CITY OF YACHATS
FINANCE COMMITTEE
SUMMARY MINUTES
September 4, 2024

The regular meeting of the Finance Committee Meeting was called to order by Chair Bobbi Price at 2:00 p.m. in the Civic Meeting Room of the Yachats Commons.
Members present:
Audience: 10

1. Call to Order

2. Announcements and Correspondence

- The chair opened the floor for any announcements or citizen concerns.
- **Summary:** No specific announcements or correspondence were raised. Citizens' concerns were invited, but no notable concerns were recorded.

3. New Business

Topic 1: Expired Franchise Agreement

- The franchise agreement with Central Lincoln PUD has expired. This agreement covers attachments on utility poles, such as banners and holiday decorations.
- **Summary:** Ongoing discussions with Central Lincoln PUD aim to renew and update the franchise agreement to incorporate new elements, like flower attachments on utility poles. Previous agreements covered banners and Christmas lights, but updates are needed for additional attachments.
- **Action Items:**
    - Finalize updates to the pole attachment agreement, including new categories of attachments like flowers.
    - Coordinate with Central Lincoln PUD to complete the franchise agreement renewal.

Topic 2: Franchise Fee Structure

- The committee reviewed the current franchise fee structure and compared it to neighboring communities.
- **Summary:** The current structure imposes a 3% franchise fee on residential and small commercial users, while industrial and large commercial users pay 0.7%. Neighboring communities charge a standard 5% across all categories. The committee is exploring whether to increase the fee to match these communities

and whether the differentiated rates for large commercial users should be adjusted.

- **Key Considerations:**
  - Should the franchise fee for residential users be increased from 3% to 5%?
  - Should the fee for large commercial and industrial users be aligned with the residential rate?
  - What is the rationale behind the current rate structure?
- **Action Items:**
  - Review the number of users in each category (residential, small commercial, large commercial, industrial).
  - Investigate the history and justification for having different rates for large commercial and industrial users.
  - Analyze potential revenue impact if fees are increased to 5%.

Topic 3: Utility Rates for Large Commercial and Industrial Users

- **Summary:** A deeper dive into the utility rates revealed that large commercial and industrial users are currently paying a lower fee (0.7%) compared to residential users (3%). This prompted discussions about the fairness of the current fee structure and whether large users should be brought in line with residential and small commercial rates.
- **Discussion Points:**
  - The committee expressed interest in understanding how many large commercial and industrial users are affected by this lower rate.
  - Further analysis is needed to see whether increasing the utility rates for large users would provide additional revenue without harming business operations.
- **Action Items:**
  - Obtain a detailed report from Central Lincoln PUD on the number of large users and the breakdown of fees they currently pay.
  - Assess the potential impact of adjusting utility rates for large commercial and industrial users.

Topic 4: Fee Differentiation for Large Commercial Users

- The committee discussed the fee structure for large commercial users and industrial users.
- **Summary:** The current franchise fee is 0.7% for large commercial and industrial users, significantly lower than the residential fee. The committee was uncertain about the reasoning behind this differentiation. Further investigation is needed to determine whether this policy should continue or if a uniform rate should be adopted.
- **Action Items:**
  - Gather historical data on why large commercial and industrial users were assigned a different fee rate.

- Determine if maintaining a lower fee for large users is beneficial or if a uniform rate across all users would be more equitable.

4. Questions Raised

- Should the franchise fee be increased to 5% for all users to align with neighboring communities?
- Should the differentiated rates for large commercial and industrial users be maintained, or should a unified fee be introduced?
- What impact would these changes have on utility bills and city revenue?

5. Adjournment at 4:15pm

Transcribed by Kimmie Jackson, Recorder