

REGULAR MEETING MINUTES
SISTERS CITY COUNCIL
520 E. CASCADE AVENUE
JUNE 23, 2011

MEMBERS PRESENT:

Lon Kellstrom Mayor
David Asson Council President
Sharlene Weed Councilor
Pat Thompson Councilor
Wendy Holzman Councilor

STAFF PRESENT:

Eileen Stein City Manager
Steve Bryant City Attorney
Paul Bertagna Public Works Director
Pauline Hardie Comm. Devel. Director
Lynne Fujita-Conrads Acct. Analyst
Kathy Nelson City Recorder

ABSENT:

Lisa Young Finance Director

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE

The meeting was called to order by Mayor Kellstrom at 7:22 p.m.

II. CERTIFICATES OF APPRECIATION

Mayor Kellstrom thanked Shawna Bell and Gwen Chapman for serving on the Budget Committee for the last three years. He presented a certificate of appreciation to Ms. Bell and indicated Ms. Chapman's would be mailed since she was unable to attend.

III. VISITOR COMMUNICATION

Bill Willitts, 800 Buckaroo Trail, Sisters, OR 97759

Mr. Willitts stated he was in attendance to let the Council know he would like to move forward for a plan to create a connector trail from the Five Pine campus onto Forest Service land. He distributed a map illustrating the area. He requested the City consider, as one of three stakeholders, to share in the cost of building the trail. He stated the other two stakeholders were Five Pine and Three Creek, the company that runs cattle on the property.

Mayor Kellstrom advised the Council it would be discussing Mr. Willitts proposal at the July 14th workshop where additional details would be discussed. **Councilor Weed** asked what would happen if the property were to sell. **Mr. Willitts** replied the property is currently in escrow and he would be meeting with the potential buyer before the workshop of the 14th and would make certain they would know of the need for a permanent easement on the property.

Mr. Willitts stated he was also in attendance to propose building a Senior Grange Hall in the McKenzie Meadow Village (MMV) development simultaneously with the senior assisted living project to reduce construction costs. He stated a recent survey by the Sisters Community Art Center Visioning Project found that 65% of people surveyed supported the idea of a senior

center. He stated the building would house an office for Partners in Care (a hospice provider), provide integrated classrooms for the Sisters School District, house a permanent display cabinet for the Veterans of Foreign wars (VFW) and become not only a senior gathering place, but a community gathering place. He added the Central Oregon Council on Aging (COCOA) Board of Directors was considering owning the property. He stated MMV would ask the City to support the project on three levels: an expedited planning and review process, waiver of planning and permit fees and by contributing 25 percent of the construction costs estimated to be \$400,000.

Mayor Kellstrom stated Mr. Willitts would be attending the July 7th quarterly workshop with the County Commissioners to present the idea in hopes the County would commit to being a funding source also. **Mr. Willitts** clarified that if the funding for the senior assisted living project was not secured, the grange project would not move forward. **Councilor Weed** stated she had a number of questions she would email to **Mr. Willitts** and he replied he would send his answers to the entire Council.

IV. CONSENT AGENDA

- A. Minutes
 - 1. June 09, 2011 – Regular Meeting

- B. Bills to Approve
 - 1. June Accounts Payable

- C. Liquor License Applications
 - 1. Takoda's Restaurant
 - 2. Melvin's Fir Street Market

Councilor Weed moved to approve the consent agenda. Councilor Holzman seconded the motion.

Councilor Weed asked what work was included in the invoice from GSI Water Solutions, Inc. in the amount of \$3,168.55. **Manager Stein** replied she would check and get back to the Council on the details.

The motion carried unanimously.

V. ITEMS NOT ON THE CONSENT AGENDA

- A. June Accounts Payable

Councilor Holzman moved to approve the accounts payable not on the consent agenda. Councilor Asson seconded the motion.

Councilor Thompson stated he would refrain from voting due to a direct conflict of interest.

The motion carried unanimously.

VI. STAFF REPORTS

A. Paul Bertagna, Public Works Director

Director Bertagna reported Glenn Miller Construction was the low quote at \$9,000 for installing the playground equipment at Cliff Clemens Park. He stated funds for the installation would come from the park system development charges and would include approximately \$5,000 for playground chips.

Director Bertagna provided follow-up on the Public Works employee who would be out for a minimum of three months due to a medical issue. He stated he was considering options to cover the staffing gap by hiring a temporary employee from an agency, moving the seasonal worker into the regular position temporarily and having the Overnight Park camp host move to the seasonal worker position or contracting the work out.

Director Bertagna stated he had received an intergovernmental agreement (IGA) from the Oregon Department of Transportation (ODOT) for a quick-fix grant for the Santiam multi-use path that would connect downtown to Ray's Food Place with a pedestrian path. He asked the Council to consider approving the IGA under *Other Business* later in the meeting.

Councilor Weed reported she'd had some complaints from citizens upset about the chip-sealing projects in town. **Director Bertagna** stated the City typically gets complaints regarding such projects right after they are installed. He stated citizens need to recognize that the excess oil and loose rocks diminish very quickly, striping would be done and that clean-up from the chip-sealing project hadn't been finished. He stated he was still deciding whether to use the dry rock or oil coated method of chip-sealing for the downtown streets but indicated he was still leaning towards the oil coated method. **Councilor Weed** asked if citizens were informed prior to the project. **Director Bertagna** replied an announcement ran in the Nugget Newspaper twice. He stated staff could craft more outreach to affected neighborhoods in the future and make certain households were aware of the impending project. The **Council** agreed.

Councilor Weed asked why the playground equipment was not being installed by city staff as it was her understanding it would be. **Director Bertagna** replied the figure to install the equipment provided by the former Public Works Director did not include anything other than labor costs. **Councilor Weed** stated she felt the decision to get quotes or to use staff should have come to the Council, stating she felt as many projects as possible should be done in-house. She voiced concern with the process. **Director Bertagna** replied that with the current staffing issue

of being down one employee in the department it would be impossible for Public Works staff to do the installation and keep up with their other responsibilities after all.

Councilor Weed stated she felt the City needed to be proactive in providing education to the community on back-in diagonal parking. The **Council** discussed whether or not the City should move forward with its plan to use back-in diagonal parking on the Main Avenue project.

Director Hardie reminded the Council the grant the City received for the Main Avenue project to make it bicycle and pedestrian friendly parking was Phase 1 of an ODOT grant and Phase II was the Cascade Avenue Improvement project. She expressed concern that attempting to change the terms of the grant could jeopardize both projects. **Manager Stein** agreed there could be serious consequences as well as not using the back-in diagonal parking would cause the project to not match the newly updated Transportation System Plan. **Director Bertagna** suggested back-in diagonal parking would be a good topic for Councilor Holzman and Councilor Weed to discuss with citizens at their monthly community outreach at the Farmers Market. They agreed.

B. Pauline Hardie, Community Development Director

Director Hardie informed the Council she had emailed each a copy of the Parks Master Plan that would come to them for adoption in August. She stated she wanted councilors to have adequate time to review the material. She stated the Endangered Species Act (ESA) mitigation plan would also be coming before the Council in August for adoption. She reported an additional meeting with SERA Architects related to the Cascade Avenue Streetscape project would be scheduled in the future also.

Director Hardie stated the Community Development Department continued to see an increase in current planning activities. She stated there had been a large number of sign applications submitted for the many new businesses coming to town and the department had four additional residential permits in-house at present besides what was reported on her staff report.

Councilor Weed stated she was concerned that Director Hardie was involved with the Regional Economic Opportunity Analysis (REOA), stating she didn't feel Director Hardie should be spending time on the project. She stated she felt the goal of REOA was contrary to what the community would support. **Director Hardie** explained the process was completed and a list of the top cities that could provide large industrial parcels in the region would be created. She reported Sisters was at the bottom of the list as there are no large commercial parcels within city limits. **Manager Stein** suggested the REOA could be a topic of discussion during the July 7th quarterly meeting the Council will have with the County Commissioners.

C. Mac Hay, Economic Development Manager

Mr. Hay reported on his economic development activities for June, stating he hoped he had met the expectation of the Council for FY 2010-11. **Mayor Kellstrom** noted there would be additional conversation with Mr. Hay under Council Business when renewal of the services agreement would be considered.

VII. COUNCIL BUSINESS

A. Public Hearing and Consideration of Resolution No. 2011-09: A RESOLUTION ADOPTING THE FISCAL YEAR 2011-12 BUDGET, APPROPRIATING FUNDS, APPROVING A TAX LEVY AND DIRECTING STAFF TO FILE THE BUDGET WITH THE COUNTY CLERK

Mayor Kellstrom opened the public hearing and asked if there was anyone that wanted to speak about the budget. As there was no one that wished to speak **Mayor Kellstrom** closed the public hearing.

Councilor Asson moved to adopt the fiscal year 2011-12 budget, appropriating funds, approving a tax levy and directing staff to file the budget with the County Clerk. Councilor Weed seconded the motion. The motion carried unanimously.

B. Public Hearing and Consideration of Resolution No. 2011-10: A RESOLUTION ADOPTING A CITY OF SISTERS SUPPLEMENTAL BUDGET AND ESTABLISHING APPROPRIATIONS

Mayor Kellstrom opened the public hearing and asked if there was anyone that wanted to speak about the supplemental budget. As there was no one that wished to speak **Mayor Kellstrom** closed the public hearing.

Councilor Asson moved to adopt Resolution No. 2011-10 adopting a supplemental budget and establishing appropriations. Councilor Holzman seconded the motion. The motion carried unanimously.

C. Public Comment and Consideration of Resolution No. 2011-11: A RESOLUTION AMENDING THE MASTER FEE SCHEDULE FOR SOLID WASTE COLLECTION FEES WITHIN CITY LIMITS PROVIDED BY THE SOLID WASTE FRANCHISEE

Mayor Kellstrom asked if there was anyone that wanted to comment on the master fee schedule. There was no one that wished to comment.

Councilor Holzman moved to adopt Resolution No. 2011-11 amending the master fee schedule for solid waste collection fees within city limits provided by the solid waste franchisee. **Councilor Asson** seconded the motion.

Councilor Weed stated she would agree to support the rate increase if there was outreach in the upcoming fiscal year to let citizens know the cost of different recycling scenarios whether at the curb or at the Sisters Recycling Depot.

Councilor Thompson stated he would be voting no on the motion not because he felt High Country Disposal (HCD) was doing a bad job, in fact quite the contrary, but rather because there had been no input from the ratepayers, the City had allowed the County to back out on its obligation to provide financial support for the operational costs of the center and for cutting service hours at the depot. He stated the City only looked at options that included the 4.5 percent rate increase and he felt it was unfair to citizens.

Mayor Kellstrom asked if it would be possible to include a survey on what the various scenarios Councilor Weed described to garbage customers in their monthly bill. **Bruce Bailey, owner of HCD** stated that would be possible. **Mayor Kellstrom** directed staff to work with HCD to draft a survey. **Councilor Weed** and **Councilor Asson** volunteered to help with the survey project.

The motion carried with a vote of four to one. Councilor Holzman, Councilor Weed, Councilor Asson and Mayor Kellstrom voted in favor of the motion. Councilor Thompson voted against the motion.

D. Discussion and Consideration of Resolution No. 2011-12: A RESOLUTION ADOPTING GOVERNMENT STANDARDS AND ACCOUNTING BOARD (GASB) STATEMENT NO. 54, AUTHORIZING THE CITY MANAGER TO ASSIGN RESOURCES AND ENDING FUND BALANCES, AND ADOPTING A FUND BALANCE REPORTING POLICY

Councilor Asson moved to adopt GASB Statement No. 54, authorizing the City Manager to assign resources and ending fund balances, and adopting a fund balance reporting policy. **Councilor Holzman** seconded the motion.

Manager Stein explained the effect of the resolution is that the number of classifications for fund balance in the City's financial statements would be expanded from three to five. She explained the current categories and the new ones that would be added.

The motion carried unanimously.

E. Discussion and Consideration of a Motion to Accept a Transportation Enhancement Program (TEP) Grant for the Cascade Avenue Improvement Project

Councilor Holzman moved to accept a TEP grant for the Cascade Avenue Improvement project. Councilor Weed seconded the motion.

Councilor Thompson confirmed the City would receive a grant in the amount of \$1,139,000 with only a \$130,000 match from the City. **Director Hardie** replied that was correct.

The motion carried unanimously.

F. Discussion and Consideration of a Motion to Renew the Economic Development Services Agreement for FY 11-12

Councilor Asson moved to renew the Economic Development Services Agreement. Councilor Thompson seconded the motion.

Mayor Kellstrom reported there was additional material related to the contract agreement at each councilor's place. **Councilor Thompson** remarked he felt Mr. Hay was doing a great job and the program had been an amazing success. He stated the "open sign" was out in Sisters and Sisters Country. He stated Mr. Hay's monthly reports told him everything he needed to know about what Mr. Hay was doing and commended Mr. Hay's performance.

Councilor Weed stated she had asked for a Council workshop to discuss the economic development contract and next steps for the program and that request had been denied. She stated she had asked for a copy of the goals Mr. Hay had set at the beginning of the contract and what his work plan would be for upcoming fiscal year as those items were not included in the packet. She stated the Mayor had denied that request after polling the Council, but now the information was at each place with no time to absorb what it contained. She stated performance measures #3 and #4 were largely not accomplished and she considered those to be the most important. She stated she didn't know the state of the city such as how many new businesses had come in, how many businesses had left, how many new jobs had been created and how many jobs had been lost. She remarked she had been disappointed with the process and felt the performance measures were not met. **Councilor Thompson** reminded Councilor Weed that Mr. Hay was not an employee, he had no staff to assist him and the City didn't compensate him enough to get too deep into collecting statistical information. **Councilor Weed** stated she felt there was a lot of talent in the community that could make the city stronger that was not being harnessed.

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Councilor Holzman stated she was not on the Council when the decision to make Mr. Hay a contract employee was made and she was not satisfied with the way the position had been structured. She stated she would have preferred the position be a City employee since taxpayer money was being used. She stated she felt the City would get a better measurable outcome if the position was that of an employee. She stated in speaking with Mr. Hay he had indicated he felt the job description should be tightened which she felt should have occurred in a workshop setting. She stated the City needed to look for additional funding within the community for the position and she would like to see the Sisters Economic Advisory Committee (SEAC) strengthened and begin pulling in people from the community. She advocated for a “shop local” program. She acknowledged the time Mr. Hay has spent working for the benefit of Sisters.

Mayor Kellstrom asked Mr. Hay how the City could improve the agreement. **Mr. Hay** replied he felt the statistical work and web page component should be removed from the performance measures. He stated he felt those elements were important to economic development but stated he sees his position as a recruiter and facilitator and does not see the direct benefit to recruiting or retaining businesses the statistical work would provide. He stated business recruiting was the area where he could be the most productive and efficient. He suggested moving the statistical tasks to another person or committee.

Mayor Kellstrom stated he would prefer to have Mr. Hay working to recruit and retain businesses with the part-time job as opposed to working on a data base. He stated there was not enough time to do both and agreed those components should be removed from the contract. **Councilor Holzman** stated she would prefer to have a workshop to discuss how the contract would be changed prior to making a decision. She stressed that she felt the community outreach element was an important piece of the position. She asked how Mr. Hay felt about the community outreach portion of the performance measures. **Mr. Hay** replied he did not see that as part of the job function. He stated the information could be helpful but it was not realistic to accomplish that task with a part-time position. He stated he felt the City had accomplished a lot with regard to the economic development. **Councilor Holzman** stated she felt a community outreach component was very important and didn't want to see that piece lost. **Councilor Weed** stated she felt community outreach was the most important piece of Mr. Hay's job. She stressed the importance of getting the community on board for economic development. She stated she did not agree with attempts to recruit big businesses and she didn't agree with his methods. **Mr. Hay** replied he has spent all of his time recruiting small businesses, not large ones.

Councilor Asson stated he felt Mr. Hay's job as a business recruiter was very important to note. He stated he didn't think people would show up to discuss economic development in general terms. He related that in the survey he conducted it was clear folks would prefer to meet in small focused groups rather than meet to discuss the broad topic of economic

development. **Manager Stein** reported other forums for community building so exist such as the round-table discussions organized by the Chamber of Commerce. Those meetings target specific economics sectors. She stated some of that community building was occurring; it was just not being organized by Mr. Hay.

Councilor Holzman stated she felt the City needs a centralized means of communication for its citizens so everyone can know what's going on. She stated that would benefit the community. **Councilor Holzman** reiterated she would like to schedule a workshop to discuss the terms of the contract before approving it. **Councilor Weed** remarked she was not comfortable voting on the contract either. **Manager Stein** stated when the contract was approved last year it only included the scope of work and the Council had a workshop later to discuss the performance measures. She stated that possibility existed for the Council again this year if that was what they would like to do.

Councilor Asson stated he felt the Council could recruit individuals for specific areas of economic development. **Councilor Weed** stated there would need to be some creativity to create the vision of who Sisters want to be. She stated it would be the charge of the committee to recruit those people that would have connections to that vision and would be excited to promote the vision. **Manager Stein** stated the vision is embodied in the Sisters Economic Development Strategic Action Plan (EDSAP) and there are different groups of people working on the different economic sectors all the time. She stated those groups are often working behind the scenes and not always visible.

Councilor Asson revealed that when he attends Economic Development of Central Oregon (EDCO) meetings Mr. Hay's activities are always noted and recognized. He stated Sisters is getting noticed.

The **Mayor** called for the vote.

*The motion carried with a vote of three to two. **Councilor Asson, Councilor Thompson and Mayor Kellstrom** voted in favor of the motion. **Councilor Holzman and Councilor Weed** voted against the motion.*

G. Discussion and Consideration of a Motion to Approve an Operating Agreement Between the City of Sisters, High Country Enterprises, LLC and Deschutes County for the Sisters Recycle Depot and Authorize the City Manager to Execute the Agreement

***Councilor Weed** moved to approve an operating agreement between the City of Sisters, High Country Enterprises, LLC and Deschutes County for the Sisters Recycle Depot and authorize the City Manager to execute the agreement. **Councilor Holzman** seconded the motion.*

Councilor Thompson asked what four days the center would be open. **Director Bertagna** replied the days were still being decided. **Councilor Weed** asked if City Attorney Bryant had reviewed the contract. He replied he had and he foresaw no problems with the agreement.

The motion carried unanimously.

H. Discussion and Consideration of a Motion to Amend the Intergovernmental Agreement with the Oregon Department of Energy for a Community Renewable Feasibility Fund Grant and Authorize the City Manager to Execute the Amendment

***Councilor Asson** moved to amend the intergovernmental agreement with the Oregon Department of Energy for a Community Renewable Feasibility Fund grant and authorize the City Manager to execute the amendment. **Councilor Holzman** seconded the motion.*

Councilor Weed asked why Sisters Middle School or the Sisters Park and Recreation District (SPRD) had not been considered for the feasibility study. **Manager Stein** replied those building had been assessed and it was determined they were not good candidates due to where the boiler equipment was located within the building.

The motion carried unanimously.

VIII. OTHER BUSINESS

The **Council** discussed Director Bertagna request to consider the IGA for the Santiam multi-use path.

***Councilor Holzman** moved to approve the intergovernmental agreement with ODOT for the Santiam multi-use path and authorize the City Manager to execute the agreement. **Councilor Asson** seconded the motion.*

Councilor Thompson asked who would be building the path. **Director Bertagna** stated it would be going out to bid, using the Highway 242 bike and pedestrian path agreement as a template. **Councilor Thompson** stated he thought the policy was to include weighted criteria determined by the Contract Review Board. **Manager Stein** replied the topic of using weighted criteria contracts was on the agenda for the June 30th workshop so the Council could decide under which situations it wanted a weighted criteria to be used.

The motion carried unanimously.

IX. MAYOR/COUNCILOR BUSINESS

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A. Committee Reports

There were no committee reports.

X. ADJOURN – The meeting was adjourned at 9:16 p.m.

Respectfully submitted,

Kathy Nelson, City Recorder

Lon Kellstrom, Mayor