



# City of Rockaway Beach

## Regular City Council Meeting Minutes

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**Date:** Wednesday, January 14, 2026

**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

Council Members Present: Charles McNeilly, Mary McGinnis, Penny Cheek, Kiley Konruff, Pat Ryan  
Council Members

Excused: Tom Martine

Staff Present: Luke Shepard, City Manager; Melissa Thompson, City Recorder; Abram Tapia, City Planner; Mary Mertz, Public Works Director; Todd Hesse, Fire Chief; and Kevin Grogan, Sheriff's Deputy

### 4. CONSENT AGENDA

- a. Approval of Regular Meeting Minutes - December 10, 2025
- b. Approval of Workshop Minutes - December 10, 2025
- c. Approval of Special Meeting Minutes - December 22, 2025
- d. Review of Financial Reports

**Motion by** Penny Cheek, seconded by Mary McGinnis, to approve the consent agenda.

**Motion Passed** by the following vote:

Yes: 4 (Mary McGinnis, Penny Cheek, Kiley Konruff, Pat Ryan)

No: 0 (None)

### 5. PRESENTATIONS, GUESTS & ANNOUNCEMENTS

#### a. Presentation – Fiscal Year 2023-2024 Financial Audit – Peter Gelser, Koontz, Blasquez & Associates, P.C.

- Gelser stated it was the cleanest audit since he started doing the city's audits and there were no concerns.
- Net position up by \$2 million dollars. Sewer fund only fund that had drop in net position.
- Only issue, shared by most small and medium-sized cities, is that the auditor is writing the report.

- City is in strong financial position.
- Clarified for Council that the deficiency is related to the fact that the auditors prepare the financial statements (audit report).
- McNeilly noted that staff has the capabilities and the knowledge to review, question, and draw their own conclusions from the financial statements.
- Shepard and the Council commended Finance Director Johnston.

**b. Presentation - Expansion of Tillamook String of Pearls Enterprise Zone - Terre Cooper, Director, Economic Development Council of Tillamook County**

- Cooper explained that they are attempting to add a small 2-acre parcel for Jacobsen's Salt to the enterprise zone.
- Cooper confirmed that the property tax exemption provided by the enterprise zone only involves commercial industrial businesses. New hotels could apply, and manufacturing and processing businesses could apply. Doesn't apply to restaurants or retail businesses.
- Affects a 3-year automatic property tax exemption.
- Public meeting on January 27 at Partners for Rural Innovation (PRI) Building at 6:00 pm for taxing districts that are affected.

**6. STAFF REPORTS**

**a. Fire Department**

- Hesse presented a staff report on the activities and operations of the Rockaway Beach Fire Rescue department for the month of December 2025.
- Hesse acknowledged the radio group for their work during the power outage in December. Rodents visiting the radio equipment shack will be addressed.
- Council members gave kudos to the Fire Department for their cover article in the Ruralite magazine.
- McNeilly acknowledged McGinnis for her work in the warming center during the power outage.
- Warming center opens after 6 hours during a power outage.
- McGinnis acknowledged Deb Reeves for bringing snacks from Joe's Snack Shack to the warming center.

**b. Sheriff's Office**

- Deputy Grogan summarized the Sheriff's Office report for December 2025.
- Grogan acknowledged Deputy Watters for seizing illegal fireworks on New Year's Eve.
- McNeilly thanked deputies for their speed enforcement activity.

**c. Public Works**

- Mertz shared a presentation with updates on Public Works projects, including water line flushing, the North Pacific Street project, the Nedonna Beach Water Mains replacement project, and Jetty Creek watershed acquisition.
- Mertz shared that two new utility workers have been hired.
- Konruff acknowledged the responsiveness of staff.

**d. City Manager**

- Shepard shared a presentation including an overview of business items on the agenda, the launch of the new city website, the opening of Community Grant programs on February 2nd, the Ruralite cover article featuring the Fire Department, upcoming projects within the next 6 months, and public meeting dates for January and February.
- Shepard was commended for accomplishments on projects improving the city.
- Staff confirmed that Community Grant information would be posted online the next day.

**e. Planning Department**

- McNeilly acknowledged the staff report from Tapia in the meeting agenda packet.

**7. PUBLIC HEARING**

**a. Public Hearing on Ordinance No. 2026-01: An Ordinance Amending City of Rockaway Beach Comprehensive Plan Policies Relating to the Economy**

- McNeilly opened the public hearing at 6:50 p.m.
- McNeilly read testifying instructions.
- No conflicts of interest or bias were declared and there were no challenges from the audience.
- Tapia shared a presentation summarizing the staff report, and reviewing criteria for the proposed amendments.
- Staff recommended approval of the proposed amendments.
- McGinnis declared that she is a member of the Chamber of Commerce, but it was not a conflict of interest.
- McNeilly read the required statements.
- McNeilly invited public testimony. No audience members wished to comment.
- There were no questions for, or further comments from staff.
- McNeilly closed the public hearing at 7:01 p.m.

**b. Public Hearing on Ordinance No. 2026-02: An Ordinance Amending City of Rockaway Beach Zoning Ordinance Definition of Multi-Unit Housing**

- McNeilly opened the public hearing at 7:01 p.m.
- McNeilly read opening statements and testifying instructions.

- No conflicts of interest or bias were declared and there were no challenges from the audience.
- Tapia gave a presentation summarizing the staff report, explaining the difference between multi-unit and middle housing, and stating the review criteria for proposed amendments.
- Staff recommended approval of the proposed amendments.
- Tapia reported he had brief correspondence with the Fair Housing Council of Oregon and provided information on the proposed amendments. They did not provide comments.
- McNeilly read required statements.
- McNeilly invited public testimony. No audience members wished to comment.
- Tapia commented that in the upcoming year, the city was going to be looking at housing policies and strategies more closely, and these amendments were a prelude to that.
- McNeilly closed the public hearing at 7:14 p.m.

## 8. PUBLIC COMMENT ON NON-AGENDA ITEMS

- McNeilly invited public comment. No audience members wished to comment.

## 9. OLD BUSINESS

## 10. NEW BUSINESS

### a. First & Second Reading of Ordinance 2026-01: An Ordinance Amending City of Rockaway Beach Comprehensive Plan Policies Relating to the Economy

- McNeilly explained the public hearing was just held and stated the provisions for adopting an ordinance.

**Motion by** Mary McGinnis, seconded by Penny Cheek, to perform the first and second reading by title only of Ordinance 2026-01.

**Motion Passed** by the following vote:

Yes: 4 (Mary McGinnis, Penny Cheek, Kiley Konruff, Pat Ryan)

No: 0 (None)

- McNeilly performed the first and second reading of the Ordinance by title only.

**Motion by** Pat Ryan, seconded by Kiley Konruff, to approve the first and second reading by title only of Ordinance 2026-01.

**Motion Passed** by the following vote:

Yes: 4 (Mary McGinnis, Penny Cheek, Kiley Konruff, Pat Ryan)

No: 0 (None)

### b. Consideration to Adopt Ordinance 2026-01: An Ordinance Amending City of Rockaway Beach Comprehensive Plan Policies Relating to the Economy

**Motion by** Mary McGinnis, seconded by Penny Cheek, to adopt Ordinance 2026-01.

- Ryan commented that it was prudent to have broader opportunities to maximize the delivery of information of events and the city itself, and all could compete to participate.
- McGinnis commented that it was a sign of how the City is growing and has expanded since it was put into the Comprehensive Plan.

**Motion Passed** by the following vote:

Yes: 4 (Mary McGinnis, Penny Cheek, Kiley Konruff, Pat Ryan)

No: 0 (None)

**c. First & Second Reading of Ordinance No. 2026-02: An Ordinance Amending City of Rockaway Beach Zoning Ordinance Definition of Multi-Unit Housing**

- McNeilly explained the public hearing was just held and stated the provisions for adopting an ordinance.

**Motion by** Kiley Konruff, seconded by Mary McGinnis, to approve

**Motion Passed** by the following vote:

Yes: 4 (Mary McGinnis, Penny Cheek, Kiley Konruff, Pat Ryan)

No: 0 (None)

- McNeilly performed the first and second reading of the Ordinance by title only.

**Motion by** Pat Ryan, seconded by Penny Cheek, to approve the first and second reading by title only of the Ordinance 2026-02.

**Motion Passed** by the following vote:

Yes: 4 (Mary McGinnis, Penny Cheek, Kiley Konruff, Pat Ryan)

No: 0 (None)

**d. Consideration to Adopt Ordinance No. 2026-02: An Ordinance Amending City of Rockaway Beach Zoning Ordinance Definition of Multi-Unit Housing**

**Motion by** Mary McGinnis, seconded by Pat Ryan, to adopt Ordinance 2026-02.

**Motion Passed** by the following vote:

Yes: 4 (Mary McGinnis, Penny Cheek, Kiley Konruff, Pat Ryan)

No: 0 (None)

**e. Consideration to Elect a Council President**

- McNeilly explained the City Charter provisions for electing a Council President.
- McNeilly invited public comment. No audience members wished to comment.

**Motion** by Charles McNeilly, seconded by Mary McGinnis, to elect Penny Cheek as Council President for 2026.

**Motion Passed** by the following vote:

Yes: 4 (Mary McGinnis, Penny Cheek, Kiley Konruff, Pat Ryan)

No: 0 (None)

**f. Consideration of Resolution No. 2026-01: A Resolution Adopting Plan of Action For 2024-2025 Fiscal Year Audit Findings**

- McNeilly explained this adopts an action plan in response to a deficiency reported in our audit of the fiscal year ending June 30, 2025
- McNeilly invited public comment. No audience members wished to comment.

**Motion by** Pat Ryan, seconded by Kiley Konruff, to approve Resolution 2026-01.

- McGinnis commented that it was gratifying to have a clean audit and to have the staff that makes it happen.
- McNeilly commented that he tracked audit deficiencies and fiscal responsibility was important to him. McNeilly stated that with this audit, the city has effectively reached zero deficiencies, since this one deficiency is an artifact of being a small city. McNeilly noted this was a huge accomplishment. McNeilly thanked Johnston and city leadership.

**Motion Passed** by the following vote:

Yes: 4 (Mary McGinnis, Penny Cheek, Kiley Konruff, Pat Ryan)

No: 0 (None)

**g. Consideration of Resolution No. 2026-02: A Resolution Approving the Expansion and Renaming of the String of Pearls Enterprise Zone**

- McNeilly explained the City, along with several other jurisdictions, sponsors the String of Pearls Enterprise Zone. This resolution provides approval to amend the area defining the zone and renames it as *The Tillamook County Enterprise Zone*.
- McNeilly invited public comment. No audience members wished to comment.

**Motion by** Penny Cheek, seconded by Pat Ryan, to approve Resolution 2026-02.

- McGinnis did not see a downside and commented that it didn't currently directly affect any businesses in Rockaway and that Ms. Cooper was reaching out directly to the taxing districts that would be affected.

**Motion Passed** by the following vote:

Yes: 4 (Mary McGinnis, Penny Cheek, Kiley Konruff, Pat Ryan)

No: 0 (None)

**h. Consideration of Resolution No. 2026-03: A Resolution Authorizing the Mayor and City Manager to Execute Clean Water State Revolving Fund Loan Agreement for Lower Jetty Creek Watershed Acquisition**

- McNeilly explained that in the Workshop that evening, the Council reviewed a draft of the loan agreement and this resolution grants authority to the Mayor and City Manager to execute the final loan agreement.
- McNeilly invited public comment. No audience members wished to comment.

**Motion by** Kiley Konruff, seconded by Pat Ryan, to approve Resolution 2026-03.

- McGinnis commented that it was a big step forward, and it was amazing to be this close to acquisition. McGinnis noted that the City was already working on a forest management plan.
- Ryan thanked Shepard and Mertz for acquiring grant funds and commended the City's fiscal soundness.
- McNeilly announced that a Forest Stewardship Plan Advisory Committee meeting would be held on Friday and a draft of the forest management plan was available online in the meeting agenda packet.

**Motion Passed** by the following vote:

Yes: 4 (Mary McGinnis, Penny Cheek, Kiley Konruff, Pat Ryan)

No: 0 (None)

**i. Consideration of Resolution No. 2026-04: A Resolution Approving Wayside Use Applications for the Rockaway Beach Chamber of Commerce Kite Festival and Arts & Crafts Festival, and Denying Application for Thursday Markets**

- McNeilly explained the Council reviewed Wayside Use applications from the Rockaway Beach Chamber of Commerce at last month's Workshop, and this resolution enacts approvals and denials as discussed in the Workshop.
- McNeilly invited public comment.
- Chris Williams, representing Rockaway Renaissance Artists, commented that they are beholden to the Thursday Market. Williams shared several comments from others expressing concerns and barriers to moving the market to Anchor Street parking lot, and sharing that the market brings in business activities for residents and visitors.
- Kristine Hayes, resident, commented that the Wayside location is essential to the market's operation because it provides visibility, existing infrastructure, and manageable logistics that make the event possible. Hayes stated that the Anchor Street location was not viable. Hayes submitted written testimony and a map of the leased property area.

**Motion by** Pat Ryan, seconded by Penny Cheek, to approve Resolution 2026-04.

- Ryan expressed concern that the application called for all-day use of the Wayside. Ryan stated he understood the concerns and challenges but could not see giving up primary parking spaces that bring in a lot of business.
- McGinnis expressed concerns about all-day use of the Wayside, low attendance at the market, and lack of parking during the market. She expressed concerns that businesses suffer when people can't park in the Wayside. McGinnis encouraged exploration of using Anchor Street with appropriate advertising, and invited the Chamber to submit an amended application.
- Konruff expressed concerns about the large block of time being used for 14 weeks used during peak tourist season, noting that setup time at other markets doesn't take as long.
- McNeilly commented that Rockaway Beach does not have enough parking to support its growing tourism economy, resulting in safety hazards, traffic congestion, and poor visitor experience. McNeilly expressed concerns about lost revenue for businesses. McNeilly acknowledged the applicant's concerns and stated that it was a tough decision. McNeilly noted that the City was working on delivering additional parking spaces.
- Cheek commented that Phyllis Baker Park was another possible location.

**Motion Passed** by the following vote:

Yes: 4 (Mary McGinnis, Penny Cheek, Kiley Konruff, Pat Ryan)

No: 0 (None)

**j. Consideration of Resolution No. 2026-05: A Resolution Approving Wayside Use Application for the Nea-Kah-Nie Art & Music Cultural Foundation (NCAM) Music Festival**

- McNeilly explained the Council reviewed a Wayside Use application from Nea-Kah-Nie Art & Music Cultural Foundation at that evening's Workshop, and this resolution enacts approval of the application as discussed in the Workshop.
- McNeilly invited public comment. No audience members wished to comment.

**Motion** by Mary McGinnis, seconded by Pat Ryan, to approve Resolution 2026-05.

- McGinnis commented that she was a member of NCAM. McGinnis noted that 2-3 days events such as this were better suited to the Wayside. McGinnis noted that the Chamber Kite Festival and Arts & Crafts Festival, with time requirements similar to this event, were approved.
- McNeilly commented that the Kite Festival, Arts & Crafts Festival and Music Festival are iconic events that draw people into town and help the business community.
- Ryan noted that there were conditions of approval.
- Konruff noted that the Wayside closure on the August 13th would not begin until 10 or 11 p.m. There was further brief discussion regarding setup times.

**Motion Passed** by the following vote:

Yes: 4 (Mary McGinnis, Penny Cheek, Kiley Konruff, Pat Ryan)

No: 0 (None)

## 11. EXECUTIVE SESSION

McNeilly announced the Council would now recess into Executive Session at 8:02 p.m. McNeilly stated the City Council will meet in Executive Session pursuant to ORS 192.660(2)(i), to consider the performance evaluation of a public officer. Executive sessions are closed to the public. Representatives of the news media and designated staff may attend the Executive Session. Representatives of the news media are specifically directed not to record or report any of the deliberations during the executive session, except to state the general subject of the session as previously announced. No Council decision may be made in executive session. At the end of the executive session, the meeting will return to open session.

## 12. NEW BUSINESS (CONTINUED)

McNeilly reconvened the regular session at 8:30 p.m.

### a. Consideration of Resolution No. 2026-06: A Resolution Approving City Manager Performance Evaluation Annual Summary

- McNeilly provided an overview of the performance evaluation process. McNeilly explained City Manager Shepard received an overall score of 4.7 on the 5-point scale.
- McNeilly invited public comment. No audience members wished to comment.

**Motion by** Kiley Konruff, seconded by Penny Cheek, to approve Resolution 2026-06.

**Motion Passed** by the following vote:

Yes: 4 (Mary McGinnis, Penny Cheek, Kiley Konruff, Pat Ryan)

No: 0 (None)

### b. Consideration of Resolution No. 2026-07: A Resolution Authorizing Amendments to the Base Rate Compensation for the City Manager

- McNeilly stated that the City Council may amend by resolution the City Manager's compensation in accordance with the City Manager's Employment Agreement, Section 3. McNeilly explained that both market-based and performance-based salary evaluations were being considered in making an adjustment to the City Manager's salary.
- McNeilly explained that Johnston gathered city budget and city manager's base salary data from 22 coastal cities. The median budget among these 22 cities is slightly less than Rockway Beach's. The median city manager base salary is substantially greater than Rockaway Beach's city manager base salary.
- McNeilly invited public comment. No audience members wished to comment.
- McNeilly recommended that the City Manager's salary be increased by 5%.

**Motion by** Mary McGinnis, seconded by Pat Ryan, to approve Resolution 2026-07, a resolution authorizing amendments to the base rate compensation for the City Manager, as amended to read, effective January 1st, 2026, the City Manager's base salary shall be increased by 5%.

- McGinnis questioned whether 5% was keeping up with the cost of living.
- Shepard commented that 5% was generous and much appreciated.

**Motion Passed** by the following vote:

Yes: 4 (Mary McGinnis, Penny Cheek, Kiley Konruff, Pat Ryan)

No: 0 (None)

### 13. ITEMS REMOVED FROM CONSENT AGENDA

- None removed.

### 14. COUNCIL COMMENTS

- Cheek announced she was going to be great, great grandparent. Cheek expressed concerns about the Sheriff's Office services and staffing, noting that the issue was management, not individual officers. Cheek suggested it should be improved or ask staff to consider alternatives that would produce better outcomes.
- Konruff commented on the success of the light parade. Konruff commended Johnston and staff on the audit report. Konruff read a statement to community members, reflecting on her year serving on the City Council, and thanking the community, staff, and fellow Council members.
- McGinnis suggested all read the Mayor's Monthly Update and State of the City address. McGinnis spoke regarding the availability of Council members and encouraged all to continue to contact her. McGinnis commented on the city's support of businesses, including grants. McGinnis commented on upcoming events and projects in 2026. McGinnis spoke regarding challenges including limited downtown parking and maintenance issues on property leased by the Oregon Coast Scenic Railroad. McGinnis commended city staff for preparation and processes that streamline Council meetings. McGinnis highlighted the success of the Rockaway Beach Business Association's First Friday Club.
- Ryan commented on the positive things happening in the City, and the cohesiveness and synergy of Council, staff and community who work together to make it happen. Ryan stated it was a privilege to be a part of it. Ryan praised the new website and encouraged all to utilize it to stay informed.

### 15. MAYOR'S REPORT

- McNeilly announced that the next Coffee with Mayor & Manager meeting will be held on January 22.
- McNeilly state city was designated prevailing party in the 2024 case regarding our election process, more formally known as case number 24CV37762, Daniel Howlett and Justin McMahan v. City of Rockaway Beach. McNeilly commented that despite the costs incurred and productivity lost over the past 18 months, he was pleased to announce the win and the lawful affirmation of the city's election process.

- McNeilly spoke regarding the difficulty of fireworks enforcement, and praised the successful enforcement on New Year's Eve.
- McNeilly announced that Under Sheriff Kelly informed the City that Deputy Watters had requested a transfer to a normal criminal road shift. McNeilly wished him well. McNeilly shared that Kelly reported that a new deputy in training may be ready as early as March or February to join the Rockaway Beach Patrol.
- McNeilly invited all with ideas to share, questions, and concerns about what's going on in the City of Rockaway Beach to email him, and he would be happy to meet with them.

**16. ADJOURNMENT**

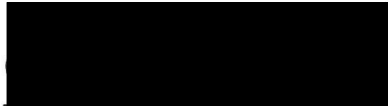
**Motion by** Kiley Konruff, seconded by Penny Cheek, to adjourn the meeting at 8:54 p.m.

**Motion Passed** by the following vote:

Yes: 4 (Mary McGinnis, Penny Cheek, Kiley Konruff, Pat Ryan)

No: 0 (None)

MINUTES APPROVED THE  
11TH DAY OF FEBRUARY 2026

  
\_\_\_\_\_  
Charles McNeilly, Mayor

ATTEST

  
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Melissa Thompson, City Recorder