

JUNE 7, 2017

The regular meeting of the Gearhart City Council was called to order on Wednesday June 7, 2017 at 7:00 p.m. by Mayor Matt Brown. Present were Councilor Lorain, Councilor Jesse, Councilor Smith, Mayor Brown, Councilor Cockrum , City Administrator Chad Sweet, City Attorney Peter Watts and City Treasurer Gail Como.

Mayor Brown advised we will be recording the meeting for public record and will be adding to the agenda an additional 3 minute opportunity for visitors to speak after new business and also adding Dave Larmouth from Recology Western Oregon to talk about rates.

There was no conflict of interest declared by any member of council.

ON MOTION by Councilor Cockrum, 2<sup>nd</sup> by Councilor Jesse to approve the corrected minutes for the regular Council meeting on May 3, MOTION was approved 5-0.

ON MOTION by Councilor Lorain, 2<sup>nd</sup> by Councilor Jesse to approve the corrected minutes for the Emergency Council meeting on May 24, MOTION was approved 5-0.

ON MOTION by Councilor Lorain, 2<sup>nd</sup> by Councilor Cockrum to approve the minutes for the Executive Session Council meeting on May 24, MOTION was approved 5-0.

Mayor Brown opened the Public Hearing for the 2017/2018 possible uses of State Revenue Sharing Funds. No visitors spoke. Mayor Brown closed the Public Hearing. ON MOTION by Councilor Lorain, 2<sup>nd</sup> by Councilor Jesse to read Ordinance #904, an Ordinance declaring the City elects to receive State Revenue Sharing, twice by title only and declaring an emergency, MOTION was approved 5-0. Following the 2<sup>nd</sup> reading of Ordinance #904, A MOTION by Councilor Smith, 2<sup>nd</sup> by Councilor Lorain to adopt Ordinance #904, MOTION was approved, 5-0.

Mayor Brown opened the Public Hearing for the 2017/2018 Gearhart Budget. No visitors spoke. Mayor Brown closed the Public Hearing. ON MOTION by Councilor Jesse, 2<sup>nd</sup> by Councilor Smith to read Ordinance #905, an Ordinance imposing taxes for the City of Gearhart as provided for in the adopted budget, twice by title only and declaring an emergency, MOTION was approved 5-0.

Following the 2<sup>nd</sup> reading of Ordinance #905, A MOTION by Councilor Lorain, 2<sup>nd</sup> by Councilor Smith to adopt Ordinance #905, MOTION was approved 5-0.

Mayor Brown opened the Public Hearing for the 2017/2018 Gearhart Road District Budget. No visitors spoke. Mayor Brown closed the Public Hearing. ON MOTION by Councilor Cockrum, 2<sup>nd</sup> by Councilor Smith to read Ordinance #906 an Ordinance imposing taxes for the Gearhart Road District as provided for in the adopted budget, twice by title only and declaring an emergency, MOTION was approved 5-0. Following the 2<sup>nd</sup> reading of Ordinance #906, A MOTION by Councilor Smith, 2<sup>nd</sup> by Councilor Lorain to adopt Ordinance #906, MOTION was approved 5-0.

Each member of Council was given a copy of the Police report, Planning Commission report and City Treasurer report.

Mayor Brown reported:

- attending a work session for elected officials in Clatsop County along with Councilor Jesse and Chad Sweet; where the topics discussed were housing and emergency preparedness.
- the City won the LUBA decision on all counts
- there has been 25 positive septic fixes
- the Building Official is the inspector for proper fire escape and egresses and is the only person allowed to inspect for fire, life & safety in Gearhart.

Councilor Lorain advised the CREST budget hearing will be next week.

Council Jesse reported being the liaison for the Sunset Empire Amateur radio club and they would like time on the agenda next meeting to talk about putting a repeater at the Gearhart water tower.

Council Smith met with the dune vegetation sub committee and has a draft ordinance for a future meeting

Councilor Cockrum attended a CERT meeting where communications was the topic.

City Attorney Peter Watts reported we got a ballot title and advised that LUBA affirmed with us on the 7 issues and have 21 days to appeal to the State Court or not appeal.

The City received some post cards supporting the STR regulations and also a letter of correspondence from Dianne Widdop.

Recology representative Dave Larmouth spoke to about the annual rate increase.

Rick Sabol 1149 N. Cottage strongly supported ordinance #901.

Penny Sabol 1149 N. Cottage supports the short term rental regulations that were unanimously passed by the City Council.

Jeannie Mark 1209 N. Cottage thanked City Council and staff for a job well done in preparing for the LUBA challenge and the victory in the City's favor, Ms. Mark knows there is an initiative taking place and has formed a citizen's movement committee to educate the people.

Shannon Smith 774 Pacific Way discussed an amphibious responder vehicle for some more fire & rescue options and passed out some flyers. Ms. Smith also did not believe it was a win on the STR decision because of the property rights and she asked for mindful and respectful conversations.

Marilyn Gilbaugh 223 7<sup>th</sup> questioned the wording on the initiative to repeal that said active Oregon voters, and asked for clarification and does that mean anyone in Oregon can vote on this. City Attorney Peter Watts explained that only Gearhart electors would be counted and for example if someone from Astoria signed it that would not be counted by the Elections Clerk.

Judd Todd P.O. Box 2326 questioned public records requests and charges.

Susan Spring 656 2<sup>nd</sup> St. asked the procedure for changing your mailing address and re-registering because it happened before where people were changing their address so they could register and vote in the Gearhart election. Mr. Sweet stated there are some tests done such as how long you have been registered, where the title of your car is mailed and where you receive your taxes.

Judy Redekop 306 N. Marion supports the approved STR and felt it was researched and unanimously passed and would be sad to take this to another vote.

Jeannie Bruce 673 Creekside agrees with ordinance #901 and stated today the house next door had 7 vehicles and many people and it's a 3 bedroom vacation rental. Ms. Bruce stated Gearhart was designed by choice to remain residential.

Jacob Redekop 306 N. Marion had concerns with liability to the City of Gearhart and he is in favor of the ordinance and feels it is very fair to everyone involved.

ON MOTION by Councilor Jesse, 2<sup>nd</sup> by Councilor Smith to read Ordinance #907 an Ordinance fixing the compensation of City Officers, twice by title only and declaring an emergency, MOTION was approved 5-0. Following the 2<sup>nd</sup> reading, A MOTION by Councilor Smith, 2<sup>nd</sup> by Councilor Lorain to adopt Ordinance #907, MOTION was approved 5-0.

ON MOTION by Councilor Lorain, 2<sup>nd</sup> by Councilor Smith to adopt resolution #935, A resolution extending worker's comp to volunteers, MOTION was approved 3-0, 2 abstain.

ON MOTION by Councilor Lorain, 2<sup>nd</sup> by Councilor Jesse to hold a public hearing on the record and request more information on state preemption, MOTION was approved 5-0.

Other Council business:

- Council discussed adding an additional comment section to the agenda and found it requires a change to the City Charter. ON MOTION by Councilor Lorain, 2<sup>nd</sup> by Councilor Smith to table the Charter Amendment and add to the monthly agenda additional visitor's comments, MOTION was approved 5-0.
- Council discussed a new fire hall and locations
- Councilor Jesse agreed to be a member of a county housing study.
- Council agreed to go over the 9 pm. meeting time allotment.
- Councilor Lorain agreed to be on the Airport Committee.

ON MOTION by Councilor Lorain, 2<sup>nd</sup> by Councilor Smith to give to CERT \$350.00 to buy radios, MOTION was approved 3-0, 2 abstain.

Jeannie Mark 1209 N. Cottage mentioned the March 9<sup>th</sup> planning commission meeting where Mark Mead presented Terry Lowenberg's proposal with attached drawings and nowhere is there a mention of video poker. Ms. Mark also stated the initiative handouts are not facts and wondered how our County Commissioner Sara Nebeker who views a goal of housing in the county while being chief petitioner in the initiative that would effectively remove housing in Gearhart and create hotel situations. Ms. Mark also stated that regarding a 2 story fire station the equipment would be ruined by the water.

Sharon Kloepfer P.O. Box 2512 questioned the C-1 zone (more restrictive) vs. the C-2 zone (less restrictive).

Shannon Smith 774 Pacific Way mentioned two geologists as a good resource and also mentioned forums and other ways to interact, educate and engage people.

Councilor Jesse has heard citizen concerns about Hwy 101 speeds and told them he would bring it to the Council. Councilor Jesse also has heard negative comments about the dune committee and that some members do not live in Gearhart.

Mayor Brown also heard comments about speeding in the 4 lanes and thought the Transportation Plan would help work through it.

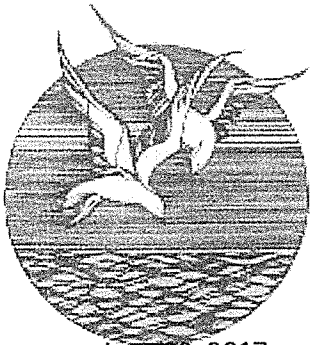
ON MOTION by Councilor Smith, 2<sup>nd</sup> by Councilor Lorain to adjourn, MOTION was approved 5-0. Mayor Brown adjourned the meeting at 10 p.m.

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Mayor Matt Brown

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Chad Sweet, City Administrator



# CITY OF GEARHART

698 PACIFIC WAY • P.O. BOX 2510 • GEARHART, OREGON 97138  
(503) 738-5501 • (503) FAX 738-9385

June 22, 2017

Mayor Matt Brown and Councilors  
P O Box 2510  
Gearhart, Oregon 97138

RE: Planning Commission, June 2017

Dear Mayor and City Councilmen:

The monthly meeting of the Gearhart Planning Commission was held on June 8, 2017 at 6 p.m. All members were present plus Chad Sweet and Carole Connell.

Chad Sweet updated the commission on short-term rentals. The permitting period will be extended due to the lack of availability of contractors and septic system inspectors. LUBA ejected all seven tests of the STR Ordinance. Carole updated the commission on the progress of the TSP. The next meetings will be on June 29<sup>th</sup>.

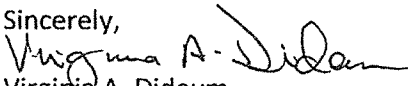
Two public hearings were heard.

#17-006V-Sec. 7.030 Vacation Rental Parking Requirements, 288 1<sup>st</sup> Street - Assessors Plat 6.10.9AA Tax Lots 9700 & 9702. Petitioner was requesting the double car garage be counted as two parking spaces for a four bedroom rental. Two addition parking spaces are in the driveway. Motion to allow variance was passed 7-0.

#17-007V- Sec. 7.030 Vacation Rental Parking Requirements, 225 Ridge Dr. – Assessors Plat 6.10.10BA Tax Lot 2500. Petitioner was requesting the single car garage be counted as one parking space for a three bedroom rental. Two additional parking spaces are in the driveway. Motion to allow variance did not pass 4-3.

Under old business, Chad Sweet gave an update on locations for a new fire station. Also, the Dune Management Committee has three more meetings.

The meeting was adjourned at 7:40 p.m.

Sincerely,  
  
Virginia A. Dideum  
President, Gearhart Planning Commission

Dear Chad,

I strongly object to the city announcing the public posting of all "transient lodging owner and management information." Why is it important to publicly post this information? Whose benefit does it serve?

This information should be privately held by the city and not posted on a blog accessible to anyone with an internet connection. Furthermore, it is not required by the current ordinance. What is the motive behind this? This action offers no benefit to the city or the homeowners. In fact, there is nothing but negative fallout for vacation rental homeowners. Have you considered that this could be a public source of information for potential home burglars and vandals – especially during the winter months? Have you and the city council thought through the consequences of posting this information? Have you sought feedback from residents and vacation homeowners alike?

My research shows no other city in Oregon publicly posts this information. Why Gearhart?

I respectfully request you take a step back and thoroughly evaluate the consequences this action will bring.

Jim Whitemore



THE WHITEMORE  
GROUP, INC.

Jim Whitemore

The Whitemore Group, Inc.

1750 SW Skyline Blvd #200

Portland, OR 97221

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[jim@whittgroup.com](mailto:jim@whittgroup.com)

[www.whittgroup.com](http://www.whittgroup.com)

Richard Piacentini to me

10:25 AM

Hi Chad

It has come to my family's attention that the city has convened a committee to make recommendations with regards to the vegetation on the sand dunes in Gearhart, and that this committee is considering recommendations that would increase the amount of woody vegetation and trees in the dunes. My family has owned a home on S. Ocean Ave for almost 50 years and we strongly oppose any changes in the City's ordinances which have the intent of increasing the amount of woody vegetation and trees in the sand dunes.

Historically, the vegetation on the dunes has been beach grass. When our house was purchased in 1970, there were no pines or scotch broom on the dunes between S. Ocean Ave and the beach, and the vegetation in that area remained beach grass until about 20 years ago. It was only then that the woody species referred to by the committee, such as shore pines and scotch broom, began growing in that area. We have many old photos of Gearhart in our home and they too show that historically there has been only beach grass in the dune area between S. Ocean Ave and the beach.

The pines and scotch broom are not needed for dune stability since erosion is not a concern. In fact, if anything, the concern should be the opposite of erosion since the dunes continue to increase in size. Since we've owned our house, the dunes have become ever larger, with the distance from the street to the beach having increased significantly during that time. It's also worth stressing that scotch broom is non-native to the PNW and is considered to be a noxious, invasive species by the state of Oregon, which recommends its removal. Any recommendation that would seek to increase the amount of scotch broom would be in opposition to state policy.

We have seen numerous fires on the dunes and expect to see numerous more. A fire in the beach grass on the dunes is frightening, but those fires are much easier to control than a forest fire. When you consider the fire danger, a recommendation to increase the amount of woody vegetation in the dunes seems inconceivable. A grass fire is bad enough, but a fire fueled by trees can be a monster, one which could easily cause significant property damage and possibly the loss of life.

Woody vegetation in the dunes decreases light and makes the dunes dark, unwelcoming and unsafe. Walking to the beach through the grass is comfortable and safe because it is light and a person can see and be seen. The opposite is true when it's dark because of trees and woody vegetation.

People want to see the views of the water, the mountains and the sunsets. Allowing vegetation to grow in the dunes will block those views from public areas and from private residences.

Simply put, there is no reason to change the city's ordinances relating to vegetation in the dunes. Woody vegetation in the dunes provides no benefit, but has many detriments. Some of those detriments, such as fire and personal safety, create dangers and possibly liability for the city in the event of an unfortunate incident.

As someone who knows this area well, and speaking on behalf of myself and my many family members who love and enjoy Gearhart regularly, I strongly urge the committee not to make any recommendations which would act to directly or indirectly increase the amount of woody vegetation in the dune areas between Ocean Ave and the beach. The actions which we oppose include those such as requiring permits, approval or arborists to cut vegetation, limiting the amount of vegetation that can be cut or requiring the replanting of woody vegetation to replace vegetation that has been removed.

Thank you,

Richard Piacentini



Laurie Whittemore to me, Cheryl, Gearhart, Dan, councilposition1@cityofgearhart.com, Sue, Paulina, councilposition... 11:52 AM

Dear Chad, Cheryl and City Commissioners,

I was shocked to read that the "The city will begin publishing transient lodging dwelling owner and management information on our website later this week." When you passed the ordinance it clearly stated that the information on rental properties would be given to the surrounding neighbors within a certain distance. In fact, in the City Council meetings, there was a lot of discussion about how far away and which neighbors would be notified. How did it jump from that to randomly choosing to open it up to the entire world? There was no mention or vote to allow exposure to the public by posting it on the City's website or blog.

If you do this it will expose our properties to all of Gearhart, Seaside, Warrenton, Astoria, Cannon Beach etc....and the entire world! This clearly puts our properties at risk for vandalism and theft. It could bring physical harm to us and our renters if a house is targeted for theft while someone is there. It makes us vulnerable to poachers and squatters who target vacant homes to break into and live/trash when no-one is there.

If this email doesn't communicate the extreme level of alarm and fear that is now occurring in the hearts and minds of the rental owners, let me just ask you to put yourselves in our position. Think for a moment how you would feel if it was your information about your house, where you and you families live part time and where you have your friends and guests live part time. Would you want to be subjected to this vulnerability???

Posting on public websites is unnecessary, not authorized, and puts many properties and people in harm's way. It exceeds the authority that the ordinance gave you. This is a clear violation of our property rights, and I implore you to retract your course of action. Rather than making a politically popular choice, I hope you do the right thing.

Respectfully,

Laurie Whittemore  
776 N Marion

**Laurie Whittemore**  
Cell: [503-805-9738](tel:503-805-9738)

Dear Chad & Cheryl,

As you near the end of the vacation rental permitting process and attempt to keep the community informed as to the process, I want to anticipate and strongly object to the City publicly posting (in any manner) a list of the permitted dwellings. Although the list of permittees is, of course, a public record and thus subject to disclosure upon request, I and other homeowners with whom I have spoken (both permittees and not) are very concerned about the safety to them and their homes if the list of permitted dwellings is posted publicly. As you know, all information in the purview of the city government is public record, but that doesn't mean you publish it all publicly via the city website or any other public posting. Public records requests are for that purpose.

The only notice required to be given in the City's ordinance is to surrounding neighbors of a permitted dwelling, not to the entire community via a public posting.

With the highly contentious issue of vacation rentals the past few years, I don't think I overstate the matter of concern that some members of the community might vandalize or exercise their own form of vigilante justice against the permittees and/or their properties. Additionally, there is the safety concern that publishing the list of permittees and addresses might lead to theft and/or property damage at those properties due to periods of vacancy between visits by guests or the owners (even though in most vacation rentals, the owner is there more often than an owner of a non-permitted property).

Thank you for not publicly posting in written, digital or any other form the final list of permittees and addresses. It is not required by the ordinance.

...

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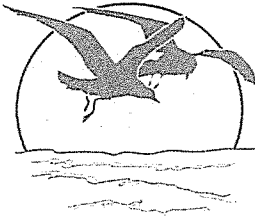
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Thank you,

Richard Piacentini



CITY OF  
GEARHART

**Staff Report**

For City Council Meeting - 07/05/2017

***Subject - Visitor - Gearhart Police Chief Jeff Bowman***

**Synopsis:** Police Chief Bowman will make a report on the 4th of July parade at the council meeting.

**Recommendation:** None

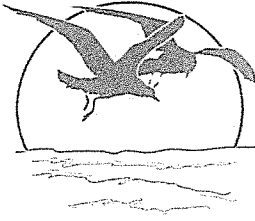
**Legal Analysis:** None

**Financial Analysis:** None

Respectfully submitted,

A handwritten signature in black ink, appearing to be the name 'Chad', written in a cursive style.

Chad



CITY OF  
GEARHART

**Staff Report**

For City Council Meeting - 07/05/2017

***Subject - New Business - Emergency Communications***

**Synopsis:** Councilor Jesse has been working with local Ham radio operators on making emergency communication upgrades in our area. Councilor Jesse and representatives from the local Ham operators will discuss what they've learned and talk about next steps if the council so desires.

**Recommendation:** None

**Legal Analysis:** None

**Financial Analysis:** None at this time

Respectfully submitted,



Chad



**Staff Report**

For City Council Meeting - 07/05/2017

***Subject -Dennis Connor engagement letter***

**Synopsis:** The attached letter describes the procedure and fee's from our auditor Dennis Connor.

**Recommendation:** Staff recommends the Council make a motion to engage in auditing services by Dennis Connor. A simple resolution is necessary.

**Legal Analysis:** The City is required to engage in budget auditing services. Mr. Connors firm has performed this duty at an acceptable cost for many years.

**Financial Analysis:** The fees are accounted for in the budget.

Respectfully submitted,



Chad

**DENNIS R. CONNER**  
CERTIFIED PUBLIC ACCOUNTANT  
CLATSKANIE, OREGON 97016

**Audit Engagement Letter - Modified Cash Basis of Accounting**

June 26, 2017

To: The City Council  
City of Gearhart  
Clatsop County, Oregon

I am pleased to confirm my understanding of the services I am to provide the City of Gearhart (the City) for the years ending June 30, 2017, 2018, and 2019. I will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the City as of and for the years ending June 30, 2017, 2018, and 2019.

I have also been engaged to report on supplementary information that accompanies the City's financial statements. I will subject the following supplementary information to the auditing procedures applied in my audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and I will provide an opinion on it in relation to the financial statements as a whole:

- 1) Actual receipts and expenditures compared to annual budget estimates
- 2) Compliance with requirements of the Oregon Minimum Standards

Accounting standards generally accepted in the United States of America provide for certain other information such as management's discussion and analysis (MD&A), to supplement the City's basic financial statements. Such information, although not a part of the basic financial statements, is considered to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of my engagement, I will apply certain limited procedures to the City's other information in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I will not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance. The following other information will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.

**Audit Objective**

The objective of my audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with the modified cash basis of accounting and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. My audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures I consider necessary to enable me to express such opinions. I will issue a written report upon completion of my audit of the City's financial statements. My report will be addressed to the governing body of the City. I cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for me to modify my opinions or add emphasis-of-matter or other-matter paragraphs. If my opinions are other than unmodified, I will discuss the reasons with you in advance. If, for any reason, I am unable to complete the audit or am unable to form or have not formed opinions, I may decline to express opinions or may withdraw from this engagement.

**Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, my audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. I will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because I will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by me, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, I will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to my attention. I will also inform the appropriate level of management of any violations of laws or governmental regulations that come to my attention, unless clearly inconsequential. My responsibility as auditor is limited to the period covered by my audit and does not extend to any later periods for which I am not engaged as auditor.

My procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. I will request written representations from your attorney as part of the engagement, and he may bill you for responding to this inquiry. At the conclusion of my audit, I will require certain written representations from you about the financial statements and related matters.

**Audit Procedures—Internal Control**

My audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, I will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

**Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I will perform tests of the City's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of my audit will not be to provide an opinion on overall compliance and I will not express such an opinion.

**Other Services**

I will also prepare the financial statements of the City in conformity with the modified cash basis of accounting based on information provided by you. I will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. I, in my sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

**Management Responsibilities**

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with the modified cash basis of accounting.

Management is also responsible for making all financial records and related information available to me and for the accuracy and completeness of that information. You are also responsible for providing me with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that I may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom I determine it necessary to obtain audit evidence.



Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to me in the management representation letter that the effects of any uncorrected misstatements aggregated by me during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing me about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing me of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with the modified cash basis of accounting. You agree to include my report on the supplementary information in any document that contains and indicates that I have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes my report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with my report thereon. Your responsibilities include acknowledging to me in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with the modified cash basis of accounting; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with the modified cash basis of accounting; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to me any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

You agree to assume all management responsibilities for financial statement preparation services and any other nonattest services I provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

#### **Engagement Administration, Fees, and Other**

I may from time to time, and depending on the circumstances, use third-party service providers in serving your account. I may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, I maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, I will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and I will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that I am unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, I will remain responsible for the work provided by any such third-party service providers.

I understand that your employees will prepare all cash, accounts receivable, or other confirmations I request and will locate any documents selected by me for testing.

The audit documentation for this engagement is the property of the office of Dennis R. Conner, CPA and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the Oregon Division of Audits or its designee. I will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Dennis R. Conner CPA personnel. Furthermore, upon request, I may provide copies of selected audit documentation to the Oregon Division of Audits or its designee. The Oregon Division of Audits or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

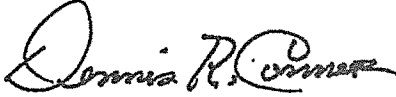
I expect to begin my audit within 30 days of receiving your data and to issue my reports no later than December 31st. Dennis R. Conner is the engagement partner and is responsible for supervising the engagement and signing the report.

I agree that my fee, including expenses will not exceed \$7,986.25. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered

during the audit. If significant additional time is necessary, I will discuss it with you and arrive at a new fee estimate before I incur the additional costs.

I appreciate the opportunity to be of service to the City and believe this letter accurately summarizes the significant terms of my engagement. If you have any questions, please let me know. If you agree with the terms of my engagement as described in this letter, please sign the enclosed copy and return it to me.

Very truly yours,



Dennis R. Conner  
Certified Public Accountant

RESPONSE:

This letter correctly sets forth the understanding of the City of Gearhart.

Management Signature: \_\_\_\_\_

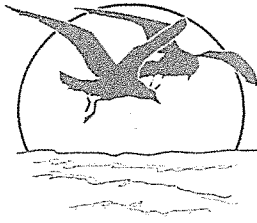
Title: \_\_\_\_\_

Date: \_\_\_\_\_

Council Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



CITY OF  
GEARHART

**Staff Report**

For City Council Meeting - 07/05/2017

***Subject - New Business - Certification of City Measure***

**Synopsis:** The petitioners for initiative INI#032317 have obtained the required number of signatures. As the city elections official i'm filing the initiated measure with the city council as the petition qualifies to the November ballot. Not later than 30 days after the initiated measure is filled with it, the city council must review the measure. You may adopt the initiative, reject it, or take no action, further described below.

***Adopts the initiative*** - The city council takes no action as the initiative will go into effect without an election being held.

***Rejects the initiative or takes no action*** - The council then submits the measure to city voters at the next election.

***Rejects the initiative and refers a competing measure that is prepared no later than 30 days after the initiative was filed with the city council*** - Council submits the competing measure to city voters at the same election as the initiative.

**Recommendation:** None

**Legal Analysis:** Per the Secretary of State Elections Division

**Financial Analysis:** The city is responsible for the election costs for this initiative as there are no other ballot issues for the November election.

Respectfully submitted,

Chad

Initiative or  Referendum Petition

County:

City: Gearhart

District:

RECEIVED  
MAY 05 2017

**Ballot Title or Measure Title**

CITY OF GEARHART

→ Insert the final ballot title of the initiative or the title of the measure as enacted by the local governing body. If there is no title chief petitioners may supply one that must include the number of the ordinance/resolution being referred and the date the local governing body adopted the ordinance/resolution.

Ballot Title: Repeals and Replaces Gearhart's Vacation Rental Dwellings Ordinance.

Question: Shall Gearhart's Vacation Rental Dwellings Ordinance Be Repealed and Replaced?

Summary: If approved, the Ordinance would:

Require \$600.00 annual permit fees dedicated to police and fire departments;

Permit transfers to new dwelling unit owners;

Change maximum occupancy from two persons over 2 years old per bedroom to two persons over 12 years old per bedroom, plus three additional people over 12 per dwelling unit, no limit on children under 12;

Repeal ordinances imposing special regulations on Vacation Rental Dwellings related to off-street parking, residential appearance, garbage service, septic sewer capacity inspections and cesspool prohibitions.

Require compliance with Gearhart City ordinances that apply generally to all residential dwelling units;

Eliminate requirement that a 24-hour representative be able to physically respond to the site within 30 minutes;

Allow safety inspections to be conducted by any licensed home inspector;

Make dwelling unit owners responsible for self-reporting inspection issues, and provide a six month cure period, for any deficiencies;

Remove current limitation on the number of Vacation Rentals;

Require public vote for amendment of the Vacation Rental Ordinance or any subsequent ordinance relating to Vacation Rentals.

Text Proposed charter or ordinance or text of ordinance as enacted by local governing body.

Available from Circulator

Included below

**Chief Petitioners Names and Residence Addresses**

Naomi Joy Sigler	726 Pacific Way	Gearhart, OR 97138
J. Sarah Nebeker	750 G Street	Gearhart, OR 97138
Brian Sigler	726 Pacific Way	Gearhart, OR 97138

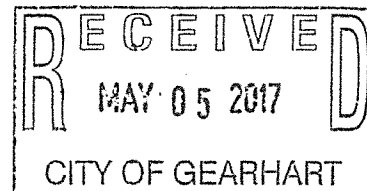
**Instructions for Circulators**

- 1 Only active registered voters of the county, city or district may sign the petition.
- 2 Have signers use a pen when signing petitions. Use a pen when you are certifying petitions.
- 3 Only one circulator may collect signatures on any one signature sheet of the petition.
- 4 You must personally witness all signatures you collect and you should not collect additional signatures on the petition sheet once you have signed and dated the circulator certification.
- 5 It is against the law for circulators to:
  - Circulate a petition containing a false signature.
  - Make false statements to any person who signs the petition or requests information about it.
  - Attempt to obtain the signature of a person who is not qualified to sign the petition.
  - Offer money or anything of value to another person to sign or not sign the petition.
  - Sell or offer to sell signature sheets.
  - Write, alter, correct, clarify or obscure any information about the signers unless the signer is disabled and requests assistance or the signer initials after the changes are made.
  - Accept compensation to circulate a petition that is based on the number of signatures obtained.

**Warning** Violations of the circulator requirements may result in conviction of a felony with a fine of up to \$125,000 and/or prison for up to 5 years.

**Instructions for Signers**

- 1 Only active Oregon voters may sign the petition. Sign your full name, as you did when you registered to vote.
- 2 Fill in the date you signed the petition, your printed name and residence address in the spaces provided. Only you may complete your optional information.
- 3 Initial any changes the circulator makes to your printed name, residence address or date you signed the petition.
- 4 Use a pen when signing the petition.
- 5 It is against the law for signers to:
  - Sign another person's name under any circumstances.
  - Sign a petition more than one time.
  - Sign a petition when you are not qualified to sign it.



## TITLE

This Ordinance shall be referred to as the "Gearhart Vacation Rental Ordinance."

## GEARHART VOTERS' PURPOSE AND INTENT

The voters of the City of Gearhart approve this measure in order to maintain the quality of life in our city. We believe that vacation rental housing is good for our economy. Gearhart has always been a community of vacation homeowners and permanent residents, who have always worked together to make Gearhart a special place. It is the intent of the voters to assure that the interests of vacation homeowners and permanent residents remain in a sustainable balance that is good for the community, that every property owner's rights are fairly protected and that no property owner is economically harmed by excessive rules and regulations.

## RULES FOR SHORT TERM VACATION RENTALS

1. The terms of this Ordinance apply to use of a dwelling unit for periods of one day to 30 consecutive days during a calendar year in exchange for money; this use is referred to as a "Vacation Rental." Any rental to the same tenant for a period exceeding 30 consecutive days is not covered by this Ordinance.
2. Any dwelling unit used as a Vacation Rental shall obtain a permit from the City of Gearhart acknowledging usage as a Vacation Rental.
3. Vacation Rental homeowners must have a person available by telephone 24 hours a day to respond to neighbor complaints. The City must require Vacation Rental homeowners to provide telephone contact information to the City as part of the permitting process.
4. There shall be a \$600 permit fee on Vacation Rentals, for the initial issuance of a Vacation Rental permit and for renewal of Vacation Rental permits each calendar year. The \$600 permit fee will be placed into a Special Fund for City Fire and Police uses. Vacation Rental permits must be renewed annually or otherwise the permit will expire.
5. The City shall provide notice of permits for Vacation Rental use to all homeowners within 200 feet of the Vacation Rental.
6. All Vacation Rental permits shall be in force for the dwelling units to which they were issued. The Vacation Rental permit will continue for the dwelling unit, regardless of ownership.

Any dwelling unit to which a Vacation Rental permit has been issued for use in a calendar year shall have the right to renew the Vacation Rental permit for the following year.

7. The City shall send timely notice of annual renewal payments due pursuant to paragraph 4 of this Measure. Payment of the \$600 annual renewal fee for Vacation Rental permits shall be a requirement for a homeowner to maintain a valid permit for such use. No permit shall be cancelled, unless the City has provided at least two advance notices of intent to cancel to the homeowner at the homeowner's contact information on the permit, giving the homeowner a period of not less than 30 days to make the late payment.

8. The maximum Occupancy for a dwelling unit which is a Vacation Rental shall be two persons 12 years old or older for each bedroom, plus three additional persons 12 years old or older. For example, a Vacation Rental with three bedrooms would have a maximum occupancy of 9 persons 12 years old or older. Determination of the maximum occupancy of a dwelling unit does not include children under 12 years old.

9. A Tsunami Evacuation Map approved by the City shall be displayed in an easy-to-see location in each home that has a Vacation Rental permit.

10. Each property owner with a Vacation Rental permit must pay for and have a safety inspection of the permitted dwelling unit by any licensed home inspector of their choice every five years, beginning in the first year of issuance of the permit. Results of any safety-related deficiencies in the dwelling unit must be reported to the City of Gearhart by the owner of the dwelling unit. Any safety-related deficiencies must be corrected within six (6) months of the inspection. If not corrected upon re-inspection by the licensed home inspector, the Vacation Rental permit may be revoked.

11. Subject to the provisions in paragraph 12 of this Measure, property owners with a Vacation Rental permit must comply with all Gearhart City ordinances that apply generally to all residential dwelling units, which includes but is not limited to any Gearhart City ordinances that apply generally to all residential dwelling units and which may regulate noise, parking/off-street parking, residential appearance, garbage service, septic sewer capacity inspections, and cesspool prohibitions. A notice outlining City regulations regarding noise, garbage, septic and parking will be distributed by the City to property owners with Vacation Rental permits to post in their homes as notice to their guests.

12. Any amendment to this ordinance, any new ordinance, regulation, fee or requirement applicable only to property owners with a Vacation Rental permit, and not to all property owners in Gearhart, must be approved by the voters. If there is any question about the meaning or intent of any provision in this Ordinance, it shall be interpreted and applied in a manner that is most consistent with the Gearhart Voters' Purpose and Intent as set forth in this Ordinance.

13. This Ordinance shall be incorporated as an Ordinance in the City Code of the City of Gearhart, Oregon. This Ordinance repeals and replaces in full City Ordinance No. 901, codified at Gearhart City Code sections 7.010, 7.020, 7.030, and the definition of "Vacation

Rental Dwelling” in Gearhart City Code section 1.050. That ordinance was passed by the City Council and was never approved by the voters.

14. This Ordinance shall govern the issuance of all Vacation Rental permits for use that begins on or after January 1, 2018.

15. If any provision of this Ordinance shall be determined to be unlawful by a court, such provision shall be deemed to be severable from the other provisions of this Ordinance, which shall remain in full force and effect.