



Lydia Ely/The Astorian

The Cannon Beach Bakery. Food tax collection began throughout Cannon Beach this month.

Food tax collection begins in Cannon Beach

By NICOLE BALES
The Astorian

The collection of a controversial food tax began this month as business owners prepared for a busy Fourth of July holiday weekend.

The 5% tax, which was narrowly approved by voters last November, applies to prepared food sold at restaurants and similar businesses. It is estimated to generate \$1.7 million annually, which will be split between the city and Cannon Beach Rural Fire Protection District for emergency services and city infrastructure.

The tax measure survived a recount after opponents questioned the integrity of the election. An election contest that was filed in Circuit Court by restaurant owners in December was dismissed in February.

Over the past several months, the city has worked with business owners to communicate the changes and make adjustments when needed. The city offered businesses grants of up to \$5,000 to help with the costs associated with modifying point of sales systems to collect the tax.

While there has been resistance to the tax, City Manager Bruce St. Denis said it has been quiet leading up to the implementation.

St. Denis said all businesses have reportedly modified their systems, and a handful utilized the grant funding. He said more applied for the grants, but businesses that took the opportunity to buy new systems instead of upgrading were not approved for funding.

St. Denis said the city also had to work through a variety of different situations to determine when the

tax would apply.

"We spent a lot of time with people because they all have certain situations," he said.

In April, Bob Neroni, an owner of EVOO, a recreational cooking school and restaurant, told the City Council that his business is unique in that it charges \$225 per person for a culinary experience. Neroni attributed \$93.75 to the food.

The City Council agreed the situation was unique and in May unanimously approved an administrative order to tax the food portion alone. The city will conduct an audit each year to determine the taxable amount for the upcoming year.

During a City Council meeting in June, Deanna Hammond, of Cannon Beach Bakery, took issue with what she called a special consideration for EVOO.

Hammond asked that her bakery be given fair consideration and be taxed only on the hot items they sell and deli items, but not baked goods.

Mayor Sam Steidel said it will take time to clearly identify and address bumps in the road.

"I think we're going to have to — because of where we're at with everybody else — is we're going to have to move forward the way it is and then start tweaking it when we figure out there are a bunch of other problems," he said. "Because there will be. And I think we're definitely going to have to get to a point where we're going to have to tweak it here and there."

"And I would say, let's plan for that to happen in the fall so we can have a couple of months under our belt knowing how it's working or not working."

CANNON BEACH

City partners with fire district to add lifeguards

By NICOLE BALES
The Astorian

CANNON BEACH — After noticing more water rescues before and after the typical lifeguard season, the city and the Cannon Beach Rural Fire Protection District have partnered to provide additional coverage during the summer.

City lifeguards have typically started in mid-June and supervise the beach through Labor Day weekend.

Police Chief Jason Schermerhorn said the city usually has about 10 lifeguards each year, but most are teachers or students, who are forced to start later in the season. They also have to return to school toward the end of summer, creating another gap.

An intergovernmental agreement approved by the City Council in May allows fire district staff and volunteers to bookend the typical lifeguard season. It also allows the fire district's five lifeguards to fill shifts during the summer when needed.

Schermerhorn said there are usually two to four lifeguards on the beach seven days a week. Fire district personnel will be reimbursed an hourly rate for lifeguard services by the city.

"It's really just a win-win because water rescue ultimately falls under the fire department, so it's something that is good to include them on," he said. "I think we'll continue to build the team and work together, making it stronger, because it's not as easy to get any employees anymore."

Fire Chief Marc Reckmann said that after continuing to see emergencies in the water earlier in the season year after year, they decided to pursue a partnership with the city to try to prevent more incidents.



Lydia Ely/The Astorian

A lifeguard uses binoculars to keep watch over the shore.

In early June, fire district personnel rescued someone who was stranded on a rock in the water.

In June 2021, an 11-year-old Portland girl died after being swept out to sea off Cannon Beach. In June 2020, a fire district rescue swimmer saved a 19-year-old woman from the water.

The fire district has spent the past several years working to rebuild the water rescue program.

Reckmann said the district has typically relied on mutual aid from more developed water rescue teams at Seaside and Nehalem Bay. Now, he said, the fire district can take the lead instead of providing a support role.

Reckmann said the incident last month on the rock was the first time they could lead a rescue.

"That felt really good that we're getting that direction," he said. "That's how it's supposed to work."

Cannon Beach plans increase in water rates

By NICOLE BALES
The Astorian

the contingency and subsequently the wastewater fund balance.

St. Denis said the city is starting to repay loans on wastewater improvements and does not recommend using the general fund in lieu of rate increases.

Mayor Sam Steidel advocated for using the general fund to keep rates down for people who are on fixed incomes and are already experiencing cost increases in other areas.

"That's where this becomes a challenging issue right at this moment," Steidel said. "It's possible we could look at it in September (and it) be totally different — we don't know where the economy is going to be. But my guess is that at least within the next year, two months, it's going to be tight. So, can we save somebody a few bucks, maybe we can."

Others, including City Councilor Mike Benefield, argued that without rate increases the city would move backward.

"We haven't really had a gradual increase in rates. We didn't increase the rates," Benefield said. "And now we really need to increase rates and it's a cause for concern."

And if we continue to put that off, the cause for concern will grow and grow until pretty soon we're back to the old way, and that is using the general fund to pay for the services that we provide in our utilities."

Based on discussion with the City Council, St. Denis told The Astorian that city staff plans to propose that water rates increase by 3% and wastewater rates increase by 6%. The difference between 6% and the original 9% increase proposed for wastewater rates could come from the general fund on a one-time basis.

With improvement projects underway and inflated costs, the City Council is evaluating how much to increase utility rates to keep up with water and wastewater needs.

The initial recommendations by city staff were to increase water rates by 15% and wastewater rates by 9% in order to raise the contingencies to the water and wastewater reserve funds, but the city will likely pursue smaller rate hikes.

During a special June City Council meeting, city staff presented other options to reduce the burden on rate-payers while also keeping the city on track to pay for improvements and other expenses.

"We're doing a lot of stuff," City Manager Bruce St. Denis said. "And we're taking care of things that have been wrong for a long time, like the generators, controls and some other things. And so we're using contingency because that was the only funding source available."

St. Denis said that in the case of water, most of the work is based on loans, so the need for contingency is less because the loan can be adjusted if issues arise. That means the city could avoid water rate increases for the fiscal year starting in July. However, water rates have not increased in a few years, and without an increase, St. Denis said it is harder for the city to move forward in a prudent manner.

As far as wastewater, the City Council approved several transfers to deal with emergency situations such as replacement generators and check valves that had a significantly negative impact on

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