

**CITY OF YACHATS  
CITY COUNCIL MEETING  
Civic Meeting Room, Yachats Commons  
July 9, 2015  
Regular Meeting 2:00 P.M.  
MINUTES**

Mayor Ronald Brean called the regular meeting of the City Council to order at 2:00 p.m. in the Civic Meeting Room at the Yachats Commons. Council members present: Greg Scott, Sandy Dunn, Barbara E. Frye and Max Glenn. Audience: 18.

**I. Announcements and Correspondence**

- Yachats Music Festival will be held this weekend.
- Scott said that he would be presenting a slide show of his photos from his two New Zealand trips on July 18 at 6:00 p.m.

Brean said that the Presbyterian Church sent an invitation to the City Council for a gathering of citizens to share and listen to the thoughts and ideas of the community. Dunn, Brean, Scott and Glenn all indicated that they would be attending the meeting at the Presbyterian Church.

**II. Citizen's Concerns – None.**

**III. Consent Agenda**

- A. Minutes of June 8, 2015 Work Session, June 11, 2015 Regular Meeting and June 30, 2015 Special Meeting**
- B. Bills for Approval**
- C. Resolution No. 2015-06-04 – Commission Membership**
- D. Resolution No. 2015-07-01 – Interfund Loans**

Motion to adopt the consent agenda, Aye – 5, No – 0.

**IV. Reports**

**A. City Council**

Glenn said that he has been working with the negotiation team on the purchase of the bank.

Glenn said that he has continued to work on the local food survey.

Scott said that he has asked the developers to fix the database email filtering problem.

Scott said that he will be taking a tour of the locations where the flow rates monitoring are located.

Frye said that the Central Oregon Coast Health Group secured one of the grants they have applied for and by the next meeting she should have more to report on how they will be using the grant funds.

Frye said that she and Gerald Stanley are on the Lincoln County Community Clinic Committee. She wanted to let people know that those clinics are for everyone, not only the poor.

Dunn said that ODOT and the COG have submitted a grant application to study the capability of a Lincoln-Lane transportation connection.

## **B. Public Works Department**

Water Treatment Plant Operator, Rick McClung reported:

Building Permits	Building Permits/utility x4
CIP	Purchased a Cad program and got Dyer Files to include in that program
CIP- 101 Project	Hwy 101 leaking water line abandonment and service transferred to new line This is part of the complete project for the waterline in the Hwy 101 project area
CIP- Large equipment repair	Vac Truck repairs nearly completed and it is working Parts for pump have been ordered and will be kept on hand for when repairs are needed
CIP- Reservoir	Reservoir Road survey data, Civil West report
CIP- Should be	Blackstone -starting on the top, Gathering info for engineering Was able to reduce the cost for creating the as-builts by getting the information Dyer had.
CIP -Should be	Emergency Hook up at Main pump station is being completed
CIP-Looping Project	Looping project -final engineering - PW's is beginning 1 million Reservoir by pass Project should come in under budget now that the plan has been modified
Contract -City	Earthquake Monitor on 126k Reservoir
Contract- Parks & Commons	Commons Outside Lights installed
Contract- Parks & Commons	Skate Park Concrete Pad completed
Contract- Streets	Street Striping Crew will do that in the future rather than contract it out
Contract- USFS	Forest Service Sewer Backup at Cape Perpetua Campground cleaned up
Contract- USFS	Spray Field Permits secured for Cape Perpetua
Contract- Wastewater	EC Power agreement(generator maintenance)
Contract- Water	SWLCWD agreement
Customer Service	Peak Tourist Season & customer interface- information, work orders and general complaints
Parks & Commons	Move Wood Chips Under Tree House
Streets	Installed No Parking on Beach St
Streets	SCA Grant Application Prepared

McClung said that the City is working on drawing water from the Yachats River, which is allowed under emergency conditions. Currently the water flow is what is normal for the end of August and this is only the first part of July, so he recommended that the City Council declare a water emergency Phase One.

1 McClung said that he will be working with the engineer to ensure that all the legal steps are taken.  
2 The equipment used should be fairly simple, but it will constructed in such a way to protect the fish  
3 in the river.  
4

5 Wastewater Treatment Plant Operator, Dave Buckwald said that he has been working to secure  
6 the permit to spread the bio-solids on a second farm up the Yachats River.  
7

#### 8 **C. Written Reports: City Recorder and Code Enforcement Officer**

9

#### 10 **D. Organizational Study Group**

11

12 Scott said in January the City Council authorized a study group be formed to look at the  
13 organization of the City.  
14

15 Scott said that the group has visited Waldport and Florence to see how they operate. Will be  
16 interviewing staff members to get input from those employees about what they see as problems  
17 and strengths.  
18

19 Scott said that he and Deputy Recorder, Kimmie Jackson have been looking at various utility billing  
20 systems.  
21

22 Brean asked if the group is looking at how best to deal with things that are not water, sewer or  
23 streets, such as maintenance of the various City facilities.  
24

25 Scott said that they are and that was part of the conversation that he and Tom Lauritzen had with  
26 the Public Works crew earlier today.  
27

#### 28 **V. Public Hearing - Occupancy Tax**

29

30 Brean opened the Public Hearing and asked for testimony.  
31

32 Jerry Roslund, major owner of the Fireside and the Overleaf hotels said that he has been involved  
33 in Yachats for 31 years.  
34

35 Roslund read from a statement prepared by his son, Drew Roslund:

- 36 • The amount of taxes collected have increased 320% over the past 21 years and much of  
37 the money collected does not seem to have been used to improve the services for their  
38 guests.
- 39 • The room tax provides 76% of the general fund budget. And, a large portion of the new  
40 income will have no restrictions on how it can be spent.
- 41 • The visitors pay more in room taxes than any property owner in the City.
- 42 • The people who come to Yachats are not doing so as employees of companies on an  
43 expense account, they are spending their own money to stay here.
- 44 • The increase in room taxes mean that people will have less money to spend in the  
45 restaurants and shops. And, the taxpayers of this tax are not represented.  
46

47 Roslund said that he can remember when he first purchased the Fireside there were times during  
48 the winter when he and his wife were the only people in a restaurant. These days there are many  
49 more people in town all year long.  
50

1 Roslund read off some tax rates from around the country including New York City which is over  
2 18%; and, he said that he will not stay in cities like Portland because of the high tax rate.

3  
4 Roslund said that people come to Yachats for the beautiful view; they do not come for anything that  
5 is paid for by the room tax, neither do they use many of the services supported by the tax. The tax  
6 really benefits the residents.

7  
8 The City could provide a benefit to the business owners by keeping the Yachats room tax rate the  
9 lowest one on the coast – that would be something the businesses could market.

10  
11 Scott asked if the tax revenue statistics Roslund was quoting were only for the hotels or if they  
12 included the vacation rentals.

13  
14 Roslund said that the amounts include all the taxes received.

15  
16 Scott said that part of the reason for the large increase in tax revenue over the past few years is  
17 because of the increase in the number of vacation rentals.

18  
19 Anthony, Manager of the Adobe said:

- 20 • Yachats is competing with the other coastal communities that have attractions that  
21 Yachats does not have.
- 22 • Yachats is competing with the cities that have branded hotels.
- 23 • The Adobe has a restaurant, so the City is also receiving tax money from the Food &  
24 Beverage Tax.
- 25 • Since the food tax was enacted, the number of groups and bus tours has fallen off and  
26 an increase in room tax will mean even less business.
- 27 • If the City raises the room tax to 9% that will mean that people coming to Yachats will be  
28 paying a combination of 15% for room tax and food and beverage tax.

29  
30 Scott said that the City had to build a 7.7 million dollar wastewater treatment plant, which was  
31 required to service the high volume customers like the hotels not the residents. The City did not  
32 build that plant because we wanted to – we were required to do so by the DEQ. The cost of that  
33 plant was going to be paid somehow, whether it was by the food and beverage tax or an increased  
34 sewer bill.

35  
36 Karen Pfannmuller, owner of the Adobe said that the motel pays an extra charge each month on  
37 the water bill and that is a charge that the homeowners do not pay.

38  
39 Pfannmuller asked what the City needs the extra money for.

40  
41 Brean said that the City is facing some large infrastructure needs and there is no money for.

42  
43 Peter from Ocean Odyssey said that the vacation rental managers are the biggest proponents of  
44 Yachats. They have borne the financial burden of the recession, and things are just now  
45 rebounding. An increase in room tax of nearly 30% seems like too much.

46  
47 David Locke said that when guests decide to go somewhere they look at what it is going to cost  
48 them and if people have to pay more for their room and food they will not be buying things in the  
49 local shops so those small business owners will suffer.

1 Jamie Michelle, Sweethomes Vacation Rentals said that if the tax increase is enacted it will impact  
2 their ability to employ local people.

3  
4 There being no further testimony, the Public Hearing was closed.

5  
6 Scott said that the City is a big operation and it requires a lot of money to keep things going. The  
7 City has quite a few members of the public that help the City Council make decisions about how to  
8 finance the operations and everyone is very sensitive to the issues that face the citizens and tax  
9 payers.

10  
11 Scott said that the City cannot afford to let things fall apart, and there are millions of dollars of  
12 needed infrastructure.

13  
14 Frye said that the volunteers, including the Finance Committee and City Council are doing the best  
15 they can to manage the City and fund everything that is needed.

16  
17 Dunn said that the City is looking at many various ways to finance the needed operations and  
18 improvements, not only the room tax.

19  
20 Brean said that he understands that when looking at what the visitors have to pay to stay here the  
21 food and beverage tax is a consideration.

22  
23 Brean said that the City has identified many water projects that are needed. And because of the  
24 extended dry spell the City Council is looking at declaring a water shortage. If the City is not able  
25 to provide water all the businesses in town will suffer.

26  
27 The City Council is very aware that the City is dependent on tourism and when the recession  
28 began the City spent money to market the community. Because of that effort the businesses in  
29 Yachats fared better than other communities.

30  
31 There was consensus to continue this discussion at the August meeting.

32  
33 **VI. New Business**

34 **A. Engineering Contract - Hwy 101 Project Management – Reese & Associates, Inc.**

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36 Motion to authorize the Mayor to sign the contract with Reese & Associates, Aye – 5, No -0.

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38 **B. Resolution No. 2015-07-02 – Small Cities Allotment Grant Application**

39  
40 Motion to adopt Resolution No 2015-07-02 –Small Cities Allotment Grant Application, Aye – 5, No -  
41 0.

42  
43 **C. Recommendation from Parks and Commons Commission re: Policy Manual**  
44 **Amendment**

45  
46 Motion to approve the amendment to the Commons Policy Manual, Aye – 5, No -0.

47  
48 **D. City Planner's Contract**

49  
50 The Planner has suggested that the contract could be for two years, with a small increase for the  
51 second year.

1  
2 Brean said that perhaps the contract could be for multiple years, the cost to be indexed using the  
3 CPI.  
4

5 Motion to authorize the Mayor to negotiate with the City Planner for a multi-year contract, beginning  
6 with the proposed rate for the first two years, up to five years, price to be indexed using the CPI,  
7 and include the option for a thirty day opener by either party, Aye – 5, No -0.  
8

9 **E. Emergency Water Rates**

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11 Brean explained that when looking at the Yachats Municipal Code section regarding emergency  
12 water declarations a rate has already been established.  
13

14 **F. Building Inspector for Bank Building Purchase – Recommendations/Hire**

15  
16 Motion to hire Peter Barten as the inspector for the bank building, Aye – 5, No -0.  
17

18 **G. Resolution No. 2015-07-03 – Water Shortage Declaration**

19  
20 Motion to adopt Resolution No. 2015-07-03 – Water Shortage Declaration, Aye – 5, No -0.  
21

22 **VII. Other Business**

23 **A. From the Council – None.**  
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25 **B. From the Staff – None.**  
26

27 There being no further business before the City Council, the meeting was adjourned at 4:25 PM.  
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31  
32 \_\_\_\_\_  
33 Ronald L. Brean, Mayor

34 Attest:  
35  
36  
37

38 \_\_\_\_\_  
Nancy Batchelder, City Recorder