

CITY OF YACHATS

CITY COUNCIL WORK SESSION & REGULAR MEETING

May 2, 2018

Draft Minutes

Mayor Gerald Stanley called the May 2, 2018 work session and regular meeting of the City Council to order at 9:30 am in Room 1 of the Yachats Commons. Council members present: Gerald Stanley, Barbara Frye, Jim Tooke, Greg Scott, and Max Glenn. Absent: Jim Tooke. Staff present: City Manager Shannon Beaucaire, Clerk Judy Richter. Audience: 13.

Mayor Stanley thanked the community for supporting him during his recent medical situation.

I. Work Session Discussion Topics

A. Dahl Disposal Rate Increase & Green Waste Proposal

Joe Cook explained Dahl Disposal annually submits a rate review report and noted the change in costs due primarily to changes in the recycling market. Cook indicated they are seeking a \$3.07 increase in monthly garbage fees (11% increase). Cook reported they have a plan to accept green waste by alternating the weeks for recycling and green waste pickups. This service would add another \$1.75 to the monthly fee. Councilor Frye asked if residents would still have a way to have green waste picked up if the City chose to not opt for the green waste proposal. Chuck Lerwick indicated the green waste service would be cost prohibited if they start the bi-monthly pickups. Councilor Glenn clarified the increase would be \$4.75 for both programs.

Lerwick explained Dahl has upgraded their website and improved their communications. Councilor Scott requested that an article on the reasons for the rate increase be included in the Newsletter.

Frye suggested the rate increase amounts to \$57.84 per year, which would be in addition to the other levies that are on the ballot. Lerwick noted with the every other week option, they would only have two trucks, rather than three, going through the neighborhoods each week, saving on the wear and tear to the roads from the trucks.

Mayor Stanley wanted to know how many residents would want the green recycling program. Scott reported Quiet Water has its own green waste program. Cook explained there would not be much savings if recycling was picked up every other week without green waste pickup on the other weeks. Glenn clarified that if the City chose not to use the green waste service, residents could continue to use the subscription service for green waste. Cook explained the garbage increase is set; the variability is whether the City wants city-wide coverage for green waste pickup.

Leslie Vaaler asserted the green waste program seemed like a bargain and was a wonderful idea. She noted the time staff uses to monitor the green waste dumpster at the wastewater plant. Vaaler identified many benefits.

Bette Perman expressed support for the green waste program. Perman explained the green waste pilot program requires an annual contract at eight dollars per month, and Dahl's proposal sounds much better.

1 Tom Lauritzen asked how many customers Dahl has. Lauritzen suggested the City could
2 subsidize the green waste service by using the funds currently applied to the green waste bin.
3

4 Quentin Smith (501 Lemwick Lane) reported most of the homes on his street have yard service
5 that gets hauled away. Smith was concerned that the vote on the topic was happening so soon
6 after the information was presented.
7

8 Rhonda Moran (214 Coolidge Lane) reported they are using the pilot green waste service and
9 would welcome the city-wide green waste service.
10

11 Lerwick noted residents could tell landscapers to put brush in the resident's bins and not charge
12 the resident for the haul away service.
13

14 Don Groth (208 reeves Circle) wanted more information on invasive species component with
15 green waste. Lerwick noted there is no longer a need to separate out invasive species.
16

17 **B. Clarification on March 7, 2018 Minutes**

18 Mayor Stanley indicated the statement as written was correct. Mayor Stanley suggested an
19 addition at the end of the sentence of, "by anybody."
20

21 **C. Update to Council Rules**

22 Manager Beaucaire noted the redlines in the draft copy are the same as from the last meeting.
23 She stated her colleagues reported their jurisdictions consider persons participating by phone,
24 Skype, or other electronic means at meetings are considered "present" and allowed to vote.
25

26 Mayor Stanley wanted the option to have a motion to "Table" removed from the Rules. Manager
27 Beaucaire examined Keesey's new edition and noted "tabling" was not included as a type of
28 motion.
29

30 Mayor Stanley indicated he could agree with the term, "Public Comment" for the time when
31 people can have five minutes to express their views.
32

33 Mayor Stanley reminded people that the Appendices still need review but are now part of the
34 Council Rules document.
35

36 **D. Highway 101 & FY17/18 and Budget Wrap Up**

37 Clerk Richter explained the highway project was part of four fiscal years and the final payment
38 from ODOT was received in February 2018. She noted the total project costs was around \$3.4
39 million, ODOT covered just over \$2 million, the Urban Renewal District contributed \$72,000,
40 leaving an unfunded balance of around \$650,000. Richter explained this fund needs to be
41 closed out in the current fiscal year (FY17-18) and the Finance Committee has recommended
42 moving \$650,000 from reserves to cover this shortfall.
43

44 Richter learned the terminology used in the last resolution on funding this project was incorrect.
45 The language of "unappropriated ending fund balance" meant they could not make transfers of
46 that money. The language for those monies should be, "not allocated capital outlay reserves."
47

48 Richter explained the City will need to hold supplemental budget hearing before next Council
49 meeting for accommodating the \$650,000 transfer and a few other small items.
50

1 Frye clarified this discussion was about the FY17/18 budget, not the future. Frye asked if the
2 \$650,000 amount was unexpected. Richter reported Lauritzen had presented numbers to
3 Council in June 2016 that were close to this amount.
4

5 Frye asked for a general discussion on budget issues. Mayor Stanley agreed to add an agenda
6 item for discussion of the budget.
7

8 **E. Budget Discussion**

9 Frye did not recall having a discussion about strategic plans and how the City spends money in
10 several years. Frye did not believe the Council was getting useful reports. Frye asked how the
11 Council could stay informed of financial planning matters.
12

13 Frye recalled they appointed a representative to be on the Finance Committee who would keep
14 the Council apprised of financial issues. Frye suggested they meet to establish financial goals
15 and to get clarification on the role of the Council in financial planning. Glenn suggested they
16 have this discussion after they complete the FY18-19 budgeting process.
17

18 Scott suggested there are two budgetary metrics that are relevant to the Council: how they are
19 they managing the budget and what is happening with fund balances. Scott suggested the
20 Council get monthly reports on a few years of records of major fund balances.
21

22 Mayor Stanley concerned with other Councilors on the need to be more informed on financial
23 matters, especially the role of the Council representative on the Finance Committee.
24

25 **E. Approve agenda for 5/9/18 City Council meeting at 6:00 pm in Room 1**

26 Glenn wanted to add an item for housing to cover a recent report from Newport and other
27 housing discussions that have been happening.
28

29 Councilors consented to the agenda with the above addition on housing.
30

31 Frye asserted once-per-month reports on the status of projects was not adequate to stay
32 informed. Stanley indicated he would work on how to make more frequent reports happen.
33

34 Mayor Stanley asked that the audit report be moved to earlier in the meeting. Glenn asked that
35 they address the Dahl issue before moving to the accounting report.
36

37 Mayor Stanley adjourned the work session and called for a break at 10:48 am.
38

39 **REGULAR MEETING**

40 Mayor Stanley opened the regular meeting at 10:55 am.
41

42 **II. Announcements**

43 Scott announced he had planned to launch the new landing site on Monday, and it will be
44 launched this weekend.
45

46 Bette Perman (410 E 2nd St) announced the second annual Yachats Pride will be June 1-3,
47 2018. She noted yachatspride.org is the website.
48

49 **III. Public Comment/Citizens Concerns**

50 Alison Albrecht (610 Lemwick Lane) reported they have a family beach house for which they
51 want to preserve for the younger generations in their family. She believed the current code was

1 unfair to her family by not allowing them to continue their vacation rental. Ron Spiso reviewed
2 their investment in the property. Spiso stressed he built the house within the code rules at that
3 time. Spiso was very disappointed with the City.
4

5 Scott noted the only change in code was for the cap on vacation rentals. Scott suggested they
6 talk after the meeting. Mayor Stanley acknowledged the vacation rental change has had some
7 negative consequences for a few people.
8

9 **IV. Resolution: Dahl Disposal Rate Increase**

10 Manager Beaucaire clarified the two resolution before Council are for the rate increase only and
11 for the rate increase plus adding the green waste collection service.
12

13 Frye asked how long the pilot program would continue. Cook was not certain. Scott wanted
14 more time to get input from the public.
15

16 Glenn moved to accept Resolution 2018-05-10 including the green waste program: discussion.
17

18 Mayor Stanley believed Lauritzen's suggestion about using the current waste bin funding to
19 cover the increase for the green waste program was worthy of discussion. Frye was not ready
20 to vote on either option and had concerns about the City getting involved in the waste billing
21 system.
22

23 Glenn withdrew his first motion on Resolution 2018-05-10. Frye asked to wait to vote on either
24 motion.
25

26 Glenn moved to accept Resolution 2018-05-10 on Dahl Disposal's base rate increase only: Aye
27 - 3; No - 1 (Frye).
28

29 **V. Discussion: FY16/17 Audit, presented by Hanford & Associates, LLC**

30 Sarah Marshall and Theresa Hanford from Hanford & Associates, LLC summarized their audit
31 report. Mayor Stanley noted this audit pertains to FY16-17.
32

33 Marshall concluded there were two findings on internal controls. The first is common for smaller
34 cities, and Hanford & Associates are required to report this because of auditing standards. The
35 second finding regarded the structure of the funds system. When city changed accounting
36 software, they restructured the funds. The State has very specific requirements about funds
37 being reported in accordance with standards. Hanford & Associates had to report the problems
38 even though the City is correcting the matter.
39

40 Frye asked for clarification on the cause of fund problem. Marshall asserted the fund accounts
41 were likely set up to be functional, but they did not meet GASB reporting standards.
42

43 Richter noted the City was already four months into the fiscal year when Hanford noted the fund
44 structure problem. The software company would not allow the City to change the fund structure
45 mid-year. Richter noted the changes would need to be implemented for FY18-19. Marshall
46 explained Richter has set up the correct funding structure outside of the accounting software
47 and will incorporate this information into the accounting software system at the end of the
48 current fiscal year.
49

1 Richter clarified the new system has funds and then departments under those funds. The old
2 method did not separate the cash and the ending fund balance. Richter noted while items had
3 been properly classified, the way they were totaled did not meet the standards.
4

5 Marshall noted the audit was very positive overall. She explained their concerns were more of a
6 format/presentation issue than a tracking problem. Frye clarified there is no negative impact for
7 the City on the reported concerns.
8

9 Scott moved to accept Resolution 2018-05-11 adopting a plan of action and response to the
10 audit findings of the auditors report for fiscal 2016-2017 financial statements:
11

12 Hanford clarified that within 30 days of receiving the report, the City must submit plan of action.
13 Manager Beaucaire read the resolution into the record.
14

15 Call for vote: Aye – 4; No – 0.
16

17 Frye recognized the hard work of the staff in addressing the financial concerns of the auditors.
18

19 **VI. Approve March 7, 2018 Minutes**

20 Frye moved to approve the March 7, 2018 minutes with no further corrections: Aye – 4; No – 0.
21

22 **VII. Resolution Budget Committee Appointment**

23 Manager Beaucaire explained there are two applicants when there is one vacancy as Lauritzen
24 is planning to resign from the Committee and advise the budget team that presents to the
25 Budget Committee. Manager Beaucaire indicated Don Groth was present and James Kerti
26 could not attend this meeting.
27

28 Glenn asked Don Groth (208 Reeves Circle) to provide a summary of his background. Groth
29 reported he is a retired CPA and has worked in both corporate and public arenas.
30

31 Scott moved to appoint Don Groth to the Budget Committee: Aye – 4; No – 0.
32

33 Lauritzen noted the other applicant, James Kerti, is on the Planning Commission. Lauritzen
34 explained the Committee is looking for younger persons to participate, and Kerti is younger, as
35 well as being logical and capable. Manager Beaucaire emphasized Kerti was very thoughtful.
36

37 Mayor Stanley was cautious about appointing someone to the Budget Committee without
38 knowing their political views about budgeting.
39

40 Scott moved to appoint James Kerti to the Budget Committee: Aye – 4; No – 0.
41

42 Scott noted the appointments were codified in a Resolution 2018-05-07.
43

44 **VIII. Update to Council Rules**

45 Leslie Vaaler noted John Moore had suggested several synonyms that could be used to indicate
46 a motion to postpone. Manager Beaucaire identified changes to remove the motion to Table
47 and to add eligibility to vote via telephone or other electronic participation.
48

49 Scott moved to approve Resolution 2018-05-01 amending the Council Rules: Aye – 4; No – 0.
50

51 **VI. Resolution: FY17/18 Budget Wrap Up**

1 Glenn Moved to adopt Resolution 2018-05-09 updating “Unappropriated Ending Fund Balance”
2 to “Not Allocated Capital Outlay Reserves” in Fund 150: Aye – 4; No – 0.
3
4

5 With no further business before the Council, Mayor Stanley adjourned the meeting at 12:05 pm.
6
7
8

9 _____
10 GERALD STANLEY, Mayor

11 ATTEST:
12
13

14 _____
15 Shannon Beaucaire, City Manager

_____ Date

DRAFT