

Room tax to include fees

Tax from Page 1A

Herdener said the state and many Oregon cities collect tax on nonoptional fees. "It was assumed that we did and it was pointed out in the audit that we don't," she said. "We're trying to rectify that situation."

Portland, Lincoln City, Bend and Eugene are among cities that apply the room tax to nonoptional fees, Finance Director Laurie Sawrey said.

In Cannon Beach, hotel guests pay an 8 percent city tax and 1.8 percent state tax to the hotel. The hotel forwards to the city 95 percent of the tax paid by the customer and keeps 5 percent of the amount, Sawrey said.

However, Cannon Beach's interpretation of room rent is different from other Clatsop County cities. Astoria and Seaside do not collect room taxes on nonoptional fees. Astoria lodging operators are taxed based on the total room rents they report to the city, said Sue Dohaniuk, the city's financial operations supervisor.

Requirements create confusion

After a routine audit, Cannon Beach learned that seven out of 10 lodging operators had not paid tax on nonoptional fees. Lodging operators were informed in a September letter from the city that tax collection should include such



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The City Council asked staff to prepare a draft amendment of city code clarifying that non-optional fees should be included in the room tax.

fees. The city also asked hoteliers for their state lodging tax returns out of convenience so they would not need to fill out an additional form, Herdener said.

After receiving notice in September of the city's intentions, lodging industry members from 16 local businesses — including Hallmark Resort, Stephanie Inn, Ocean Lodge, Tolovana Inn and Surfside Resort — asked the city in November to clarify the new requirements through a public process.

Sawrey said Tuesday that the letter was not meant to be punitive.

"It became clear to me that we weren't all on the same page," Sawrey said. "I thought, let's figure out what our definition is and let every-

one know so we can all do the same thing and be consistent." Representatives from local hotels and vacation rental companies responded that the city's interpretation conflicts with municipal code.

The city did not want lodging operators to pay for room taxes they did not collect from nonoptional fees. However, Beck-Sweeney said the letter from the city was not clear about when the requirements would take effect, and her business paid tax that they did not collect from guests. The amount was "substantial for a small company," she said. She has since documented the overpayment.

After criticism and confusion from lodging operators, city staff recommended the clarification. Councilors



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Marty Schwab Harris criticized the "tax hike" on room rent as lacking public discussion.

directed staff to draft a code amendment for the February council meeting.

Balzer, fire district settle lawsuit

Balzer from Page 1A

to express her criticism of board members on social media websites and in her speech."

Balzer alleged that the district and board violated his free association rights, in that Balzer's "intimate association with his wife" is entitled to protection under the First Amendment.

Balzer stated in his complaint that the board's actions led to damages to his reputation and standing in the community. He sought compensation of almost \$678,000 and reinstatement of his duties and benefits.

The three directors named in the lawsuit prevailed in a special recall election in April 2016. After interim chiefs Jim Stearns and Frank Swedenborg, Matt Benedict was hired and has served as the fire chief since June.

Motion to dismiss

Both parties were able to get the case resolved following U.S. District Court depositions in October.

The motion to dismiss the case was submitted by Ronald Downs, representing the fire district and board of directors.

Charges in the case that the directors had violated Balzer's due process and free association rights were not addressed in the court ruling. The decision also did not address claims that the district had muzzled comments of Balzer's wife on Facebook.

Among the terms of the settlement, Balzer will not be returning to the fire district as an employee.

"That ship has sailed," Snyder said. "I would say that Mr. Balzer is pleased with the resolution. He is pleased that he engaged in this process and that it resulted in a satisfactory outcome for him."

County hit by flood of vehicle break-ins

Sheriff's office and police investigating

By Erick Bengel
For EO Media Group

On Christmas Day, the Clatsop County Sheriff's Office was flooded with calls related to vehicle breaks-in that occurred in Svensen and Knappa. In one case, a Svensen man lost about \$4,000 worth of custom-made steelhead fishing rods.

The string of thefts "probably happened Christmas Eve night and into the early morning hours of Christmas," Sgt. Jason Hoover, of the Sheriff's Office, said.

Then, on New Year's Eve, rural Warrenton from roughly Ridge Road to Sunset Beach

got hit with more than a dozen similar crimes, including one involving a victim who had about \$500 in cash stolen.

More than 30 incidents of unauthorized motor vehicle entry have been reported since Christmas Eve — and those are just the county cases. Astoria, Warrenton and Seaside police are also investigating a series of thefts from vehicles, according to Hoover.

"Most of the time, when you have one or two, you start having kind of a surge of them," he said.

In all but a few cases, the victims left their vehicles unlocked, and in darkened driveways, according to Sheriff's Office release. "And they're leaving some very valuable items inside of those vehicles," said Hoover, who is investigating the case with Deputy Nate Baldwin.

County leaders make plans for future

Leaders from Page 1A

Internally, a new compensation system is on the county road map.

"We have been working for a couple years on revamping our compensation system for county employees, so we're anticipating that 2017 will be the year that we implement that new structure, which again, doesn't affect the taxpayers or anything," he said. "But anytime you make significant changes to your compensation structure, there's a few challenges that go along with that."

Externally, there are two challenges on the horizon. "One is, in 2017, we will be doing a review of the county charter, which is the county government. It opens up county government to potentially discuss either small or significant changes to the structure of county government," Moore said. "We don't know where that's going to go yet, but obviously that's very important. It's something we only do once every 10 years. I would say that, probably, you know, certainly is very important. How challenging it will be, we don't know yet."

Secondly, the commissioners need to make a decision on the Linn County timber lawsuit. "But regardless of which decision they make, we are anticipating that 2017 — maybe all year, I don't know — but this will be the discovery part of that trial," Moore said. "What that means for us is, is whether we're in the lawsuit or whether we're out of the lawsuit, we're probably going to have to commit significant county staff time and significant resources to responding to requests for years of data about timber sales and timber revenues. And we don't know how much demand that will

place on county resources, but it could be significant."

Seaside Mayor Jay Barber

"We have a City Council that works well together and gets things done. One of the significant challenges will be swearing in two new councilors in the new year, one newly elected and one that the council will appoint to fill the now vacant councilor seat from Ward 1 and getting them on board and working well with the other four councilors and the mayor."

"With the approval of the bond issue for the Seaside School District, it will be incumbent upon the Planning Commission and the council to address the expansion of the urban growth boundary in the new year to bring the new campus into the city and work to provide proper access to the new location."

"Affordable housing in Clatsop County is a major issue that all cities and the county will need to work together to provide workable solutions."

"This is an issue that will require input from the county, cities, local businesses, devel-

opers and concerned citizens. We can learn from other cities and regions where workable solutions are being implemented. This issue is rising to the top of my concerns."

"Tsunami preparedness continues to be a major issue of significant importance. The highest priority is to seek funding for the retrofitting of all of our bridges to assist citizens to be able to move to safe ground in the case of a major incident."

"In addition we need to continue our thinking about resilience. How will we continue to be a city in the case of a major earthquake and tsunami?"

"Finally, annexation to the south of the city to address blight, vacant and sub-standard housing as well as the need to address access to city water and sewerage."

Gearhart Mayor Matt Brown

"As you know Gearhart has gone through a handful of contentious issues the last few years, so I hope 2017 brings a sense of calmness and cooperation, working together with our citizens and other cities in

Clatsop County to solve common problems, such as affordable housing.

"I'm looking forward to having work sessions with our fellow councilors in the months to come to work on strategic planning for the next four years and prioritizing what is important to our residents. I hope this includes working on a new fire station plan, emergency preparedness and a transportation master plan."

"Also, looking forward to working with city staff to find better ways to communicate with our citizens including building a new city of Gearhart interactive website, scheduling town hall meetings and getting folks more involved in the process and decision making."

"It's great to work with our amazing city staff and department heads and I look forward to a very positive and constructive 2017 for Gearhart!"

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