



COUNCIL WORK SESSION

Wednesday, May 04, 2022

APPROVED MINUTES

MEMBERS PRESENT

Council President Doug Morten
Councilor Patrick Birkle – 1:07 p.m.
Councilor Stephen R. Topaz
Councilor Jessica Chilton

MEMBERS ABSENT

Mayor Rick Scholl

STAFF PRESENT

John Walsh, City Administrator
Kathy Payne, City Recorder
Lisa Scholl, Deputy City Recorder
Jacob Graichen, City Planner
Matt Brown, Finance Director
Sharon Darroux, Engineering Manager

Shanna Duggan, Parks & Recreation Manager
Rachael Barry, Government Affairs Specialist
Crystal King, Communications Officer
Bill Monahan, City Attorney
Tina Curry, Event Coordinator

OTHERS

Lynne Pettit	Brady Preheim	Scott
Amy Bynum	Tammy Maygra	Art Leskovich
Sean Clark	Carrie Bisell	Natasha Parvey
Gina Sisco	Stephanie Patterson	
B. Cutright	Steve Toschi	

CALL WORK SESSION TO ORDER – 1 p.m.

VISITOR COMMENTS - Limited to five (5) minutes per speaker

- ◆ Steve Toschi. Congratulations to the City of St. Helens, E2C, Tina Curry, the citizens of St. Helens, and all St. Helens businesses on the resoundingly positive tourism audit report. The audit, which included dates between July 1, 2021 and December 31, 2021, established that tourism and the City brought in more than \$1 million in revenue, against documented expenses of \$312,000. Nearly every penny was accounted for. The public should appreciate that the City and Council successfully implemented the tourism program in 2021. E2C achieved outstanding fiscal success and has been honest and fair in the trust extended by the City. This is a retrospective audit. Large amounts of money were brought into a bank account that E2C had complete control over during that time. She passed the audit. Congratulations to the City for a successful tourism program. They brought events to bring people in. This is an internationally famous event and continues to be built upon. He writes reports for a living and was disappointed with a few things. The auditor could have presented the data in a better way for the public to understand. The fact that the contractor passed the audit was buried under Finding Four. It is very difficult to get the facts. The structure of the proposed contract is excellent. Improved tracking will help everyone get a better idea of expenses and revenues. Tourism is a good investment for the city and citizens.

- ◆ Brady Preheim. He commended the report. 100% of the expenses were documented. The only issue was that there was an extra \$3,000+ in revenue over seven weeks. He expressed that he may be the cause of that. Some people paid for special event tickets and items with cash. The ticket sales should have been entered into the app, but the Wi-Fi was not always working well. He did not want that to keep people from making a purchase. They had revenues over \$1 million. There was extra money. There is no missing money. How much better news can there be? People were lined up past the theater to get in. This has been a phenomenal success. It is amazing that people come to see a movie that is 20 years old. Tina is owed an apology for the misinformation and inuendo for the expenses and audit. The newspaper is not always accurate. The City does not spend any money on tourism. None of the money comes from taxpayers. It comes from hotel/motel taxes. He is looking forward to having a tourism boat. She has earned that money and knows what she wants to do with it. She continues to operate the program and do great things.
- ◆ Tammy Maygra. The newspapers have done a great injustice in their reporting. They lead people to think Tina is a "she-devil." It is obvious that it is a smear campaign. The City should put out a press release to clear her name. She has brought so much money into the community. It is a waste of time to go after her. They would like to see them clear up any miscommunications by writing down what should and should not be done. Tina does a great job. She knows what she is doing and gets the job done. Tammy would like to see the Council move on from this waste of money. They need to let people come from all over the world and enjoy the city.

DISCUSSION TOPICS

1. **Update on ODOT Rail Safety and Mobility Study - Sean Clark & Gina Sisco, Port of Columbia County**

Sean Clark and Gina Sisco reviewed their presentation. A copy is included in the archive packet for this meeting. Gina clarified that it is not an ODOT study. She reviewed the study conducted. The three intersections recommended to be further studied for safety improvements:

- Gable Road
- Deer Island Road
- High School Way in Scappoose

Funding

- Received \$7,500 from St. Helens for Phase I
- Requesting \$7,500 from St. Helens for Phase II

Councilor Birkle asked about the significant concerns raised. Gina said there were a lot of concerns with the train wait times and schools near the crossings.

Councilor Chilton asked what happens after Phase II. Gina said they will have a final report of suggestions and funding options that will be distributed to the affected jurisdictions. They can determine whether to add the recommendations into their Transportation Systems Plan (TSP).

Councilor Topaz pointed out that the pictures on Gable Road did not indicate the large amount of building occurring there. Gina responded that it was before the apartments went in. Councilor Topaz said there's also Millard Road and the Armstrong Plant to consider. Gina acknowledged that those were not included at the time the report was written. It needs to be updated as those things are added. Councilor Topaz talked about the bridge at Port Avenue. Were traffic studies conducted about the approach? Gina said they looked at each crossing and gave a conceptional idea of what an overpass would look like. Councilor Topaz asked if studies were done going under the railroad. Gina responded that it was determined to not be feasible by the contractor.

Council President Morten asked if they looked at the 18th Street ROW. Gina said they looked at Gable Road and then went half a mile each way. Council President Morten asked how the stakeholders were selected. Gina said she reached out to people who would have interest and provide good feedback. They did include citizens. Council President Morten asked if the term "switching yard" came up. Gina said yes but it was not included in the scope. Council President Morten pointed out that moving the switching yard out of city limits is a priority of Betsy Johnson's.

Councilor Topaz said there are several industrial users who have spur lines. Were they involved? Gina said she would need to get back to him about that. She knows they looked at those.

Councilor Chilton acknowledged the problem with rail. After the study is complete, can they implement it into a real product for citizens? They have a lot going on with the Riverfront and industrial development. She wants to make sure it is worth investing more money. City Administrator Walsh commended the Port for their leadership on this project. The City was very involved throughout the process. There is value.

City Planner Graichen said the timing is good because they have been discussing updating the TSP. They were provided an opportunity to comment on the plan. One comment was that the 2011 TSP improvements at that intersection are outdated because of the 2019 Riverfront Connector Plan. Gina will talk with him about that offline.

Councilor Chilton is in favor of moving forward.

2. Utility Rates Presentation - *Steven Donovan & Matt*

Steve Donovan, Finance Director Matt Brown, City Planner Jacob Graichen, and Engineering Manager Sharron Darroux were in attendance to review the report. A copy is included in the archive packet for this meeting.

At the last meeting, they talked about needing to explain to customers about the value they would get from rate increases. He used a gallon of water as an example. That gallon jug cost \$1.29 at Safeway. At their house, they pay an average of ninety-eight hundredths of a cent for a gallon, and it is delivered to their house on demand. He is proposing to raise the rates consistently over the next five years.

- Reviewed the rate methodology
- Reviewed proposed definition updates for water and wastewater EDUs
- Reviewed recommended rates for the next five years to cover the costs of repairs and maintenance
 - July 1, 2022, 7.53% increase
 - July 1, 2023, 7.06% increase
 - July 1, 2024, 7.33% increase
 - July 1, 2025, 5.01% increase
 - July 1, 2026, 5.09% increase

Councilor Topaz wants to know where money is being wasted and mistakes were made. Donovan said they are not going to point fingers. Councilor Topaz said that people do not believe they are doing a good job, so do not want to give more money to do a bad job. Donovan explained that it is a rate-payer utility. They must provide clean water, fire protection, and wastewater treatment services. Councilor Topaz asked if they really need another line and design. He sees the need but wants to know the best place to put his money. They have really screwed up. Can people trust them. Donovan pointed out that America is really screwed up. They spent a lot of money on Master Plans and know how it needs to be fixed, but they must raise rates to do it. Darroux added that the Master Plans prioritize the most critical areas to repair and upsize. Councilor Topaz asked if it includes increasing size and changing design. Darroux said it could be both. Some of the lines need to be rerouted to improve flow. Brown added that even though they are proposing a rate increase, they could be much higher if they implemented everything in the Master Plan. There are a lot of projects identified. They chose the high-level needs.

Councilor Chilton asked about the reserves mentioned in the report. Donovan explained that it is the ending fund balance. They spend a certain amount of money during the year, anything leftover is carried over as reserves. That money is there for emergencies. Councilor Chilton clarified that they would use the reserves if they do nothing. Councilor Chilton asked if sewage is getting in our creeks now. Darroux said not now, but there is potential for it if they do not do anything. Most of the overflow manholes will be in people's backyards.

Council President Morten asked when Donovan was here last with a rate increase proposal. Donovan said it was 2017 and they did minor increases. Most communities do this annually. Sewer is always the most expensive. Council President Morten asked why he does not come in every other year to advise them. Donovan said they are getting good advice from Brown. He would be expensive to come in. Every City and County he is working with is dealing with the same thing. Infrastructure is aging and must be replaced.

Councilor Topaz talked about the I&I project. There was a survey identifying the problems areas. He asked if Donovan was involved in that financing. Donovan said no. Councilor Topaz said some of the drainage basins have forty-five times the flow and others have six times the flow. There is no standard answer. Donovan said he is seeing it everywhere. They must fix their problems. Councilor Topaz asked for a window of what they should look for in the future. Donovan said they have a talented group of employees to monitor it. It is important to continue updating the Master Plan.

Walsh talked about rate tolerance. Without updated Master Plans, they did not know what deficiencies existed. There is a lot of burden put back on the rate payers. They are deferring some projects knowing there is a limit to raising rates.

Brown said the intention of staff is to bring back an ordinance to update the language and a resolution for the rate increase. Is the Council okay with that or do they need more time to consider it? Council President Morten said they will discuss it further tonight when Mayor Scholl is in attendance.

3. Communications Semi-Annual Report - *Crystal*

Communications Officer Crystal King reviewed her report. A copy is included in the archive packet for this meeting.

- In the last five months they have released the following:
 - 21 press releases
 - 796 social media posts
 - 82 news media contacts/requests
 - 14 newsletters
- Reviewed projects/focused efforts

Councilor Topaz asked if she needs assistance. King said yes. It was looked at for the proposed budget, but there is a lot of needs at the City. They could easily do more communications with additional staff.

Council President Morten appreciates King's efficiencies and attention to detail.

4. Parks & Recreation Division Semi-Annual Report - *Shanna & Tory*

Parks & Recreation Manager Shanna Duggan reviewed a presentation. A copy is included in the archive packet for this meeting.

- Reviewed registrations received over the last couple of months
- Reviewed recreation facilities and parks
- Reviewed efficiencies
- Received over \$220,000 in grants in 2021/22
- Reviewed successes
- Reviewed 2022/23 goals
- Community Mobility Report on Google. Oregon is at 54% usage in parks.

Councilor Chilton is excited about the City taking over softball. Duggan is doing a wonderful job managing the transition. Councilor Chilton asked about the Campbell Park trail. Duggan responded that it is ongoing. They are unable to complete that project until the weather improves. Councilor Chilton asked what is happening with the old Recreation Center? Duggan explained that it is mainly used for sport activities and rentals. It brings in quite a bit of revenue. The Community Center is much more accessible to the community. Councilor Chilton asked about an open house for the new building. Duggan said they are waiting for rails on the ramps to increase capacity. They hope to have an open house in June.

Councilor Topaz said there is a lot of vandalism in Campbell Park. Do other parks have the same problem? Duggan said they have vandalism everywhere, but especially Campbell because it is secluded. They are working on some things to help with it. Council President Morten suggested surveillance cameras. Duggan said they are working on that. One challenge is Wi-Fi access.

Break - 3 p.m.

5. Discussion on 2022-2024 Strategic Workplan - Rachael

Government Affairs Specialist Rachael Barry reviewed her report. A copy is included in the archive packet for this meeting. It is on tonight's agenda for approval. The document can be amended at any time.

6. Review Events Management Audit - John

City Administrator John Walsh reviewed the audit. A copy is included in the archive packet for this meeting. It was a clean audit. One point that carries over from the audit to the contract is that the contractor can charge 5% for subcontractors. She has not been charging that because she wants to grow the program. That is about \$93,000 that she is not collecting.

Council President Morten likes the idea of separating tourism and Council, especially the finances. The public needs to see that tourism stands alone. There is too much confusion with how the City and tourism is intermingled.

Councilor Topaz said they need to describe tourism and Tina separately. The contract needs to keep those separate.

Councilor Chilton wants to get this done, so she did a lot of research. The only thing that concerned her in the audit was the cash deposits, but it looks like there is a resolution for that in the new contract. It was a good audit. A few points from the audit that were not addressed in the contract:

- What is the status of tourism repaying funds?
- Should there be a place in the contract for event meetings? Communication is important.
- Internal meetings with staff reviewing what is needed prior to events.
- Suggests limiting official reports to twice a year, like other departments.

Councilor Birkle is satisfied with the audit. It provides accountability. The contractor has been performing the job with financial integrity. He does not apologize for requesting an audit. It should show the residents that they take fiscal responsibility seriously.

Council President Morten asked who pays for the audit. Walsh confirmed that the City is paying for it.

Councilor Topaz asked Councilor Birkle if it could be re-written to be clearer to the public. Councilor Birkle agreed that it could be clearer. Councilor Topaz suggested the contract include a finance schedule. Councilor Birkle said that falls to Walsh and staff to make sure the contract is being followed. The audit serves as a vindication of the contractor's use of the funds and their responsibility. Councilor Topaz wants to make sure the public can easily understand it. Councilor Birkle suggested that staff help explain it easily for the public.

Councilor Chilton said it is not their job to include an opinion. It is their job to report the numbers and check system. Councilor Birkle repeated that it is positive. The contractor has done what was agreed to.

Walsh reported that the audit is public and is already in the paper. It does not cast it in the best light. He recommends releasing information on their own if they want it communicated more clearly.

7. Review Draft Independent Contractor Agreement for Events Management - *John*

City Administrator John Walsh reviewed the draft contract. A copy is included in the archive packet for this meeting. A few things to point out:

- Recommend a December 31, 2023 expiration
- General budget separate from the contract
- Contractor responsible for receivables and payables
- Discourage use of cash payments whenever possible
- Contractor will report net proceeds at the end of the year
- Independent contractor and not employee
- Contractor provides insurance

Councilor Topaz thought this was a contract for someone who wanted to be a tourism contractor. This already lists E2C Corporation. The document has things scratched out and lines through it. He wants a clean piece of paper. Walsh pointed out that it is titled "Independent Contractor Agreement." Councilor Topaz argued that it already has a name listed in it and looks done. It is a nasty legal point. Councilor Chilton suggested that it just be modified if they change contractors. Walsh clarified that this is to show the changes. Councilor Topaz wants a contract attorney to review the document for clarity. He wants to build a contract that anyone could use. Council President Morten sees the document as a template.

Councilor Chilton asked who makes the decision to renew the contractor. Walsh said that decision is made by the Council. Councilor Chilton asked why part of number four was removed. Walsh responded that it was redundant.

Walsh talked about the scope of work. It is basically the same, with 13 Nights on the River, 4th of July, Spirit of Halloweentown, Christmas Tree Lighting, and other events. Councilor Topaz asked if they could list possibilities under other events. Walsh said other events would come up in reports from tourism. It is for the contractor to create events to generate revenue. Councilor Topaz asked if they could add their own events. Walsh said it would be up for negotiation.

Walsh reviewed a few more details in the contract:

- Insurance
- Compensation
- Reimbursable expenses
- Subcontractors and consultant

Council Topaz asked if they could add verbiage that only local people can be hired to assist. Walsh discouraged that.

Walsh addressed the repayment of funds. Tourism was not 100% profitable every year. There is money owed to the Community Development Fund. They can pay that back now or in the future. It could be reinvested, such as for the boat. If they do purchase the boat, they will need to do a public hearing. The public needs an opportunity to comment.

Councilor Topaz talked about everything needed with purchasing a boat. Walsh responded that they have a lot of that figured out; including the moorage, captain, landing gear to get people to Sand Island, etc. Councilor Topaz is more worried about where people will park to access the boat. Councilor Chilton said they should address parking later. Right now, it is the contract and repaying the funds. Council President Morten suggests discussing that tonight when the mayor is presented.

Councilor Chilton asked if they are going to publicly comment on the audit and how they are going to do that. Walsh said it can be addressed in a press release.

8. City Administrator John Walsh Report

- Attended the League of Oregon Cities (LOC) Conference in Hermiston during the last meeting. It was great to be back in person. They have a nice, new three-story City Hall. He gave a presentation on the cyber-attack that occurred in 2019. It was incredibly disruptive.
- He participated in a 12-week ICMA Leadership Academy. It was about 8-10 hours a week on top of regular duties.
- They have been with Pauly, Rogers, and Co., P.C., for audit services since 2013. The contract expires December 31, 2022. Prior to that, they were with Boldt, Carlisle & Smith LLC for about 23 years. City Recorder Payne clarified that it expired December 31, 2021. They either need to go out for an RFP or extend the contract. Switching auditors offers a different perspective, but there is a loss of institutional knowledge. Council President Morten said there were many questions about the auditor when he first came on board. The finance director was opposed because of continuity. After the change, there were a lot of discrepancies. Staying with one group defeats the purpose. Having fresh eyes is healthy. He is in favor of going out for a new RFP. Brown explained that best practice is to change auditors every five years. However, it is extremely helpful to have someone who knows what to do. They are not required to change firms, but it is important to view other firms and what they can bring. Council President Morten requested it be added as an action item for a decision tonight.
- Communications Officer King distributed a Central Waterfront press release last week. It directs people to the website for additional information.
- St. Helens Industrial Business Park is moving along. They met on site to discuss harvesting rock for the site.
- Developer interviews are next week. They could potentially select one after deliberations on May 18.
- New Library Director plans to be here around June 14. Special thanks to Brenda Herren-Kenaga for filling in.
- Budget Committee meeting on May 12. The newspapers have focused on the proposal to cut the vacant Youth Librarian position. They are trying to balance priorities and the need for increased public safety. Councilor Topaz asked when the Armstrong plant will be online. Walsh has not seen any development plans. That will eventually increase funding.
- Dock update
 - The kiosk has been installed. They are working on a cover for it.
 - Working on signage
 - Proposed Code amendments

Councilor Chilton asked if Walsh could investigate a quiet rail zone, like Columbia City has. Walsh said he investigated it at a former jurisdiction, and it is very difficult.

ADJOURN – 4:17 p.m.

EXECUTIVE SESSION

Respectfully submitted by Lisa Scholl, Deputy City Recorder.

ATTEST:

/s/ Kathy Payne

Kathy Payne, City Recorder

/s/ Doug Morten

Doug Morten, Council President