

1. 9:30 A.M. Agenda

Documents:

[2021-10-07 Council Agenda.pdf](#)

2. Meeting Materials

Documents:

[IIIb Paul Schuytema Request For Letter Of Support For Oregon Ocean Initiative Hub.pdf](#)

[WS1Sept 22 From Lauritzen On Finance Committee.pdf](#)

[WS2 Attachment To Lauritzen Letter\(Master Plan Implementation 1\).Pdf](#)



**CITY OF YACHATS  
CITY COUNCIL WORK SESSION & COUNCIL MEETING**

Yachats OR

**Thursday, October 7, 2021 at 9:30am**

**To Be Held Via Zoom**

**AGENDA**

Join Zoom Meeting

<https://us02web.zoom.us/j/88376972670>

Meeting ID: 883 7697 2670

One tap mobile

+12532158782,,88376972670# US (Tacoma)

+13462487799,,88376972670# US (Houston)

Dial by your location

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Meeting ID: 883 7697 2670

Find your local number: <https://us02web.zoom.us/u/kdMACOYuOQ>

**Work Session**

- I. Discussion of possible restructuring of the Finance Commission including, but not limited to, recommendation from Thomas Lauritzen

*The Yachats City Council meetings are open to the public and interested citizens are invited to attend. These are open meetings under Oregon law, but a work session is not a community forum; audience participation is at the discretion of the Council. Meetings are audio-recorded. Public meeting minutes are available for review at City Hall. The meeting place is accessible to persons with disabilities. For accommodations, please call (541) 547-3565, or Oregon Relay 1-800-735-2900 TDD) two days in advance. City of Yachats does not discriminate on the basis of race, color, religion, creed, gender, national origin, age, disability, marital or veteran status, sexual orientation, or any other legally protected status.*

*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 Revised 09/30/2021

## Regular Council Meeting

- I. Announcements, Correspondence, Proclamation
- II. Public Comment: **Topics not listed on the agenda**  
5-minute limitation per person
- III. New Business
  - a. Protocol for a citizen request for a short-term code exemption in response to an emergency
  - b. Request for a letter of support for an application to Phase One US Economic Development Administration “Build Back Better Regional Challenge”
  - c. Cascade Rising Exercise Planning participation
- IV. Old Business
  - a. Drought update
  - b. City Manager recruitment
- V. City Manager Report
- VI. Other Business
  - a. From Mayor
  - b. From Council
  - c. From Staff

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## Request for a letter of support from Yachats (O2IH)

Paul Schuytema <[paul@businesslincolncounty.com](mailto:paul@businesslincolncounty.com)>

Fri 9/17/2021 2:44 PM

To: Leslie Vaaler <[Leslie@YachatsMail.org](mailto:Leslie@YachatsMail.org)>

Mayor Vaaler:

I would like to respectfully ask the City of Yachats for a letter of support for an application to Phase One of the EDA's Build Back Better Regional Challenge funding opportunity. OSU is going to be the lead applicant, but with a TON of supporting partners (EDALC is one of those) and forming the coalition that will (hopefully) become the Oregon Ocean Innovation Hub (O2IH).

This grant application is the culmination of over 14 months of work with local and regional partners to energize our existing Blue Economy assets into an engine of workforce development, innovation, entrepreneurship and business growth - all aimed at creating more high paying jobs along the entire Oregon coast.

This is a two phase application process - phase one is a small planning and feasibility grant to allow a coalition to prepare the much larger phase two application, which could be as much as \$100 million, region-wide.

Here is a link to the EDA's web page on this funding opportunity:

<https://eda.gov/arpa/build-back-better/>

If you are up to speed on all things O2IH, then awesome. If not, I could either walk you through a \*short\* presentation and/or do the same for your City Council. I also have a draft letter prepared, if you'd like to take a look.

Please let me know what works best for you and how I can best inform you and the Yachats powers that be.

Thanks so much!

Have a great weekend!

-Paul

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Paul Schuytema, Executive Director  
Economic Development Alliance of Lincoln County

He/Him/His

W: [businesslincolncounty.com](http://businesslincolncounty.com)

E: [paul@businesslincolncounty.com](mailto:paul@businesslincolncounty.com)

C: (541) 961-8800

O: (541) 265-4544

## Finance Committee changes

Thomas Lauritzen <tlauritzen@Peak.org>

Wed 9/22/2021 10:08 AM

To: Leslie Vaaler <Leslie@YachatsMail.org>

 1 attachments (19 KB)

Master Plan Implementation 1.docx;

September 22, 2021

To: Mayor Leslie Vaaler  
City of Yachats, Oregon

Dear Leslie –

This letter builds on a discussion that we had early in your term as mayor, before all the turmoil surrounding the departure of the City Manager and two of the three office staff. The topic is the Finance Committee, its ineffectiveness for the last few years, and what we could do to get back on track.

During the previous CM's tenure, with the help of the City's legal counsel, the Finance Committee was formalized, with assigned participants from a few of the City's Commissions. Almost immediately, the effectiveness of the Finance Committee was diminished, and the City's Capital Improvement Planning (CIP) dissolved into a grant-driven process that may or may not have been aligned with the City's needs. We witnessed the culmination of the grant-driven focus during the budget preparation for fiscal 21-22. The CIP process, executed by the Finance Committee, had completely broken down, no projects and priorities were identified, and the Budget Committee had to create the CIP list on the fly.

The recent completion of the City's Master Plans for Water and Wastewater present an opportunity to get the long-term financial planning process back on track. The two plans cover the next twenty years and will require some creativity in order to raise the funds for the projects without driving the water and wastewater monthly rates into the unaffordable for our residents. Attached is a document that memorializes the initial effort at planning that was created by Rick McClung, Dave Buckwald, Linn West and myself. The project list is extensive, the conclusions reached by our Engineer's are a little skeptical and raising the funds will be difficult. The four of us do not believe that the current structure of the Finance Committee will provide the recommendations to Council that will be needed to allocate the funds needed to pay for the infrastructure identified in the Plans.

Our recommendation is that the Finance Committee be restructured. The participants could include the City Manager, the Chair of the PWC, the current Budget Committee Chair and a Council Representative. A fifth member of the community, with financial background and skills, could also be included. Consideration could be given to making Rick and Dave Committee members, rather than attendees. After all, the \$21 Million in Master Plan Projects dwarfs all other capital spending.

Thank you for considering the recommendation to restructure the Finance Committee and we look forward to any questions that you may have.

Tom Lauritzen

Sent from [Mail](#) for Windows

To: Linn West, Chair, PWC  
Rick McClung, Water Lead  
Dave Buckwald, Wastewater Lead

This memo will document the initial discussion that we held Tuesday, September 7<sup>th</sup>, via Zoom, to identify how the City of Yachats could fund the project costs of approximately \$21 Million identified in the recently completed master plans for Water and Wastewater.

To recap, the Master Plans identify spending as follows:

<u>Water -</u>	Priority 1 -	\$4,829,000
	Priority 2 -	\$8,262,000
	Priority 3 -	\$1,313,000
	Total Water -	<u>\$14,404,000</u>

<u>Wastewater –</u>		
	Priority 1 -	\$2,228,000
	Priority 2 -	\$4,592,000
	Total Wastewater -	<u>\$6,820,000</u>

<u>Grand Total of both plans -</u>		<u>\$21,224,000</u>
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The Water Master Plan contains three headlines. The first is construction of a new raw water intake, the second calls for seismic retrofits of existing storage tanks on Horizon Hill and the third is a conclusion that our existing storage is adequate for the next 20 years.

The Wastewater Master Plan’s headlines are rebuilding existing facilities (new Public Works Building), new manholes and a 3rd SBR.

We first discussed the conclusion that our existing storage was adequate for the next 20 years. It is fair to say that this conclusion by our Engineers is viewed somewhat skeptically. Faced with rising population and diminishing annual rainfall, a conclusion that we are fine for 20 years seems optimistic. The seismic retrofit strategy was discussed and viewed with similar skepticism. We would still have a years old rectangular storage tank after expending a sizeable sum of dollars to stabilize it. This tank has been problematic since its initial construction. We agreed that the assessment should be done to give us a baseline for moving forward.

Our discussion headed towards other alternatives that we could utilize on the site of the existing tank, possibly including several tanks similar to the one we recently added to the system south of the river. We discussed the connection with Southwest Lincoln and regional water source solutions, but these need further study by their operators before being considered as potential solutions for Yachats.

Our discussions turned towards how we find \$21 Million over 20 years for Master Plan implementation. A few ideas were identified and discussed. First, we currently have approximately \$2.5 Million in Enterprise Fund reserves. Next, our rate structures can be managed to generate \$200,000 in each fund for the next 20 years. Reserve generation would total \$8 Million. Next, after the DEQ Loan on the Wastewater Plant is retired in 2029, the Food & Beverage Tax, approximately \$400,000 annually for 13 years would generate about \$5,200,000 and could be specified as Infrastructure Reserves. Finally, an additional \$5,400,000 of Transient Rental Tax could be directed at Infrastructure through a legislative solution specific to Yachats, sponsored by our local legislators. Yachats is likely unique in that our hotels consume 44+ percent of our water supply while paying about 25% of the revenue. Rate management techniques to close the gap would be prohibitively expensive for the hotel properties and asking residents to subsidize the dollars is unfair. We could seek a Yachats specific legislative solution that allows us to direct a portion of the tax revenue to Water Master Plan Projects to ensure that the hotels are supplied with sufficient water to service their guests.

We concluded that Yachats needs to reform and restructure the Finance Committee to begin the process of finding and prioritizing the dollars and projects to meet these 20-year needs. The PWC, under Linn's leadership, will begin the project prioritization and Council will be asked to tackle the Finance Committee changes needed to deliver the dollars at the right time.

I hope this captures our discussions. Please let me know if I missed anything major that changes the ideas that we discussed.

Tom Lauritzen – Chair, Budget Committee