



COUNCIL SPECIAL SESSION

Wednesday, December 29, 2021

APPROVED MINUTES

MEMBERS PRESENT

Mayor Rick Scholl
Council President Doug Morten
Councilor Patrick Birkle
Councilor Stephen R. Topaz
Councilor Jessica Chilton

STAFF PRESENT

John Walsh, City Administrator
Kathy Payne, City Recorder
Matt Brown, Finance Director
Mouhamad Zaher, Public Works Director
Crystal King, Communications Officer
Peter Hicks, City Attorney

OTHERS

Michael Sykes	Stephanie Patterson
Tina Curry	Chris Cannard
Brady Preheim	Amy Bynum
Molly Matchak	Jane Garcia

CALL SPECIAL SESSION TO ORDER – 4:00 p.m.

DISCUSSION TOPICS

- 1. Resolution No. 1946:** A Resolution of the City Council of St. Helens, Oregon Declaring City Owned Property at S. 10th Street, Tax ID 28878, Lot 4, Block 83 as Surplus and Authorizing Sale of the Property

City Administrator Walsh explained that this item will be postponed until after the Public Hearing being held tonight at 6 p.m.

- 2. Council Roundtable for Tourism/Event Management - Facilitated by Michael Sykes**

Walsh reviewed the agenda and introduced Michael Sykes. Sykes facilitated the Strengths, Weaknesses, Opportunities, Threats (SWOT) exercise.

What does Council think the mission of tourism is?

- Sound economic/sustainable framework
- Community events
- Highlights strengths to attract tourists
- Enhances all businesses
- Benefits the whole community
- Makes people want to come to town
- Year-round events, 365 days/year

SWOT**STRENGTHS:**

- River
- People
- Ecological areas (bird watching, photography, parks)
- Activities on the river (kayaking, fishing)
- Existing experienced contractor
- Halloweentown
- 13 Nights on the River
- Restaurants and food
- Good service groups/events
- Alternative sports (x-games)
- Riverfront opportunities
- Development opportunities
- Outdoor recreation opportunities (fishing, hunting, etc.)
- Consistent community events (13 Nights, Halloweentown, Kiwanis parade)
- Safety
- County fairgrounds
- Strong leadership and commitment to tourism
- Cultural activities
- Stock car racing
- Sand Island
- Proximity to Portland
- Hotel/motel tax
- Riverfront development
- Docks
- Relationship with CET
- Scappoose Bay
- Entrepreneurs

WEAKNESSES:

- Gable Road access
- Event communication with locals
- Organizational work/action plan
- Vacated industrial property/decay
- Limited partnerships
- Limited available lodging/RV spots
- Municipal partnerships
- Derelict boats
- Marine patrol enforcement
- Signage along rail line
- Lack of shared vision
- Limited resources
- Declining industrial development
- Lack of support from Salem
- Permitting (DSL, Army Corps, etc.)
- Limited parking
- Limited capacity/staffing
- Declining social capital (fewer people supporting community events)

- Taxis

OPPORTUNITIES:

- Partnerships
- Entrepreneurs
- More events
- Develop waterfront
- Attract cruise ships
- Development of watershed recreation site
- Location for ferry crossing the river
- Sports and recreation programs (sports tournaments)
- Riverfront hotel
- Additional parking downtown
- 4-star restaurant on top of parking structure
- Expansion of the Main Street program
- Transportation system improvements
- Grant funds
- Pursue sternwheeler
- Frog ferry
- Walking trails/tours
- Develop a B&B program
- Sand Island
- Fishing

THREATS:

- Progress takes time
- Economic constraints
- Pandemics
- Wildfires
- Lack of marketing
- Lack of parking
- Anti-tourism sentiment
- Inflexibility of ODOT
- Lower priority City need
- Lack of partnerships
- Lack of economic development staff capacity

The Council all voted for their top five for each category.

Break - 5:52 p.m.

TOP STRENGTHS

1. River (5)
2. Halloweentown (4)
3. Restaurants/food (3)
4. Ecological areas (2)
5. New businesses (2)
6. Development opportunities (2)
7. Sand Island (2)

TOP WEAKNESSES

1. Event communication with locals (3)
2. Organizational work/action plan (2)

3. Vacated industrial property/decay (2)
4. Limited partnerships (2)
5. Derelict boats (2)
6. Lack of shared vision (2)

OPPORTUNITIES

1. Develop waterfront (5)
2. Main Street (3)
3. Adding parking downtown (3)
4. Partnerships (2)
5. Sports tournaments (2)
6. Grant Funds (2)

THREATS

1. Economic constraints (4)
2. Lack of economic development staff (4)
3. Lower priority City need (4)
4. Lack of partnerships (3)
5. Lack of parking (3)

What are the strategic action items to work on? Identify priorities and create a plan. Examples:

- Development waterfront – there is already an action plan in place
- Main Street program – developing an action plan for that
- Lack of parking – create a parking management strategy; communicate with Columbia County

Discussion ensued about what a strategic plan would contain based on the rankings of each SWOT category.

- Include all affected groups when creating action plans
- Evaluate action plans at the end of each year

3. Review Tourism Staff Recommendations and Q&A Session

Walsh introduced City Attorney Peter Hicks and updated the Council on the status of the tourism contract. Hicks reviewed the proposed contract for tourism and the differences between the current agreement and the proposed agreement. An independent contractor, or third party, provides a specialty that you don't already have. It would be cost prohibitive to hire an employee to manage that operation. This would bring someone in with that expertise to put on the events, which is what the City has been doing. With an independent contractor, the City does not exercise significant direction or control over that individual or entity. They are assigned a project and must hire individuals needed, attain tools needed, etc. The City needs to be careful not to get too involved in the events and process. They have tried to make those distinctions in the proposed agreement.

Councilor Topaz declared that he did not receive a clean copy, which makes it easier for him to read. He would prefer that over the redline version.

Some modifications made in the proposed agreement:

- Payment and expenses
 - Accountability/check-ins of expenses and revenue
 - Contractor's markup can't exceed a maximum of 5% for handling and budgeting expenses
 - Contractor submits an expense budget to the City for approval prior to an event
 - The City will not be required to reimburse the contractor for any expenses exceeding the approved budget
- Term
 - Either party can terminate at any point with appropriate notice

- Automatic renewals were removed
- Contractor provides additional records
 - Detailing work performed and expenses occurred should be provided monthly
- At the conclusion of the event, the contractor will remit all gross receipts generated to the City with an accounting
 - Detail of revenue received
 - Provide City Administrator access to the ticketing accounts for tracking and verification purposes
 - Be careful how much access or involvement you have in websites, social media, ticketing, etc. The contractor provides their own tools and equipment.
 - The contractor will discourage the use of cash payments
- Additional independent contractor language added
 - Document ownership
 - Anything developed by the contractor for the City is the City's property
- Added to insurance section
- Clarified Workers Compensation
- Termination of the agreement
 - Either party can terminate at any time without cause with proper notice
- Additional provisions to address concerns in the Scope of Work
 - Coordination with City staff
 - Providing additional support and logistical planning for events
 - Define large events
 - Clear delineation of contractor staff and City staff

Mayor Scholl talked about how Halloweentown affects both the City and County buildings. They have an IGA with the County. They do use City staff to put stuff on both buildings. That's the best way for it to be done safely. Hicks explained that City staff can be used for parts of it. There can also be allowances for the contractor to direct City staff. It just needs to be clear in the agreement.

Walsh added that this is a draft and not a final document. The current contract expires December 31, 2021. The Council seems to be in consensus with not renewing the current contract. A new contract will be created based on what was presented and discussed.

Councilor Chilton has some questions based on the memo submitted from the Tourism Executive Committee. A copy of the memo is included in the archive packet.

- Do we have a plan for repaying \$27,000? Walsh responded that there are policies about tourism owing on past borrowed funds. It's made whole during the following fiscal year. The proposed contract includes language about having a minimum fund balance or a reserve.
- There is a positive/negative cash flow chart. Why are the actual expenses for 2021/2022 under \$200,000, when the actual expenses for the last five years have been around \$500,000? Finance Director Brown explained that they began receiving ticket revenue within the last two years. That ticket revenue was not directly reported to the City. The contractor is making expenses for the tourism program from those revenues in her account. Those expenses are not reported by the City. He recommends ticket revenue go directly to the City to record accurate revenue and expenses. That is addressed in the proposed contract. He is also concerned about an expense amount of approximately \$315,000 that has been unaccounted for.

Event Coordinator Tina Curry explained that the revenue from the ticket site was approximately \$923,000. They wrote checks and gave the City \$612,036.47. She listed the expenses paid out of the account. They had agreed to pay expenses directly out of ticket sales, instead of having checks go back and forth. She doesn't have a way to send the receipts electronically because it includes confidential

contracts for entertainment and vendors. The entertainment cost was \$132,000+; equipment cost was \$9,793; staff cost was \$83,000; product cost was \$38,000; props cost \$22,000; and advertising cost was \$24,000. That adds up to \$311,309.32. She wrote the final check in the amount of \$178,000 to the City after paying the final bills. There should be \$700,000 – 800,000 in the tourism account. Their goal was to make a lot of money this year to purchase assets that are not cheap, such as a tram, a vessel to move people to and from Sand Island, etc.

Mayor Scholl pointed out that revenue could cover fireworks if it stays under tourism.

Councilor Chilton does not feel that Curry provided enough information to show that deficit has been repaid. She would like an opportunity to discuss the report submitted by the Tourism Executive Committee. Mayor Scholl said that this meeting is to discuss the contract. Brown clarified that the discussion topic is, "Review Tourism Staff Recommendations." He recommends an audit be conducted of the last two years. If a third-party is brought in, it will cost between \$10,000-15,000. It could be done in-house if Council so desires. Curry said she is happy to turn over every receipt, except entertainment receipts. They match every invoice. That information was never requested from her in the past. Brown argued that the Tourism Executive Committee has made three requests for this information to the tourism contractor.

Mayor Scholl said they clearly don't want this to go away. This meeting was formed to create a new contract and discuss going out for an RFP. Councilor Chilton does not want what has happened to be swept under the rug. She agreed with Brown about an audit being done.

Councilor Topaz wants to hear the Executive Tourism Committee report. That needs to be considered when discussing the contract. Council President Morten agreed. The contractor said she has all the information for an audit. Councilor Topaz is in favor of the audit being conducted by an outside firm. Mayor Scholl agreed that the audit should be conducted by a third-party. This meeting is to discuss what they would like to see in the contract.

Councilor Birkle likes the proposed revisions to the contract. Before they move forward, he would like to see all the questions answered, including an audit. Curry expressed her agreement with an audit.

Mayor Scholl wants to see the personal attacks stop. They have a beautiful waterfront. Tourism is important, but it's also a threat as being not important enough. They did almost a million dollars in ticket sales.

Councilor Chilton reminded them that the agenda includes a topic to, "Review Tourism Recommendations and Q&A Session." This was an opportunity to discuss the report. Mayor Scholl agreed and apologized. Councilor Chilton said the agenda also listed a topic to, "Review Tourism Business Models." Will that be discussed? Walsh said the attorney consolidated those two topics into his report and draft agreement. He summarized that it appears they don't want to continue the agreement, create an agreement that complies with the business model, come back with a proposed agreement, conduct an audit of financials, and then the Council can determine how to move forward.

Councilor Chilton thanked Curry for being willing to conduct the audit.

Curry said there are some things that need to be purchased soon. They should be preparing for 13 Nights on the River right now.

Council President Morten agreed with the proposal for a trolley to transport visitors around town. Mayor Scholl agreed. Curry has done her due diligence to ensure they are not purchasing a lemon. Councilor Chilton would like more details before consenting to the purchase; cost, how it would be ran, who would drive it, insurance coverage, operation schedule, etc. Curry explained different opportunities to use the tram during community events. It holds 121 people. It would be paid in full by tourism. It's \$70,000. They will have to continue limiting ticket sales if they don't have something like this. Council President

Morten asked if the ongoing expenses would be covered by tourism, and can the owner provide information about maintenance records and expenses. Curry said yes. It's in great condition. She will submit a written proposal.

Mayor Scholl thanked Curry for the work she has done.

Council President Morten appreciates everyone's input and the work they accomplish together, even when they don't agree.

4. Review Tourism Business Models

5. Next Steps for Tourism/Event Management

OTHER BUSINESS

Recess - 7:29 p.m.

Reconvene - 7:39 p.m.

Resolution No. 1946: A Resolution of the City Council of St. Helens, Oregon Declaring City Owned Property at S. 10th Street, Tax ID 28878, Lot 4, Block 83 as Surplus and Authorizing Sale of the Property

Mayor Scholl read Resolution No. 1946 by title. **Motion:** Motion made by Councilor Topaz and seconded by Council President Morten to adopt Resolution No. 1946. **Vote:** Yea: Mayor Scholl, Council President Morten, Councilor Birkle, Councilor Topaz, Councilor Chilton

ADJOURN – 7:43 p.m.

Respectfully submitted by Lisa Scholl, Deputy City Recorder.

ATTEST:

/s/ Kathy Payne

Kathy Payne, City Recorder

/s/ Rick Scholl

Rick Scholl, Mayor