

CITY OF YACHATS

CITY COUNCIL WORK SESSION AND REGULAR MEETING

September 6, 2017

Minutes

Mayor Gerald Stanley called the September 6, 2017 work session and regular meeting of the City Council to order at 9:30 am in the council room of the Yachats Commons. Council members present: Mayor Gerald Stanley, Barbara Frye, Jim Tooke, Max Glenn, Greg Scott. Staff present: City Manager Joan Davies. Audience: 28.

Work Session Discussion Topics

A. Vacation rentals and proposed changes to Code

Manager Davies explained the difference between the two versions of the vacation rental (VR) ordinance presented to Councilors, noting she deleted the 135 total VR number as there are now 145 including pending applications (n=14). Version 1 was what was voted on at the July Council meeting. Version 2 reflected what Manager Davies and the City Attorney worked out based on input from the public and what the work committee discussed since the last vote. Manager Davies explained the City Charter requires posting the ordinance a week ahead of a vote, in order to only have one vote. If it is not posted, two votes are required. Councilor Frye indicated she has suggestions and wanted to know when to comment. Councilor Glenn stated he wished the Council had addressed the matter in 2014. Councilor Scott believed discussion of Frye's issue should be prioritized. Councilors discussed clarifications about public input during the work session.

Mayor Stanley told the audience they could ask clarification questions following the Councilors' discussion. Manager Davies assured the audience that current applications would be processed.

Frye summarized her amendments as follows:

Effective September 6, 2017, a pilot project would be implemented to include all elements of the July 29, 2017 proposal and:

- a. Deleting the section 4.1 requirement to have a professional property manager manage the property.
- b. Establishing a cap at 125 beginning [date to be specified]. Once the number of VRs drops below the cap, licenses would be issued on a first-come/first-serve basis.
- c. Processing all applications in process.
- d. Establishing a moratorium on new applications until [date to be specified].
- e. Requiring a quarterly report from the City Manager to the Council be provided, including:
 - i. the number of current licenses
 - ii. complaint history (number, nature of, location)
 - iii. number of licenses requested and denied
 - iv. identifying homes using Air BnB and VRBO for rentals for periods of less than 30 days.

Frye presented justification for the pilot program because the Council needs time to evaluate the proposed changes before they become permanent. A moratorium would allow time to observe and assess the impact of improved administration and enforcement.

Mayor Stanley asked for clarification on the moratorium. Manager Davies explained 30 days are required before any ordinance can be put into effect.

Glenn stated he was in favor of dropping the requirement for a professional property manager, citing examples of existence of poor performance by professional property managers and of

1 property owners having success at managing their own properties. Scott explained the original
2 intent of the property manager component was to attain better updating to of local contacts.

3
4 Manager Davies noted it would not be a burden to issue monthly reports on VR data. Councilors
5 leaned toward receiving quarterly reports.

6
7 Stanley asked the Council to consider cap to be 135 rather than 125. Scott believed 125 was a
8 reasonable number, especially given Yachats is well above percentages of VRs in other Oregon
9 cities. Frye concurred with Scott. Glenn noted the two-year pilot program would give the Council a
10 chance to evaluate the impact on the City. Mayor Stanley noted, as there have been more active
11 vacation rentals than they were previously aware of, 135 may more accurately reflect the current
12 status.

13
14 Mayor Stanley stated he was hearing a consensus to move forward with Frye's proposal. Glenn
15 and Frye emphasized existing licenses would not be impacted by a moratorium.

16
17 Glenn asked if Frye's changes were included in the revised changes ordinance. Manager Davies
18 noted she had highlighted three options for language that Councilors need to address. Option 1
19 stipulated a cap of 125 with renewals taking precedence and open licenses being accepted first-
20 come/first-serve. Option 2 added language about a moratorium, including an expiration date and
21 handling of incomplete license applications. Scott noted Option 1 specifically mentions a number
22 for a cap while Option 2 does not mention a specific number. Scott explained without a specific
23 number, no new licenses could be issued. Commissioners agreed to combine Option 1 and 2.

24
25 Davies noted the Council needed to vote separately on the amendment and administrative policy.

- 26
27 1. Morgen Brodie (258 W 2nd St) was curious about how the first-come/first-serve system would
28 work.
29 2. Wayne Connor (420 W 2nd St) wanted to know if current license on his newly acquired home
30 was in effect and if his current application would be considered. He also asked about
31 monitoring VRBOs. Scott noted VRBOs are required to be licensed. Connor stated City Hall
32 had failed to inform him of restrictions. Manager Davies indicated at no time had anyone
33 from the City failed to tell him those.
34 3. Pat Armstrong (190 W 2nd St) wanted to know about timing of home purchase closure and
35 getting a license.
36 4. Todd Korgan (665 Hwy 101) asked if Council would consider transferring licenses with home
37 sales.
38 5. Jamie Michele (665 Hwy 101) wanted clarification on the queue and how people would be
39 informed new licenses were available.
40 6. Todd Korgan (665 Hwy 101) asked if the Council considered doing something about VRs that
41 are inactive.

42
43 Manager Davies did not want staff to have to maintain a waiting list for a long period. Councilors
44 discussed whether applications would remain on a wait list in perpetuity or whether a pool of
45 applicants would be collected during each available license period. Scott noted this topic was a
46 policy issue that should be addressed at a later time.

47 Scott reported his analysis of rental income indicated 48% of rentable months produced no income
48 or income under \$100, and suggested the vacancy rate is really a demand problem (i.e., when
49 people want to come to the coast). Scott expects some attrition of the unused rentals, given
50 increases in license fees.

- 1 7. Duke Tracey (178 Yachats Ocean Rd) asked how one avoids bias in how available licenses
2 are announced and granted. Manager Davies noted the point should be addressed.
3 8. Linda Hetzler (Drift Inn) wanted to know if licenses have an end date.
4 9. Rhonda Moran (214 Coolidge) asked why there was uncertainty on the “not transferrable”
5 language in the policy.
6

7 Frye stated owners need to be more attentive to renewal notices. Glenn noted the proposed
8 changes put more responsibility on the owner. Tracey asked if the Rock Park Cottages were
9 licensed individually as a single unit. The property manager indicated each unit has a separate
10 license. Hetzler asked if there were still a rule that an individual could only have one license.
11 Manager Davies stated she would look into the matter.
12

13 **B. Proposals for the inspection, analysis and recommendation of options for a**
14 **treatment program regarding conditions at the Little Log Church & Museum and**
15 **Library relocation project**

16 Manager Davies summarized how she came to interact with Jonathan Pincus. Pincus submitted
17 proposals to identify the scope of work and estimates for repair work for both the LLC&M and 501
18 Building. Scott asked why this issue was before the Council, as he believed the issue was the
19 purview of the Library group and Parks and Commons Commission. Pincus stated he was present
20 because Manager Davies asked him to be. Davies said both the Library group and P&C
21 Commission already knew about the proposal. Tooke suggested Mr. Pincus go to the Library
22 Relocation Committee meeting later that afternoon at 2pm.
23

24 **C. South Tank site update**

25 Matt Wadlington from Civil West Engineering reported they had hired a contractor to grade the site
26 and build a retaining wall. Their plan is to work on the drainage line on Crestview in the spring.
27 There has been one change to move the tank 10 feet up the hill. The additional clearing and
28 grading cost \$27,000. Frye wanted to know why this change was needed. Wadlington noted the
29 oversight came in how the pictures taken during original assessment were translated by the
30 computer, and they could not identify the correct slope until the area was cleared. He did not
31 expect much of a net change in visibility, except during construction phase when it will be more
32 visible. He noted there might be additional costs with required changes in the retaining wall.
33

34 Dean Shrock stated he was stupefied by this announcement as he presented to the Council photos
35 identifying the slope issue. He noted he had visited the site with Rick McClung, John Moore, and
36 others. Shrock questioned who should be responsible for the costs. Frye noted a visual inspection
37 had made the steep slope situation obvious. Mayor Stanley was concerned about the failure to
38 identify the issue and about the low estimate of what this change would cost. Frye expressed
39 concern over why this change was being approached with such nonchalance. Scott noted the
40 Council made a decision to outsource engineering decisions to Civil West when they opted to
41 eliminate the Public Works Director position. Scott asserted, in the big picture, this change is minor.
42

43 Shelly Shrock asked about the delay until spring to put in drainage. Wadlington noted drainage is
44 currently routed to existing drainage routed under Crestview. Shelly Schrock noted this area was
45 where the road washed out last year. Dean Shrock was seriously concerned water was going to
46 drain straight down rather than through the path of the theoretical design. Dean Shrock asked that
47 someone accompany him to the property to assess potential water runoff. Tooke asked what
48 guarantees Wadlington could make about drainage. Wadlington could not make any guarantees.
49

50 Mayor Stanley asked Councilors if anyone wanted to take action to delay acceptance of the current
51 adjustments. Frye indicated they need to move ahead with the project. Tooke and Wadlington

1 agreed to look at the site with the Schrocks after the Council meeting. Hetzler noted some
2 contractors incur overages more than others as part of the bidding strategy and asked if the
3 Council had looked at that factor in choosing a contractor.

4
5 Mayor Stanley indicated the Council would move forward with the project.

6
7 **D. Proposal for training in using Keesey's Parliamentary Procedures**

8 Frye suggested having a training on Keesey's Parliamentary Procedure, as it is unfamiliar to most
9 people. She reported she has a friend who is a parliamentarian who is willing to conduct a training
10 in Yachats in October or November, for \$250 for a 2-3 hour class. Glenn wanted the training to be
11 held after the new City Manager arrives. Mayor Stanley asked for the status on deciding on using
12 Keesey vs Roberts. Other Councilors reported the matter had been decided in favor of Keesey.

13
14 **E. Review of contracts for Friends (Support Manager) and Visitors Center (Operations)**

15 Manager Davies noted the Friends of the Commons currently manage the User Support Manager
16 contract. The question before the Council was whether they want to put this contract under the
17 jurisdiction of the City. Parks and Commons Chair John Moore noted the User Support manager
18 currently reports to the Treasurer of the Friends, which is not the most efficient way for the City
19 Manager to interact with the User Support person. Moore noted the undue burden on the Friends
20 to operate with a paid employee. Glenn asked Moore what his understanding of the Friends' role
21 was. Moore noted they are to support the Commons. Frye thanked current User Support Manager
22 Leon Sterner for his work.

23
24 Mayor Stanley asked Manager Davies about the legalities of paying a non-profit to hire an
25 employee to do what is actually City work. Manager Davies reported the City Attorney had
26 indicated that, while it is not illegal, it is a better policy to pay contractors directly. Manager Davies
27 also noted the contract could be expanded to include miscellaneous duties that arise occasionally,
28 but currently do not fall under any position.

29
30 Sterner was in favor taking the burden from the Friends and having the City manage the contract.

31
32 Visitors Center contract: Manager Davies reported she had highlighted the elements in the Visitors
33 Center contract that the Council should address. Scott asked Manager Davies to summarize the
34 main issues with this contract. Manager Davies indicated:

- 35 a. This contract provides for a review of the Visitor Center books and accounting and requires a
36 review by independent CPA each year, which has never been done.
- 37 b. An authorized representative of City shall be entitled to inspect books, records and accounts,
38 an activity, which currently is not performed.
- 39 c. The City pays \$64,765 to the Visitors Center to operate and hire a contracted person.
40 Manager Davies noted she has never received a quarterly report on time, in the 15 months
41 she has been working here. She suggested having the City's quarterly payment to the Center
42 be tied to receiving the quarterly report.

43
44 Glenn asked about the role of recruiting and training volunteers as indicated in the contract. He
45 noted the volunteer base is down, and he wants to see something to help boost volunteerism.
46 Hetzler indicated she would help with volunteer recruitment. Mayor Stanley reported the Visitors
47 Center did not yet hire a part-time assistant this year, and this money remains in the budget.

48
49 Scott asked Manager Davies about City staff acting as an accounts payable clerk. Scott thought
50 the Visitors Center should assume that responsibility. Frye had concern over the existing contract
51 and suggested the new City Manager revise the contract.

1 Scott expressed concern over the expectations on the new City Manager. Frye disagreed with
2 Scott's suggestion that this issue not be a top priority for the new City Manager. Davies reminded
3 the Council that the VC contract is in effect through December. Hetzler asked to sit down with
4 Manager Davies to work out details for a new contract. Scott noted Manager Davies had done her
5 due diligence in reviewing the contracts.
6

7 **F. Pollinator program update – City's commitment or level of participation**

8 Mayor Stanley summarized the history of the County actions on spraying. ODOT requested they
9 get a letter of intent from a government agency, rather than a private organization to continue the
10 program. The new project focused on planting bee-attracting plants. Mayor Stanley suggested the
11 City highway planting areas be included as part of the project. Mayor Stanley noted that Newport
12 and Waldport, Lincoln County, and a private group have signed on.
13

14 **G. Approve agenda for September 13, 2017 City Council meeting at 6:00pm**

15 Manager Davies noted the addition of a review of bids for the purchase of a backhoe.
16

17 Mayor Stanley adjourned the work session at 11:52am.
18

19 **REGULAR MEETING**

20 Mayor Stanley called to order the regular meeting of the City Council at 12:04pm.
21

22 **I. Formal vote to hire new City Manager (Shannon Beaucaire)**

23 Glenn moved to hire Shannon Beaucaire as the new City Manager to begin October 1, 2017, per
24 the signed contract: Aye - 5; No - 0.
25

26 **II. Ordinance 347 – Amendments to Yachats Municipal Code: Vacation rentals**

27 Frye moved to amend Yachats Municipal Code 4.08 to include the July 29, 2017 vacation rental
28 proposal to be effective October 15, 2017. (Opened for discussion)
29

30 Manager Davies read into the record the changes to the July 29, 2017 vacation rental proposal,
31 Section 4.08.040C, as included in the meeting packet.
32

- 33 1. Todd Korgan (665 Hwy 101) wanted to be on the record that the City's actions will cause
34 property values to go down and will limit the ability of middle class people to buy second
35 homes. Scott noted he believed Korgan misinterpreted his statistics about demand.
- 36 2. Lane Connor (420 W 2nd St) expressed concerned over changes in property laws affecting
37 home purchases.
- 38 3. Duke Tracey: suggested looking at VR rental on month-by-month basis to assess demand.
39 He also asked to make occupancy rates on month-by-month basis available.
- 40 4. Tom Lauritzen (204 Shell St) appreciates the efforts of the Council to create this policy. He
41 noted VRs on his street have decreased his property value and wanted the Council, again, to
42 address existence of businesses (VR) in a residential zone.
- 43 5. Jamie Michele (665 Hwy 101), Sweet Homes Property Management, reported no less than
44 four potential buyers have backed out of transactions.
45

46 Glenn requested Frye's proposal be included in the minutes. Manager Davies noted the proposal
47 was included in the meeting packet and is accessible online. Tooke stated he does think VRs are
48 businesses and should be treated as such. Manager noted the City Attorney had instructed her to
49 remove the word, "moratorium."
50

51 Vote on motion: Aye - 5; No - 0.

1 **III. Training for Keesey's Parliamentary Procedures**

2 Frye moved to have the City provide a training on Keesey's Parliamentary Procedure open to all
3 elected and appointed persons: Aye - 5; No - 0.
4

5 **IV. Approve analysis of LLC&M and 501 Building**

6 Manager Davies explained she scheduled Mr. Pincus to come before the Council so that all parties
7 know that this process is being followed. No vote taken.
8

9 Manager Davies clarified Clerk Jackson did send electronic VR license rental renewal notices
10 twice. She reported response rates by licensees are very low and paper notices work better.
11

12 **V. Pollinator Program – City's commitment or level of participation**

13 Scott moved to authorize the Mayor to sign a letter of intent with ODOT to approve support of
14 pollinator program: Aye - 5; No - 0.
15

16 **VI. Contract for Friends (Support Manager) and Visitors Center (Operations)**

17 Frye moved, per the Parks and Commons Commission request, to notify the Friends of the
18 Commons that the City is ending the contract with them for User Support and reestablishing a new
19 contract for that position as a City contract: Aye - 5; No - 0.
20

21 Glenn moved to request the City Manager and President of the Chamber of Commerce meet to
22 clarify and strengthen the existing contract, to specify language for the new contract, and to have
23 the City Manager write a letter to specify enforcement for the existing contract: Aye - 5; No - 0.
24

25 **VII. Award contract for code enforcement to begin 10/01/17 (Driftwood Consulting)**

26 Glenn emphasized the City's need for strong code enforcement, noting this issue was raised at
27 every meeting on vacation rentals. Glenn noted the new City Manager had been fully advised, and
28 was in favor of this contract.
29

30 Glenn moved to approve a City contract for Code Enforcement services with Driftwood Consulting
31 to begin October 1, 2017: Aye – 5; No – 0.
32

33 Mayor Stanley adjourned the regular meeting at 12:38 pm.
34
35

36 _____
36 GERALD F. STANLEY, Mayor
37

38 ATTEST:
39
40

41 _____
41 Joan Davies, City Manager
42
43

Date