

Minutes of the
CANNON BEACH CITY COUNCIL WORK SESSION AND SPECIAL MEETING
Tuesday, January 16, 2024
Council Chambers

Present: Mayor Barb Knop, Council President Nancy McCarthy, Councilors Brandon Ogilvie, Gary Hayes and Lisa Kerr

Excused:

Staff: City Manager Bruce St. Denis, IT Director Rusty Barrett, Recorder Jennifer Barrett and Chief of Police Jason Schermerhorn in person. Laurie Sawrey via Zoom.

Other:

CALL TO ORDER AND APPROVAL OF AGENDA

Mayor Knop called the meeting to order at 6:00 p.m.

St. Denis requested to amend the agenda to include an update on the storm activities from the weekend before Public Comment.

Motion: Ogilvie moved to approve the agenda as amended; Hayes seconded the motion.

Vote: McCarthy, Ogilvie, Kerr, Hayes and Knop voted AYE: the vote was 5:0 and the motion carried. The agenda was approved.

(1) Storm Update

Schermerhorn reported it got icy and we stayed busy. We had 32 calls for service, a normal weekend is 9-10. We prepared for it, put studs on one and chains on the other. Officers put in a lot of time. Silvia was slammed with calls in the office. Schermerhorn gave an overview of the calls received. Schermerhorn answered the Council's questions. Discussed closures.

Marc Reckmann reported we ran 25 calls, usually running 5-6 this time of year, giving an overview of calls received. Discussed fires in Cannon Beach and Seaside, and how they coordinated. Reckmann added we had 8 people in the entire time so were able to run multiple calls simultaneously. Gave overview of OSP request to shut down on 101, however ODOT said no, but we did close off north entrance as that's where a lot of accidents occurred. We were prepared, had all staff vehicles chained up and engine chained up. with ice even chains don't suffice on big vehicles. Reckmann answered Council's questions.

La Bonte reported this was a holiday weekend, we coordinated with staff for on-call and standby. We deployed generators as would normally do. La Bonte noted challenges such as reduced staffing due to holiday weekend and employees who do not live in Cannon Beach and couldn't get to town, which is what will happen in a disaster. Want to recognize fire and PD, we had excellent communication. Gave an overview of calls received. Overall the teams managed extremely well La Bonte noted damaged from tree limbs that fell. We met with staff to discuss things that would help be a stronger team in future events. Discussed the mobile generators the city uses; Haystack and Siuslaw are the only two that needed generators.

Kerr said all of you did an incredible job. Kudos to you all. I felt totally confident. Mayor said thank you to everyone.

PUBLIC COMMENT

Knop said please keep it under 3 minutes and stay kind and respectful.

- Lolly Champion: I have one question, are you going to scale back the design and fiscal responsibility or will you not?
- Deb Atiyeh PO Box 1426: expressed support for Ne'Cus project, noted the funding source and support the Clatsop Nehalem tribal members.
- Jan Siebert-Wahrmund PO Box 778: I support the project and tried to communicate that at every meeting. Spoke about the desire to scale the project back. Noted concerns with the bond.
- Deanna Hammond PO Box 942: Thank you to the first responders. Thinks would have more support if the cost was less. Noted concerns with cost. Noted concerns for loss of TLT funds adding people in town are seeing a downturn as it is already too expensive to stay here.
- Sam Block PO Box 1413: noted concerns with TLT funding and bonds.
- Jan Siebert-Wahrmund: thought it would be helpful if tonight someone can explain how this bond would work.
- Betsy Ayres PO Box 2: spoke in favor of keeping the design as it is.
- Dave Stowe, the Vice Chair of the Clatsop Nehalem Tribe, 20216 Sawyer Reach Court Bend, OR 97703: Spoke in favor of the project adding we worked closely with architects since the beginning and like the design. Most opposition is for cost and size, I am also a builder, and to scale it back would mean demolition and it would cost more to that project than what is being proposed. We like the project a lot, and unanimously support that.
- Lila Wickham PO Box 208, Tolovana Park, 97145: spoke in favor of the project. As MRC coordinator I struggle to find places to meet and feel like if we put some kind of blackout dates into the calendar system it would provide availability for community people to also use the space.
- Linda PO Box 894: sitting with Wade Coykendall, spoke of concerns of the price and being able to pay back the bond.
- Ginny Wrigth PO Box 627: spoke in favor of getting started as it is designed.
- Betty Gearen PO Box 137: spoke in favor of the project.
- Watt Childress 40660 N Fork Road Nehalem, OR: gave history of his involvement with the school site.
- Jessica Sund no address given: spoke about liking the project but noted concerns with the cost.
- Dick Basch 1126 Ave. F: Spoke in support of the project and sharing the history of the tribe with the project and their excitement.
- Sharon Clyde PO Box 973: spoke in support of this project, and gave overview of bonds.
- Tabea Goosen PO Box 19: spoke of experience with home repairs and the costs associated.

- Wade Coykendall PO Box 894: shared history of Cannon Beach and concerns with the cost of the project.
- Harvey Claussen PO Box 446: through 2022 the folks involved in this project did a really good job and had something that looked great and was solid.
- Lolly Champion: I asked before if you are going to change the scale, do you think if you put this up to a bond would it pass in the original way?

DISCUSSIONS

(2) Tourism Funding Discussion

St. Denis gave an overview of the room tax revenue expense summary in the packet. Sawrey and St. Denis answer council's questions. St. Denis gave definitions for TAF and TAC. St. Denis noted the chamber agreement was signed in 2019. Discussed what happens when there are residual funds. St. Denis gave an overview of the chamber contract. Kerr said in the audience some people said the TLT was suffering and there are less people coming to town and staying the night. St. Denis replied we are no longer at the height of post covid but going back to the normal. Erik Ostrander noted we are much closer to the 2019 normal numbers, back to what it would have been if covid had never been, a discussion ensued. Hayes added generally TLT collection increases as every time a hotel rate goes up. Personally, I would like to see us create a destination development fund, for projects we could be funding with tourism dollars, giving examples. In this conversation, that to me is where we want to get to. Ogilvie asked does that change with TAF? Hayes replied TAF can't even give away all the money, that's why we started to have conversations about what can be funded. There is this whole category of destination development that fits in with the state law with how you can use those dollars, a discussion ensued. St. Denis noted we do use TLT to fund a portion of HRAP. Discussed uses of funds and state law.

Jim Paino answered Council's questions. Hayes noted some of this may be more suited for our quarterly meeting. Discussed the format of the budget and information provided to Council. Paino noted I am more than happy to sit with someone and go through the budget at any time and provide you precisely the information you want, a discussion ensued.

Hayes said my personal preference would be an information center budget and marketing. Kerr added side by side and everything broken out, Knop added then this one also. Hayes replied with the year-over-year analysis as the contract requires.

Paino asked can I make a small request. If you work with Bruce on what that is and give me that in an email so that I can verbatim provide what it is you guys want then I will do that. Knop replied let's get it in the minutes.

Hayes said I would like to see the visitor center budget and marketing budget, side by side and actuals. Actuals, budget and previous year comparison just one year-over-year analysis as the contract says. Knop added one year back. Is there anything else we want from Jim?

S. Denis said can I ask for clarification? I'm trying to think of how I would do it if I was budgeting. Are you asking for, when you're saying side by side, does it make sense. Kerr replied part of the personnel goes for one and part and some of the payment for a person might go from another budget. So, I want to see which part is coming from one budget and which part is coming from the other. Hayes said I understand why it's difficult because of exactly that. Because one person's salary is coming maybe from three different sources. Part of it's the chamber part of it's information center, part of its marketing. I don't envy your position and what we're asking for here, but somehow, we have to be able to wrap our heads around what is what. Kerr added I just want to understand it and I need a lot more detail than this. Hayes replied I don't know if it can be done in in one budget or if side by side means the same document. Kerr added physically I don't know enough about accounting to know how you would have to set that up. Paino said can we standardize this report so that it is understandable to you and it's the same report quarter after quarter so that we don't keep going over different projects and different

what's this what's that. If it's all there for you to see then you can provide those questions and I can answer them. Switching how it's presented in, what's presented, what's requested makes it more complicated. Hayes said I see the two separate ones as being easier for me to look at. Paino replied if you provide me this in a document or an email so that I can make sure and check off all the things that you guys are requesting that I can format that with our bookkeeper in a way that does exactly as you want. I don't, not sure how much work that is but we'll figure it out. Hayes said I think the way I stated it earlier was as clear as I can get it. J Barrett to email Paino and cc Council.

Discussed the TLT fund allocations. Discussed TAF projects and use of funds. McCarthy added we need to make a list of things we are talking about to fund, such as restroom and trails. Things we want to see done. Discussed the art component. Council consensus to invite TAC to the March work session. Ogilvie asked we are paying the lifeguard program out of general fund. We could take that money and put it someone else to fund the lifeguard program, a discussion ensued. Kerr said I would like to talk to our attorney more about challenges. Would like to see when feasible to push the envelope.

CLOSE WORK SESSION AND START SPECIAL MEETING

(3) Deliberation on Cannon Beach Elementary School Project

Kerr said you provided in one of our presentation the DA Davidson slides with bond approval and sale and hard dates. I don't remember seeing it on paper, I don't think it was in the packet and people are trying to understand how the bond process works. St. Denis replied we can do this; the dates are all flexible with the schedule. Kerr added the more info in the packet the better off the whole process is. St. Denis replied we have a meeting in two days with the bond team and we can put it in the next packet.

Knop said I think we have consensus, we are not abandoning the project and not tearing down the buildings and making it a park. The council agreed. Kerr said that idea was not important to me, but we heard from the community that's what people wanted. Hayes noted if we went with people who want to tear it down we'll lose 75% of people who want it.

Hayes said it is important to acknowledge the money. We've looked at it and where we can cut and I think we can talk about that. We need to acknowledge people's concerns. It's dedicated lodging tax dollars and there are some concerns it would become a property tax liability. Kerr said a question was what if the bonds can't be paid back, St. Denis there would be a restructuring or negotiation. Kerr added I think people are afraid all of a sudden we slap a raise in PFT or property tax, or try and push through a bond measure paid by tax payers and you don't envision any of those things. St. Denis added if you are going to do anything on a property tax you would need a vote unless the situation was so extreme like an earthquake and we would rely on insurance or other things to make it work. To say we would never have to take a different action, a future council may think that's the best option in the world. McCarthy added people have asked can this be insured, St. Denis replied all our properties are insured.

Hayes said a lot of people are thinking minimally bring the facility up to code, repair the two buildings don't worry about fancy windows, leave them separate, which would possibly lower this to \$7-8 million dollars if we just repaired and left them separate. To me we'd have a much less useful facility and don't see it qualifying for tourist dollars. There is no money for a community center. The reason we can accomplish this is the tourism dollars and we can get the benefits of a community center from that. Knop added and scaling it back doesn't honor the tribe. Kerr noted that the idea of not moving the kitchen isn't going to save anything, a discussion ensued regarding the kitchen. Hayes added I myself cannot recommend a reduction in the scope of architecture. A discussion ensued regarding the breeze way.

Hayes said do we want to talk about delaying the project? To me a lot of opponents of the project know a delay knows it will never happen, delaying will cost more and we have funding now. Ogilvie replied we know how much it's costing us, to the tune of \$100,00 per month. McCarthy said there may be places we are going to reduce

it, but it's going to need to be a lot of money to reduce the debt service. St. Denis added when we start talking about reduction there are certain things you'll have to do per code, such as the seismic upgrades. some of which has been done, but will still need to do the walls in both buildings, etc. Hayes added I want to acknowledge the community input. We've asked to simply the landscaping plan, that was the community and DRB and us saying yes we should reduce that. I wonder if there are other parts of the project exterior, park, where we could have more community involvement. And I wouldn't want to give us the SE plaza, story circle, paver plaza. Some of the architectural details and artwork or interpretive aspects may be better suited to a community-led project. Kerr said are you talking about having another community meeting for the landscape area? Hayes replied I don't know the process. It's important to me that we move on the building, and I don't know what the projects could look like or might look like. Or does it make more sense to hand it to the experts and say give us a finished project. Knop added we can ask in the submission for the landscape plan to cut as many costs as possible and still honor what the tribe would like. I think we need to have the entire thing and then review it to determine where we can make adjustments.

Discussed what the motion would be. St. Denis said I think for us to assure the bond buyers, I think the motion has something to do with developing the project as presented with modifications for landscape __ and __.

Motion: Hayes moved to approve moving forward with the project with modifications and approval to the landscape plan in preparation for bonding;

Discussed the motion.

Amend the motion.

Motion: Hayes moved to approve moving forward with the project with modifications and approval to the landscape plan; Ogilvie seconded the motion.

Vote: McCarthy, Ogilvie, Kerr, Hayes and Knop voted AYE: the vote was 5:0 and the motion carried.

(4) Good of the Order

McCarthy reported Coffee with Councilors on Monday at 10 am.

Kerr reported I've heard from community members that there's been tree clearing on the Moon property. My understanding when the council by a majority was, they were only going to develop two of the properties because of the slopes. It can't be an R2 on the slopes. The majority of council approved it in opposition to the PC concerns. St. Denis replied I'll find out.

Knop reported trail cleaning party Saturday at 10 am at the 2nd street parking lot.

Kerr asked when can I get an answer on the Moon thing, St. Denis replied likely tomorrow or the next day. I'll get an email to council.

ADJORNMENT

The meeting was adjourned at 8:30 p.m.

ATTEST:

Jennifer Barrett, Recorder

Barb Knop, Mayor