



City of Rockaway Beach

Regular City Council Meeting Minutes

Date: Wednesday, January 10, 2024
Location: Rockaway Beach City Hall, 276 Hwy 101 - Civic Facility

1. CALL TO ORDER

Mayor McNeilly called the meeting to order at: 6:00 p.m.

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

Start time: 6:01 p.m.

[Mayor - Charles McNeilly: Present](#)
[Position #3 - Kristine Hayes: Present](#)
[Position #4 - Alesia Franken: Present](#)
[Position #1 - Mary McGinnis: Present](#)
[Position #5 - Penelope Cheek: Present](#)
[Position #2 - Tom Martine: Present](#)

Staff Present: Luke Shepard, City Manager; Melissa Thompson, City Recorder; Dan Emerson, Public Works Superintendent; and Kevin Grogan, Sheriff's Deputy.

4. CONSENT AGENDA

Start time: [06:01:18 PM \(00:00:26\)](#)

- a. Approval of December 13, 2023 Regular Meeting Minutes
- b. Approval of December 13, 2023 Workshop Minutes
- c. Review of December 2023 Check Register

Martine made a **motion**, seconded by McGinnis, to adopt the Consent Agenda.

The **motion carried** by the following vote:

Position #3 - Kristine Hayes: Approve
Position #4 - Alesia Franken: Approve
Position #1 - Mary McGinnis: Approve
Position #5 - Penelope Cheek: Approve
Position #2 - Tom Martine: Approve

5. PRESENTATIONS, GUESTS & ANNOUNCEMENTS

a. Presentation - 2022-2023 Fiscal Year Financial Audit – Peter Gelser, Koontz, Blasquez & Associates, P.C.

Start time: [06:05:47 PM \(00:04:54\)](#)

Gelser introduced himself and provided a brief overview of the 2022-2023 fiscal year audit. Gelser explained that fiscally the City is doing well with conservative fiscal management where revenue is slowly increasing and spending is stable. He noted that transient lodging tax funds were a significant source of revenue. Gelser shared that they had seen improvements in fiscal management and there were a few items in the audit plan to address finishing cleaning up past issues. Gelser provided a brief review of the financial statements and answered clarifying questions for the Council. It was noted that the audit was available online on both the City's and the Secretary of State's websites. Gelser acknowledged City staff's hard work providing information for the audit.

b. Guest – Doug Olson, Tillamook County Commissioner

McNeilly announced that there was an addition to the agenda, guest Doug Olson, and invited Olson to speak. Olson introduced himself and shared that he was recently appointed to the Tillamook County Board of Commissioners, to serve the remainder of David Yamamoto's term, upon Yamamoto's retirement. He invited the Council to contact him if there were any issues with the County that they wanted to address.

6. STAFF REPORTS

a. Fire Department

Start time: [06:24:50 PM \(00:23:57\)](#)

Hesse presented his staff report on the activities and operations of the Rockaway Beach Fire Rescue department for the month of December 2023. Hesse added that there were currently 25 students at an Emergency Medical Technician (EMT) training at the Fire Department. He noted that four students from previous classes had joined the ambulance crew owned by Adventist Health. Hesse shared that 33 people had joined the Community Emergency Response Team (CERT) class. Hesse announced that Assistant Fire Chief Shawn Vincent had retired after 35 years of service, and a retirement gathering would be held on January 20th. He shared that Don Kiser had been promoted to Assistant Fire Chief upon Vincent's retirement.

Hayes inquired about the acquisition of the new fire engine. Hesse shared that he selected the color, and it was in production.

b. Sheriff's Office

Start time: [06:33:11 PM \(00:32:18\)](#)

Deputy Kevin Grogan summarized the Sheriff's Office report for December 2023 and answered clarifying questions for the Council.

c. Public Works

Start time: [06:35:56 PM \(00:35:03\)](#)

Emerson presented his report on operations within the Public Works department for December 2023. Emerson confirmed for Franken that he was confident in repairs that were made to the pump station Programmable Logic Controller (PLC). Shepard provided further clarification on the level controller repairs. McNeilly thanked Public Works staff for providing 24/7 monitoring during the issues with the level controller.

d. City Manager

Start time: [06:40:57 PM \(00:40:04\)](#)

Shepard shared a presentation providing background information on the business items on the agenda. He shared updates on anticipated business for the February Council Meeting, and provided updates on the Anchor Street and new Wayside restroom projects. Shepard shared that the City was one of two cities in Oregon that received a Department of Transportation Charging, Fueling and Infrastructure (CFI) Grant to fund charging stations at the Anchor Street parking lot.

7. PUBLIC HEARING

a. Ordinance 2024-01 An Ordinance Amending City of Rockaway Beach Code of Ordinances Chapter 113 Related to Short-Term Rentals

Start time: [06:54:57 PM \(00:54:04\)](#)

At 6:54 p.m., McNeilly opened the public hearing.

Hayes declared a potential conflict of interest and recused herself to join the audience.

McNeilly invited public testimony.

Debbie Reeves testified that she and her husband were developing a property to provide housing for short-term contract employees such as nurses and doctors, and expressed concerns that a short-term rental cap would hinder her project. She advocated that the Council vote no on a cap for short-term rentals.

Nancy Lanyon commented in support of research and public input for a reasonable and thoughtful ordinance. She commented that she had questions regarding designating types, fees, compliance, noise, and other considerations. Lanyon shared that some cities have set aside fees for affordable housing. She commented that we live in an area of limited land space.

Justin McMahan commented that the ordinance equated fewer short-term rentals with more housing for people. He said that housing was a problem everywhere and acknowledged that it was a challenge for cities to manage the problems that come with short-term rentals. McMahan testified that solutions should be based on facts and shared statistical information regarding average housing costs and median incomes. He commented that half of his house was a short-term rental and he lived in the other half. He explained that the vacation rental helps pay for his

house and he would not be able to afford the house with only one income. He commented that workers in Rockaway Beach could not afford the current short-term rental houses if they became available. McMahan advocated for looking at different ways to find housing for people in the median income category. He proposed looking at houses on the west side of the railroad tracks as a separate category since they would not be affordable.

Mary Kay Campbell testified that she was there representing her real estate clients, not realtors. Campbell read aloud the written testimony that she submitted for the hearing.

Kristine Hayes declared a potential conflict of interest and testified that her comments were made as a private citizen. She shared that she didn't feel that she had an answer about whether there should be a cap. She explained that she requested data from past years, read somewhere that we had 450 in 2021, and that made her worried about our economy. She commented that when the Comprehensive Plan was written, the city wrote that we are a resort residential town, which means that we live on tourism money. Hayes encouraged the Council to look at data from past years and see how it has changed. She also encouraged the Council to look at making licenses transferable for families. She advocated for looking at hotels and motels that are being used as short-term rentals, suggesting that they should go through the system the same way.

Todd Spencer testified that he wanted to leave the ordinance the way it is. He commented that he has seen the town in the past several years go from a lot of derelict homes to very few. Spencer commented that the city accountant shared that the city was doing well, and he thought that it had a lot to do with it. He commented that the pros outweigh the cons.

Shavaun Devlin testified that she concurred with McMahan's comments. She commented on the benefits that transient lodging tax revenue had provided. Devlin advocated for reviewing or establishing polices for addressing apartments that are now being used as STRs. She questioned what plans were in place to allocate funds for buying land or building workforce housing. Devlin advocated for working more towards making Rockaway Beach a place where people can find an affordable place to stay and not go elsewhere for entertainment, meals, and cocktails. She commented that she would like more information about the current vacation rental complaint policy.

Cynthia Farren testified that she and her husband owned an STR in Seascape Condos and that it was licensed as an STR when it was purchased. She explained that they use it as their vacation home, and they like that it can be used as an STR in order to have a property manager and so that it does not remain empty when aren't there. She noted that they paid a premium when it was purchased because it was an STR, and they could continue to use it as such. Farren said they ensure that they meet all city STR requirements. She explained that if they sell their property, the buyer has no expectation that they could obtain an STR license, which would affect the property value. She proposed that any existing short-term rental license holders be given a window for new buyers to apply for and receive the prior licensee's lot on the list of STRs. She commented that it would ensure that highly desirable rentals are maintained as STRs, so that Rockaway Beach can continue to compete with Manzanita and Cannon Beach.

Leslie Lauble testified in favor of the ordinance. She lived on a compact cul-de-sac with six houses, and four of the houses were short-term rentals (STRs). She commented on the impact of

the STRs on the neighborhood, including parking and lack of emergency vehicle turn-around space, loss of neighborhood and feeling that they were now surrounded by business, road erosion due to increased traffic, noise, and lack of privacy. Lauble explained that the density of STRs in their neighborhood had a great impact on their ability to enjoy their home.

There being no further public comment, McNeilly closed public hearing at 7:23 p.m.

McNeilly called a recess at 7:23 p.m.

At 7:35 p.m., the City Council reconvened the meeting.

8. CITIZEN INPUT ON NON-AGENDA ITEMS

Start time: [07:35:22 PM \(01:23:04\)](#)

Richard Creaser commented on mental awareness for the community. He advocated for finding funds for local seniors. Creaser shared that he has learned that people need someone to talk to and opportunities to socialize, and advocated for finding ways to do so.

Nancy Webster commented on the importance of water and the Jetty Creek drinking water source. She announced that the North Coast Communities for Watershed Protection will be hosting a speaker series to learn about the importance of drinking water and how to protect it, and the first event will be on February 3, 2024. Webster submitted a flyer on the speaker event. She thanked the City for approving a grant to help support the speaker series.

Ronnie Duckworth commented on concerns about the end of his street, where the tree is. He shared that people go past the sign and go around the sign, and leave trash and refuse in the area. Duckworth advocated for a no entrance sign on Highway 101 so that people don't go the wrong way. He suggested that blackberry bushes might deter people from taking the wrong path, and commented on safety concerns. McGinnis suggested that Duckworth contact City staff to address his concerns.

9. OLD BUSINESS – None Scheduled

10. NEW BUSINESS

a. Consideration of Resolution 2024-01 Adopting 2022-2023 Fiscal Year Audit Plan of Action

Start time: 7:43 p.m.

McNeilly explained that this resolution adopts an action plan in response to deficiencies reported in our audit of the fiscal year ending June 31, 2023.

No audience members wished to comment.

Cheek made a **motion**, seconded by Franken, to approve Resolution 2024-01.

The **motion carried** by the following vote:

Position #5 - Penelope Cheek: Approve
Position #4 - Alesia Franken: Approve
Position #3 - Kristine Hayes: Approve
Position #2 - Tom Martine: Approve
Position #1 - Mary McGinnis: Approve

b. Consideration to Elect a Council President

Start time: 7:45 p.m.

McNeilly explained that the Rockaway Beach City Charter Chapter III, Section 8, provides that at its first meeting each year, the council must elect a president from its membership. The president presides in the absence of the mayor and acts as mayor when the mayor is unable to perform duties.

No audience members wished to comment.

McNeilly made a **motion**, seconded by McGinnis, to re-elect Councilor Penny Cheek as Council President.

The **motion carried** by the following vote:

Position #5 - Penelope Cheek: Approve
Position #4 - Alesia Franken: Approve
Position #3 - Kristine Hayes: Approve
Position #2 - Tom Martine: Approve
Position #1 - Mary McGinnis: Approve

c. First Reading by Title Only of Ordinance 2024-01 An Ordinance Amending City of Rockaway Beach Code of Ordinances Chapter 113 Related to Short-Term Rentals

Start time: 7:47 p.m.

McNeilly said that this is consideration to perform the first reading of Ordinance 2024-01. This Ordinance amends the Code of Ordinances Chapter 113 related to short-term rentals. It establishes the authority to set a cap on licenses, and authorizes the establishment of fees for waiting lists.

Franken made a **motion**, seconded by Martine, to perform the first reading of Ordinance 2024-01.

The **motion carried** by the following vote:

Position #5 - Penelope Cheek: Approve
Position #4 - Alesia Franken: Approve
Position #3 - Kristine Hayes: Abstain
Position #2 - Tom Martine: Approve
Position #1 - Mary McGinnis: Approve

McNeilly performed the first reading by title only of Ordinance 2024-01.

Martine made a **motion**, seconded by Cheek, to approve the first reading of Ordinance 2024-01.

The **motion carried** by the following vote:

Position #5 - Penelope Cheek: Approve

Position #4 - Alesia Franken: Approve

Position #3 - Kristine Hayes: Abstain

Position #2 - Tom Martine: Approve

Position #1 - Mary McGinnis: Approve

d. Consideration of Resolution 2024-02 Authorizing a Safe Drinking Water Revolving Loan Fund Grant Contract for Source Water Protection

Start time: 7:49 p.m.

McNeilly explained that this resolution authorizes a grant contract with the State from the Safe Drinking Water Revolving Loan Fund in the amount of \$50,000 for the Drinking Water Source Protection Plan project, and authorizes the City Manager or his designee to sign the contract.

No audience members wished to comment.

Hayes made a **motion**, seconded by Franken, to approve Resolution 2024-02.

McGinnis thanked City Staff for applying for the grant.

The **motion carried** by the following vote:

Position #5 - Penelope Cheek: Approve

Position #4 - Alesia Franken: Approve

Position #3 - Kristine Hayes: Approve

Position #2 - Tom Martine: Approve

Position #1 - Mary McGinnis: Approve

e. Consideration of Resolution 2024-03 A Resolution Directing City Staff to Close City Trails That Are Used to Access Recreational Areas and Post “No Access” Signs

Start time: 7:51 p.m.

McNeilly explained that on July 6, 2023, the Oregon Court of Appeals issued an opinion in the Field vs. City of Newport case effectively ending recreational immunity for improved trails and striking it down as an immunity that protects public and private landowners from lawsuits. He shared that the City of Newport asked the Oregon Supreme Court to overrule the Oregon Court of Appeals and restore recreational immunity. On October 5, 2023 the Oregon Supreme Court declined to review the Court of Appeals decision. McNeilly explained that this action called “review denied” functioned as a de facto endorsement by the Oregon Supreme Court of the Oregon Court of Appeals decision, striking down recreational immunity for vast recreational areas. McNeilly explained that Rockaway Beach has 23 access points to the beach within city limits, and

this resolution directs City staff to close City trails that are used to access recreational areas, including beach access points, and post “No Access” signs. The resolution also establishes a policy decision not to attempt to enforce “No Access” sign warnings. McNeilly said this step is being considered in response to the change in the interpretation of recreational immunity and provides legal protection for the City.

No audience members wished to comment.

McGinnis made a **motion**, seconded by Martine, to approve Resolution 2024-03.

Hayes asked Shepard why the City wasn’t posting “enter at own risk”. Shepard explained that the language for the sign came from the City’s insurance carrier. Cheek commented that it was a terrible thing to be forced to do. McGinnis shared that the State Legislature is the only body that can fix the issue and encouraged residents to contact their legislators.

The **motion carried** by the following vote:

Position #5 - Penelope Cheek: Approve
Position #4 - Alesia Franken: Approve
Position #3 - Kristine Hayes: Approve
Position #2 - Tom Martine: Approve
Position #1 - Mary McGinnis: Approve

f. Consideration of Resolution 2024-04 Approving Additional Awards for the 2023-2024 Community Grant Program

Start time: 7:55 p.m.

McNeilly explained that this resolution approves additional awards to applicants for the 2023-2024 Community Grant Program. This Grant program provides funding to non-profit entities and other organizations that serve the Rockaway Beach Community. The city appropriated \$60,000 for the Community Grant Program as part of its 2023-2024 Budget. Over \$30,000 has been awarded thus far, and additional funds are available. The Council reviewed updated applications at their Workshop this evening, and may now consider granting additional awards to the Friends of the Rockaway Beach Library for a commercial grade flagpole and for funding a mailing project.

No audience members wished to comment.

Hayes made a **motion**, seconded by Franken, to approve Resolution 2024-04.

McNeilly commented that the library was one of the community’s best assets.

The **motion carried** by the following vote:

Position #5 - Penelope Cheek: Approve
Position #4 - Alesia Franken: Approve
Position #3 - Kristine Hayes: Approve

Position #2 - Tom Martine: Approve
Position #1 - Mary McGinnis: Approve

- g. **Consideration of Resolution 2024-05 Approving a Scope of Work from GSI Water Solutions, Inc. for a Drinking Water Protection Plan for the City of Rockaway Beach & Authorizing the City Manager to Execute a Professional Services Agreement**
Start time: 7:58 p.m.

McNeilly explained this resolution approves a Scope of Work from GSI Water Solutions for the facilitation of watershed acquisition, and authorizes the City Manager to execute a Professional Services Agreement.

No audience members wished to comment.

McGinnis made a **motion**, seconded by Franken, to approve Resolution 2024-05.

The **motion carried** by the following vote:

Position #5 - Penelope Cheek: Approve
Position #4 - Alesia Franken: Approve
Position #3 - Kristine Hayes: Approve
Position #2 - Tom Martine: Approve
Position #1 - Mary McGinnis: Approve

- h. **Consideration of Resolution 2024-06 Approving a Scope of Work from Sustainable Northwest for Project Management Services Related to Watershed Acquisition, Easement or Land Transfer & Authorizing the City Manager to Execute a Professional Services Agreement**
Start time: 8:00 p.m.

McNeilly explained that this resolution approves a Scope of Work (Schedule 1.1) from Sustainable Northwest for the facilitation of watershed acquisition, and authorizes the City Manager to execute a Professional Services Agreement.

No audience members wished to comment.

Franken made a **motion**, seconded by Martine, to approve Resolution 2024-06.

McGinnis shared that Sustainable Northwest is very experienced with watershed acquisition and brings knowledge and expertise to the project.

The **motion carried** by the following vote:

Position #5 - Penelope Cheek: Approve
Position #4 - Alesia Franken: Approve
Position #3 - Kristine Hayes: Approve
Position #2 - Tom Martine: Approve

Position #1 - Mary McGinnis: Approve

i. Consideration of Resolution 2024-07 Establishing the Sourcewater Protection Plan Development Advisory Committee

Start time: 8:02 p.m.

McNeilly explained this resolution establishes an advisory committee for the purposes of receiving and reviewing project information, and providing community input to the Sourcewater Protection Plan facilitator during the development of the City's Sourcewater Protection Plan.

No audience members wished to comment.

Hayes made a **motion**, seconded by Franken, to approve Resolution 2024-07.

Hayes commented that the City was allowing one person in the Urban Growth Boundary to be on the committee and felt that anyone drinking the water should be allowed to be a member. She shared that she hoped that people with related professional backgrounds would submit applications.

McGinnis commented that it is a citizens advisory committee, and it is intended to include ordinary citizens who drink the City's water, care about the water, and have some knowledge of the drinking water.

McNeilly commented that they weren't necessarily looking for degrees, and asked that anyone with an interest in the Jetty Creek watershed and the future of water for the City please apply.

The **motion carried** by the following vote:

Position #5 - Penelope Cheek: Approve

Position #4 - Alesia Franken: Approve

Position #3 - Kristine Hayes: Approve

Position #2 - Tom Martine: Approve

Position #1 - Mary McGinnis: Approve

11. ITEMS REMOVED FROM CONSENT AGENDA – None Removed

12. COUNCIL CONCERNS

Start time: 8:05 p.m.

Cheek reflected on the past year and how much the City accomplished to make the City better and more usable. She commented that Shepard was a gem, and that she appreciated all of staff's work to provide the information the Council needed to make decisions.

Franken echoed Cheek's comments regarding City staff and phenomenal work. She congratulated staff on a successful audit, and expressed thanks to emergency service providers. Franken thanked citizens for their valuable input, especially regarding short-term rentals.

Hayes commented that she wanted to address waiving Accessory Dwelling Unit (ADU) fees, noting that Rockaway Beach was the first to zone for ADUs, but had not addressed fees. She added that two people had expressed that they would build ADUs if there were fee incentives. Hayes commented on the need for workforce housing and expressed to add to the agenda discussion regarding incentives for housing. She thanked Public Works for the long hours worked during issues.

Martine commented that he was glad how well the town was doing financially and how much was being accomplished.

McGinnis commented that the City Manager created a year-end report and recommended that all review it on the city website. She shared that she appreciated the public comments on short-term rentals and encouraged the public to contact her to provide additional input. Thompson added that if the public wanted to submit written testimony to the entire Council for the record, it could be sent to cityhall@corb.us.

13. MAYOR'S REPORT

Start time: 8:11 p.m.

McNeilly reported that the Coffee with Manager and Mayor meetings are held on the fourth Thursday of each month and the next meeting would be Thursday, January 25, 2024.

McNeilly thanked all who shared their thoughts on the Council's consideration of setting a cap on STRs. He said that we are better as a community when we openly share our views while respecting the views of those who may disagree. McNeilly shared his views on STRs, explaining why he believed that STRs did not impact the availability of affordable housing in the City. McNeilly acknowledged as others did that the City's economy is driven by visitors. He noted that hotels and motels do not sit in the middle of residential neighborhoods, but STRs do. He explained that for him it comes down to finding a balance between providing tourist housing, livability for residents, and the impact on the City's infrastructure, such as roads, water, sewers, and staff. McNeilly commented that the increase in visitors is good for the business community, but it creates a demand for services, especially law enforcement, medical, public facilities, and utilities. He said that it impacts City residents. McNeilly commented that finding ways to balance the needs of visitors, business owners (including STR owners), and residents (full and part-time) is critical to the City's future. He said that our city leaders need to think about that balance and how many tourists the City can effectively support until without damaging what makes Rockaway Beach a great place to visit and a great place to live. He commented that the question is how much tourist housing is enough. McNeilly said that achieving balance will not be easy, but he believed that a critical lever for the City Council to achieve balance is to have the option to set a cap on STRs.

14. ADJOURNMENT

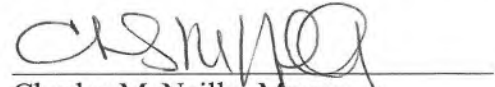
Start time: 8:16 p.m.

Hayes made a **motion**, seconded by Cheek to adjourn the meeting at 8:16 p.m.

The **motion carried** by the following vote:


Position #5 - Penelope Cheek: Approve
Position #4 - Alesia Franken: Approve
Position #3 - Kristine Hayes: Approve
Position #2 - Tom Martine: Approve
Position #1 - Mary McGinnis: Approve

MINUTES APPROVED THE
14TH DAY OF FEBRUARY 2024



Charles McNeilly, Mayor

ATTEST



Melissa Thompson, City Recorder