



CITY OF YACHATS

CITY COUNCIL WORK SESSION & REGULAR MEETING

August 7, 2019

Approved Minutes

I. Meeting Call to Order

Mayor W. John Moore called the August 7, 2019 work session and regular meeting of the City Council to order at 9:30 am in the Multipurpose Room of the Yachats Commons. Council members present: W. John Moore, Max Glenn, James Kerti, Jim Tooke, and Leslie Vaaler. Absent: none. Staff present: City Manager Shannon Beaucaire. Audience: 26.

II. Work Session Discussion Topics

A. Vacation Rental Discussion

Mayor Moore explained Council will discuss six items regarding vacation rentals.

1. Transfer of licenses to heirs: Councilor Vaaler stated she was against any transfers as it creates unfairness to other property owners. Councilor Glenn appreciated the letters from people and noted that a license is issued to an individual. Councilor Kerti indicated he heard more feedback on this topic than other aspects of vacation rentals. He did not think the license should be transferred, but wanted to see the heir have some opportunity to apply for a license. Councilor Tooke indicated he was leaning toward not allowing transfers. Mayor Moore noted licenses are, in general, non-transferrable. He was not certain that not having a license would decrease property values and saw that allowing transfers could be not fair to residents who cannot get a license.

Glenn proposed that they distinguish between the larger and smaller vacation rentals, where homes that have more than four bedrooms are treated more like mini-hotels. Glenn indicated he would consider transferability to heirs for those larger units. He believed these larger homes can be an asset to the community.

Vaaler clarified that there were five vacation rentals with more than four bedrooms, noting at least one was in an R-1 zone and one was in an R-2 zone. She read from the Yachats Municipal Code description that an R-1 zone "is intended to provide a quality environment for low density urban single-family residential uses and other compatible land uses determined desirable and/or necessary." She favored conforming to that description. She asserted Council had an obligation to adhere to what was stated. She noted the option to have a Bed and Breakfast as a conditional use and suggested other new uses of a current vacation rental could be treated similarly. Kerti was uncertain about allowing more exceptions. Tooke stated creating exceptions would cause

1 more confusion. Mayor Moore referred to their obligation to protect the community and the
2 need to balance vacation rental development with what the community wants.

3
4 Kerti noted the comparison between vacation rental licenses and other licenses did not account
5 for the cap that was on vacation rental licenses. He suggested this regulation was already
6 impacting the market and Council should consider that in the comparison. Mayor Moore noted
7 the cap was implemented because of the increase in rentals and the impact on the community.
8 Kerti asked if liquor licenses were transferrable to a new business owner. Tooke noted liquor
9 licenses typically go through the state, and the State of California does limit the number of
10 licenses issued in one county. He noted the extensive application and approval process for liquor
11 licenses.

12
13 Vaaler added that inheritance of homes for any family creates changes in finances and allowing
14 transfers of licenses to heirs places heirs who do not have licenses at a disadvantage.

15
16 Council agreed that allowing transfers to heirs should not be allowed.

17
18 2. Allowing license to be issued to a purchaser of a vacation rental home: Mayor Moore
19 presented a situation of a home in escrow. He suggested that they could allow the potential
20 purchaser to apply for a license so they would know before the close of escrow whether the
21 property could be a vacation rental. Glenn noted many had asked to start a waiting list and
22 suggested a waiting list allows current residents to have as much advantage as a purchaser from
23 outside Yachats. Vaaler noted Council needed to address the procedure for how a waiting list
24 would be managed, noting they should not wait until there are open licenses to establish the
25 procedure.

26
27 All Councilors opposed allowing purchasers of existing vacation rental homes to get priority on
28 acquiring a new license.

29
30 3. Allowing for licenses with no activity: Kerti was in favor of dropping licenses that had no
31 activity and noted they would have to decide what constitutes no activity. Tooke agreed there
32 should be activity to keep a license. Glenn wanted to know how many unused licenses there
33 were. Vaaler suggested that if unused licenses were to be surrendered, Council should reduce
34 the cap number. She noted unused properties were generating no income for the City. She
35 proposed that if a vacation rental generated less than a prespecified amount, they could be asked
36 to pay a higher license fee to retain the license. Mayor Moore indicated he did not have an issue
37 with licenses that have no activity.

38
39 Mayor Moore noted some cities have a minimum number of days that a vacation rental had to be
40 rented, such as 30 nights per year. Kerti believed 30 days was a reasonable standard. Tooke
41 suggested they could have this restriction going forward rather than for current licensees. Kerti
42 did not think they needed to distinguish between current and potential licensees. Vaaler clarified
43 she was fine with inactivity on licenses. She noted the management issue of trying to document
44 the number of nights a vacation rental is used and suggested a fee minimum would be easier to
45 assess. Glenn indicated he was not opposed to distinguishing between current and new licensees
46 for this topic. Glenn stated the livability of the City should be the priority.

1 Mayor Moore stated Council could address the topic of distinguishing between current and
2 future licensees at their next meeting when they had more time to think about it.

3
4 Vaaler asked how inactivity impacted the livability issue. Mayor Moore indicated the low
5 impact was why he did not have an issue with allowing for inactivity.

6
7 Vaaler, Glenn, Tooke, and Mayor Moore favored allowing no activity but Kerti did not.

8
9 4. Continue to allow exceptions to four-bedroom or more units: Glenn asked for information
10 about how many vacation rentals were in each zone. Vaaler noted that a four-bedroom rental
11 allows for 10 occupants (Occupancy determined by two times the number of bedrooms plus
12 two). She suggested they focus on the occupancy rather than bedrooms. Vaaler expressed
13 concern about water usage as the occupancy allowed increased.

14
15 Kerti favored allowing the exception to continue but wanted to limit the occupancy. Glenn
16 suggested enforcement of the ten-occupant limit would be problematic.

17
18 Mayor Moore, Glenn, Kerti, and Tooke favored allowing the exceptions to continue.

19
20 5. Have conditional use for vacation rentals going forward: Vaaler favored making vacation
21 rentals in residential zones a conditional use. Planning Commission Chair Anderson stated the
22 Planning Commission had previously agreed vacation rentals should be a conditional use as it is
23 a business use in a residential zone. Anderson did not see an issue with Planning Commission
24 time as long as the regulation applied to licenses going forward. She noted the conditional use is
25 tied to the property and not the owner.

26
27 All Councilors were in favor of having a conditional use in residential zones going forward.
28 Glenn raised the issue of residents wanting this conditional use to apply to existing units as well.
29 Mayor Moore urged people to file complaints if there were issues with existing vacation rental
30 properties.

31
32 Kerti clarified new applicants would need to get both a vacation rental license and a conditional
33 use permit.

34
35 6. Fee structure for inspection and frequency: Mayor Moore reported the City currently charges
36 \$100 for the initial inspection, \$50 for additional trips to complete that inspection, and \$50 for
37 inspections in subsequent years. The City requires an inspection every five years. Mayor Moore
38 reported Clerk Jackson indicated it took about 15 minutes to do an inspection and thought a two-
39 year cycle would be prudent. Tooke asked if there were liabilities for the City around
40 inspections of vacation rentals. Manager Beaucaire speculated that it would be wise to consider
41 liability.

42
43 Vaaler suggested they also look at what is inspected and what type of inspector would be
44 required. Glenn noted some residents have asked that the City also verify nights rented to income
45 reported. Mayor Moore stated the current inspections were about health and safety issues.
46 Vaaler suggested they ask the property owners to show that they have liability insurance.

1 All Councilors agreed that inspections should be conducted at least every two years.

2
3 Manager Beaucaire suggested that the current fee structure does not cover the costs of
4 inspections and that estimating costs would be impacted by many factors. She also suggested the
5 fee structure be reviewed annually. Kerti stated he believed the fees should be higher in the
6 amount of \$25 to \$50, noting it had been five years since the fees were adjusted. Councilors
7 agreed that rates should be adjusted.

8
9 All Councilors agreed to change the rates to at least \$150 for the first inspection, \$100 for an
10 additional visit for that inspection, and \$100 for subsequent inspections. Council also agreed
11 rates should be reviewed annually.

12 13 **B. Ocean View Drive Discussion**

14 Mayor Moore explained the County was planning to get bids for paving to begin after Labor Day
15 and to repair the guardrails after the archeological inspection at some point in the future. He
16 reviewed that the county can do temporary striping, lasting a year, or use paint which would
17 leave marks if removed. All Councilors favored using temporary tape.

18
19 State Park to Pontiac Street: Glenn favored striping “as is” until they complete the traffic study.
20 Vaaler preferred one-way traffic going into the Park. Kerti clarified that the recreational vehicle
21 turnaround would still be an issue.

22
23 Mayor Moore noted people think “Yield” applies to the other car. Mayor Moore suggested
24 adding a sign stating, “One Lane Road Ahead.” All Councilors agreed that there should be
25 additional signage indicating a “One Lane Road Ahead.” Tooke suggested using a “Stop” sign
26 rather than a yield sign. Vaaler asked that there be a sign indicating caution for pedestrians. All
27 Councilors agreed there should be striping to separate pedestrians and vehicular traffic.

28
29 W 2nd to W 7th Streets: Mayor Moore asked C&K managers, Scott and Laura, to speak to the
30 matter. Mayor Moore explained Council had previously voted to have W 2nd to W 7th Streets be
31 one-way northbound. He noted the difficulty of trucks getting to the market. He understood the
32 smaller trucks can make the turn, but the trucks larger than 40 feet cannot.

33
34 Scott reported JB Hunt, the main trucking company, would be issuing a statement to Council in
35 the coming week. He reported the 52-foot trucks must hop the curb to turn off of Highway 101
36 onto W 3rd Street. He also noted there are problems turning left onto Pontiac and left on W 2nd
37 Street if there are parked cars in the area. Laura indicated drivers were afraid of blowing tires on
38 the curb. Scott noted even the 48-foot trucks must hop the curb. Scott noted the company only
39 owns 48-foot trucks or larger so there was not an option to use smaller trucks.

40
41 Vaaler asked if parking restrictions could alleviate the turning issues. Scott indicated the issue
42 was more about the curbs rather than parking, especially at the lot entrance on W 2nd Street.
43 Tooke suggested moving the sign for the park to W 7th Street to get traffic off of W 2nd Street,
44 which would mean the section from W 2nd to W 7th Streets should be southbound. Vaaler
45 recalled arguments about post office traffic flow working better with northbound traffic flow
46 from W 2nd to W 7th Streets. Scott indicated the one-way southbound would resolve the issues

1 for the truck deliveries. Kerti indicated he was now favoring Tooke's suggestion. Mayor Moore
2 also agreed that southbound made better sense.

3
4 Janette Square (Marine Drive) noted the southbound flow would require residents north of the
5 post office on the west side of the highway to make left turns. She suggested the best solution
6 would be to fix the curbs on W 2nd and W 3rd Streets. Mayor Moore indicated this issue would
7 be addressed in the traffic study.

8
9 Lane Connor (W 2nd Street) suggested using one-lane roads with red/green traffic lights.

10
11 Vaaler clarified Lincoln County Transit was in favor of southbound traffic flow.

12
13 All Councilors agreed to do taping for a one-lane road from W 2nd to W 7th Streets to separate
14 pedestrians from vehicular traffic and to make the traffic flow southbound.

15
16 Tooke suggested adding some signage at Marine Drive and Highway 101.

17 18 **REGULAR MEETING**

19 20 **III. Announcements, Correspondence and Proclamations**

21 Mayor Moore read a proclamation for volunteer service for Helen Anderson for her work on the
22 new City website.

23
24 Mayor Moore read a proclamation for Newport Signs and Dahl Disposal for their work to install
25 the Yachats Community signs.

26 27 **IV. Public Comment (topics not on the agenda)**

28 1. Ron Spiso (3049 Spencer Creek Road) thanked Councilor Glenn and referred to his previous
29 letter to Council on the vacation rental ordinance.

30
31 2. Jannette Square (1197 Ocean View Drive) stated that the quantity of vacation rentals was not
32 as important as getting the issues around noise, appearances, and complaints resolved. She noted
33 noises coming from a hot tub near her. She asked that they have fenced areas for dogs. She
34 suggested having a code of conduct for renters.

35 36 **V. Consent Agenda**

37 **A. Resolutions Memorializing Council Action**

38 **Glenn moved to approved the consent agenda: Aye – 5; No – 0.**

39 40 **VI. New Business**

41 **A. Parks and Commons Commission Appointment**

42 Mayor Moore stated Dawn Keller had applied to the Parks and Commons Commission and that
43 Council had interviewed her for the Budget Committee.

44
45 **Glenn moved to appoint Dawn Keller to serve on Seat E on the Parks and Commons**
46 **Commission: Aye – 4; No – 1 (Kerti wanted to interview).**

1 **B. Ocean View Drive Striping and Directionality**

2 Glenn moved to temporary stripe to separate pedestrian and vehicular traffic for one-lane, two-
3 way traffic on Ocean View Drive from the State Park to Pontiac Street and to stripe for one-way
4 southbound traffic on Ocean View Drive from W 2nd to W 7th: discussion.

5
6 Vaaler moved to amend the motion to add protection for pedestrians where feasible. Glenn
7 amended his motion.

8
9 Glenn moved to install temporary striping to separate pedestrian and vehicular traffic for one-
10 lane, two-way traffic on Ocean View Drive from the State Park to Pontiac Street with
11 appropriate signage and to stripe for one-way southbound traffic on Ocean View Drive from W
12 2nd to W 7th Streets: Aye – 5; No – 0.

13
14 **C. Financial Services Update: Sue Forty and Ellen Myhrvold**

15 Sue Forty stated the conversion to Springbrook has gone well and they are in the process of
16 inputting the new budget into the software. She noted they are moving from a cash basis to a
17 modified accrual accounting process. She reported they spent three days with the auditors and
18 fielded only a few questions, so she expected few issues in the next audit.

19
20 Forty reported the new accounting software can do electronic processing of payments. She
21 explained they developed a new process for batch processing of the electronic payments.
22 Councilors will see list of payments when they sign checks. When the Councilor signs off, the
23 batch will go through. Vaaler clarified that the electronic batch will also require two signatures
24 before the batch is released. Manager Beaucaire explained they are developing a timeline of
25 when invoices are due and when checks will be issued. She indicated this timeline will help
26 Councilors plan to be available for signing in a timely manner.

27
28 Glenn asked how he will know that Manager Beaucaire has approved the items in the batch
29 process. Forty stated there is a stamp for each invoice that Manager Beaucaire must sign before
30 the checks are processed in the accounting system.

31
32 Forty introduced Ellen Myhrvold who will be in Yachats two or three days each week. Forty
33 will come to Yachats every other week. Forty noted she has a new manager who will eventually
34 be in Yachats one day each week.

35
36 **D. Additional Funds for Marketing**

37 Glenn recalled Bev Wilson had asked for an increase to do radio advertising. He explained
38 Manager Beaucaire learned they do not need to do a supplemental budget at this time as Wilson
39 could use monies from other line items to cover the radio ads. Vaaler asked that the City
40 Manager make very clear to Wilson that she could move monies but that this was not an
41 indication that she would get additional funding.

42
43 Glenn raised the question of the effectiveness of one-time radio advertising. Mayor Moore
44 recalled radio advertising required higher frequency to have lasting impact. Glenn clarified that
45 the marketing committee would address this issue at their next meeting.

1 Glenn moved to deny additional funding for marketing and to direct the City Manager to explain
2 that funding for Wilson's request can be accommodated through other line items in the
3 marketing budget: Aye – 5; No – 0.
4

5
6 **E. Ordinance: Update Section 4.04**

7 Vaaler moved to approve Ordinance 359 amending the Yachats Municipal Code Section 4.04:
8 Aye – 5; No – 0.
9

10 **F. Transient Lodging & Food and Beverage Tax Update**

11 Manager Beaucaire indicated she got clarification from Tom Lauritzen on issues she had
12 previously raised with the budget. Tom Lauritzen stated the Food and Beverage tax increases
13 were significantly higher than the lodging tax increases. He speculated this increase was due to
14 the sidewalk improvements.
15

16 Glenn asked for clarification on the third-party line item. Manager Beaucaire stated this line was
17 for lump-sum money received from third party vacation rental companies (Expedia, Airbnb,
18 etc.). She clarified that the City does not know whether these funds were for hotels or individual
19 rental homes.
20

21 Vaaler noted the FY18-19 third quarter decreased revenues in transient rentals and suggested the
22 decrease resulted from abnormally high income in FY17-18.
23

24 Lauritzen asked who would owe the tax if a third party did not pay. He suggested asking
25 transient rental license owners report their expected taxes that will go through the third-party
26 companies. He noted the Overleaf knows what Expedia owes them.
27

28 **VI. Other Business**

29 **A. From the Mayor - none**

30 **B. From Council**

31 Kerti indicated he met with John Purcell, Parks and Commons Commission Chair, and reported
32 Purcell asked for improved communications and delineation of what the Commission was
33 responsible for.
34

35 Tooke reported Newport, Siletz, Seal Rock, and Toledo are asking for voluntary conservation of
36 water. He reported on legislation around the Newport Big Creek Dam. He had heard that the
37 governor planned to veto the bill giving \$4 million to the project as there were many
38 communities needing money. Tooke also noted the impacts of climate change on water security.
39

40 Glenn stated Angell Job Corps was holding an open house on August 15, 2019 from 11:00 am to
41 3:00 pm. He added that Job Corps was asking for RSVPs. Glenn got consensus from Councilors
42 to have the new director speak to Council.
43

44 **C. From Staff**

45 Manager Beaucaire indicated she planned to highlight some of the website features. She noted
46 the change in appearance of weather page. Website Coordinator Helen Anderson explained the
47 old website allowed for direct import of FTP files but the security of the new site does not allow

1 for such transfers. Anderson explained the new site must link to other websites and the current
2 display is what the City gets for free from this cloud weather site. She noted it would cost the
3 City a small monthly fee to get historical data.

4
5 Manager Beaucaire highlighted the Notify Me feature. She encouraged people to sign up for
6 notifications of the newsletter, alerts, bid postings, meeting information, agendas and other
7 information.

8
9 Manager Beaucaire explained the Report a Concern feature where she would be notified if an
10 issue is not addressed within three days. She emphasized the benefits of the automatic tracking
11 system. Vaaler clarified that filing a complaint constitutes a signed submission.

12
13 Quinton Smith noted his difficulty in getting clear responses to his request.

14
15 Mayor Moore adjourned the meeting at 12:34 pm.

16
17
18
19 _____
20 W. JOHN MOORE, Mayor

21
22 ATTEST:

23
24
25 _____
26 Shannon Beaucaire, City Manager

Date