

1. Agenda

Documents:

[03-08 CC AGENDA 03-08-17.PDF](#)

2. Meeting Materials

Documents:

[03-08 CC MINUTES 020917.PDF](#)
[03-08 CC WS MINUTES 020617.PDF](#)
[03-08 CODE ENFORCEMENT REPORT.PDF](#)
[03-08 EMERG PLAN FEB 2017 STATUS REPORT.PDF](#)
[03-08 INI REPORT 2 7 2017.PDF](#)
[03-08 ITEMS FOR DISCUSSION YAC-LCCHC.PDF](#)
[03-08 LETTER OF COMPLAINT ABOUT FRAGRANCE POLICY.PDF](#)
[03-08 MANAGER S REPORT 01-12-17 THRU 03-07-17.PDF](#)
[03-08 PW REPORT FEBRUARY 2017.PDF](#)
[03-08 RES 2017-03-01 BPA WATER REV REF .PDF](#)
[03-08 RES 2017-03-01 WATER REVENUE REFUNDING BOND .PDF](#)
[03-08 RES 2017-03-02 GO REFUNDING BOND.PDF](#)
[03-08 THANK YOU LETTERS.PDF](#)
[LEGAL ADVICE ON SUPPORTING A BALLOT MEASURE 03.PDF](#)

Yachats City Council Vision

Our village is a place where natural resources are valued and protected, where diversity is celebrated, and where a vibrant economy and sense of community pride create and recreate a living spirit. Yachats cares not just for its citizens' basic needs but also supports them in their efforts to excel mentally, physically, artistically, and spiritually. It is a community with an enduring sense of itself.



CITY OF YACHATS

CITY COUNCIL MEETING

441 Hwy 101N, Yachats Commons, Room 1



Wednesday, March 8, 2017 at 12:30pm

AGENDA

- I. Announcements and Correspondence
 - Lincoln Co. Board of Commissioners – Joint Session March 15 in Yachats
 - Thank you letters from Meals on Wheels, My Sisters' Place for City donations
 - Letter of complaint concerning no fragrances/chemicals policy
- II. Citizen's Concerns (topics not listed on the agenda)
- III. Minutes and Reports
 - A. Minutes: 02/06/17 Council Work Session; 02/09/17 Council Meeting VOTE
 - B. Accounts Payable for Approval VOTE
- IV. Reports
 - A. Council Reports
 - B. Department Reports:
Manager, Public Works, Code Enforcement, Emergency Planning
- V. Business
 - A. Items for Discussion for City and LCHC VOTE
 - B. Measure 21-177 – council position on aerial pesticide spraying VOTE
 - C. Appoint pro-tem Mayor for dates when both Mayor/President gone VOTE
 - D. Resolution 2017-03-01
Authorizing the Sale of a Water Revenue Refunding Bond VOTE
 - E. Resolution 2017-03-02
Authorizing the Sale of a General Obligation Refunding Bond VOTE
- VI. Other Business
 - A. Council Review of Shepherding Goals
 - B. From Mayor
 - B. From Staff
 - C. From Council

This meeting is open to the public and all interested persons are invited to attend. This meeting will be audio taped. All items to be considered by the Commission must be submitted to City Hall no later than one week prior to the meeting. Minutes of all public meetings are available for review at City Hall, or on the City website at www.yachatsoregon.org.

In accordance with ORS 192.630, City of Yachats will make a good faith effort to provide accommodations for any person desiring to attend a public meeting, if the request is made at least 48 hours in advance of the meeting time. The meeting room is physically accessible to persons with mobility devices; a sign language or foreign language interpreter may be available, with advance notice. Call City Hall at 541-547-3565 or Oregon Relay 1-800-735-2900 (TDD) two days in advance.

POSTED March 6, 2017

CITY OF YACHATS
CITY COUNCIL WORK SESSION
February 6, 2017
Minutes

Council members present: Mayor Gerald Stanley, Barbara Frye, Jim Tooke, Greg Scott and Max Glenn. Staff present: Water Department Lead Rick McClung, Wastewater Department Lead David Buckwald and Facilities Manager Leon Sterner. Audience: 14.

I. Call meeting to order.

Meeting was called to order at 9:33 am by Mayor Gerald Stanley.

a) Council work sessions and regular meetings days and times

Mayor Stanley announced that the Council had decided on meeting the first and second Wednesday of the month, starting in March. Councilor Barb Frye said she has a conflict with the February 9 meeting, but will call in for that 2pm meeting. On March 8, she will also call in, if the meeting is held earlier than 2pm. Meeting time was changed to begin at 12:30, and she will call in. On May 3, she will also be out of town, but will call in at the regular time of 9:30am.

Councilor Frye asked how long they will be doing surveys about evening meetings. Councilor Greg Scott said there is a problem with the survey, there's no way to stop people from voting more than once. All the information is coming from social media and it appears that someone is "loading" the results, so he doesn't trust the numbers. He wants to talk with the City Manager about it. Councilor Max Glenn said he is comfortable with going with just the change to Wednesdays for right now. Mayor Stanley offered a possible option of a paper vote. Councilor Frye reiterated that they will stay with the schedule of 9:30am the first Wednesday and 2pm on the second Wednesday of each month, until further notice. Councilor Glenn added that the first Wednesday will include both the work session and a regular action section for voting, if needed. Mayor Stanley pointed out that they did not have the previous meeting minutes, since the City Manager is ill, so he suggested just letting it go until the next meeting.

b) Attendance at meetings (OCZMA, OCWCOG, LOC, CIS, LGIP); absences

Mayor Stanley requested the council member associated with each group discuss briefly what it is. OCZMA is the Oregon Coastal Zone Management Association; no one presently on the Council is associated with it, and no one has attended the meetings for quite some time. Councilor Glenn thought the primary focus is marine reserves. Councilor Frye said it is a voluntary non-profit organization that meets quarterly, with concerns about coastal issues. Tom Lauritzen pointed out that their mission statement says they conduct studies on the Oregon Coast economy. Mayor Stanley agreed to be the point person for this group.

OCWCOG is the Oregon Coast West Cascades Council of Governments. Councilor Glenn is on the board and they meet once a month. Tri-Counties includes Lincoln, Linn and Benton

1 Counties. Councilor Glenn attends those. LOC is the League of Oregon Cities; Mayor Stanley
2 and Council Tooke both went to an ethics training. Councilor Frye said she and Councilor
3 Glenn had attended the same training when they joined the council and it was valuable.
4 Councilor Glenn pointed out that the City Manager also attends LOC events.
5

6 Councilor Scott explained that CIS is City/County Insurance services. Councilor Scott said this
7 is a non-profit agency that staff deals with in regard to pooling of resources and insurance, as is
8 LGPI (Local Government Personnel Institute), which can provide free legal advice on certain
9 matters. Mayor Stanley said he added a couple more agencies to the list, including the Local
10 Public Safety Coordinating Council, a bi-monthly meeting of all law enforcement and Lincoln
11 County mayors, chaired by the district attorney. The group talks about legal issues and
12 protecting citizens in the county, and has created a subcommittee on mental health.
13

14 Councilor Frye spoke regarding transportation meetings, saying there are about four of them but
15 the main one is related to the grant for the transportation Yachats to Florence. There is a
16 county-wide group and another park & ride group. She will check into each of them to see which
17 ones are pertinent to Yachats; she won't be attending all of them. Mayor Stanley asked about
18 the Angell Job Corps group, and Councilor Glenn said he belongs to that community relations
19 advisory committee. They meet once a quarter with AJC management, which is helpful in
20 working on community relations. They are trying to get the culinary program back, and are
21 working with Senator Wyden and the Forest Service about that.
22

23 Mayor Stanley asked if there are any other council members on a committee outside of the City
24 context. Councilor Frye is a part of the Lincoln Community Health Center Council and Lincoln
25 Community Health Center Quality Assurance sub-group, and is having meetings with the
26 director. Councilor Glenn said he is a member of the Lincoln Community Land Trust, along with
27 County Commissioner Bill Hall, as well as the Lincoln County Social Services Grant Committee
28 that convenes once a year to read all the applications in regard to social service grants and how
29 to divvy up the funds for these requests. Mayor Stanley will send an email out with a list.
30

31 **c) Budget Committee and budget officer appointments**

32
33 Postponed until further discussion with City Manager Davies.
34

35 **d) Housing development promotion and incentives**

36
37 Councilor Glenn and City Manager Davies participated in a webinar on a UGB expansion for a
38 pilot program regarding affordable housing. The concept is to expand the UGB to be used
39 exclusively for affordable housing. Yachats is on the list to be considered and if chosen,
40 technical assistance and staffing would be provided by the state. Final decisions will be made in
41 early 2018. Councilor Scott pointed out that changing the UGB would require a vote by the
42 citizens, so he believes there is a legal issue that needs clarification. Councilor Frye asked if a
43 grant had been applied for; Councilor Glenn said there has not been, and it is premature to stir
44 up people's thinking and hopes – or opposition – until we know there is a possibility of being

1 considered. Councilor Scott wants to find out whether a vote is needed. Councilor Tooke asked
2 about the Legislative bill that deals with that issue, and said he will research the topic.

3
4 **e) Vacation Rentals-review of program and needs**
5

6 Councilor Scott advised that he had met with Councilor Glenn and City Manager Davies, to
7 identify a set of vacation rental issues. They will ask Council for comments, to endorse or reject
8 any or all of these items. Then they will go back and work on further recommendations.
9

10 **Item 1 – Violation standards.** There are two standards for the code enforcement for
11 vacation rentals and one for all other code enforcement violations. A citation would be issued
12 on regular residences and they have a limited time to correct it. But with the vacation rentals,
13 there is a lengthy time for them to take care of it, and the same issues are seen over and over.
14 He said the City Manager had gone through the code enforcement files and found there were
15 three main issues for vacation rentals: parking, garbage and lights. Councilor Scott said asked
16 for the Council's agreement that this issue is worth pursuing. There was a consensus.
17

18 **Item 2 – Limited number.** This relates to discussions of the need for a cap on the total
19 allowed in the City. The numbers have remained stable for years, but there is some reason to
20 believe they are artificially inflated. Mayor Stanley said he had noticed that the total had
21 remained stable, and that the Council was not aware of ones that had actually ceased to be
22 rented out. He recalled that when the Council stated they were going to limit the licenses issued,
23 it created a panic amongst property owners. Councilor Tooke said he read a newspaper article
24 awhile back that said the number of Yachats vacation rentals is essentially equal to the number
25 in Newport, even though Newport is a much larger town. Councilor Frye said the proportion of
26 vacation rentals in proportion to regular rentals impacts available housing in the area. Councilor
27 Tooke asked if local agents have been involved. Council Scott said they will be invited later.
28

29 **Item 3 –** There is a perception of increased number of vacation rentals in R1 zones. Last
30 fall, there was a continued public hearing dealing with zoning changes for vacation activity in R1
31 zone, closed in December and not enacted. He would like to include it in current considerations.
32 It was listed as Ordinance 346 at the time. He asked his wife who was Planning Commission
33 President, and she said there were both pros and cons received during their process, mostly
34 similar to “not in my backyard”. This would require conditional use permits for vacation rentals in
35 R1 zones, affecting 9.04.030 would be changed, by defining a vacation rental and list it as a
36 permitted use. Tom Lauritzen stated he testified at the public hearing on that, and it did not
37 address when a vacation rental becomes a “business”. Lincoln City and others have tried to
38 quantify this, by examining the number of nights in use. He also pointed out the inconsistency in
39 the code between bed and breakfasts and vacation rentals. B&Bs require the owner to be there;
40 vacation rentals do not. So B&Bs are less impact on the City, but they have more stringent
41 regulations. Councilor Tooke said he gave information to the City Manager regarding a Bay area
42 company that deals with vacation rentals all over the US, starting at \$380 per year for base
43 service. Councilor Scott said he had seen that, but not checked into it.
44

1 **Item 4** – Councilor Scott said there is a need for a better analysis of vacation rentals – a
2 service for a tracking system, specifically regarding complaints. This would be more towards the
3 active management side, to help the City understand what is happening within the vacation
4 rental system – where they are happening, for example. Councilor Frye agreed it needed to be
5 done, but cautioned to be aware of load issues for staff. Contracting out is appealing, she noted.
6

7 **Item 5** – Are license fees appropriate? The group feels they are too low in regards to
8 covering administrative costs, but there is another factor. We have some indication that a few
9 people are just taking out licenses because they want to sell their home, and they want to
10 demonstrate that the property is approved as a vacation rental. One idea was to bump the
11 license fee to \$500 per year, to basically discourage that, and then the serious owners can get a
12 credit back against their tax the first year. Councilor Frye said she didn't know if the City should
13 make rules because they think someone has a "bad" intention, but agreed the fee is too low.
14 Councilor Scott said it is not about intention, but the fact that staff has to go through the whole
15 process, with the City not realizing any revenue for that effort. He asked her if she thought the
16 fee should be \$250, rather than \$500. She said it is not about the amount, but rather about not
17 getting involved in the owners' motivations.
18

19 **Item 6 – Monitoring licenses to single owner or family.** Currently, the code says that
20 a single owner "or family" can only have one vacation rental, to prevent businesses from coming
21 in and buying up a lot of properties. The City Manager had asked how that had ever been
22 monitored. Councilor Frye said the City should steer really clear of trying to define "family".
23 Councilor Scott said it's part of the code – how do we answer the question? Mayor Stanley
24 asked if there was anything indicating that the code has been violated; nobody knows.
25

26 **Item 7 – Adequate and transparent rental process.** That is a management issue.
27

28 **Item 8 – Valid email address requirement.** Staff only knows an address has changed
29 because they send out invoices for taxes or licenses, or notices, either by US mail or email, and
30 get them back. Staff has to spend time digging through to see if they can find a valid contact for
31 the vacation rental owner. We suggest putting this burden on the property managers. Councilor
32 Frye argued that she did not believe you can require people to have email. Councilor Scott
33 pointed out that they have already provided an email address, but then it changes or expires.
34 Councilor Frye wants to know if it is legal to require anyone to have email, if they don't want to.
35 Councilor Scott believes the City can require whatever they want for a license, but will ask.
36

37 **Item 9 – Summary.** There was a consensus that all the items need to be pursued.
38 Councilor Tooke asked if there was any consideration for Air BnBs. Councilor Scott said yes,
39 there are two currently under consideration, one license and one application. These come under
40 VR rules. Councilor Frye asked if the research group should include a vacation rental
41 management firm in meetings. Councilor Scott said they will be involved after the group decides
42 what the issues are and has a presentation. Councilor Glenn said his concern would be that he
43 didn't want to see a room full of angry people, as it has been in the past, but the subject is not

1 yet ready for public discussion. He said her point was well-taken, but they are not there yet.
2 Councilor Scott said he believed residents need to be involved, as well, in the discussions.

3
4 Mayor Stanley commented that it seems like a minority of people not following the rules makes
5 everyone be held to a stricter standard, as in so many cases. Councilor Frye argued that it was
6 a matter of people not knowing the complaint process. She said there were plenty of times she
7 could have filed a complaint about a vacation rental in her neighborhood, but did not.

8 9 **f) Yachats Public Network upgrade**

10
11 Councilor Scott has found an Oregon company that has a product that looks promising. He is
12 ready to ask for Council permission to proceed. He said at the last meeting that he thought a
13 budget of \$3,000 was in the ball park, and he is still thinking that is accurate. He needs to buy
14 two units for \$500 to re-wire The Commons, to eliminate hardware conflicts in the existing
15 system. If those prove successful, he will then buy 10 more, for a total of \$3,000. He wants
16 specific Council approval for funds. That will cover the library, the sewer plant, the office and the
17 Green Salmon, with a couple of units for spares. He suggests it be paid out of Visitor Amenities,
18 because it is a service to people visiting the community. Councilor Frye said that it is a great
19 idea, but wondered how to get the word out to the public. She had seen comments on Facebook
20 about where to get access to the internet, and didn't think people knew how it worked. Councilor
21 Scott said that the Green Salmon pays for DSL service. Originally, there had been one at Mari's
22 Books, but he had to pull it, because someone was pirating movies from that one. He had a
23 transmitter at JD's Cellular Service, also, but it was consuming too much of JD's band width, so
24 that was removed, too. The idea was to have it available in the downtown core, and the Green
25 Salmon was the next site choice. This is a mesh network, called the Yachats Public Network.

26
27 Mayor Stanley asked why Councilor Scott was asking for a Council vote on spending this
28 money. He said that it was not budgeted for, so he needed to ask for it. Councilor Frye said
29 there isn't really an IT line. Mayor Stanley said he thinks it could just be a decision of the City
30 Manager. Councilor Scott said that using Visitors Amenities funds is a touchy area. Councilor
31 Tooke asked if the Budget Committee needed to be involved. Councilor Scott said not for an
32 amount of this size. Councilor Glenn said the City was one of the first places to have Wi-Fi
33 access for tourists. He has seen many people sitting on a bench outside the library, or sitting in
34 their cars at certain places to pick it up. He is glad to be able to advise visitors that it is
35 available. Mayor Stanley said it seems like it is benefiting the citizens more. Councilor Scott said
36 most people have DSL service at home, so he didn't think so. The Mayor wanted to know at
37 what point the public would be consulted about such a thing. Councilor Frye said that the
38 Council is elected by the public to make such decisions. The meetings are here, if people don't
39 like it, they will say something. You know where the money went; you know it was discussed.

40
41 Tom Lauritzen said that the City Manager had pointed out to him that one of the big differences
42 between the way the City has been operating, and actual Oregon budget law ORS 294 requires
43 a supplemental budget only if the major caption changes by more than 10 per cent, for example,
44 would be, for "materials and services", which might be 25 lines. She is of the firm belief that we

1 do far too many supplemental budgets. Following that logic, you would not need to vote. Council
2 Scott agreed with that, but said he is far more sensitive about the Visitor Amenities fund
3 because of what it is. Lauritzen said it needs to be used more often, because the City changed
4 the tax rate from seven per cent to nine per cent, and 70 per cent of that increase goes into the
5 Visitors Amenities Fund, for use as long as they generally fit the description. The Mayor asked if
6 there is a committee to advise the Council about what is part of the Visitors Amenities Fund, and
7 Councilor Scott said that there are State guidelines about things that cannot be done. He
8 explained they use the number of library cards that are issued to people who don't live here, as
9 a ratio with all cards issued, to allocate a percentage of Visitors Amenities funds to the library.

10
11 Mayor Stanley said he was just sharing his own personal views, and doesn't believe a council
12 has to always agree. He appreciated the councilors' input. But in working on the County budget
13 for the past three years, he has observed that budget sections do tend to go over, and they
14 resolve that by looking at the larger category. He didn't believe \$3,000 needed to be voted on.

15
16 **g) Friends of the Commons providing insurance coverage for small groups.**

17
18 Councilor Scott explained that the City Manager had discovered that all groups were not
19 covered by City insurance, as they had assumed. She suggested that Friends of the Commons
20 take over the groups for coverage, and it would also save the office from handling the cash that
21 comes in as donations. He suggested it be tabled until the City Manager is available. Mayor
22 Stanley was concerned that the decision may be time-sensitive, because an accident could
23 happen at any time. Councilor Scott pointed out that it can be postponed until Thursday, but
24 there is no down side to holding it even further. The Mayor said the down side would be if there
25 was an accident. Once Lunch Bunch found they weren't covered, they acted right away.

26
27 Councilor Tooke asked who was in charge of the Friends of the Commons, and was advised it
28 is Rose Valentine. They are willing to step up and provide insurance for the small groups.
29 Councilor Glenn said the City Manager's question was whether the cash donations could go to
30 the Friends, or not, in exchange for insuring them. Tabled until City Manager is available.

31
32 **h) Commissions/committees goals and purposes - Public Works & Streets**

33
34 There has been some confusion about their core mission, Councilor Scott explained, and it was
35 complicated when no one stepped up as chair, and three vacancies remain. Councilor Frye said
36 she sees it as a continuation of the committees/commissions group that was examining what
37 the purpose was for all of the groups. Councilor Glenn said he thinks the structure is a good way
38 for the public to participate in some of the basics of City process. He believes there needs to be
39 greater clarification on the role and function of some of them, but does not want to dissolve or
40 abandon any of them at this time. Mayor Stanley agreed and in general, really wants to support
41 the commissions/committees. Councilor Frye said they need to look at them and decide if they
42 need to be modified. Nobody feels that citizens should not be involved, but their role is not clear
43 and they sometimes feel frustrated with doing work and then never seeing it again. Now there is
44 a City Manager who can follow up. The Mayor said the commissions/committees belong to the

1 Council, not the City Manager. Councilor Frye said that was not what she meant, and used the
2 labyrinth project as an example. Councilor Scott said that the former public works director really
3 didn't want the Public Works & Streets Commission, which contributed to that commission not
4 understanding what their mission is. Without Bob Bennett at the head of it, the commission is
5 not understanding its mission. Councilor Scott pointed out that the City is a multi-million-dollar
6 entity, and there is no way for citizens to be involved in everything. By appointing seven
7 residents to each committee/commission, it involves the greater community.

8
9 The Mayor suggested appointing two council members to look into this in depth. Councilor Frye
10 argued that it is a lot more complicated than that. Councilor Scott said the City Manager has to
11 be involved, and she is currently "up to her eyeballs" in a number of operations matters.
12 Councilor Glenn said that in July 2016, when the matter had come before the Council, it had
13 been his desire to give the new City Manager time to examine each of these committees and
14 commissions. But now, people have not stepped up to fill vacant positions, and that may be
15 influencing the idea that they may not be necessary.

16
17 Mayor Stanley asked about two council members, other than Councilor Scott, stepping up to
18 examine the issues. Councilor Scott said that he believes not all commissions are equal, and
19 part of the City Manager's concern is her time, and specifically related to both the Library and
20 the Little Log Church & Museum. He wants to move the City towards program budgeting, and
21 this issue is involved in that, as well. Councilor Frye said it needs to be decided what group can
22 gather documents, talk to the commissions, do some of the preliminary assessment work. The
23 City Manager does not have to be a part of that. Mayor Stanley said he agrees with Councilor
24 Frye that a lot more research can come first. Councilor Scott said what he is hearing sounds like
25 a bottom-up approach, and he favors a top-down approach. Tabled for City Manager.

26
27 Tom Lauritzen clarified the comment about the Finance Committee – it was never intended that
28 the PW&S commission be replaced, but that during the CIP process, the Finance Committee
29 would pick up their financial discussions. I think the Finance Committee members all agree with
30 that, as in the interim, there is a vacuum and someone had to step up. This is only a Band-Aid
31 until the study is completed, not a "merger", as has been discussed.

32
33 The Mayor asked if Councilor Frye wanted to join him in doing some of the fact-finding and work
34 with the City Manager in getting more information about what the commissions and committees
35 are doing. She replied that the original group of her, Councilor Scott and Tom Lauritzen were
36 working on it. Councilor Scott added that the City Manager needs to be included and he said
37 that in looking at his Shepherding Goals, he has fewer goals than other Council members.
38 Mayor Stanley asked why Trails Committee was on the list, because they are really a sub-
39 committee of Parks & Commons. Councilor Glenn said he would like some clarity about Little
40 Log Church & Museum, because they tend to function as a separate board. Councilor Frye
41 agreed that there needs to be clarification. Councilor Tooke asked what they mean when
42 referring to "this group": Councilors Scott and Frye, Tom Lauritzen and now the City Manager.

43
44 **i) Council Shepherding Goals - changes, assignments, reports, priorities**

1
2 Councilor Scott said there needs to be clarification about what it means to be “shepherding”
3 goals. The Council member assigned is just the vehicle to report the status back to the Council.
4 Councilor Frye said she likes reporting on them each month, because it helps remind her of
5 what she has to do. Councilor Glenn said for him, those are the “Council goals with shepherding
6 tasks” but on the sheet, it says “Council shepherding goals”. He would like to go back and look
7 at the City Charter and see how it is reflected in these.
8

9 Mayor Stanley pointed out that #19 Vacation Rentals is unique, where the whole council is
10 assigned as the “team”. Council Frye said it’s a big issue, so all need to be involved and the
11 point is that we identify all the projects we are working on in a document, but questioned
12 whether it should be a council issue, not a shepherding issue. Council Scott pointed out that
13 three Council members or more can’t work together on it outside a public meeting.
14

15 Mayor Stanley asked when the Council will discuss the 804 Trail. Councilor Glenn said that
16 would be at the joint session on March 15 with County Commissioners at 7pm.
17

18 Councilor Frye requested a discussion of the State of the City and to choose a date. The Mayor
19 asked each councilor for input on what they wanted done. Councilor Scott said that it has been
20 a summary of the past 12 months, and that former Mayor Ron Brean did the presentation, but in
21 the position as the administrative head of the City, not because he was Mayor. Councilor Glenn
22 said that various committees would always make a presentation, in the past. The Council would
23 set the agenda, and then had the Mayor to report these things to the community, as the
24 Council’s voice. The Mayor said that he is comfortable with having the City Manager do it, and
25 they just need to pick a date to do it. An update on what has happened, the plans for the coming
26 year, a cake and coffee, and not pressure the City Manager with having the date too soon.
27 Councilor Frye said she wants recognition for all the volunteers who work for the City, and
28 having tables for them to sit at, and to have them introduced. The Mayor said he will work with
29 City Manager Davies on setting a date within the next two months. Councilor Tooke said that if
30 the commissions and committees are at tables, it might encourage some residents to sign up.
31

32 **h) Approve agenda for February 9, 2017 City Council meeting**

33

34 The Mayor asked for a discussion of the agenda for the February 9 regular meeting. The City
35 Manager is not available and the minutes were not received. Usually the minutes are reviewed
36 by the Council before the meeting, and comments sent to the City Manager, so that there are no
37 surprises when voting on the minutes. Councilor Glenn said, you just email the City Manager, or
38 talk to her, and she will make the change. Councilor Scott explained it usually it’s not a factual
39 difference, but a word is wrong, or structure needs changed. Councilor Frye wants the minutes
40 taken out of the way they have been done. Councilor Scott did not agree. Mayor Stanley asked
41 if there should be a vote on separating the minutes from the consent agenda. Councilor Scott
42 said he did not know, so he will have to look at the procedures and see what they say. In that
43 case, there would need to be a resolution done. Councilor Frye added that she wanted to “ditch
44 this strange system” and just use Roberts’ Rules of Order. Councilor Scott said that part

1 definitely requires a change of rules. Councilor Frye wants it on an agenda. Councilor Glenn
2 read aloud from a copy of Council Rules, under "Approval by Council."

3
4 There was further discussion about the topics on the agenda for March 8.

5
6 Meeting was adjourned at 11:46am.

7
8 _____ Date: _____
9 GERALD F. STANLEY, Mayor

10
11 ATTEST:

12
13 _____
14 Joan Davies, City Manager

CITY OF YACHATS
CITY COUNCIL WORK SESSION
February 6, 2017
Minutes

Council members present: Mayor Gerald Stanley, Barbara Frye, Jim Tooke, Greg Scott and Max Glenn. Staff present: Water Department Lead Rick McClung, Wastewater Department Lead David Buckwald and Facilities Manager Leon Sterner. Audience: 14.

I. Call meeting to order.

Meeting was called to order at 9:33 am by Mayor Gerald Stanley.

a) Council work sessions and regular meetings days and times

Mayor Stanley announced that the Council had decided on meeting the first and second Wednesday of the month, starting in March. Councilor Barb Frye said she has a conflict with the February 9 meeting, but will call in for that 2pm meeting. On March 8, she will also call in, if the meeting is held earlier than 2pm. Meeting time was changed to begin at 12:30, and she will call in. On May 3, she will also be out of town, but will call in at the regular time of 9:30am.

Councilor Frye asked how long they will be doing surveys about evening meetings. Councilor Greg Scott said there is a problem with the survey, there's no way to stop people from voting more than once. All the information is coming from social media and it appears that someone is "loading" the results, so he doesn't trust the numbers. He wants to talk with the City Manager about it. Councilor Max Glenn said he is comfortable with going with just the change to Wednesdays for right now. Mayor Stanley offered a possible option of a paper vote. Councilor Frye reiterated that they will stay with the schedule of 9:30am the first Wednesday and 2pm on the second Wednesday of each month, until further notice. Councilor Glenn added that the first Wednesday will include both the work session and a regular action section for voting, if needed. Mayor Stanley pointed out that they did not have the previous meeting minutes, since the City Manager is ill, so he suggested just letting it go until the next meeting.

b) Attendance at meetings (OCZMA, OCWCOG, LOC, CIS, LGIP); absences

Mayor Stanley requested the council member associated with each group discuss briefly what it is. OCZMA is the Oregon Coastal Zone Management Association; no one presently on the Council is associated with it, and no one has attended the meetings for quite some time. Councilor Glenn thought the primary focus is marine reserves. Councilor Frye said it is a voluntary non-profit organization that meets quarterly, with concerns about coastal issues. Tom Lauritzen pointed out that their mission statement says they conduct studies on the Oregon Coast economy. Mayor Stanley agreed to be the point person for this group.

OCWCOG is the Oregon Coast West Cascades Council of Governments. Councilor Glenn is on the board and they meet once a month. Tri-Counties includes Lincoln, Linn and Benton

1 Counties. Councilor Glenn attends those. LOC is the League of Oregon Cities; Mayor Stanley
2 and Council Tooke both went to an ethics training. Councilor Frye said she and Councilor
3 Glenn had attended the same training when they joined the council and it was valuable.
4 Councilor Glenn pointed out that the City Manager also attends LOC events.
5

6 Councilor Scott explained that CIS is City/County Insurance services. Councilor Scott said this
7 is a non-profit agency that staff deals with in regard to pooling of resources and insurance, as is
8 LGPI (Local Government Personnel Institute), which can provide free legal advice on certain
9 matters. Mayor Stanley said he added a couple more agencies to the list, including the Local
10 Public Safety Coordinating Council, a bi-monthly meeting of all law enforcement and Lincoln
11 County mayors, chaired by the district attorney. The group talks about legal issues and
12 protecting citizens in the county, and has created a subcommittee on mental health.
13

14 Councilor Frye spoke regarding transportation meetings, saying there are about four of them but
15 the main one is related to the grant for the transportation Yachats to Florence. There is a
16 county-wide group and another park & ride group. She will check into each of them to see which
17 ones are pertinent to Yachats; she won't be attending all of them. Mayor Stanley asked about
18 the Angell Job Corps group, and Councilor Glenn said he belongs to that community relations
19 advisory committee. They meet once a quarter with AJC management, which is helpful in
20 working on community relations. They are trying to get the culinary program back, and are
21 working with Senator Wyden and the Forest Service about that.
22

23 Mayor Stanley asked if there are any other council members on a committee outside of the City
24 context. Councilor Frye is a part of the Lincoln Community Health Center Council and Lincoln
25 Community Health Center Quality Assurance sub-group, and is having meetings with the
26 director. Councilor Glenn said he is a member of the Lincoln Community Land Trust, along with
27 County Commissioner Bill Hall, as well as the Lincoln County Social Services Grant Committee
28 that convenes once a year to read all the applications in regard to social service grants and how
29 to divvy up the funds for these requests. Mayor Stanley will send an email out with a list.
30

31 **c) Budget Committee and budget officer appointments**

32
33 Postponed until further discussion with City Manager Davies.
34

35 **d) Housing development promotion and incentives**

36
37 Councilor Glenn and City Manager Davies participated in a webinar on a UGB expansion for a
38 pilot program regarding affordable housing. The concept is to expand the UGB to be used
39 exclusively for affordable housing. Yachats is on the list to be considered and if chosen,
40 technical assistance and staffing would be provided by the state. Final decisions will be made in
41 early 2018. Councilor Scott pointed out that changing the UGB would require a vote by the
42 citizens, so he believes there is a legal issue that needs clarification. Councilor Frye asked if a
43 grant had been applied for; Councilor Glenn said there has not been, and it is premature to stir
44 up people's thinking and hopes – or opposition – until we know there is a possibility of being

1 considered. Councilor Scott wants to find out whether a vote is needed. Councilor Tooke asked
2 about the Legislative bill that deals with that issue, and said he will research the topic.

3
4 **e) Vacation Rentals-review of program and needs**
5

6 Councilor Scott advised that he had met with Councilor Glenn and City Manager Davies, to
7 identify a set of vacation rental issues. They will ask Council for comments, to endorse or reject
8 any or all of these items. Then they will go back and work on further recommendations.
9

10 **Item 1 – Violation standards.** There are two standards for the code enforcement for
11 vacation rentals and one for all other code enforcement violations. A citation would be issued
12 on regular residences and they have a limited time to correct it. But with the vacation rentals,
13 there is a lengthy time for them to take care of it, and the same issues are seen over and over.
14 He said the City Manager had gone through the code enforcement files and found there were
15 three main issues for vacation rentals: parking, garbage and lights. Councilor Scott said asked
16 for the Council's agreement that this issue is worth pursuing. There was a consensus.
17

18 **Item 2 – Limited number.** This relates to discussions of the need for a cap on the total
19 allowed in the City. The numbers have remained stable for years, but there is some reason to
20 believe they are artificially inflated. Mayor Stanley said he had noticed that the total had
21 remained stable, and that the Council was not aware of ones that had actually ceased to be
22 rented out. He recalled that when the Council stated they were going to limit the licenses issued,
23 it created a panic amongst property owners. Councilor Tooke said he read a newspaper article
24 awhile back that said the number of Yachats vacation rentals is essentially equal to the number
25 in Newport, even though Newport is a much larger town. Councilor Frye said the proportion of
26 vacation rentals in proportion to regular rentals impacts available housing in the area. Councilor
27 Tooke asked if local agents have been involved. Council Scott said they will be invited later.
28

29 **Item 3 –** There is a perception of increased number of vacation rentals in R1 zones. Last
30 fall, there was a continued public hearing dealing with zoning changes for vacation activity in R1
31 zone, closed in December and not enacted. He would like to include it in current considerations.
32 It was listed as Ordinance 346 at the time. He asked his wife who was Planning Commission
33 President, and she said there were both pros and cons received during their process, mostly
34 similar to “not in my backyard”. This would require conditional use permits for vacation rentals in
35 R1 zones, affecting 9.04.030 would be changed, by defining a vacation rental and list it as a
36 permitted use. Tom Lauritzen stated he testified at the public hearing on that, and it did not
37 address when a vacation rental becomes a “business”. Lincoln City and others have tried to
38 quantify this, by examining the number of nights in use. He also pointed out the inconsistency in
39 the code between bed and breakfasts and vacation rentals. B&Bs require the owner to be there;
40 vacation rentals do not. So B&Bs are less impact on the City, but they have more stringent
41 regulations. Councilor Tooke said he gave information to the City Manager regarding a Bay area
42 company that deals with vacation rentals all over the US, starting at \$380 per year for base
43 service. Councilor Scott said he had seen that, but not checked into it.
44

1 **Item 4** – Councilor Scott said there is a need for a better analysis of vacation rentals – a
2 service for a tracking system, specifically regarding complaints. This would be more towards the
3 active management side, to help the City understand what is happening within the vacation
4 rental system – where they are happening, for example. Councilor Frye agreed it needed to be
5 done, but cautioned to be aware of load issues for staff. Contracting out is appealing, she noted.
6

7 **Item 5** – Are license fees appropriate? The group feels they are too low in regards to
8 covering administrative costs, but there is another factor. We have some indication that a few
9 people are just taking out licenses because they want to sell their home, and they want to
10 demonstrate that the property is approved as a vacation rental. One idea was to bump the
11 license fee to \$500 per year, to basically discourage that, and then the serious owners can get a
12 credit back against their tax the first year. Councilor Frye said she didn't know if the City should
13 make rules because they think someone has a "bad" intention, but agreed the fee is too low.
14 Councilor Scott said it is not about intention, but the fact that staff has to go through the whole
15 process, with the City not realizing any revenue for that effort. He asked her if she thought the
16 fee should be \$250, rather than \$500. She said it is not about the amount, but rather about not
17 getting involved in the owners' motivations.
18

19 **Item 6 – Monitoring licenses to single owner or family.** Currently, the code says that
20 a single owner "or family" can only have one vacation rental, to prevent businesses from coming
21 in and buying up a lot of properties. The City Manager had asked how that had ever been
22 monitored. Councilor Frye said the City should steer really clear of trying to define "family".
23 Councilor Scott said it's part of the code – how do we answer the question? Mayor Stanley
24 asked if there was anything indicating that the code has been violated; nobody knows.
25

26 **Item 7 – Adequate and transparent rental process.** That is a management issue.
27

28 **Item 8 – Valid email address requirement.** Staff only knows an address has changed
29 because they send out invoices for taxes or licenses, or notices, either by US mail or email, and
30 get them back. Staff has to spend time digging through to see if they can find a valid contact for
31 the vacation rental owner. We suggest putting this burden on the property managers. Councilor
32 Frye argued that she did not believe you can require people to have email. Councilor Scott
33 pointed out that they have already provided an email address, but then it changes or expires.
34 Councilor Frye wants to know if it is legal to require anyone to have email, if they don't want to.
35 Councilor Scott believes the City can require whatever they want for a license, but will ask.
36

37 **Item 9 – Summary.** There was a consensus that all the items need to be pursued.
38 Councilor Tooke asked if there was any consideration for Air BnBs. Councilor Scott said yes,
39 there are two currently under consideration, one license and one application. These come under
40 VR rules. Councilor Frye asked if the research group should include a vacation rental
41 management firm in meetings. Councilor Scott said they will be involved after the group decides
42 what the issues are and has a presentation. Councilor Glenn said his concern would be that he
43 didn't want to see a room full of angry people, as it has been in the past, but the subject is not

1 yet ready for public discussion. He said her point was well-taken, but they are not there yet.
2 Councilor Scott said he believed residents need to be involved, as well, in the discussions.

3
4 Mayor Stanley commented that it seems like a minority of people not following the rules makes
5 everyone be held to a stricter standard, as in so many cases. Councilor Frye argued that it was
6 a matter of people not knowing the complaint process. She said there were plenty of times she
7 could have filed a complaint about a vacation rental in her neighborhood, but did not.

8 9 **f) Yachats Public Network upgrade**

10
11 Councilor Scott has found an Oregon company that has a product that looks promising. He is
12 ready to ask for Council permission to proceed. He said at the last meeting that he thought a
13 budget of \$3,000 was in the ball park, and he is still thinking that is accurate. He needs to buy
14 two units for \$500 to re-wire The Commons, to eliminate hardware conflicts in the existing
15 system. If those prove successful, he will then buy 10 more, for a total of \$3,000. He wants
16 specific Council approval for funds. That will cover the library, the sewer plant, the office and the
17 Green Salmon, with a couple of units for spares. He suggests it be paid out of Visitor Amenities,
18 because it is a service to people visiting the community. Councilor Frye said that it is a great
19 idea, but wondered how to get the word out to the public. She had seen comments on Facebook
20 about where to get access to the internet, and didn't think people knew how it worked. Councilor
21 Scott said that the Green Salmon pays for DSL service. Originally, there had been one at Mari's
22 Books, but he had to pull it, because someone was pirating movies from that one. He had a
23 transmitter at JD's Cellular Service, also, but it was consuming too much of JD's band width, so
24 that was removed, too. The idea was to have it available in the downtown core, and the Green
25 Salmon was the next site choice. This is a mesh network, called the Yachats Public Network.

26
27 Mayor Stanley asked why Councilor Scott was asking for a Council vote on spending this
28 money. He said that it was not budgeted for, so he needed to ask for it. Councilor Frye said
29 there isn't really an IT line. Mayor Stanley said he thinks it could just be a decision of the City
30 Manager. Councilor Scott said that using Visitors Amenities funds is a touchy area. Councilor
31 Tooke asked if the Budget Committee needed to be involved. Councilor Scott said not for an
32 amount of this size. Councilor Glenn said the City was one of the first places to have Wi-Fi
33 access for tourists. He has seen many people sitting on a bench outside the library, or sitting in
34 their cars at certain places to pick it up. He is glad to be able to advise visitors that it is
35 available. Mayor Stanley said it seems like it is benefiting the citizens more. Councilor Scott said
36 most people have DSL service at home, so he didn't think so. The Mayor wanted to know at
37 what point the public would be consulted about such a thing. Councilor Frye said that the
38 Council is elected by the public to make such decisions. The meetings are here, if people don't
39 like it, they will say something. You know where the money went; you know it was discussed.

40
41 Tom Lauritzen said that the City Manager had pointed out to him that one of the big differences
42 between the way the City has been operating, and actual Oregon budget law ORS 294 requires
43 a supplemental budget only if the major caption changes by more than 10 per cent, for example,
44 would be, for "materials and services", which might be 25 lines. She is of the firm belief that we

1 do far too many supplemental budgets. Following that logic, you would not need to vote. Council
2 Scott agreed with that, but said he is far more sensitive about the Visitor Amenities fund
3 because of what it is. Lauritzen said it needs to be used more often, because the City changed
4 the tax rate from seven per cent to nine per cent, and 70 per cent of that increase goes into the
5 Visitors Amenities Fund, for use as long as they generally fit the description. The Mayor asked if
6 there is a committee to advise the Council about what is part of the Visitors Amenities Fund, and
7 Councilor Scott said that there are State guidelines about things that cannot be done. He
8 explained they use the number of library cards that are issued to people who don't live here, as
9 a ratio with all cards issued, to allocate a percentage of Visitors Amenities funds to the library.

10
11 Mayor Stanley said he was just sharing his own personal views, and doesn't believe a council
12 has to always agree. He appreciated the councilors' input. But in working on the County budget
13 for the past three years, he has observed that budget sections do tend to go over, and they
14 resolve that by looking at the larger category. He didn't believe \$3,000 needed to be voted on.

15
16 **g) Friends of the Commons providing insurance coverage for small groups.**

17
18 Councilor Scott explained that the City Manager had discovered that all groups were not
19 covered by City insurance, as they had assumed. She suggested that Friends of the Commons
20 take over the groups for coverage, and it would also save the office from handling the cash that
21 comes in as donations. He suggested it be tabled until the City Manager is available. Mayor
22 Stanley was concerned that the decision may be time-sensitive, because an accident could
23 happen at any time. Councilor Scott pointed out that it can be postponed until Thursday, but
24 there is no down side to holding it even further. The Mayor said the down side would be if there
25 was an accident. Once Lunch Bunch found they weren't covered, they acted right away.

26
27 Councilor Tooke asked who was in charge of the Friends of the Commons, and was advised it
28 is Rose Valentine. They are willing to step up and provide insurance for the small groups.
29 Councilor Glenn said the City Manager's question was whether the cash donations could go to
30 the Friends, or not, in exchange for insuring them. Tabled until City Manager is available.

31
32 **h) Commissions/committees goals and purposes - Public Works & Streets**

33
34 There has been some confusion about their core mission, Councilor Scott explained, and it was
35 complicated when no one stepped up as chair, and three vacancies remain. Councilor Frye said
36 she sees it as a continuation of the committees/commissions group that was examining what
37 the purpose was for all of the groups. Councilor Glenn said he thinks the structure is a good way
38 for the public to participate in some of the basics of City process. He believes there needs to be
39 greater clarification on the role and function of some of them, but does not want to dissolve or
40 abandon any of them at this time. Mayor Stanley agreed and in general, really wants to support
41 the commissions/committees. Councilor Frye said they need to look at them and decide if they
42 need to be modified. Nobody feels that citizens should not be involved, but their role is not clear
43 and they sometimes feel frustrated with doing work and then never seeing it again. Now there is
44 a City Manager who can follow up. The Mayor said the commissions/committees belong to the

1 Council, not the City Manager. Councilor Frye said that was not what she meant, and used the
2 labyrinth project as an example. Councilor Scott said that the former public works director really
3 didn't want the Public Works & Streets Commission, which contributed to that commission not
4 understanding what their mission is. Without Bob Bennett at the head of it, the commission is
5 not understanding its mission. Councilor Scott pointed out that the City is a multi-million-dollar
6 entity, and there is no way for citizens to be involved in everything. By appointing seven
7 residents to each committee/commission, it involves the greater community.

8
9 The Mayor suggested appointing two council members to look into this in depth. Councilor Frye
10 argued that it is a lot more complicated than that. Councilor Scott said the City Manager has to
11 be involved, and she is currently "up to her eyeballs" in a number of operations matters.
12 Councilor Glenn said that in July 2016, when the matter had come before the Council, it had
13 been his desire to give the new City Manager time to examine each of these committees and
14 commissions. But now, people have not stepped up to fill vacant positions, and that may be
15 influencing the idea that they may not be necessary.

16
17 Mayor Stanley asked about two council members, other than Councilor Scott, stepping up to
18 examine the issues. Councilor Scott said that he believes not all commissions are equal, and
19 part of the City Manager's concern is her time, and specifically related to both the Library and
20 the Little Log Church & Museum. He wants to move the City towards program budgeting, and
21 this issue is involved in that, as well. Councilor Frye said it needs to be decided what group can
22 gather documents, talk to the commissions, do some of the preliminary assessment work. The
23 City Manager does not have to be a part of that. Mayor Stanley said he agrees with Councilor
24 Frye that a lot more research can come first. Councilor Scott said what he is hearing sounds like
25 a bottom-up approach, and he favors a top-down approach. Tabled for City Manager.

26
27 Tom Lauritzen clarified the comment about the Finance Committee – it was never intended that
28 the PW&S commission be replaced, but that during the CIP process, the Finance Committee
29 would pick up their financial discussions. I think the Finance Committee members all agree with
30 that, as in the interim, there is a vacuum and someone had to step up. This is only a Band-Aid
31 until the study is completed, not a "merger", as has been discussed.

32
33 The Mayor asked if Councilor Frye wanted to join him in doing some of the fact-finding and work
34 with the City Manager in getting more information about what the commissions and committees
35 are doing. She replied that the original group of her, Councilor Scott and Tom Lauritzen were
36 working on it. Councilor Scott added that the City Manager needs to be included and he said
37 that in looking at his Shepherding Goals, he has fewer goals than other Council members.
38 Mayor Stanley asked why Trails Committee was on the list, because they are really a sub-
39 committee of Parks & Commons. Councilor Glenn said he would like some clarity about Little
40 Log Church & Museum, because they tend to function as a separate board. Councilor Frye
41 agreed that there needs to be clarification. Councilor Tooke asked what they mean when
42 referring to "this group": Councilors Scott and Frye, Tom Lauritzen and now the City Manager.

43
44 **i) Council Shepherding Goals - changes, assignments, reports, priorities**

1
2 Councilor Scott said there needs to be clarification about what it means to be “shepherding”
3 goals. The Council member assigned is just the vehicle to report the status back to the Council.
4 Councilor Frye said she likes reporting on them each month, because it helps remind her of
5 what she has to do. Councilor Glenn said for him, those are the “Council goals with shepherding
6 tasks” but on the sheet, it says “Council shepherding goals”. He would like to go back and look
7 at the City Charter and see how it is reflected in these.
8

9 Mayor Stanley pointed out that #19 Vacation Rentals is unique, where the whole council is
10 assigned as the “team”. Council Frye said it’s a big issue, so all need to be involved and the
11 point is that we identify all the projects we are working on in a document, but questioned
12 whether it should be a council issue, not a shepherding issue. Council Scott pointed out that
13 three Council members or more can’t work together on it outside a public meeting.
14

15 Mayor Stanley asked when the Council will discuss the 804 Trail. Councilor Glenn said that
16 would be at the joint session on March 15 with County Commissioners at 7pm.
17

18 Councilor Frye requested a discussion of the State of the City and to choose a date. The Mayor
19 asked each councilor for input on what they wanted done. Councilor Scott said that it has been
20 a summary of the past 12 months, and that former Mayor Ron Brean did the presentation, but in
21 the position as the administrative head of the City, not because he was Mayor. Councilor Glenn
22 said that various committees would always make a presentation, in the past. The Council would
23 set the agenda, and then had the Mayor to report these things to the community, as the
24 Council’s voice. The Mayor said that he is comfortable with having the City Manager do it, and
25 they just need to pick a date to do it. An update on what has happened, the plans for the coming
26 year, a cake and coffee, and not pressure the City Manager with having the date too soon.
27 Councilor Frye said she wants recognition for all the volunteers who work for the City, and
28 having tables for them to sit at, and to have them introduced. The Mayor said he will work with
29 City Manager Davies on setting a date within the next two months. Councilor Tooke said that if
30 the commissions and committees are at tables, it might encourage some residents to sign up.
31

32 **h) Approve agenda for February 9, 2017 City Council meeting**

33

34 The Mayor asked for a discussion of the agenda for the February 9 regular meeting. The City
35 Manager is not available and the minutes were not received. Usually the minutes are reviewed
36 by the Council before the meeting, and comments sent to the City Manager, so that there are no
37 surprises when voting on the minutes. Councilor Glenn said, you just email the City Manager, or
38 talk to her, and she will make the change. Councilor Scott explained it usually it’s not a factual
39 difference, but a word is wrong, or structure needs changed. Councilor Frye wants the minutes
40 taken out of the way they have been done. Councilor Scott did not agree. Mayor Stanley asked
41 if there should be a vote on separating the minutes from the consent agenda. Councilor Scott
42 said he did not know, so he will have to look at the procedures and see what they say. In that
43 case, there would need to be a resolution done. Councilor Frye added that she wanted to “ditch
44 this strange system” and just use Roberts’ Rules of Order. Councilor Scott said that part

1 definitely requires a change of rules. Councilor Frye wants it on an agenda. Councilor Glenn
2 read aloud from a copy of Council Rules, under "Approval by Council."
3

4 There was further discussion about the topics on the agenda for March 8.
5

6 Meeting was adjourned at 11:46am.
7

8 _____ Date: _____
9 GERALD F. STANLEY, Mayor
10

11 ATTEST:
12

13 _____
14 Joan Davies, City Manager

Code Enforcement Report
February 2017

February is a notoriously slow month. Our motels and vacation rentals are only occupied on the weekends, if then. Winter weather in the valley prevents people from coming to the coast or they head to the mountains for winter sports.

Three pending vacation rental inspections have not happened. The contact persons have not returned my call. One of the vacation rentals has been taken off the docket. They will have to reapply.

I have been making motel and meal arrangements for our Oregon Code Enforcement Association conference in Bend in early April. I expect 50 Code Enforcement Officers to attend the two day conference. This conference training topics will include: Connecting with your Community: Communication Strategies that Work; Street Survival, Mental Wargaming and TCCC/TECC and Homelessness..

Things should pick up by the end of March with Spring Break and the Arts and Crafts Festival.

To: Yachats City Council

February 14, 2017

From: Bob Bennett, Emergency Planning Committee

Subject: February 2017 Status Report

Joan Davies received emails back from Althea Rizzo and Jonathan Allen about our request for assistance on improved evacuation signs in Yachats. This includes locating and placing blue wave stencils to aid in marking the edge of the local tsunami evacuation zone. The emails indicate some funding may be available but the state is waiting on approval of an RFP before proceeding. They will try to keep Joan informed on progress on the RFP.

Jenny Demaris is waiting on roll out of enhancement to the existing reverse 911 service which should be available in the next 45 days. The service provides additional services for our large tourist population. LCSO may request help in getting information posted in vacation rental units. Kimmie Jackson had to delay the work party to help re-balance the supplies in the two storage containers until sometime in next two months. The City Crew work on the 101 project must take priority. Volunteers are welcome when a schedule is set.

Frankie Petrick attending the meeting to provide information about the new fire station. If everything goes as planned it should come on line mid to late 2018. We discussed using the station as the assembly point for Fireside and Overleaf motels. I could also be used for apartments located on Diversity Drive. The issue of reviewing and revising assembly areas will be put off till next year after the new fire station construction is well underway.

We also talked with Frankie about this year's table-top session. We would like to base the session on a fire scenario where severe stress would be placed on the city water system.

Upcoming work:

- Complete work on the updated Appendixes for the Emergency Plan from the last table top. This work will begin in March 2017.
- Begin draft of Emergency Debris Management Plan for Yachats. (Hold on this pending the work underway at the County level)
- Consider planning for a complete replacement of the existing Emergency Plan. This should be done about every 5 years. Yachats needs this to keep certification as Storm/Tsunami Ready status. The old plan still works at this point as we have been updating the plan.

CC: Emergency Planning Committee, Larry Nixon, Don Goth, Bill Watson, Joan Davies, Rick McClung, Kimmie Jackson, Frankie Petrick, Jenny Demaris



City of Yachats

WASTEWATER DEPARTMENT

500 W. 7th St.

P.O. Box 345

Yachats, OR 97498

February 7, 2017

Re: Wastewater Department Inflow & Infiltration (I & I) inspection on January 19, 2017.

Joan,

The Wastewater crew completed an I & I inspection on January 19, 2017 during the hours of 1am to 5:30 am. All nine basins were checked by pulling covers off twenty-nine manholes. Twelve of those manholes are standard inspection points where basins intersect with a main trunk line that flows to a pump station.

The results are as follows:

3.81 inches of rainfall the previous seventy-two hours.

340 gallons per minute (gpm) coming into the main pump station from town.

Est. ground water I & I per basin in gallons per minute:

Basin#	gpm
A.	110 gpm North of Marine Drive
B.	23 gpm
C.	10 gpm
D.	Unknown
E.	20 gpm
F.	40 gpm
G.	Unknown
H.	90 gpm South of the bridge
I.	30 gpm

Basins with obvious deficiencies were basins A, F, H and I. Basin F is included due to an estimated twenty-six-gallon leak from a pipe joint separation just before the Riverside pump station.

Multiple manholes showed 0.5-1.0 gpm leakers. Some others had more.

South of the bridge needs to be cleaned do the excessive amount of grit in the sewer pipe.

Parkside pump station was receiving approximately 120 gpm of ground water. This amount was more than one third the total flow coming into the Wastewater Treatment Plant.

One section of pipe South of Lily Lane showed an estimated 15 gpm.

One section of pipe on Green Hill Drive showed 13 gpm.

One section of pipe on West 2nd St. showed 13 gpm.

One section of pipe on Aqua Vista Drive showed 7gpm.

One section of pipe on Hwy 101 N. showed 10 gpm.

I suggest we focus the rest of 2016-17 fiscal year and 2017-18 on the two basins (H & I) South of the bridge. Those two basins are pumped to Riverside pump station then to the Main pump station where it then is pumped third time to the treatment plant. Doing so would cause a serious reduction of pump run time would result in a savings of maintenance and energy costs.

Basin A which had an approximate flow of 110 gpm, flows directly to the Main pump station and is pumped to the treatment plant. No added benefit other than less flow to the plant.

We should also continue to ‘pick the low hanging fruit’. The easy manhole repairs.

I will be sending out “Private Sewer Lateral Repair” notices this month to the known sewer lateral leakers. There will be a change. Due to the financial burden of a sewer lateral repair, Joan and I have decided to give extra time for the repair. That date will be July 31, 2018. This should give homeowners time to secure financing if needed.

If you have any questions, feel free to call.

David A. Buckwald
Principal Operator
Wastewater Department
City of Yachats
Dave@YachatsMail.org

DRAFT #2 Items for Discussion

To: Yachats City Council

From: Barbara Frye, Yachats City Council member

Date: March 6, 2017

Re: Items for discussion with Lincoln Community Health Centers

As you all know, there have been ongoing discussions with the administration of Lincoln Community Health Center, and Cheryl Connell, Director of Lincoln County Health & Human Services, for many months regarding health care needs in the Yachats area. There is agreement that south Lincoln County and City of Yachats specifically is an “underserved area” and in need of health services.

Lincoln Community Health Center is very interested and committed to being the provider of health care in Yachats. In an effort to “move things along”, I have agreed with them to create a list of items for discussion that spells out some broad areas of agreement, as well as some specific items that are easy to identify (e.g., utilities and parking spaces).

Please keep in mind that this is a very preliminary draft. It has not been shared with LCHC, and won’t be until the Council approves the content. Once the Council approves a draft, I will meet with the LCHC and Lincoln County HHS principles again.

Draft #2

Items of Discussion between City of Yachats and Lincoln Community Health Center

1. City of Yachats is committed to facilitate the development of health services in the City and greater community.
2. City of Yachats is committed to working with Lincoln Community Health Center to provide long-term health care service in Yachats.
3. City of Yachats is committed to working with LCHC to find a location for a health facility that is accessible and in the downtown core area.
4. City of Yachats is willing to explore additional parking spaces, including ADA-compliant, if needed.
5. If LCHC chooses to develop a health care site within City of Yachats:
 - a. City of Yachats will educate Yachats citizens about Lincoln Community Health and the services available.
 - b. City of Yachats will provide meeting space for health education programs or meetings.
 - c. City of Yachats will disseminate information from the Health Center via the monthly City newsletter, public notices and community meetings.
 - d. If LCHC locates in a City-owned building, City of Yachats may provide for utilities (water/sewer, electricity).

Revised 03/06/17 by:
City Council members Barbara Frye and Greg Scott
City Manager Joan Davies

Joan Davies

From: Barbara Hascall <bhascall@comcast.net>
Sent: Friday, February 17, 2017 3:20 PM
To: City Hall
Subject: City Council Decision

To the Yachats City Council,

My name is Barbara Hascall and I want to say how disappointed I am about a recent decision made by the Yachats City Council regarding the use of the Community Center. I am the owner of Barbara's Soaps of the Season and have been a vendor for the last six years at the Crafts on the Coast Fair. Yesterday when I talked with Jean O'Hearn I learned that I cannot be a vendor at the fair this May because the City Council has ruled that any products with fragrance are no longer permitted in the Community Center where the fair is held. I think this is a restriction that is extreme and will have negative consequences not only for me and other vendors who sell similar products but also for the Crafts on the Coast fair and, at least in a small way, the economy of the city. I just got off the phone to cancel my reservations for Memorial Day weekend with Ocean Odyssey Vacation Rentals. We would have been a group of four staying for the long weekend, eating in our favorite Yachats' restaurants, enjoying the wines at Carrie's, the coffee at Bread and Roses, the breakfasts at the Green Salmon, and I'm sure being good consumers of the other lovely products of your city. The money that I make as a vendor at the fair is what my family and I use to pay for our stay. In other words, what money I make I put back into the economy of the city. I am disappointed that it won't happen this year and urge you to rethink your decision. Fragrances and scents are part of the experience of any fair and even though I am sure there are some people who are sensitive to fragrances, surely they are a very small percentage of the population. I really believe banning fragrances and scents from an entire building is a decision that is too harsh.

I appreciate your attention and hope you will revisit this decision.

Sincerely,

Barbara Hascall
Barbara's Soaps of the Season
Eugene, OR

MANAGER'S REPORT

01/12/17 – 03/07/17

ACCOUNTING SYSTEM

Continuing process of transferring old accounts into new system, re-coding, ongoing training

AUDIT

Worked closely with auditor and accountant. 2014-15 re-filed; 2015-16 just filed with Sec of State

BANK TRANSITION

Continuing process of closing old bank account, diverting automatic payments to new account

CODE ENFORCEMENT

Developing new process for complaints and identifying non-compliant residences

COMPUTERS & PHONES

Obtain new phone system; conversion will connect library and plant, plus save \$1,200 per year

DEBT SERVICE

Five months working with bond attorney, lender; re-financing closes March 17; saves \$300,000

DOLLAR GENERAL STORE PROJECT

Working with developer on land use ordinances, water and sewer hook-up, changing façade

ENERGY PROJECT

Finance Committee and Council have reviewed EIP proposal; project will be placed on CIP

HOUSING ISSUES

Attended webinar on HB4079 pilot project for developing more buildable space

Collecting information and researching tiny homes, container housing, cottage development

Meeting and emailing with affordable housing developer to finalize installment plan payments

HWY 101 PROJECT

Weekly meetings with contractors; change orders; resolve complaints

Met with engineers and contractor for mid-project review

INSURANCE COVERAGE

Finalized insurance coverage for all groups previously covered under recreational immunity

Meeting with insurance agents to update valuation of assets

LIEN FILING AND RELEASES

Continue to file liens against properties for delinquencies in utilities; release upon payment

LOT DONATION

Finalized documents with donation of real property to City; signed off on tax documents

MAYOR/COUNCIL TRANSITIONING

Work almost daily with Mayor, weekly meetings with various councilors

Changing documents that contain out-of-date references, in terms of transition of duties

MEETINGS

Multiple meetings with task forces, committees and commissions

Attended anniversary party for Ladies Club and Overleaf Lodge

Hosted coastal city managers monthly meeting in February

Trained in emergency response data base by Lincoln Co. Sheriff's Office Emergency Management

Grant meetings concerning carpet, lights, banners and LLCM

SOUTH RESERVOIR PROJECT

Continuing to work with engineers, most recently on Land Use Compatibility Statement

WATER & WASTEWATER

Continuing to meet weekly with department lead workers; plan for projects, discuss future needs

Date: March 3, 2017
To: Joan Davies City Manager
From: Public Works
Re: February 2017 Public Works Report

Total Rain fall for the month of February 2017: **15.54 inches**
Wastewater treated for the month of February 2017: **10,669,000 gallons**
Water production for the month of February 2017: **3,394,000 gallons**

Department	Subject	Description
Streets	Storm Drainage	Responded to questions about drainage at 921 Hwy 101 N and 447 King St.
Streets	Sign replacement	Installed two "No Parking" signs on Aqua Vista Drive.
Public Works	Equipment Repair and Mtc.	Removed and repaired hydraulic hose on back-hoe again. 5yd Dump Truck needs radiator repaired. May do repair in house. Annual Vehicle maintenance.
Public Works	Parks	Continued cleaning up broken glass from picnic shelter.
Water	WTP repair and Mtc.	Continued water plant maintenance.
Water	Distribution system flushing	Completed flushing of the water distribution system.

Water	Meter installations	Eight water meters we replaced in the system.
Sewer CIP	Screw Press Conveyor. SCADA	Screw Press conveyor extension has arrived. Planning to begin work on West side of WWTP fence to move approximately twenty feet West. Will reroute the trail around corner of the fence. SCADA components have been delivered. Working on NETDMR for new electronic reporting to the Oregon DEQ. System should be installed soon.
Sewer	Collection System CCTV Inflow & Infiltration	Located a leaking manhole on Lily Ct. Est. eight gallons per minute.
Sewer	WWTP Mtc.	Repaired solids pump to screw press. Replaced eighteen bulbs in the UV system.
Hwy 101 Project	Man hours and Vac-truck hours	Public Works worked approximately 42 man hours and 42 Vac-truck hours for project contractors.
Sewer/Water	Weekly meetings	Met with City Administrator.

BOND PURCHASE AGREEMENT
Water Revenue Refunding Bond

Washington Federal enters into this Bond Purchase Agreement with the City of Yachats, Lincoln County, Oregon, upon the terms and conditions described below.

Section 1. Definitions.

For purposes of this Bond Purchase Agreement, the following capitalized terms shall have the following meanings, unless the context clearly requires otherwise:

“Agreement” means this Bond Purchase Agreement.

“Bank” means Washington Federal, or its successors or assigns.

“Bond” means the City of Yachats, Lincoln County, Oregon, Water Revenue Refunding Bond, Series 2017, evidencing the amount owed under this Agreement to the Bank, and in form consistent with the terms of this Agreement.

“Bond Counsel” means the law firm of Hawkins Delafield & Wood LLP.

“Business Day” means any day on which the Bank is open for business in Oregon other than a Saturday or a Sunday.

“City” means the City of Yachats, Lincoln County, Oregon.

“City Official” means the Mayor or the City Manager, or the person designated by the Mayor or the City Manager.

“Closing Date” means March 17, 2017.

“Code” means the United States Internal Revenue Code of 1986, as amended, and shall include all applicable regulations and rulings relating thereto.

“Determination of Taxability” means (i) the enactment of legislation or the adoption of final regulations or a final decision, ruling or technical advice by any federal judicial or administrative authority that has the effect of requiring interest on the Bond to be included in the gross income of the Bank for federal income tax purposes, or (ii) the receipt by the Bank of a written opinion of nationally recognized bond counsel selected by the City and approved by the Bank to the effect that interest on the Bond must be included in the gross income of the Bank for federal income tax purposes; provided that no decision by any court or decision, ruling or technical advice by any administrative authority shall be considered final without the consent of the City until the expiration of all periods for judicial review or appeal.

“Event of Default” means the declaration by the Bank of an event of default as a result of a determination by the Bank that there has been: (i) a failure to pay principal of or interest on the Bond when due, as provided in the Bond and this Agreement; or (ii) a failure by the City to comply with any of its obligations, or to perform any of its duties, under this Agreement, the Bond or the Resolution, which failure continues, and is not cured, for a period of more than 30 days after the Bank has made written demand on the City to cure such failure; or (iii) a material misrepresentation by the City in this Agreement, the Resolution, or the Bond.

“Fiscal Year” means the period beginning July 1 of each year and ending on the next succeeding June 30, or such other period as the City may legally adopt.

“Gross Revenues” means all fees, charges and other revenues from the operation of the System, including without limitation system development charges (other than related to local improvements, per clause (ii) below), and any interest earnings thereon. The term “Gross Revenues” does not include:

- i. interest income or other earnings derived from any escrow fund or account established for the refunding of outstanding indebtedness of the City;
- ii. payments of assessments made with respect to a local improvement (as defined in ORS Chapter 223) levied against benefitted properties (including but not limited to system development charges);
- iii. any gifts, grants, donations or other moneys received by the City from any State or Federal agency or other person if such gifts, grants, donations or other moneys are the subject of any limitation or reservation (a) imposed by the donor or grantor, or (b) imposed by law or administrative regulation to which the donor or grantor is subject, limiting the application of such funds in a manner inconsistent with the application of Gross Revenues hereunder;
- iv. the proceeds of any borrowing for capital improvements;
- v. the proceeds of any liability or other insurance (excluding business interruption insurance or other insurance of like nature insuring against the loss of revenues); or
- vi. the proceeds of any casualty insurance that the City intends to use for repair or replacement of the System.

“Net Revenues” means the Gross Revenues for any Fiscal Year less Operating Expenses for the same Fiscal Year.

“Operating Expenses” means all expenses incurred for the operation, maintenance and repair of the System, including but not limited to administrative expenses, financial and auditing expenses, insurance premiums, claims (to the extent moneys are not available from proceeds of insurance), franchise fees, legal and engineering expenses relating to operation and maintenance of the System, payments and reserves for pension, retirement, health, hospitalization, taxes and sick leave benefits, and any other similar expenses to be paid to the extent properly and directly attributable to operations of the System. The term “Operating Expenses” does not include:

- i. any rebates or penalties paid from Gross Revenues under Section 148 of the Code;
- ii. payments for the settlement of litigation and payments to any liability reserve fund;
- iii. depreciation and amortization of property, values or losses, and all amounts treated for accounting purposes as payments for capital expenditures;
- iv. debt service payments (including amounts treated for accounting purposes as debt service payments);

- v. capital transfers and capital outlays including without limitation transfers to capital construction accounts and expenditures for renewals and replacements; or
- vi. non-cash expenses and extraordinary, non-recurring expenses.

“Parity Borrowing” means any borrowing issued pursuant to Section 7 of this Agreement and secured on an equal and ratable basis with the Bond with respect to the lien on the Net Revenues.

“R-1 Bond” means the City’s Revenue Installment Water Bond No. R-1, which is dated December 10, 1993 and was issued in the original principal amount of \$80,700.

“R-2 Bond” means the City’s Revenue Installment Water Bond No. R-2, which is dated December 10, 1993 and was issued in the original principal amount of \$216,000.

“R-3 Bond” means the City’s Revenue Installment Water Bond No. R-3, which is dated January 26, 1998 and was issued in the original principal amount of \$396,000.

“Reserve Account” means account no. 62761295955, which has been established by the City with the Bank pursuant to Section 6 of this Agreement.

“Reserve Account Requirement” means, as of any date of calculation or valuation, the least of (i) the greatest amount of principal, interest and premium, if any, required to be paid in any Fiscal Year on the Bond, (ii) 125% of the average amount of principal, interest and premium, if any, required to be paid on the Bond during all Fiscal Years in which the Bond will be outstanding, calculated as of the Closing Date, or (iii) ten percent (10%) of the proceeds of the Bond, as “proceeds” are determined for purposes of Section 148(d) of the Code.

“Resolution” means the City’s Resolution No. 2017-03-01 adopted March 8, 2017, authorizing this Agreement and the Bond.

“Subordinate Borrowing” means any borrowing issued pursuant to Section 7 of this Agreement and secured on a subordinate basis to the Bond with respect to the lien on the Net Revenues.

“System” means all real and personal property now or hereafter owned, operated, used or maintained by the City for treatment, delivery and distribution of water.

Section 2. Recitals.

The City recites that its City Council has adopted the Resolution, which authorizes the City to execute and deliver this Agreement and the Bond in a principal amount necessary to provide sale proceeds sufficient to pay (i) the principal of and interest on the R-1 Bond, R-2 Bond and R-3 Bond being refunded, and (ii) the cost of issuance of the Bond.

Section 3. Purchase Agreement.

- 3.1 The principal amount of the Bond is \$512,000.
- 3.2 The Bank hereby agrees to purchase the Bond in the principal amount of \$512,000 at a price of 100% of par, subject to the terms and conditions contained in this Agreement.
- 3.3 The Bond shall bear interest at the rate of three and seven hundredths percent (3.07%) per annum, calculated on a 30/360-day basis. The City shall repay the Bond in 30 semiannual payments of \$21,425.19 each, including principal and interest, on March 17 and

September 17 of each year, commencing September 17, 2017, as set forth in Exhibit A attached hereto.

- 3.4 All principal of the Bond, plus accrued interest, shall be paid no later than March 17, 2032.
- 3.5 Any payment by the City to the Bank for the Bond shall be applied first to pay accrued interest, and second to pay principal.
- 3.6 The City acknowledges that in purchasing the Bond, the Bank intends to make a loan, and accordingly, the City agrees that it will not: (i) register the Bond under the Securities Act of 1933 or otherwise qualify it for sale under the "Blue Sky" laws and regulations of any state; (ii) cause the Bond to be held in a format other than as one single debt instrument; (iii) obtain any CUSIP numbers for the Bond; (iv) prepare any official statement in connection with the private placement of the Bond; (v) close the Bond through The Depository Trust Company or any similar repository or issue the Bond in book-entry form; or (vi) list the Bond on any stock or other securities exchange.

Section 4. Prepayment.

The Bond may be prepaid at the election of the City only in whole and only on March 17, 2020 and on any Business Day thereafter, upon 30 days' prior written notice to the Bank; provided, that the City shall reimburse the Bank for any reasonable, resulting loss or expense incurred by the Bank, including without limitation any reasonable loss or expense incurred in obtaining, liquidating, or reemploying deposits from third parties. A statement of the amount of that reasonable loss or expense, prepared in good faith and in reasonable detail by the Bank and submitted by the Bank to the City, shall be conclusive and binding for all purposes absent manifest error in computation. The Bank's calculation of any amounts payable upon prepayment shall be based on the assumption that the Bank actually funded the Bond through deposits or other funds acquired from third parties for such purpose; however, the Bank shall not be obligated to fund the Bond through such deposits or other funds acquired from third parties, but may fund the Bond through any available resources.

Section 5. Security; Financial Covenants.

- 5.1 The Bond is a special obligation of the City payable solely from the sources outlined here. The City hereby pledges the Net Revenues and all moneys in the Reserve Account to the Bank for the punctual payment of the Bond when due.
- 5.2 The City covenants to maintain the Reserve Account Requirement. On the date of closing of the Bond, the Reserve Account Requirement is \$42,850.38, per subsection (i) of the definition of Reserve Account Requirement, and has been funded with City resources and not Bond proceeds.
- 5.3 The City covenants that it will charge rates and fees in connection with the operation of the System that, when combined with other Gross Revenues, are adequate to generate (i) Net Revenues in each Fiscal Year at least equal to the sum of (a) 120% of annual debt service due in that Fiscal Year on the Bond, plus (b) 100% of annual debt service due in

that Fiscal Year on any Parity Borrowing and Subordinate Borrowing, plus (c) 100% of any amount needed in that Fiscal Year to maintain the Reserve Account Requirement.

- 5.4 Not later than six months after the end of each Fiscal Year, the City shall prepare a report that demonstrates whether the City has complied with Section 5.3 during that Fiscal Year and shall file that report in the City records. If the report demonstrates that the City has not complied with Section 5.3 during that Fiscal Year, it shall not constitute a default under this Agreement if, within thirty (30) days after the report is filed, the City files a certificate of a City Official that specifies the actions that the City has taken and will take within the next ninety (90) days to permit the City to comply with Section 5.3 for the remainder of the Fiscal Year in which the report is filed, and for the succeeding Fiscal Year, and the City takes the actions specified by the City Official, or actions having a comparable effect.

Section 6. Reserve Account.

- 6.1 There is hereby created the Reserve Account for the Bond, established by the City with the Bank as an interest-bearing account. Such account will be subject to the Bank's published schedule of fees applicable to business and government clients, as such fees may change from time to time.
- 6.2 The Reserve Account shall be initially funded on the Closing Date in an amount equal to the Reserve Account Requirement. All amounts in the Reserve Account shall be used and withdrawn by the Bank solely for the purpose of making up any deficiency in a payment of principal of or interest on the Bond when due. Amounts on deposit in the Reserve Account shall be valued at their market value on (i) each date that any amounts therein are withdrawn for the purpose of making up any deficiency in a payment of principal of or interest on the Bond, and (ii) on each annual anniversary of the Closing Date. If the amount on deposit in the Reserve Account on any day following such valuation is less than the Reserve Account Requirement, the City shall deposit from Net Revenues the amount necessary to increase the balance in the Reserve Account to the Reserve Account Requirement as follows: (a) if it is determined that the amount on deposit in the Reserve Account is less than the Reserve Account Requirement due to a valuation in such amount as set forth in clause (ii) above, the City shall within five Business Days of such valuation transfer to the Reserve Account from Net Revenues the amount of money necessary to increase the balance therein to the Reserve Account Requirement; and (b) if it is determined that the amount on deposit in the Reserve Account is less than the Reserve Account Requirement due to a valuation in such amount as set forth in clause (i) above, the City shall transfer from Net Revenues to the Reserve Account on or before the tenth Business Day of each calendar month, commencing with the calendar month immediately succeeding such valuation, one-twelfth of the aggregate amount of each prior withdrawal from the Reserve Account; provided that no such transfer need be made to the extent the balance in such account shall be at least equal to the Reserve Account Requirement. If the amount on deposit in the Reserve Account on any day following such valuation is more than the Reserve Account Requirement, the amount in excess of the Reserve Account Requirement may, upon the City's written request to the Bank, be withdrawn by the Bank and transferred to the City.

Provided that (x) there is no deficiency in the Reserve Account, and (y) no Event of Default has occurred and is continuing, the amount in the Reserve Account may, upon the City's written request to the Bank, be withdrawn by the Bank and applied to the final payment of principal of and interest on the Bond, whether at final maturity or upon prepayment.

Section 7. Additional Borrowings.

- 7.1 While any amount is outstanding under the Bond, the City will not incur indebtedness secured by a pledge of the Net Revenues that is superior to that of the Bond.
- 7.2 The City may issue Parity Borrowings, provided that (i) no Event of Default has occurred and is continuing, (ii) there is no deficiency in the Reserve Account, and (iii) the City furnishes the Bank with either (a) the certificate of a City Official stating that the Net Revenues in any period of 12 consecutive months in the 24 months immediately preceding the month of the proposed Parity Borrowing were equal to 120% of the sum of maximum annual debt service on the Bond and on the Parity Borrowing, with the Parity Borrowing treated as outstanding, or (b) the report of a qualified consultant satisfactory to the Bank stating that the Net Revenues are projected to be not less than 120% of the sum of maximum annual debt service on the Bond and on the Parity Borrowing, with the Parity Borrowing treated as outstanding, in each Fiscal Year during which the Bond and any Parity Borrowing will be outstanding.
- 7.3 The City may issue Subordinate Borrowings without limitation.

Section 8. Closing.

The Bank shall purchase the Bond upon execution by the City of this Agreement and the Bond, and upon satisfaction of the conditions specified in Section 15 of this Agreement.

Section 9. Deposit and Use of Bond Proceeds.

The proceeds of the Bond shall be expended by the City in accordance with the Resolution and the tax certificate of the City executed in connection with the issuance of the Bond.

Section 10. Tax Covenants.

- 10.1 The City covenants for the benefit of the Bank to comply with all provisions of the Code that are required for interest on the Bond to be excluded from gross income for federal income taxation purposes, and designates the Bond as a "qualified tax-exempt obligation" pursuant to Section 265 of the Code.
- 10.2 Upon the occurrence of a Determination of Taxability applicable to any portion of the outstanding principal balance of the Bond, the Bank may increase the interest rate applicable to such balance to four and sixty-two hundredths percent (4.62%) per annum, effective as of the effective date of such determination. The City covenants and agrees to reimburse the Bank for any penalties and interest assessed by any governmental authority resulting from such Determination of Taxability. So long as the City is in compliance with this Section 10.2, a Determination of Taxability shall not be an Event of Default.

Section 11. Default.

If an Event of Default occurs, the Bank may exercise any remedy available at law or in equity (excluding acceleration), and may increase the interest rate applicable to the Bond by three percentage points (3.00%), while the Event of Default continues. No remedy shall be exclusive. The Bank may waive any Event of Default, but no such waiver shall extend to a subsequent Event of Default.

Section 12. Fees, Costs and Expenses.

- 12.1 The City shall pay the Bank an origination fee of \$1,000.00 no later than the date of this Agreement.
- 12.2 If legal action is taken by either party to this Agreement to enforce the provisions of this Agreement or the Bond, or if the Bank takes collection action under this Agreement, the prevailing party shall be entitled to its reasonable attorneys' fees and costs, whether at trial, on appeal or otherwise, including any allocated costs of in-house counsel.
- 12.3 The City shall pay the fees and costs of Bond Counsel, and any other expenses and costs which the City incurs in connection with this Agreement. The City will reimburse the Bank for all legal costs incurred in connection with this Agreement in an amount not to exceed \$5,000.00.

Section 13. Representations, Warranties and Agreements of the City.

By executing this Agreement in the space provided below, the City represents and warrants to, and agrees with the Bank that:

- 13.1 The City is duly created and existing under the laws of the State of Oregon, has all necessary power and authority to enter into this Agreement and perform its duties under the Resolution and this Agreement, and that this Agreement and the Bond will constitute legal, valid and binding special obligations of the City that are enforceable in accordance with their terms, except to the extent that enforceability may be limited by or rendered ineffective by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally; (ii) the application of equitable principles and the exercise of judicial discretion in appropriate cases; (iii) common law and statutes affecting the enforceability of contractual obligations generally; and (iv) principles of public policy concerning, affecting or limiting the enforcement of rights or remedies against governmental entities such as the City.
- 13.2 The acceptance of this Agreement, the adoption of the Resolution, and the execution and delivery of the Bond will not conflict in any material respect with, or constitute a material breach of or default under, any law, charter provision, court decree, administrative regulation, ordinance, resolution or other material agreement to which the City is a party or by which it is bound.
- 13.3 There is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental body pending or, to the best of the knowledge of the City, threatened against the City to restrain or enjoin the acceptance of this Agreement, the adoption of the Resolution, or the execution and delivery of the Bond, or the collection

and application of the funds as contemplated by the Resolution and this Agreement, that, in the reasonable judgment of the City, would have a material and adverse effect on the ability of the City to pay the amounts due under this Agreement and the Bond.

- 13.4 To the extent permitted by law, the City agrees to indemnify and hold harmless the Bank and all of its agents and employees against any and all losses, claims, damages, liabilities and expenses arising out of any statement made by the City to the Bank, its agents or employees, that relates to this Agreement or the Bond, and that is untrue or incorrect in any material respect.

Section 14. Financial Statements; Notice of Adverse Developments.

- 14.1 As long as this Agreement is in effect, the City shall provide the Bank with (i) a copy of its complete, audited annual financial statements within 180 days after the end of each Fiscal Year, and (ii) such other information as the Bank may from time to time reasonably request.
- 14.2 The City shall notify the Bank promptly of any development that is likely to have a material and adverse effect (i) on the ability of the City to pay principal of or interest on the Bond, or (ii) on the financial condition of the City's water system generally.

Section 15. Conditions to the Obligations of the Bank.

The Bank may refuse to purchase the Bond unless, on or prior to the Closing Date, the Bank shall have received:

- 15.1 a certified copy of the duly authorized Resolution, and a signed original of this Agreement and the Bond;
- 15.2 an opinion of Bond Counsel to the effect that:
- 15.2.1 this Agreement and the Bond are valid and legally binding special obligations of the City, enforceable against the City in accordance with their terms, except to the extent that enforceability may be limited by or rendered ineffective by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally; (ii) the application of equitable principles and the exercise of judicial discretion in appropriate cases; (iii) common law and statutes affecting the enforceability of contractual obligations generally; and (iv) principles of public policy concerning, affecting or limiting the enforcement of rights or remedies against governmental entities such as the City,
 - 15.2.2 the interest payable on the Bond is excludable from gross income under the Code, and
 - 15.2.3 the Bond has been designated by the City as a qualified tax-exempt obligation under Section 265(b)(3)(B) of the Code;
- 15.3 the certificate of a City Official to the effect that:
- 15.3.1 there is no action, suit, proceeding, or investigation at law or in equity before or by any court or governmental body pending or, to the best of the

knowledge of the City, threatened against the City to restrain or enjoin the adoption of the Resolution or the execution and delivery of this Agreement and the Bond, or the collection and application of funds as contemplated by this Agreement and the Bond, that, in the reasonable judgment of the City, would have a material and adverse effect on the ability of the City to pay the amounts due under this Agreement and the Bond, and

- 15.3.2 the adoption of the Resolution and the execution and delivery of this Agreement and the Bond do not and will not conflict in any material respect with, or constitute a material breach of or default under, any law, charter provision, court decree, administrative regulation, ordinance, resolution or other agreement to which the City is a party or by which it is bound;
- 15.4 a copy of the City's complete, audited annual financial statement for the Fiscal Year ended June 30, 2016;
- 15.5 funding of the Reserve Account in accordance with Section 6.2, hereof; and
- 15.6 such additional legal opinions, certificates, proceedings, instruments, or other documents as the Bank or the City's Bond Counsel may reasonably request to evidence compliance by the City with the legal requirements for execution and delivery of this Agreement and the Bond and the due performance or satisfaction by the City of all agreements then to be performed and all conditions then to be satisfied by the City.

Section 16. Additional Operational Covenants.

So long as the Bond is outstanding, the City will comply with the following additional covenants:

- 16.1 Operation of the System. The City shall work in good faith to cause the System to be operated at all times in a safe, sound, efficient and economic manner in compliance with all health, safety and environmental laws, regulatory body rules, regulatory body orders and court orders applicable to the City's operation and ownership of the System,
- 16.2 Maintenance of the System. The City shall maintain the System in good repair, working order and condition.
- 16.3 System Insurance. The City shall at all times maintain with responsible insurers all such insurance on the System as is customarily maintained with respect to works and properties of like character against accident to, loss of or damage to such works or properties. The net proceeds of insurance against accident to or material destruction of the System shall be used to repair or rebuild the damaged or destroyed System, and to the extent not so applied, will be applied to the payment or redemption of the Bond.
- 16.4 Disposition of the System. The City shall not, nor shall it permit others to, sell, mortgage, lease or otherwise dispose of or encumber all or any portion of the System, except as permitted in the next sentence. The City may dispose of any portion of the System that has become unserviceable, inadequate, obsolete, or unfit to be used or no longer necessary for use in the operation of the System.
- 16.5 Providing Services at Discounts. The City shall not enter into any new agreements or arrangements or make any new offers to provide System products or services at a

discount from published rate schedules or provide free System products or services except: a) in case of emergencies, b) use by the City for municipal purposes, or c) where in the reasonable judgment of the City such action does not materially reduce the Net Revenues received by the City.

- 16.6 Continuous Operation Essential. The City agrees that the continuous operation of the System and the collection, deposit and disbursement of the Net Revenues in the manner provided in the Resolution and this Agreement are essential to the payment and security of the Bond, and the failure or refusal of the City to perform the covenants and obligations contained in the Resolution and this Agreement will endanger the necessary continuous operation of the System and the application of the Net Revenues to the operation of the System and the payment of the Bond.

Section 17. Notices.

Any notices required to be given pursuant to this Agreement shall be given to the following addresses:

City: City of Yachats
P.O. Box 345 (for USPS)
441 N. Highway 101 (for courier)
Yachats, OR 97498
Attn: City Administrator

Bank: Washington Federal
5665 Meadows Road, Suite 300
Lake Oswego, OR 97035
Attn: Government Banking

Section 18. Assignment; Survival; Agreement Constitutes Contract.

- 18.1 This Agreement shall be binding upon and shall inure to the benefit of the City and the Bank and their respective successors and assigns. The City agrees that it may not assign this Agreement without the Bank's prior written consent. The Bank may not transfer the Bond unless (i) the Bank's corporate name is changed and the transfer is necessary to reflect such change, (ii) the transferee is a successor in interest of the Bank by means of a corporate merger, an exchange of stock, or a sale of assets, or (iii) the transferee is a "Qualified Institutional Buyer" as defined in Rule 144A under the Securities Act of 1933, as amended, in which case the Bank may exchange financial information about the City with actual or potential transferees. Any transfer under clause (iii) shall require execution by the transferee of a [purchaser's-qualified lender](#) letter in the form attached as Exhibit B hereto. All representations, warranties, and agreements contained in this Agreement shall survive the execution, delivery and payment of the Bond. The Bank shall execute a letter on the Closing Date in substantially the form attached as Exhibit B hereto.

18.2 This Agreement and the Bonds shall constitute a contract between the City and the Bank. The Bank's extension of credit hereunder is expressly made in reliance on such contract.

Section 19. Defeasance.

The City may defease the Bond by (i) setting aside, with a duly appointed escrow agent or independent trustee (which shall be a bank or trust company having assets of at least \$50 billion that regularly acts as a refunding trustee or escrow agent for municipal bond defeasances), in a special escrow account irrevocably pledged to the payment of the Bond, cash or direct obligations of the United States in an amount which, in the opinion of an independent certified public accountant, is sufficient without reinvestment to pay all principal of and interest on the defeased Bond until its maturity date or any earlier redemption date, and (ii) obtaining an opinion of Bond Counsel that the defeasance will not materially adversely affect the federal tax-exemption of the Bond. Such deposit shall be irrevocable, and the Bond, when defeased pursuant to this Section 16, shall be deemed paid and no longer outstanding, and shall cease to be entitled to any lien, benefit or security under this Agreement except the right to receive payment from such special escrow account.

Section 20. Applicable Law.

This Agreement shall be governed and interpreted in accordance with the laws of the State of Oregon.

Section 21. Severability and Waivers.

If any part of this Agreement is not enforceable, the rest of this Agreement may be enforced. The Bank retains all rights, even if it makes a loan after default. If the Bank waives a default, it may enforce a later default. Any consent or waiver under this Agreement must be in writing.

Section 22. Counterparts.

This Agreement may be executed simultaneously in several counterparts, each of which shall be an original and all of which shall constitute one and the same agreement.

Section 23. Waiver of Jury Trial.

To the extent permitted by applicable law, each of the parties waives any right to have a jury participate in resolving any dispute, whether sounding in contract, tort, or otherwise between the parties arising out of, connected with, related to, or incidental to the relationship between any of them in connection with this Agreement or the transactions contemplated hereby. Instead, any such dispute resolved in court will be resolved in a bench trial without a jury.

Section 24. Written Agreements.

Under Oregon law, most agreements, promises and commitments made by the Bank concerning loans and other credit extensions which are not for personal, family or household purposes or secured solely by the borrower's residence must be in writing, express consideration and be signed by the Bank to be enforceable.

(SIGNATURES APPEAR ON THE FOLLOWING PAGE)

DATED as of March 17, 2017.

WASHINGTON FEDERAL

By: _____
Authorized Officer

CITY OF YACHATS, LINCOLN COUNTY,
OREGON

By: _____
City Official

EXHIBIT A

Bond Payment Schedule

City of Yachats, Oregon

\$512,000 Water Revenue Refunding Bond, Series 2017

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
3/17/2017				
9/17/2017	13,565.99	3.07%	7,859.20	21,425.19
3/17/2018	13,774.23	3.07%	7,650.96	21,425.19
9/17/2018	13,985.66	3.07%	7,439.53	21,425.19
3/17/2019	14,200.34	3.07%	7,224.85	21,425.19
9/17/2019	14,418.32	3.07%	7,006.87	21,425.19
3/17/2020	14,639.64	3.07%	6,785.55	21,425.19
9/17/2020	14,864.36	3.07%	6,560.83	21,425.19
3/17/2021	15,092.53	3.07%	6,332.66	21,425.19
9/17/2021	15,324.20	3.07%	6,100.99	21,425.19
3/17/2022	15,559.42	3.07%	5,865.77	21,425.19
9/17/2022	15,798.26	3.07%	5,626.93	21,425.19
3/17/2023	16,040.76	3.07%	5,384.43	21,425.19
9/17/2023	16,286.99	3.07%	5,138.20	21,425.19
3/17/2024	16,536.99	3.07%	4,888.20	21,425.19
9/17/2024	16,790.84	3.07%	4,634.35	21,425.19
3/17/2025	17,048.58	3.07%	4,376.61	21,425.19
9/17/2025	17,310.27	3.07%	4,114.92	21,425.19
3/17/2026	17,575.98	3.07%	3,849.21	21,425.19
9/17/2026	17,845.77	3.07%	3,579.42	21,425.19
3/17/2027	18,119.71	3.07%	3,305.48	21,425.19
9/17/2027	18,397.85	3.07%	3,027.34	21,425.19
3/17/2028	18,680.25	3.07%	2,744.94	21,425.19
9/17/2028	18,966.99	3.07%	2,458.20	21,425.19
3/17/2029	19,258.14	3.07%	2,167.05	21,425.19
9/17/2029	19,553.75	3.07%	1,871.44	21,425.19
3/17/2030	19,853.90	3.07%	1,571.29	21,425.19
9/17/2030	20,158.66	3.07%	1,266.53	21,425.19
3/17/2031	20,468.09	3.07%	957.10	21,425.19
9/17/2031	20,782.28	3.07%	642.91	21,425.19
3/17/2032	21,101.27	3.07%	323.92	21,425.19
Total	512,000.00		130,755.70	642,755.70

EXHIBIT B

FORM OF QUALIFIED LENDER LETTER

\$512,000
City of Yachats, Oregon
Water Revenue Refunding Bond
Series 2017

The undersigned, a duly authorized representative of Washington Federal (the “Bank”), hereby certifies as follows with respect to the Bank’s purchase of the above-captioned bond dated March 17, 2017 (the “Bond”), issued by the City of Yachats, Oregon (the “City”):

1. The Bank is a “Qualified Institutional Buyer” as that term is defined in Rule 144A under the Securities Act.
2. The Bank has sufficient knowledge and experience in financial and business matters, including lending to political subdivisions and the purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the loan represented by the Bond.
3. The Bank has made its own independent and satisfactory inquiry of the financial condition of the City, including inquiry into financial statements and other information relating to the financial condition of the City to which a reasonable lender would attach significance in making lending decisions, and of any other matters deemed to be relevant to a reasonably informed decision to make the loan by purchasing the Bond.
4. The Bank has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the City, the projects financed with the Bond, and the Bond, all so that as a reasonable lender the Bank has been able to make a reasonably informed decision to make the loan by purchasing the Bond.
5. The Bank is making the loan evidenced by the Bond for investment purposes only (and not as an “underwriter” or “Participating Underwriter” as defined in the Securities and Exchange Commission Rule 15c2-12, as amended, replaced or supplemented) and does not presently intend to transfer, otherwise distribute or sell the Bond or any portion thereof to the general public.
6. The Bank acknowledges that its right to sell and transfer the Bond is limited as provided in the Bond Purchase Agreement between the City and the Bank, dated as of March 17, 2017.
7. The Bank acknowledges that the Bond (a) has not been registered under the Securities Act of 1933, as amended, and has not been registered or otherwise qualified for sale under the securities laws of any state, (b) will not be listed on any securities exchange, and (c) will carry no rating from any rating service. The Bank acknowledges that there is no

established market for the Bond and that none is likely to develop. The Bank understands and acknowledges that (i) the Bond is not intended to be subject to the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended and (ii) in connection with the Bank's purchase of the Bond, the City has not prepared or caused to be prepared, any official statement, private placement memorandum or other offering document.

8. The Bank agrees that it will comply with any applicable state and federal securities law in effect with respect to the initial purchase of the Bond and in effect with respect to any disposition of the Bond by it, and further acknowledges that any current exemption from registration of the Bond does not affect or diminish such requirements.

9. Hawkins Delafield & Wood LLP ("Bond Counsel") will have no responsibility to the Bank for the accuracy or completeness of information obtained by the Bank from any source regarding the City, the projects financed with the Bond, or the City's financial condition, or regarding the ability of the City to pay the Bond, or the sufficiency of any security therefor. The Bank acknowledges that, as between the Bank and Bond Counsel, the Bank has assumed responsibility for obtaining such information and making such review as the Bank deemed necessary or desirable in connection with its decision to purchase the Bond.

Dated as of the 17th day of March, 2017.

Washington Federal

By: _____
Mark M. Farrell, Director of Government Banking

[Qualified Lender Letter]

**CITY OF YACHATS
RESOLUTION NO. 2017-03-01**

**A RESOLUTION AUTHORIZING THE SALE OF A
WATER REVENUE REFUNDING BOND.**

WHEREAS, on December 10, 1993, the City of Yachats, Oregon (the “City”) issued its Revenue Installment Water Bond No. R-1 to the United States of America that is currently outstanding in the approximate principal amount of \$52,969.47 (the “Water Revenue Bond 1”); and

WHEREAS, on December 10, 1993, the City issued its Revenue Installment Water Bond No. R-2 to the United States of America, that is currently outstanding in the approximate principal amount of \$141,844.58 (the “Water Revenue Bond 2”); and

WHEREAS, on January 26, 1998, the City issued its Revenue Installment Water Bond No. R-3 to the United States of America that is currently outstanding in the approximate principal amount of \$293,991.85 (the “Water Revenue Bond 3” and together with the Water Revenue Bond 1 and the Water Revenue Bond 2, the “Refundable Bonds”); and

WHEREAS, Oregon Revised Statutes sections 287A.360 through 287A.375 authorize Oregon cities to refund outstanding bonds like the Refundable Bonds; and

WHEREAS, under current market conditions refunding all or a portion of the Refundable Bonds may produce debt service savings; and

WHEREAS, it is now desirable to authorize the refunding of the Refundable Bonds to achieve debt service savings;

NOW, THEREFORE, the City Council of the City of Yachats, Oregon, hereby resolves as follows:

Refunding Bond Authorized.

The City Council hereby authorizes the issuance of a water revenue refunding Bond (the “Bond”) to refund all or any portion of the Refundable Bonds. The Bond may be issued in an amount sufficient to refund all or any portion of the Refundable Bonds that are being refunded, to fund a debt service reserve, and to pay estimated costs related to issuing the Bond and refunding the Refundable Bonds.

Delegation.

The Mayor or the City Manager or the person designated by the Mayor or the City Manager (any of whom is referred to in this resolution as a "City Official") are each hereby authorized, on behalf of the City and without further action by the Council, to:

- 2.1 Accept the proposal of Washington Federal, with any changes that the City Official may approve, and sell the Bond to Washington Federal, or, if the sale to Washington Federal proves impractical, select another commercial bank or similar entity and sell the Bond to that entity.
- 2.2 Issue the Bond in one or more series.
- 2.3 Establish the form, principal amount, interest rates, prepayment terms, payment terms and dates, and other terms of each series of the Bond.
- 2.4 Finalize the terms of, execute and deliver bond purchase agreements that describe the terms of each series of the Bond and covenants related to the collection of water system revenues and the ability to issue additional bonds secured by water system revenues, in substantially the form attached as Exhibit A, but with such changes as are approved by the City Official.
- 2.5 Determine whether each series of the Bond will bear interest that is excludable from gross income under the Internal Revenue Code of 1986, as amended (the “Code”) , or is includable in gross income under the Code. If a series bears interest that is excludable from gross income under the Code, the City Official may enter into covenants to maintain the excludability of interest on that series of the Bond from gross income.
- 2.6 Designate any series of Bond as a “qualified tax-exempt obligation” under Section 265(b)(3) of the Code, if applicable.
- 2.7 Execute and deliver each series of the Bond to its purchaser.
- 2.8 Take any actions to call and prepay the Refundable Bonds.
- 2.9 Execute and deliver any agreements or certificates and take any other action in connection with each series of the Bond which the City Official finds is desirable to permit the sale and issuance of that series of the Bond in accordance with this Resolution.

Security for the Bond.

The Bond will constitute a special obligation of the City that is payable solely from the revenues of the City’s water system and related amounts, such as a debt service reserve fund, as provided in the bond purchase agreement or other document executed pursuant to Section 2 above.

Effective Date.

This resolution is effective immediately upon adoption.

Approved and adopted by the City Council at a regular meeting held on the 8th day of March, 2017.

City of Yachats, Lincoln County, Oregon

Ronald L. Brean, Mayor

ATTEST:

Joan Davies, City Manager

Exhibit A
Form of Bond Purchase Agreement

**CITY OF YACHATS
RESOLUTION NO. 2017-03-02**

**A RESOLUTION AUTHORIZING THE SALE OF A GENERAL OBLIGATION
WATER REFUNDING BOND.**

WHEREAS the City of Yachats, Oregon (the “City”) issued its General Obligation Installment Water Bond No. R-1 on December 10, 1993 (the “Refundable Bond”) and there is currently approximately \$512,269.48 in principal amount of that Refundable Bond outstanding; and

WHEREAS interest rates have declined since the Refundable Bond was issued; and

WHEREAS Oregon Revised Statutes sections 287A.360 through 287A.375 authorize Oregon cities to refund outstanding bonds like the Refundable Bond; and

WHEREAS, under current market conditions refunding all or a portion of the Refundable Bond may produce debt service savings; and

WHEREAS, it is now desirable to authorize the refunding of the Refundable Bond to achieve debt service savings;

NOW, THEREFORE, the City Council of the City of Yachats, Oregon, hereby resolves as follows:

Section 1. Refunding Bond Authorized.

The City Council hereby authorizes the issuance of a general obligation water refunding bond (the “Bond”) to refund all or any portion of the Refundable Bond. The Bond may be issued in an amount sufficient to refund all or any portion of the Refundable Bond and to pay estimated costs related to issuing the Bond and refunding the Refundable Bond.

Section 2. Delegation.

The Mayor or the City Manager, or the person designated by the Mayor or the City Manager (any of whom is referred to in this resolution as a “City Official”) are each hereby authorized, on behalf of the City and without further action by the Council, to:

- (1) Accept the proposal of Washington Federal, with any changes that the City Official may approve, and sell the Bond to Washington Federal, or, if the sale to Washington Federal proves impractical, select another commercial bank or similar entity and sell the Bond to that entity.
- (2) Issue the Bond in one or more series.
- (3) Establish the form, principal amount, interest rates, prepayment terms, payment terms and dates, and other terms of each series of the Bond.

- (4) Execute and deliver a bond declaration, bond purchase agreement or other document for each series of the Bond specifying the terms under which each series of the Bond is issued and covenants for the benefit of bondowners.
- (5) Determine whether each series of the Bond will bear interest that is excludable from gross income under the Internal Revenue Code of 1986, as amended (the “Code”), or is includable in gross income under the Code. If a series bears interest that is excludable from gross income under the Code, the City Official may enter into covenants to maintain the excludability of interest on that series of the Bond from gross income.
- (6) Designate any series of Bond as a “qualified tax-exempt obligation” under Section 265(b)(3) of the Code, if applicable.
- (7) Execute and deliver each series of the Bond to its purchaser.
- (8) Take any actions to call and prepay the Refundable Bond.
- (9) Execute and deliver any agreements or certificates and take any other action in connection with each series of the Bond which the City Official finds is desirable to permit the sale and issuance of that series of the Bond in accordance with this Resolution.

Section 3. Security for the Bond.

The Bond shall be a general obligation of the City. The City hereby pledges its full faith and credit to pay the Bond, and the City covenants for the benefit of the bondowners that the City shall levy annually, as necessary and as provided by law, in addition to its other ad valorem property taxes and outside the limitations of Sections 11 and 11b of Article IX of the Oregon Constitution, a direct ad valorem tax upon all of the taxable property within the City in sufficient amount, after considering other legally available resources of the City, and discounts taken and delinquencies that may occur in the payment of such taxes, to pay interest accruing and the principal maturing on the Bond promptly when and as they become due. The Bond may also be secured by revenues of the City’s water system.

Section 4. Effective Date. This resolution is effective immediately upon adoption.

Approved and adopted by the City Council at a regular meeting held on the 8th day of March, 2017.

City of Yachats, Lincoln County, Oregon

Gerald F. Stanley, Mayor

ATTEST:

Joan Davies, City Manager



January 6, 2017

Ron Brean, Mayor
City of Yachats
PO Box 345
Yachats OR 97498

Dear Mayor Brean,

On behalf of the *Meals On Wheels* Program, I would like to thank the City of Yachats for your generous donation of \$1,000. Your contribution will make a significant difference for seniors in your community.

Thank you for believing in the program and the important services we provide. It is a pleasure to partner with you in our common interest and concern for seniors.

Seniors will receive hot, nutritious meals as the result of your generous support. On behalf of the Meals on Wheels Program and the seniors we serve, thank you!

Sincerely,

A handwritten signature in black ink, appearing to read "Fred Abousleman", with a long, sweeping horizontal line extending to the right.

Fred Abousleman
Executive Director
Oregon Cascades West Council of Governments



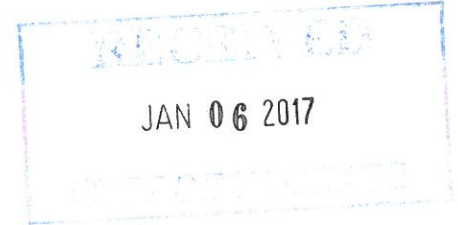
Donation Receipt

...a domestic, sexual, and dating violence
prevention and intervention program

Donation Date

12/30/2016

City Of Yachats
PO Box 345
Yachats OR 97498



Check No.	Payment Method
21752	Check

Description	Amount
Thank you for your continued support of My Sisters' Place. Happy New Year 2017 from all of us in the office. <i>Thank you Sincerely</i>	1,000.00

Thank you for your generous contribution. Because of you, we were able to fulfill our mission, which is to support victims facing domestic violence, sexual assault and dating abuse in Lincoln County by providing shelter, practical assistance, and promoting community awareness.

PO Box 2152 Newport, OR 97365
Phone: (541) 574-9424 - Fax: (541) 574-0376
Tax ID # 930769100
www.mysistersplace.us

Total

\$1,000.00

Council can endorse a ballot measure.

Council is a political body and can take political positions.

Council may adopt a resolution in support of the Measure, but a Councilor must draft it; not staff.

City should not publish a support article in the City newsletter.

City should not spend time or money to “campaign” for a ballot measure.

City should not spend time or resources campaigning for a measure, including newsletter space.

Applicable statute is ORS 260.432.

Refer to Secretary of State’s “Restrictions on Political Campaigning by Public Employees” booklet.