



CITY OF YACHATS

CITY COUNCIL MEETING

February 20, 2019

Approved Minutes

I. Meeting Call to Order

Mayor W. John Moore called the February 20, 2019 regular meeting of the City Council to order at 6:00 pm in Room 1 of the Yachats Commons. Council members present: W. John Moore, James Kerti, Jim Tooke, Max Glenn, and Leslie Vaaler. Absent: none. Staff present: City Manager Shannon Beaucaire and Clerk Kimmie Jackson. Audience: 30.

II. Announcements, Correspondence, and Proclamations - none

III. Citizen's Concerns

Tom Lauritzen (204 Shell Street) expressed concern about the south water tank. He read about a leak that was managed, but the event gave him concern that the City was not getting what they thought they were getting in terms of design. Mayor Moore indicated Manager Beaucaire would have a response to Lauritzen's concerns at the next the meeting.

IV. Consent Agenda

A. January 2, 2019 Minutes

B. Resolutions Memorializing Council Actions

1. Resolution 2019-61 Appointing Dave Mattison and Max Glenn to serve on Lincoln County Housing Project

2. Resolution 2019-62 Appointing Jim Tooke and W. John Moore to Oregon Cascades West Commission on Transportation

Councilor Vaaler moved to approve the consent agenda: Aye – 5; No – 0.

January Minutes for Approval

1. January 9, 2019 Minutes

A suggested correction to remove “just to make people happy” from a statement about the lodging tax was not favored by Council.

2. January 16, 2019 Minutes

Page 5, Line 25: Council agreed to change “Vaaler suggested adding the clause” to “Vaaler and Kerti suggested adding the clause”

Councilor Kerti moved to approve the January 9, 2019 and January 16, 2019 minutes as revised: Aye – 5; No – 0.

1 **V. New Business**

2 **A. OCWCOG Finance Introduction**

3 Manager Beaucaire introduced Sue Forty, the Finance Director from Oregon Cascades West
4 Council of Governments. Forty indicated she had been with COG for 19 years and had a staff of
5 5 people. Forty reported recent issues that she and her team experienced during the previous
6 week, including spending 12 hours trying to cut 40 checks because of problems with printers, not
7 being able to have multiple people working on the system at the same time, and simply using the
8 antiquated software. Forty recommended that Yachats switch to an accounting software package
9 from Springbrook. She reported she had been negotiating with Springbrook to provide an
10 affordable product to smaller cities. Manager Beaucaire discussed the personnel and timesavings
11 that could come from the Springbrook accounting product.

12
13 Vaaler clarified with Forty that the City could keep the software even if COG was not supporting
14 it. Forty added that they have a very thorough manual of standard operating procedures (SOPs)
15 for every process. Forty reported there is an annual maintenance fee for the product. Mayor
16 Moore added that he was part of a presentation with Springbrook, and he was very impressed
17 with the features and ease of use. Clerk Kimmie Jackson stated the City needed to move to a
18 better product. Forty noted her negotiations would also benefit other small cities on the coast.

19
20 Forty explained Springbrook would be cloud based and that it would have menu security. She
21 added the program very easily allows for internal checks and everything is maintained for the
22 audit trail.

23
24 **B. Resolution 2019-63 Proposed Amendments to the City Charter**

25 Mayor Moore explained Council at agreed their February 6, 2019 meeting to make three changes
26 to the Charter: to add a section for the City Manager position, to establish a Municipal Court
27 that could be held in a location outside of Yachats, and to establish that a quorum could be
28 established based on members present in the event of an emergency situation. Councilor Glenn
29 recalled these changes arise from the work of a Committee that studied the organization structure
30 of the City 2 ½ years ago and recommended the change to the City Manager form of
31 government.

32
33 Exhibit B – Ballot Title

34 Council did not agree to the suggested change for:

- 35 1. Changing the question from “Shall amendments” to “Shall the proposed amendments”
36

37 Council agreed to change:

- 38 2. Paragraph 2, Sentence 2: change “a vacancy” to “vacancies”
39 3. Paragraph 3, Sentence 1: change “The Council unanimously approved” to “The
40 Council approved” in the event the vote was not unanimous
41 4. Paragraph 4, Last Sentence: change “review at City of Yachats City Hall: to “review at
42 the City of Yachats City Hall”
43 5. Paragraph 3, Sentence 2: change “intent is...to modernize” to “intent is...to update”
44

45 Exhibit C – Pamphlet Statement

46 Council agreed to change:

1 6. Line 8: change “is a vacancy” to “are vacancies”

2 7. Line 30: change “modernize” to “update”

3
4 Council did not agree to suggested changes of:

5 8. Line 9: using “main purpose” instead of “purpose”

6 9. Not including the City Manager section

7 10. Line 22: changing “charter will enable” to “charter would”

8
9 Glenn moved to adopt Resolution 2019-63 referring to the voters of the City of Yachats a
10 measure for adopting amendments to the City Charter: Aye – 5; No – 0.

11
12 **C. Resolution 2019-53 Appointment of Budget Officer**

13 Glenn moved to approve Resolution 2019-53 appointing the City Manager as the Budget Officer
14 per ORS 294.331: Aye -5; No – 0.

15
16 **D. Resolution to Appointment of Public Works & Streets Members**

17 1. Ron Urban (30 8th Street) stated he looked at all the Commission and thought his
18 background would best fit with Public Works & Streets. Urban indicated he learned from his
19 time on the Planning Commission the importance of preparing for meetings. Glenn highlighted
20 that Urban wrote in his application that he did his homework and completed his assignments on
21 time. Glenn could attest to that behavior.

22 Vaaler moved to appoint Ron Urban to the Public Works and Streets Commission: Aye – 5; No
23 – 0.

24 2. Tom Fisher (Shell Street) indicated he and his wife moved to Yachats in April 2018.
25 He stated he wanted to get more involved in the community and had much interest in learning
26 about Public Works & Streets. He noted he had joined the Emergency Preparedness Committee
27 and believed that committee dovetailed with Public Works and Streets. Moore recalled he was
28 appointed as chair of Public Works and Streets with the same knowledge-level at Fisher, and
29 believed Fisher would do fine.

30 Glenn moved to appointed Tom Fisher to the Public Works and Streets Commission: Aye – 5;
31 No – 0.

32
33 Vaaler asked that Council consider Ann Stott for the third open seat on Public Works and Streets
34 Commission, noting she was present at the meeting and willing to serve.

35 3. Ann Stott (Driftwood Lane) stated she wanted to bring a female perspective to Public
36 Works and Streets. She indicated she wanted to serve the City of Yachats and she had an interest
37 in water security.

38 Glenn moved to appoint Ann Stott to the Public Works and Streets Commission: Aye – 5; No –
39 0.

40
41 **E. Ordinance 355 Updates on the Finance Committee**

42 Vaaler moved to approve Ordinance 355 amending the Yachats Municipal Code Chapter 3.10:
43 Aye – 5; No – 0.

44
45 Moore added an agenda item of appointing a Budget Committee representative to the Finance
46 Committee.

Glenn moved to appoint Jim Tooke as the Budget Committee representative to the Finance Committee: Aye – 5; No – 0.

F. Citizen Appointments to the Budget Committee

1. Lance Bloch stated he looked at the Budget Committee responsibilities and thought it was wonderful that the City included citizens on the Committee. He reported he has been in Yachats full-time for three years, served on the Planning Commission, volunteered with Trails, and delivered for Meals on Wheels in Waldport. Vaaler asked if he had attended a Finance or Budget meeting. Bloch noted there had not been a budget meeting since he became interested. Bloch stated he would be willing to spend ample time to familiarize himself with the materials.

2. Dawn Keller stated she has been coming to Yachats longer than being a full time resident. She indicated she was an executive officer in the Evangelical Lutheran Church and has worked with City Councils and reviewed many budgets. She believed the Budget Committee works to make the budget understandable to the general public. Glenn noted he had worked with the ELC and found them to be extremely well organized. Manager Beaucaire asked Keller if she would be willing to thoroughly review the documents and be prepared at the meeting. Keller indicated if she did not prepare, the meetings would be even longer.

3. John Purcell stated he oversaw a land conservation organization with a budget of just over \$1.2 million per year. Prior to that he ran a commercial electrical contracting company. He indicated he was now Chair of the Parks and Commons Commission and a member of the Finance Committee. He believed the more information he could acquire and understand, the better he could serve all his Commissions and Committees. Vaaler noted that Purcell was co-chair of View the Future, which makes financial requests of the City. Purcell noted View the Future was a 501(c)3 focused on land conservation. Purcell did not think he would need to recuse himself on VTF issues as there was no personal gain in his relationship with the organization. He was also willing to take the advice of the Mayor and Councilors on the recusal issue. He indicated he would prepare for all meetings.

4. Ann Stott stated she has been attending City meetings, including Finance, and she had a concern that average citizens need to better understand what is going on with the City finances. She noted she lives on a budget and has learned the importance of setting priorities and differentiating between wants and needs. She reported she was a teacher for 30 years and was the advisor to the Yearbook where she had to manage finances and make decisions. Stott stated she was excited to be able to prepare for meetings.

Mayor Moore explained each Councilor would get three votes and asked if members were ready to vote. All Councilors indicated readiness to vote.

Vote Count

Candidates

COUNCILORS	Ann Stott	Lance Bloch	John Purcell	Dawn Keller	TOTALS
L Vaaler	1	1		1	3

M Glenn		1	1	1	3
M Moore		1	1	1	3
J Tooke		1	1	1	3
J Kerti	1	1	1		3
TOTAL	2	5	4	4	15

Bloch, Purcell, and Keller were elected and appointed to the Budget Committee.

G. Update on Grant Opportunities

Manager Beaucaire stated there was a grant opportunity from the Oregon Health Authority for \$30,000. She indicated the grant would help identify properties that are important to the City's watershed. Vaaler asked how this work would tie into the Water Master Plan. Manager Beaucaire noted this grant focuses solely on water security. Vaaler clarified that the City would not need to match funds. Manager Beaucaire explained a water security plan would cost around \$30,000, and if the grantor does not come through with the full amount, the City would either need to contribute something or to refund the grant and not proceed with the work. Manager Beaucaire indicated she would bring that to Council for a vote if it additional funding was required. Vaaler asked Manager Beaucaire about administrative and staff time and costs. Manager Beaucaire indicated it would take a few hours to prepare and proofread the application. Glenn moved to have the City Manager proceed with a grant application up to \$30,000: Aye – 5; No – 0.

H. Public Input on Increase in Transient Lodging Tax

Mayor Moore recalled that the Finance Committee had been looking for ways to increase revenues and, in that process, noted Yachats currently charges 9% plus 1.8% for the state for a total of 10.8% for the Transient Lodging Tax. Moore reported the areas surrounding Yachats were at 11.8%. The Finance Committee suggested Yachats could increase its tax to be on par with surrounding areas.

1. Drew Roslund (280 Overleaf Lodge Lane) stated he wanted to represent the people who pay the tax. Roslund noted while the Yachats Transient Lodging Tax (TLT) was slightly lower than nearby areas, Yachats was at a disadvantage due to the 5% Food and Beverage Tax that these other jurisdictions do not have. He provided a handout on rate and cost comparisons, TLT increase history, and what visitors pay in taxes. He suggested he pays 21 cents each day for his home in property taxes while a visitor pays \$18 per day in TLT and Food and Beverage Taxes. He believed the City was already relying on the tourists as much as could be reasonable. Roslund introduced five members of his staff and explained the difficulties in keeping them employed year round. He would rather see TLT money going to fund winter activities that would bring in visitors rather than going to what the Council had recommended. Roslund argued the 39% of the TLT that was restricted by ORS 320.300 in Visitors Amenities was being used for uses that did not fall under this state statute. Using data from YELP, Roslund asserted the covered bridge, Thor's Well, Cape Perpetua, and other attractions were more relevant to visitors

1 than the Little Log Church. Roslund asked that the City provide a thorough analysis of the TLT
2 funds, develop strategic plan identifying objectives for this 39%, and create a committee oversee
3 to these funds that would be comprised of representatives from the motels and hotels.
4

5 2. Anthony Muirhead (777 Aqua Vista, Adobe) noted TLT rates in Florence (9%), Reedsport
6 96%), Coos Bay (7%), and other cities to the south of Yachats being in the 6-7% range. He noted
7 while communities to the north were charging rates of 10-11% or more, they drew visitors from
8 a much larger population from the greater Portland area. He stated the central coast mostly pulls
9 visitors from Eugene/Bend/Corvallis. He did not think Yachats could compete with the northern
10 Cities and that people would shift their coast visits 30 miles south to save \$15. He explained he
11 position his rates to be a little lower than Newport due to Yachats having fewer attractions. He
12 noted due to the small number of available rooms, Waldport could fill their rooms from cars
13 passing through. Muirhead argued that raising the TLT by 1% would not be a “deal breaker” but
14 would make a hard task harder. He also noted the economy has been in a boom phase and
15 speculated that when it slows, customers would get much more economically minded.
16

17 3. Linda Hetzler (Drift Inn) stated the Chamber, the businesses, the city, and visitors were a team
18 and should be managed accordingly. She believed adding taxes was unfriendly and did not
19 support the system. She reported she hears customers in her restaurant question the Food and
20 Beverage Tax and challenge her wait staff. She argued there were many other creative ways to
21 bring money to the town, noting they could work together to bring more visitors in the off-
22 season. She believed the City was not collecting all the lodging taxes that they were due. She
23 estimated \$70,000 in taxes was not being paid and suggested the City create a tracking system to
24 oversee this revenue. She also believed the volunteers play a crucial role in the operations of the
25 town and suggested they City better recognize volunteers. She encouraged creativity rather than
26 pursuing an easy solution such as a tax.
27

28 4. Steve Davis (92 Highway 101) stated he had been coming to Yachats for 35 years. He agreed
29 with Roslund about how the City misuses the restricted portion of the TLT. He disagreed with
30 the notion of raising a tax by 1% and thought 10% was an outrageous tax on visitors. He argued
31 the need in Yachats was for permanent employment. He suggested the City have a noise
32 ordinance that would automatically charge vacation rental renters if they violated the ordinance
33 twice. He noted how Yachats would suffer when a recession comes and Yachats costs more than
34 the communities to the south.
35

36 5. Jamie Michelle (Sweet Homes) asserted that the former Mayor told her that the City did not
37 value the money that comes in from Vacation Rentals. She asked the City to consider opening
38 up the vacation rental limitations and that Sweet Homes would be ok with paying the additional
39 1%. She noted that she served on a committee called Destination Newport to plan for tourism
40 and that she attended professional vacation rental conferences. She believed that Yachats is the
41 only City that requires tax payment on vacation rental amenities, such as hot tubs and cleaning
42 rates. She argued the City was “double taxing” cleaning fees as Sweets Homes pays a tax on the
43 fee charge and pays employment taxes for the cleaning staff. She stated she manages properties
44 from Ten Mile to Glen Eden Beach and noted she deflects tourists to other areas when they are
45 on really tight budgets.
46

1 Moore thanked everyone for their valuable input. He indicated that Council would review all of
2 the materials and discuss it at the first Council meeting in March 2019.

3 4 **VI. Reports**

5 **A. Financial Report**

6 Manager Beaucaire indicated the financial report in the packet was for a limited number of funds
7 as the full printout was 76 pages.

8
9 Vaaler noted there was \$40,000 budgeted for the City Planner but there was \$3,854 was paid to
10 date. Moore noted the amount paid to date was for a month and a half.

11
12 Lauritzen stated the organizational committee did not recommend transferring the Mayor's
13 duties to the City Manager position. He stated the committee's recommendation was to have a
14 second phase to study staffing and organization.

15
16 Lauritzen noted he only saw three funds in the packet. He asked how the current collections
17 compared to the budget. Lauritzen stated he had not heard anyone tell the Council that they are
18 over 100% of budget in terms of revenues. He asked the City Manager to project the revenues
19 for the current fiscal year based on patterns from the past.

20 21 **B. Council Reports**

22 Mayor Moore reported he:

- 23 1. He attended an information session with Springbrook
- 24 2. He was contacted by Jeff Merkley and got to meet with him when Merkley came to see
25 the mural on the Pioneer building
- 26 3. He attended City Day at the State Capital and met with Caddy McKewon and David
27 Gomborg.
- 28 4. He met with the Marketing Committee.

29 30 **G. City Manager Report**

31 Manager Beaucaire highlighted the following from her report in the meeting packet:

32
33 1. South Water Storage Tank: \$700,000 has been forgiven from the principal amount of
34 \$1,7030,000 and that the loan qualified for a reduction from 2.2% to 1% over a 30 year term.
35 She stated she was able to reduce costs in negotiations, and noted total cost compared to the
36 projection after the change orders were added was \$1,730,000, a \$50,255 savings from
37 \$1,780,255.

38
39 2. Ocean View Drive: Manager Beaucaire stated the City now has the property easement
40 language that has been approved by the city attorney. The county will cover cost of recording
41 these easements. She noted the archeological study has been delayed because the state
42 archeologist has not been able to schedule the inspections. She added that the county was still
43 planning on putting inserts on the culverts to prolong their useful life.

44
45 3. Website Redesign: The website redesign was in implementation mode. She noted two
46 teams were working on the two concurring processes with CivicRec for the facilities and
47

1 CivicEngage for the main site. There will be an opportunity for public involvement when the
2 consultant is on site in March. Vaaler suggested putting this meeting notice on the marquee.

3
4 Vaaler asked if there were plans for getting public input on the 804 improvements. Manager
5 Beaucaire stated the plan was to have a public meeting in late March on the Ocean View Drive
6 transfer.

7
8 4. Library Expansion: Manager Beaucaire reported the City was still waiting on the
9 architect to get drawings to create the RFP for the remodel.

10
11 5. Little Log Church and Museum Repairs: Manager Beaucaire reported the City was
12 waiting on analysis to determine the best way to proceed with the repairs.

13
14 6. City Entrance Signs: All approvals have been obtained to proceed with the sign
15 installation.

16
17 7. City Hall Proposal: Manager Beaucaire reported that initial drawings have been
18 received and she was working to get clarification on a few matters.

19
20 8. Multipurpose Room Flooring: Manager Beaucaire reported the state's analysis
21 indicated there was no asbestos in the subfloor tiles. She reported floor installation would
22 resume March 4 and continue through March 20, 2019.

23
24 9. Coordination with State Parks & Sheriff's Office: Manager Beaucaire indicated she,
25 Planner Mattison, and others met with State Parks and the Sheriff's Office to better coordinate
26 their efforts. She expected the City would soon be receiving MOUs for the collaboration.

27
28 10. FY20 Budget: Manager Beaucaire reported she gave the Finance Committee a very
29 rough initial draft of the budget and the Committee/Commission representatives have been asked
30 to get input from their respective Committees and Commissions.

31
32 11. Farmer's Market: Manager Beaucaire reported Facilities Manager Hoen was
33 working with the Market group as they organize their oversight board.

34
35 12. Energy Audit: Manager Beaucaire reported Hoen has had a representative from
36 Central Lincoln PUD visit the City's facilities to conduct an energy audit. This representative
37 was now preparing the report. Vaaler clarified that the City was not paying for this audit.

38
39 13. Public Works: Manager Beaucaire reported that Public Works had some issues with
40 the sewer pumps during the recent power outage. She noted the crew responded quickly and
41 were able to get online the backup pump the City had purchased. She noted Public Works was
42 very appreciative of the City having the foresight to be prepared and the action likely saved the
43 City money in issues that could have arisen had there been no backup pump.

1 Lauritzen noted the original South Tank loan was for 20 years and was selected to plan for
2 repayment of the URD. He noted that with a 30-year loan, the City would need to refigure the
3 repayments to the URD.

4
5 Purcell wanted to point out that the City was remarkable in managing the risk and coming in
6 under projected budget on South Tank Project.

7
8 Glenn asked if they could factor in some of what was presented tonight in response to the TLT in
9 their upcoming plans, especially in terms of how the Little Log Church repairs and design would
10 be made.

11
12 **VIII. Other Business**

13 **A. From Mayor** - none

14 **B. From Council** - none

15 **C. From Staff** - none

16
17 Mayor Moore adjourned the meeting at 8:40 pm.

18
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21
22
23 _____
W. JOHN MOORE, Mayor

24
25 ATTEST:

26
27
28
29 _____
Shannon Beaucaire, City Manager

Date