

WORKSHOP MEETING MINUTES
SISTERS CITY COUNCIL
520 E. CASCADE AVENUE
SEPTEMBER 30, 2010

MEMBERS PRESENT:

Lon Kellstrom	Mayor
Bill Merrill	Councilor President
Sharlene Weed	Councilor
Pat Thompson	Councilor
Jerry Bogart	Councilor

STAFF PRESENT:

Eileen Stein	City Manager
Steve Bryant	City Attorney
Pauline Hardie	Comm. Dev. Director
Lisa Young	Finance Director
Brad Grimm	Public Works Director
Kathy Nelson	City Recorder

The meeting was called to order by Mayor Kellstrom at 6:00 p.m.

A. Independent Contractors Agreement for Economic Development Services

Manager Stein stated the workshop would provide an opportunity to discuss the scope of work and performance expectations for the independent contractor economic development position and allow for any changes the Council sought. She stated that City Attorney Bryant drafted the agreement with the intent of protecting the City's interest.

Mayor Kellstrom announced the candidate recommended by Economic Development of Central Oregon (EDCO) was Macgregor Hay.

Councilor Weed asked why the stipulations she had requested were not included in the agreement. **City Attorney Bryant** relied that some of her requests were too directive to be considered appropriate for an independent contractor agreement while others were already incorporated into the bullet points of the Sisters Strategic Action Plan for Economic Development which the agreement stated the contractor would implement. He stated it is important to leave it to the discretion to the contractor on how to achieve these points. **Councilor Weed stated** she was disappointed that there were no deliverables required of the contractor. **City Attorney Bryant** stated directing the means and manner in which the independent contractor will perform would present a problem as that level of direction would not be consistent with the way an independent contractor normally performs.

Councilor Merrill asked who was on the review committee from the Sisters business community. **Mayor Kellstrom** stated he did not know as the interviews were set up by EDCO and EDCO was not required to make that information public. **Councilor Merrill** stated he felt that was a mistake and he was uncomfortable without knowing who was involved in the process. Councilor Weed stated she was also interested in knowing who was on the panel.

Councilor Merrill pointed out that the second 'Whereas' clause in the services agreement makes mention of discussion between the contractor and the Council which is an inaccurate statement as the Council has never discussed with Mr. Hay his experience and had only found out at the

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beginning of the meeting that he was the recommended candidate. He requested the clause be removed. **City Attorney Bryant** explained that when writing the document he had thought the Council would have had the opportunity to meet with the successful candidate prior to the workshop. The **Council** agreed to remove the clause.

Councilor Merrill stated it should be clarified as to what boundaries encompass the Sisters community as mentioned in the scope of work.

Councilor Merrill stated he agreed with the concerns raised in an e-mail from Budget Chair Gwen Chapman that compensation should be paid at the end of the month after services have been performed and not at the beginning of the month. The **Council** agreed to change the first payment to November 1, 2010 and the last payment on July 1, 2011.

Councilor Merrill stated he also agreed with Ms. Chapman on the issue of where the option to extend the contract should be listed; *Section 1* where services are outlined as opposed to *Section 9* where the term of the contract is outlined. **City Attorney Bryant** stated the scope of work will not likely be renewed with the same conditions since after ten months the compensation might be renegotiated and the scope of work redefined.

Councilor Bogart stated he felt the condition to report to the Council on a monthly basis was excessive and should be changed to a quarterly report. The **Council** discussed what the timeframe for reporting should be and decided to leave the reporting requirement at monthly.

Councilor Bogart asked why the contractor was required to have at least two clients. **City Attorney Bryant** explained it is a statutory requirement when defining an independent contractor versus an employee.

Councilor Weed asked to have the first '*Whereas*' deleted as there is no requirement in the agreement to have the contractor gather information.

Councilor Weed stated she would like to delete the ability of the City Manager to approve the payment of unusual expenses. **City Attorney Bryant** explained that agreement clearly states there will be no reimbursement for expenses in connection with the performance of the services but he pointed out that there could be occasions out of the normal realm of business where payment of expenses might be justified, such as paying for a potential business owner to spend the night in the City. He stated the City needs the ability to have the City Manager approve those types of expenditures without having to hold a Council meeting to get approval. The **Council** discussed the issue and agreed to add a clause that the total amount to be expended between compensation and reimbursed expenses would not exceed the \$30,000 budgeted.

Councilor Weed stated she felt that an amount should be specified for the amount of liability insurance required. **Manager Stein** stated the City normally requires \$1 million. **City Attorney**

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Bryant stated the amount should be based on the nature of the work and acceptable to the Finance Director and City Manager.

Councilor Weed stated there are no concrete deliverable in the scope of work and that she was frustrated as the Council had never discussed what should be included. She stated the list of responsibilities mentions a retention/expansion program but stated she was unaware of any such program. Another point she made was the responsibilities state the contractor will qualify and recruit prospective clients but there is no matrix for doing so.

Councilor Weed stated she felt the bullet point that stated the contractor will coordinate with the City Manager to develop budget requests should be removed as the budget has already been set at \$30,000. **City Attorney Bryant** explained that this clause referred to future budgets and that the contractor would be a good resource in identifying future needs. **Councilor Merrill** added that it is only taxpayers who are funding the position this year but in the future other agencies and business owners should be contributing as well.

Councilor Weed asked if the Council will be able to assign special projects to the contractor. **City Attorney Bryant** stated it could as long as it is not the main focus of the scope of work. **Councilor Weed** questioned why the contractor would be setting his own performance measurements as she felt it should be the City that establishes those measures. **Councilor Merrill** stated the City would be involved as it would be a collaborative effort.

Mayor Kellstrom asked if it was even possible to approve the agreement tonight with all the changes the Council had made. **City Attorney Bryant** stated it could be approved as amended as he had tracked all the changes. He added the independent contractor had not yet approved the contract so the process would still not be complete.

B. City Manager Update

Manager Stein stated the Veteran of Foreign Wars (VFW) had requested approval to fly the American flags on Cascade Avenue from November 2nd through November 12th so they would be hanging for the November election through Veterans Day. The **Council** agreed to the request.

Manager Stein advised the Council that she and Finance Director Young have discussed the vacant IT position and reviewed the City's needs with staff. With the computer server transition completed, the highest priority need is for desktop support and that she would like to bring this position in-house and recruit for a part-time Desktop Support Technician. She stated the previous IT support technician had been hired through a contract with a placement agency and that the arrangement did not work well. She stated no benefits would be provided to the 20 hour position and that she felt the ability to direct the person as a staff member would be an advantage. She explained the funds were already included in the budget but it would be necessary to move the budget appropriate from Materials and Services (*Contract Services*) to Personal Services, a move

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that requires a budget transfer. **Mayor Kellstrom** requested Manager Stein put together some specifics about the position for the Council to see and she stated she would.

The meeting was adjourned at 6:58 p.m.

Respectfully submitted,

Kathy Nelson, City Recorder

Lon Kellstrom, Mayor