye stated she
37 would like to have clear picture of what funding is for.

38
39 Scott commented that an ad hoc approach has not worked well in the past and asked Hetzler for a
40 written report with specific benchmarks. Scott noted he was confused about target audience and
41 how the proposal is different from the Yachats Academy of Arts and Sciences. Hetzler addressed
42 previous personnel problems, indicating the conflicts have limited the success she had envisioned.
43 Her current vision is one that would require phases and take five or more years to establish (start
44 with Roads Scholar and end up with Sitka Center).

45
46 Hetzler reiterated her goal is to bring people to Yachats in the off-season and to provide
47 opportunities for locals to improve skill set, which means she needs assurance there will be facilities
48 to conduct the events.

49
50 Scott asked about Hetzler's interface with the community college. Hetzler replied she

1 originally tried to get Jobs Corps involved, but was mired in red tape, and the community college did
2 not have money for doing anything new. Scott asked about Hetzler's project would differ from
3 YAAS. Hetzler noted YAAS does not have hands on workshops. Frye added the rich, on-site
4 trainings provided by Elderhostil. Glenn liked Hetzler's ideas and wanted clarification on which
5 group Hetzler was speaking for. Hetzler said she was speaking as President of the Chamber.
6

7 Fran Morse (Yachats citizen) stated she was asked to write up report of the 2010 survey conducted
8 community priorities. Morse asserted YAAS answers one aspect component of expressed interests,
9 and citizens indicated they wanted to learn in hands on ways. Morse recalled at the time of the
10 survey, it was suggested someone be hired part time to work on implementation of the expressed
11 priorities. Morse noted past efforts using only volunteers did not work, but she believed programs
12 could be successful if Hetzler had funding. Scott added the audience their previous effort to hire a
13 marketing manager did not work.
14

15 Nathan Bernard asked for clarification on Elderhostil program and whether Hetzler's programs would
16 involve Yachadians in the experience. Bernard stated his surprise at the council being asked for
17 \$20,000 in such an unspecified way. Bernard explained the Makers and Maker Space concepts of
18 connecting with like-minded people who want to learn and create (e.g., ADX - Art Design Exchange
19 in Portland).
20

21 Hetzler noted the 501 Building would be much more useful if the teller cages were removed and
22 reported it would cost approximately \$2,000 to install carpet in their place.
23

24 Frye moved to extend agreement to use of 501 Building in its current form for a period not to exceed
25 six months beginning June 1, 2017: Aye – 2; No – 3 (Glenn, Stanley, Scott). Motion did not carry.
26 Glenn stated he would be in favor of the motion if the end date were December 31, 2017. Scott
27 wanted clarification that the Council retains the right to rescind the motion should another use arise
28 prior to December 31. The council further discussed the end date for the use extension.
29

30 Glenn moved to extend the agreement to use the 501 Building in its current form to December 31,
31 2017 with the understanding the Council could reverse this extension should the building get an
32 occupant: Aye – 5; No – 0.
33

34 Hetzler asked for clarification on whether would be willing to commit to a program if they had a
35 suitable plan. Manager Davies noted the Budget Hearing is the following week, and the Council
36 does not have to spend the money should they allocate funds. Scott and Frye were concerned
37 about allocation for the funds given the lack of specificity of the current proposal. Hetzler explained
38 there are not specifics as the plan will evolve over time. Hetzler reminded Council of her past
39 success in planning events and previous allocation of funds by Council for proposals with little
40 specifics. Tooke asked about Hetzler's recommendation to not continue with the current paid
41 Events Coordinator.
42

43 Glenn moved to allocate \$20,000 to the Chamber of Commerce for the purpose of event
44 coordination pending an acceptable plan: Aye – 4, no – 1 (Scott)
45

46 Tooke moved to allocate \$2,000 to remove teller cages and install replacement carpet: Aye – 3; No -
47 2 (Scott, Frye)
48

49 C. Vacation Rentals 50

1 Scott reviewed Draft 7 of the Vacation Rental policy and the responses to questions in the survey (in
2 meeting packet). Frye asked what the Council is to do at this time. Scott replied the draft is for
3 discussion, he intends to have a public hearing on the proposal in July in the evening. Scott wanted
4 feedback on the recommendations.

5
6 Frye asked what would happen when they reached the cap and when the policy would become
7 effective. Scott stated they would start a waiting list and the effective date would be January 1,
8 2018. Scott noted tracking will be integrated into the computerized system.

9
10 Mayor Stanley did not believe there should be a cap as there has not been a steep climb in numbers
11 of rentals in recent years. Scott replied uncontrolled growth of rentals would take away from
12 available housing of locals. Tooke noted Newport, at population 10,000, has 150 vacation rentals
13 compared to Yachats' 124 with a population of 700.

14
15 Mayor Stanley agreed with the second recommendation to not set rentals by zone.

16
17 Regarding fee increases, Scott noted some people try to get a license before they sell their home
18 and a higher fee might discourage this behavior. Regarding setting fines to encourage compliance,
19 Scott noted a judge upheld the per day application of fines in a recent legal case. Regarding having
20 all vacation rentals having professional manager to address complaints, an audience member
21 reported VACASA does not respond in sufficient time to actually remedy the problem, but waits until
22 the end of the two hour response window to reply. Scott emphasized integrating the complain
23 system into data system would require less work on the part of staff.

24 Scott discussed the issues surrounding the recommendation of a minimum daily tax, most notably
25 owners not reporting rentals and/or accepting non-cash payment of rent.

26
27 Stanley asked if Greg would be ready to disseminate information to everyone by July public hearing.

28
29 Frye did not agree with the recommendation regarding owners of vacation rentals using their home
30 for their own family and also being in violation of code. Scott noted the difficulty for a code enforcer
31 to know when this situation occurs. Scott believed this right to use your own home regardless of
32 vacation rental rules is forfeited by getting a vacation rental license. Tooke noted the IRS has rules
33 on how often an owner can use their property that is put into status of a vacation rental.

34
35 Bernard stated he sees two problems with vacation rentals: disturbances to neighbors and lack of
36 affordable housing and asked Council to elaborate on their priorities. Tooke noted many vacation
37 rentals are higher priced and thus not affecting the affordable housing market. Scott explained the
38 issue is multi-faceted. Bernard posed that people and businesses would want more to invest in a
39 welcoming community rather than a highly regulated system. Glenn reminded everyone of the long
40 history of examining this topic. Audience member Carly argued for the urgency in setting a cap,
41 noting that of the seven houses on her street, two were previously rented for \$650 but now were
42 converted to vacation rentals who now cause disturbances on a regular basis and impact their
43 quality of life. Tom Lauritzen tied the spike in vacation rental increases to the housing boom.
44 Lauritzen added there was one vacation rental and one B&B on his street when he moved in, and
45 now the B&B is gone and there are nine vacation rentals (15 houses on the street). Lauritzen noted
46 vacation rentals contribute a smaller proportion of income to the city (77% from hotels, 23% from
47 homes). Bernard argued again that the problem is not the number of rentals but the nuisance
48 created by them. Scott replied that the new online complaint system would help remedy nuisance
49 problems.

50
51 **VII. Other Business**

1 **A. From Mayor**

2 Mayor Stanley read a statement prepared by Councilor Scott on the impact of pending legislation on
3 the state PERS system and requested no ensuring commentary:
4

5 “A number of PERS bills are moving their way through the Oregon legislature. The issues deal with
6 things like how the final average salary is determined, the assumed rate of return of return on PERS
7 investments, reductions in how vacations and sick leave are handled for determining final average
8 salary, decoupling money-match from the actuarial assumed rate, capping the final average salary
9 amount at \$100,000. The uncertainty about what will actually pass and be signed by the governor is
10 producing shock waves across both current workers and workers no longer working in PERS jobs
11 but not yet retired. Current estimates are that over 60,000 people are eligible to retire now, and
12 PERS manager are reporting that member calls to their office are running over 300% above the
13 highest level they have ever seen. Our City Manager, Joan Davies, first learned of the PERS
14 legislation in March, and based on the best information available, Joan made the difficult decision to
15 file for retirement from PERS on May 1, 2017. PERS retirement law allows retirees to continue to
16 work for about six months up to 1040 hours after they officially retire. The City Council asked Joan
17 to continue to serve as the Yachats City Manager and to help us in the recruitment of someone to fill
18 her position. The City Council and city staff hate to see Joan leave us so soon, but we understand
19 the life-affecting choice she had to make about her retirement.”
20

21 **B. From Staff – none**

22 **C. From Council - none**
23
24

25 The meeting was adjourned at 5:27 pm.
26
27
28
29
30

31 _____
32 GERALD F. STANLEY, Mayor

33 ATTEST:
34
35
36

37 _____
38 Joan Davies, City Manager
39

Date