



SISTERS CITY COUNCIL
520 E. Cascade Avenue
Sisters, OR 97759

AUGUST 11, 2016

5:30P.M. CITY COUNCIL WORKSHOP

1. Chamber of Commerce Annual Update – *J. Trego*
2. Hood Avenue Art District Discussion – *R. Allen*
3. Other Business – *Staff/Council*

7:00 P.M. CITY COUNCIL REGULAR MEETING

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE

II. VISITOR COMMUNICATION

III. CONSENT AGENDA

A. Minutes

- April 07, 2016 - Workshop
- April 14, 2016 – Workshop
- April 28, 2016 - Workshop
- May 12, 2016 – Workshop
- July 28, 2016 – Workshop
- July 28, 2016 – Regular Meeting
- August 04, 2016 – Workshop
- August 04, 2016 – Special Meeting

B. Bills to Approve

1. August Accounts Payable

IV. STAFF REPORTS

A. August Staff/Council Work Plan

B. New Business License Report for July 2016

V. COUNCIL BUSINESS

- A. Discussion and Consideration of a Motion** to Approve the Oregon Public Works Emergency Response Mutual Aid Agreement and Authorize the City Manager to Sign the Agreement – *P. Bertagna*

This agenda is also available via the Internet at www.ci.sisters.or.us

The meeting location is accessible to persons with disabilities. Requests for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting by calling Kathy Nelson, City Recorder, at the number below.

520 E. Cascade Ave. – P.O. Box 39, Sisters, OR 97759 – 541-323-5213

B. Discussion and Consideration of a Motion to Accept a Right of Way Dedication on Rail Way from Hayden Homes - *P. Bertagna*

C. Discussion and Consideration of a Motion to Approve a Memorandum of Understanding (MOU) including the Addendum to the Memorandum of Understanding between the City of Sisters and Economic Development of Central Oregon (EDCO) for a Forgivable Loan Program and Authorize the City Manager to Execute the Memorandum of Understanding – *R. Allen*

VI. CONTRACT REVIEW BOARD

A. Discussion and Consideration of a Motion to Award a Contract to Kittelson & Associates Inc., in an amount not to exceed \$120,000 for the 2016/17 Transportation System Plan (TSP) Update and Authorize the City Manager to Execute the Agreement. – *P. Bertagna*

VII. OTHER BUSINESS

VIII. MAYOR/COUNCILOR BUSINESS

IX. ADJOURN

WORKSHOP MEETING MINUTES
SISTERS CITY COUNCIL
520 E. CASCADE AVENUE
APRIL 14, 2016

MEMBERS PRESENT:

Chris Frye Mayor
Nancy Connolly Council President
David Asson Councilor
Amy Burgstahler Councilor

ABSENT:

Andrea Blum Councilor

GUESTS:

Gary Farnsworth ODOT Area Manager
Mike Darling ODOT Project Leader
Abby Driscoll ODOT Community Liaison

STAFF PRESENT:

Steve Bryant City Attorney
Paul Bertagna PW Director
Joe O'Neill Finance Officer
Patrick Davenport CD Director
Kathy Nelson City Recorder

ABSENT:

Andrew Gorayeb City Manager

The workshop was called to order by Mayor Frye at 6:20 p.m.

1. Oregon Department of Transportation (ODOT) Roundabout Update

Oregon Department of Transportation (ODOT) Project Leader Mike Darling introduced himself, ODOT Area Manager Gary Farnsworth and ODOT Community Liaison Abby Driscoll and stated they were in attendance to provide an update on the roundabout project planned for the intersection of Highway 20/Barclay Avenue/McKinney Butte Drive. He stated when the City and ODOT last discussed the project the decision on where to construct the truck bypass route for oversized loads had still been unknown. He explained these were loads that were 200 to 250 feet in length. He stated once that had been determined then ODOT had begun to purchase the necessary right of way (ROW) for the final design. He distributed information including a map of what the roundabout would look like once completed. The map illustrated the placement of the pavement, mountable truck apron, mountable truck by-pass, multiuse path, landscaping and stormwater facility. He stated the truck bypass would be located on the northwest corner of the project. He stated along with ROW acquisition engineers were working on placements of drain fields, traffic management, aesthetics, staging and public art.

Mr. Darling noted the project would be impactful to traffic and nearby businesses regardless of how it was staged. He stated since ODOT was interested in receiving input on all components of the project three focus groups were being created with members from the impacted property owners and other interested parties. The groups were to review traffic management, aesthetics and public art and outreach to potential participants had already begun. **Director Bertagna** stated the public art process would likely take a least a year. He stated the City was fortunate to have so many artists that had dealt with art in public places. He stated having that expertise when determining scale, view corridor, size and what the piece should project about Sisters was invaluable. **Mr. Farnsworth** noted the budget for the project was very tight and the public art piece would fall outside the scope of the project but ODOT would be able to help by installing the

necessary infrastructure. He stated ODOT would also help the City look for additional funding resources. **Director Bertagna** replied the City was hoping for a public/private partnership on the piece. He noted there was a request to have a member of the Council participate in the public art focus group.

Director Bertagna reported there would be lighting for public safety. He stated they would be 40 foot tall posts and Scott Baird from Kittleson & Associates who had participated in the last Dark Skies Committee meeting had provided information on lighting for public places. He had been helpful in providing code language that still kept public safety in the forefront and the Dark Skies Committee had been receptive to Mr. Baird's suggestions for lighting.

Mr. Farnsworth stated ODOT was hoping for assistance from the City in identifying additional members for the focus group. **Mr. Darling** stated some individuals would like to serve on more than one focus group. **Councilor Burgstahler** suggested the City's newsletter would provide a good resource for getting information out to the public. **Director Bertagna** stated the community outreach and construction strategy would parallel each other for a time

Mr. Farnsworth stated ODOT would like to host a public meeting in late summer or early fall. **Mr. Darling** stated ODOT was meeting with the Chamber of Commerce at the end of the month. HE stated once all the details of the projects were finalized there would be additional public outreach, the project would go out to bid, construction would take place and the roundabout would be substantially completed prior to Memorial Day in 2017 with all lanes of traffic open.

Councilor Connolly questioned who would be responsible for the maintaining the landscaping. **Mr. Farnsworth** replied it would depend on who owned the property. He stated if it was private property it would be the responsibility of the property owner and if it was public right of way, the City and ODOT would come up with an agreement on who owns which portions of the property and who would maintain them.

Councilor Connolly asked if a decision on asphalt versus concrete had been made and **Mr. Darling** stated that decision had yet been decided, but it would likely be asphalt since it was less expensive. **Mr. Farnsworth** explained concrete needed time to cure but did provide a longer life span. He stated the City would help with that decision on cost versus benefit. **Director Bertagna** stated staff was gathering data on both base surfaces and there were a lot of factors to consider.

Mayor Frye thanked the ODOT personnel for attending and the effort they always put into public outreach. **Director Bertagna** stated he would keep the Council updated on the focus groups.

2. Other Business

Due to lack of time, there was no *Other Business*.

The meeting was adjourned at 6:53 p.m.

WORKSHOP MEETING MINUTES
SISTERS CITY COUNCIL
520 E. CASCADE AVENUE
APRIL 14, 2016


Kathy Nelson, City Recorder

Chris Frye, Mayor

WORKSHOP MEETING MINUTES
SISTERS CITY COUNCIL
520 E. CASCADE AVENUE
APRIL 28, 2016

MEMBERS PRESENT:

Chris Frye Mayor
Nancy Connolly Council President
David Asson Councilor
Amy Burgstahler Councilor
Andrea Blum Councilor

STAFF PRESENT:

Paul Bertagna PW Director
Patrick Davenport CDD Director
Joe O'Neill Finance Officer
Kathy Nelson City Recorder

ABSENT:

Andrew Gorayeb City Manager

The workshop was called to order by Mayor Frye at 6:02 p.m.

1. Forgivable Loan Program

The item was pulled from the agenda due to some miscommunication between the City Attorney and the Economic Development Manager resulting in the item not being ready for presentation. **Councilor Asson** voiced frustration and inquired as to why since specific instructions had been given three weeks prior. **Mayor Frye** replied he did not know but City Attorney Bryant would be attending the regular meeting and the Council could ask that question.

Mayor Frye distributed an email he had written to the Council. **Mayor Frye** was concerned the City was not planning appropriately to balance how it could financially assist projects for the future and cover all the "asks" that would be coming to the City related to forgivable loans, affordable housing and the City's strategic reserves. **Mayor Frye** stated a means of replenishing the strategic reserves each year needed to be created. He stated the City needed to consider the forthcoming system development charge (SDC) waivers from Housing Works and Habitat for Humanity as well as the assistance Housing Works might need for its upcoming multi-family affordable housing project.

Mayor Frye asked how much the City had in the Reserve Fund and **Finance Officer O'Neill** replied the City had about \$800,000 in the General Fund Reserve. The **Council** inquired what the recommended amount to maintain in the reserve fund would be and requested staff query other municipalities to see what other cities deemed a healthy reserve amount.

Mayor Frye asked what the different impacts would be if the City waived versus payed for SDC fees. **Finance Officer O'Neill** stated if SDC charges were waived, no money would be going into the SDC fund and the fund would not grow. He stated if the City paid the SDC fees, money would transfer from the operating funds into the SDC funds. The **Council** determined the City could not afford to waive the SDC fees as the funds would be needed for future growth projects. **Finance Officer O'Neill** informed the Council Deschutes County Assessor Scot Langton was anticipating a property tax increase of 5% this year which would translate to approximately \$40,000.00 in additional revenue for the City.

Director Davenport stated that there would be a big financial hit if the City contributed to Housing Work's apartment building but the City might be able to juggle the pay-out over two fiscal years.

Mayor Frye posed the question on whether the City should sponsor a ballot measure in November to address the issue regarding the City Charter's required 50 year period of affordability in order for the Council to waive SDC's. **Councilor Blum** felt the length of the affordability period should not even be in the Charter and should be removed completely. She discussed the need to prioritize where the funds the City did have, would go. **Mayor Frye** questioned whether the City Council should prioritize how funds would be used or if another group should be tasked with prioritizing expenditures. **Mayor Frye** felt if the City set aside large amounts over the next few years, the Reserve Fund could be paid back.

Director Bertagna asked if there was interest in leveraging the strategic reserve. **Councilor Connolly** asked for an example and **Director Bertagna** explained that each completed project would produce increased revenue from property tax for the City and if that additional property tax revenue could pay the debt service then that would be a simple solution, especially considering the City's credit rating. He noted the Housing Works multi-family project would be used for many years and asked if the Council wanted to burden current tax payers or spread it out to other tax payers that might benefit from the project in the future. **Director Davenport** suggested Bend's Affordable Housing Manager Jim Long would be a very good resource for the Council and he had indicated he would be willing to speak to the Council and share his expertise. The **Council** requested staff research the amount the City should keep in its strategic reserve and reach out to Mr. Long and schedule a time when he could attend a workshop.

2. Other Business

Director Bertagna approached the Council with a request from Pine Meadow Village Home Owners Association (HOA) to landscape an unimproved section on the City's right of way on Pine Street. In exchange for the City paying for the materials needed, the HOA would maintain and water the ROW for the City. The costs for the materials were estimated at \$2,700 and included irrigation parts, 3500 square feet of sod, equipment rental and fuel costs. **Director Bertagna** reported the Street Fund still had adequate budget to cover the cost. The **Council** was supportive of the request and **Councilor Connolly** requested the City ask for a written statement from the HOA affirming they would maintain the landscaping.

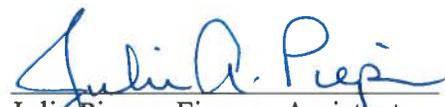
Director Davenport informed the Council the timing for having the Sustainable City Youth Program work on the TSP update would not work and it had been dropped from the project list.

Director Davenport distributed a year to date listing of building permits activity. He noted there were 26 units and 23 building permits in the works, indicating it was a really good start to the year. He stated there was a high demand for housing but it was hard for builders to get quality employees due to the shallow labor force.

WORKSHOP MEETING MINUTES
SISTERS CITY COUNCIL
520 E. CASCADE AVENUE
APRIL 28, 2016

Councilor Blum asked if the City was still negotiating with the Deschutes County Building Department to handle building code administration and **Director Davenport** replied work on the intergovernmental agreement was continuing and, when completed, would come to the Council for final approval.

The meeting was adjourned at 6:55 p.m.


Julie Pieper, Finance Assistant

Chris Frye, Mayor

WORKSHOP MEETING MINUTES
SISTERS CITY COUNCIL
520 E. CASCADE AVENUE
MAY 12, 2016

MEMBERS PRESENT:

Chris Frye Mayor
Nancy Connolly Council President
David Asson Councilor
Andrea Blum Councilor

ABSENT:

Amy Burgstahler Councilor

STAFF PRESENT:

Patrick Davenport CDD Director
Joe O'Neill Finance Officer
Kathy Nelson City Recorder

ABSENT:

Paul Bertagna PW Director

GUESTS:

Benny Benson Energyneering Solution Inc.
Caprielle Lewis Sisters Economic Development Manager

The workshop was called to order by Mayor Frye at 6:02 p.m.

1. Community Grant Criteria

Councilor Connolly asked how the City measured the effectiveness of the community grants and whether the City heard back from the groups awarded the grants. **City Recorder Nelson** replied the groups were required, as a condition of the grant, to notify the City on exactly how the grant money had been used and what it had allowed the organization to accomplish. **Councilor Connolly** asked how the City gauged the organizational and financial stability of an entity and **City Recorder Nelson** replied the Council determined the stability of the organizations when they reviewed the applications, noting the applications often included additional material from the organizations including financial information. **Councilor Connolly** asked how it was determined if a grant applicant generated economic activity and whether that superseded the grant applications requesting funds for educational or recreational opportunities or assistance for essential needs. **City Recorder Nelson** explained the applicant was not required to meet all the listed criteria, each was given equal value and the criteria was just a guideline for the Council.

The **Council** discussed the need for applicants to specifically state how the grant funds would be used. It was noted that applicants typically did provide the intended use and the Council could always request ask for more specific information from an applicants if they wanted it. The **Council** requested the policy document be updated to state grant requests would be awarded once the annual budget had been approved.

2. Interim City Manager Update

Finance Officer Joe O'Neill reported work on a contract with Rick Allen, the Council's choice for the position of interim city manager, was still in process. **Mayor Frye** reported he had spoken with Mr. Allen and Mr. Allen had sent Mayor Frye his initial "ask". **Mayor Frye** stated he had received information about Mr. Allen's salary from the City of LaPine. **Mayor Frye** reported he had informed Mr. Allen of the scheduled dates for the Budget Committee meetings and Mr. Allen had replied he would be free to attend the second Budget Meeting. The **Council** stated they would

like the negotiations and hiring process to be expedited and scheduled for approval as soon as possible. **City Recorder Nelson** reminded the Council they had a Special Meeting scheduled for the following Thursday morning and the contract approval could be added to that agenda.

3. Other Business

City Recorder Nelson informed the Council that Sisters Park & Recreation District (SPRD) had invited the Council to attend the Playground Open House at the Elementary School later in the morning.

Charter Amendment Discussion

The **Council** discussed the possibility of placing a Charter amendment measure on the November ballot to edit the language related to the affordability period for system development charge (SDC) waivers. **Councilor Connolly** asked if the Housing Policy Advisory Board had commented on the required 50 year affordability period for SDC waivers. **Director Davenport** answered the City had only received one application for the Housing Policy Board so far and one person from the Planning Commission had voiced interest in serving as a liaison so it had not yet been formed.

Mayor Frye asked for the deadline to make the November election. **City Recorder Nelson** replied all the paperwork needed to be submitted to the County by September 9th. She advised that was not a lot of time to get a committee together and receive sufficient public input. She explained if the Charter amendment was approved by a vote of the people, it would only apply to future waiver requests, not those currently under consideration.

Mayor Frye asked if there were other amendments to the Charter besides SDC waivers the City should consider. **City Recorder Nelson** stated the discussion on whether the Mayor should be appointed by the Council or elected to office by the people, revising the period of time the City could have an Interim City Manager or revising the period of time before a City Manager was required to be hired once a vacancy occurred were all items worth considering. She added there were also some housekeeping items such as a reference to the City Manager serving as the City Recorder, the Mayor appointing a City Recorder in the absence of the City Manager, increasing the timeframe for approval by Council of a canvass of the vote and removing sections that no longer applied such as reference to the Municipal Court and Judge.

Councilor Blum stated the issue of voting for a Mayor might be a very political issue and she would rather not have that on the ballot at this time. She stated edits to the Charter language to provide more clarity and flexibility were fine as that was what the Council was trying to achieve with a Charter amendment.

Mayor Frye asked the Council whether the six month time frame for the Interim City Manager should be changed. **Councilor Asson** stated that he felt six months was just fine and feared any more time would just lead to procrastination. **Councilor Blum** felt issues relating to time frames should not be in the Charter at all and suggested cleaning up the Charter and getting rid of

language that was constraining or no longer pertinent. **Councilor Blum** recommended that instead of allowing more time for a canvass of returns to be approved by the Council, it should just state that once received, the canvass of the vote would be approved by Council at the first available City Council Meeting.

The **Council** directed staff to form a Committee to help in revising the Charter. They also voiced an interest in querying other cities to see if they had encountered any problem with the six month time limit for interim City Managers.

Public Works Property

Mayor Frye questioned whether the City owned the greenspace between the Coyote Springs development and the Public Works Facility and whether it was within city limits. Staff confirmed the City owned the property but it was not within city limits. Bringing the property into city limits would require an annexation process.

City Manager Investigative Report

Mayor Frye commented on the District Attorney's findings that the investigation of the City Manager report should be released. He reported he had discussed the issue with City Attorney Bryant who advised the matter should be discussed in Executive Session.

Forgivable Loan Program

Engineering Solutions Inc., (ESI) President Benny Benson made recommendations to the Council on the forgivable loan process and discussed edits to his application. He suggested the Council tie the loans to job development, retention and economic development like many agencies used. **Sisters Economic Development Manager Caprielle Lewis** questioned why there was a need to hold an executive session on the matter. **Mayor Frye** explained that when the Due Diligence Committee and Council had met the previous week, there had been confusion about some of the edits and everyone felt there was a need for additional clarity from the City Attorney.

Ms. Lewis noted the County's forgivable loan program was a very flexible, a simple process and had been extremely successful. The **Mayor** replied he was not opposed to a more flexible process, but he was concerned that ESI's application did not fit the parameters of the forgivable loan program and there was a need to edit the language in order to make it fall within the guidelines. After further discussion, the **Council** decided there was not a need to make the Due Diligence Committee attend any further discussions between the Council and City Attorney. The **Council** commented it was anxious to meet with the City Attorney so they could move on with the process.

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


Julie Pieper, Finance Assistant

Chris Frye, Mayor

REGULAR MEETING MINUTES
SISTERS CITY COUNCIL
520 E. CASCADE AVENUE
JULY 28, 2016

MEMBERS PRESENT:

Chris Frye	Mayor
Nancy Connolly	Council President
David Asson	Councilor
Amy Burgstahler	Councilor
Andrea Blum	Councilor

STAFF PRESENT:

Rick Allen	City Manager
Jeremy Greene	City Attorney
Paul Bertagna	PW Director
Patrick Davenport	CDD Director
Joe O'Neill	Finance Officer
Kathy Nelson	City Recorder

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE

The meeting was called to order by Mayor Frye at 7:04 p.m.

II. VISITOR COMMUNICATION - None

III. CONSENT AGENDA

A. Minutes

1. April 21, 2016 – Workshop
2. May 05, 2016 – Workshop
3. May 19, 2016 – Workshop
4. May 26, 2016 – Workshop
5. June 14, 2016 - Workshop

B. Bills to Approve

1. July Accounts Payable

Councilor Burgstahler moved to approve the consent agenda. Councilor Connolly seconded the motion. The motion carried unanimously.

IV. STAFF REPORTS

- A. Deschutes County Sheriff's Office – no questions

V. COUNCIL BUSINESS

- A. **Discussion and Consideration of a Motion to Award Community Grant Funds for Fiscal Year 2016/17**

Councilor Connolly moved to award Community Grant Funds for FY 2016-17 to the following organization and keep \$3,300 on reserve for future requests:

- Circle of Friends - \$1,500
- Citizens for Community - \$500
- FAN - \$3,000
- Habitat for Humanity - \$1,000
- Heart of Oregon Corp Youth Build - \$2,000

REGULAR MEETING MINUTES
SISTERS CITY COUNCIL
520 E. CASCADE AVENUE
JULY 28, 2016

- *Heartwarmers - \$500*
- *Rotary Club of Oregon - \$800*
- *Seed to Table Program - \$1,000*
- *Sisters Community Garden - \$500*
- *Sisters Folk Festival - \$750*
- *Sisters Trail Alliance - \$750*
- *SMART - \$500*
- *SPRD Youth Scholarships - \$2,500*
- *SPRD Senior Scholarships - \$900*
- *VFW Post 8138 - \$500*

Councilor Blum seconded the motion. The motion carried unanimously.

VI. OTHER BUSINESS

Senior Planner Position

City Manager Allen informed the Council he might need to increase the salary being offered for the open Senior Planner position in order to attract strong candidates to apply. He noted there had been a very weak response. He explained the position was crucial for the City and the City couldn't afford to have a weak candidate in the Community Development Department as land use matters were where a majority of litigation for any city arose. He stated it was a tight market for employers with all the growth in the region and Sisters was at a disadvantage in that it could not offer salaries as high as Bend, Redmond and Deschutes County.

Marijuana

City Manager Allen noted the City had not adopted any time, place or manner restriction's relating to marijuana retail sales, commercial growing, processing or lab testing. He stated the opportunity to participate in the State's opt-out to prohibit the establishment of any marijuana industries within a community had already passed and so the City was relying on the verbiage in the City's business license ordinance stating a business must conform with federal law, and according to the federal government, marijuana was still considered an illegal drug. He noted with marijuana businesses legalized in Oregon, and the fact that there had been some movement by the federal government towards marijuana that might result in it being rescheduled as a lower class drug, he suggested the City take a pro-active approach to have the time, place and manner restrictions in place should the federal government ever de-criminalize marijuana altogether.

City Attorney Green stated case law was developing and so far cities decisions to not allow marijuana related businesses in their communities had been upheld in court, mostly due to recognizing Home Rule authority. He stated he did agree with **City Manager Allen** that the federal government would eventually reschedule the drug class of, or eliminate marijuana from the list illegal drugs. He stated it would be much harder to deal with marijuana businesses retroactively and if the Council was concerned about whether

REGULAR MEETING MINUTES
SISTERS CITY COUNCIL
520 E. CASCADE AVENUE
JULY 28, 2016

the prohibition currently in place would hold up, he suggested the Council add some language to the Development Code to specify the time, manner and place for marijuana related businesses should it become legalized by the government in the future.

Director Davenport reported he had turned away at least a dozen business requesting a business license for a retail marijuana operation and another six or so inquiring about commercial growing, processing and lab testing. **Councilor Connolly** stated if a commercial grow operation were to come to the Sisters, it would need to be located in the industrial park and questioned if the grow lights would interfere with the airport. **City Attorney Green** replied the lights could impair airport operations and therefore the issue would need to be addressed with of some type of agreement.

City Attorney Green stated the usual area of concern to other cities related to marijuana related businesses were proximity to schools, location, signage, security, odors and accessibility to minors. The **Council** was supportive of moving forward with developing the appropriate language for adoption to the Development Code.

VII MAYOR/COUNCILOR BUSINESS

Mayor's Resignation

Mayor Frye noted he would be moving outside of City limits by the end of August and asked the Council members whether they wanted to advertise for a replacement council member or wait until the November election had occurred. **City Attorney Green** stated he had reviewed the Charter and found it did not require the Council to replace a member within any certain time frame. He stated it did imply the Council President would step into the position of Mayor until another Mayor was elected. The **Council** discussed the matter and determined it was not logical to appoint a new member to the Council when the election would only be two months away when the Mayor gave up his post. **City Manager Allen** suggested that once the election had taken place, the Council could ask the highest vote getter, if they were not an incumbent, if they were interested in being appointed and start serving their term early. The **Council** agreed it would be best to wait on making a decision until after the November election.

City Manager Allen informed the Council he wanted to bring in a League of Oregon Cities (LOC) training personnel at the beginning of the year to work with the Council on clarifying their roles as Council members.

VIII. ADJOURN –7:37 p.m.


Kathy Nelson, City Recorder

Chris Frye Mayor

WORKSHOP MEETING MINUTES
SISTERS CITY COUNCIL
520 E. CASCADE AVENUE
JULY 28, 2016

MEMBERS PRESENT:

Chris Frye	Mayor
Nancy Connolly	Council President
David Asson	Councilor
Amy Burgstahler	Councilor
Andrea Blum	Councilor

STAFF PRESENT:

Rick Allen	City Manager
Paul Bertagna	PW Director
Joe O'Neill	Finance Officer
Patrick Davenport	CDD Director
Kathy Nelson	City Recorder

GUESTS:

Caprielle Lewis	Sisters Economic Development Manager
Bill Hall	Forgivable Loan Due Diligence Committee Member
Bill Kuhn	Forgivable Loan Due Diligence Committee Member
Chuck Ryan	Forgivable Loan Due Diligence Committee Member

The workshop was called to order by Mayor Frye at 5:35 p.m.

1. Forgivable Loan Application Criteria

City Manager Allen reported he, Economic Development Manager Caprielle Lewis and members of the Forgivable Loan Due Diligence Committee had met to discuss the Forgivable Loan Program and had made some edits they felt made the program better. **Ms. Lewis** stated the changes were minor and focused on the creation of new jobs, relocating jobs to Sisters with the requirement the jobs be created for traded sector firms. She stated all eligible jobs were to be compensated at least the minimum of the *Average Wage Rate for Deschutes County, Oregon*. She explained job retention for jobs already in existence had been removed and **City Manager Allen** noted it had been removed as retention was hard to define and hard to refuse. He reported Deschutes County had also removed the retention from its program. **Ms. Lewis** stated companies applying to the program were required to create a minimum of five eligible jobs and the Due Diligence Committee would continue to vet companies using the Balanced Scorecard that takes several weighted factors into consideration. She noted that transferred jobs were required to be at the least five miles from Sisters in order to be eligible.

There was discussion on the amount of time an applicant would have to create the positions and the number of years the applicant would be required to retain the new position in order to have the loan forgiven. It was decided the allowable time period for job creation would be up to three years from the date the Forgivable Loan agreement was signed and the required retention period for the new job would be three years from the date mutually agreed upon when the job was created. Minor clarifying language was suggested and agreed upon to the memorandum of understanding (MOU) and to the addendum.

Mr. Hall volunteered to make the edits and corrections to the documents. **City Manager Allen** stated once the edits were completed, the documents would be reviewed by legal counsel and then come back to the Council for approval.

2. Community Grant Allocations

The **Council** discussed the merits of the applications and decided on the following allocations totally \$16,700.

- *Circle of Friends - \$1,500*
- *Citizens for Community - \$500*
- *FAN - \$3,000*
- *Habitat for Humanity - \$1,000*
- *Heart of Oregon Corp Youth Build - \$2,000*
- *Heartwarmers - \$500*
- *Rotary Club of Oregon - \$800*
- *Seed to Table Program - \$1,000*
- *Sisters Community Garden - \$500*
- *Sisters Folk Festival - \$750*
- *Sisters Trail Alliance - \$750*
- *SMART - \$500*
- *SPRD Youth Scholarships - \$2,500*
- *SPRD Senior Scholarships - \$900*
- *VFW Post 8138 - \$500*
-

The Council left \$3,300 in reserve to use for community grant requests that might come up in the course of the year.

3. Other Business

Due to a lack of time, there was no other "Other Business"

The meeting was adjourned at 7:00 p.m.


Kathy Nelson, City Recorder

Chris Frye, Mayor

SPECIAL MEETING MINUTES
SISTERS CITY COUNCIL
520 E. CASCADE AVENUE
AUGUST 04, 2016

MEMBERS PRESENT:

Nancy Connolly Council President
Amy Burgstahler Councilor
Andrea Blum Councilor

ABSENT:

Chris Frye Mayor
David Asson Councilor

STAFF PRESENT:

Rich Allen City Manager
Joe O'Neill Finance Officer
Kathy Nelson City Recorder

ABSENT:

Paul Bertagna PW Director
Patrick Davenport CDD Director

I. CALL TO ORDER

The special meeting was called to order by Council President Connolly at 7:55 p.m.

II. COUNCIL BUSINESS

- A. Discussion and Consideration of a Motion** to Approve the Selection of Bryant, Lovlien & Jarvis for City Attorney Services and Authorize the City Manager to Prepare a Contract for Approval.

Councilor Blum moved to approve the selection of Bryant, Lovlien & Jarvis for City Attorney services and authorize the City Manager to prepare a contract for approval. Councilor Burgstahler seconded the motion. The motion carried unanimously.

III. ADJOURN – The meeting was adjourned at 7:56 a.m.


Kathy Nelson, City Recorder

Chris Frye, Mayor

WORKSHOP MEETING MINUTES
SISTERS CITY COUNCIL
520 E. CASCADE AVENUE
AUGUST 04, 2016

MEMBERS PRESENT:

Nancy Connolly Council President
Amy Burgstahler Councilor
Andrea Blum Councilor

ABSENT:

Chris Frye Mayor
David Asson Councilor

GUESTS:

Ed Fitch Fitch Law Group
Sean Neary Fitch Law Group
David Allen Attorney at Law
Jeremy Green Bryant, Lovlien & Jarvis
Alan Dale Bryant, Lovlien & Jarvis

STAFF PRESENT:

Rick Allen City Manager
Joe O'Neill Finance Officer
Kathy Nelson City Recorder

ABSENT:

Paul Bertagna PW Director
Patrick Davenport CDD Director

The workshop was called to order by Council President Connolly at 5:30 p.m.

1. City Attorney interviews and Deliberations

Council President Connolly discussed the procedure for interviewing the attorneys. She explained each firm would be asked the same eight questions and then each Council member would have the opportunity to ask a separate question of their own. The following were the questions asked of the attorney(s) from each firm.

1. *Describe your firm and team that would be the primary contact performing legal services for the City? Who would be the backups or additional staff working on City issues and attending meetings?*
2. *Describe your experience in municipal and public law?*
3. *Describe the experience of the firm in dealing with these primary areas of law?*
 - *Public Contracts*
 - *General Government*
 - *Labor Issues*
 - *Land Use*
 - *Litigation*
4. *What approach do you have when individual council members contact you outside of a meeting with questions, comments or opinion on City related issues?*

WORKSHOP MEETING MINUTES
SISTERS CITY COUNCIL
520 E. CASCADE AVENUE
AUGUST 04, 2016

5. *What is your approach to providing recommendations that mix legal issues and political or policy questions that require the balance of both?*
6. *The relationship between the Council and the City Attorney is unique and requires building trust and respect between the parties. Why should we choose you and your firm to fill that special role in Sisters?*
7. *Describe the rate structure including the rates, travel time, varied rates for various staff and attendance at meetings?*
8. *Do you have any questions of staff or council members?*

Attorney Ed Fitch and Associate Attorney Sean Neary from Fitch Law Group were asked and answered the questions.

Attorney David Allen was asked and answered the questions.

Attorney Jeremy Green and Associate Attorney Alan Dale from Bryant, Lovlien & Jarvis were asked and answered the questions.

The **Council** discussed the merits of each firm noting all of the firms were very qualified to serve as the City's legal counsel. The **Council** decided Bryant, Lovlien & Jarvis could best serve the needs of the City due to the firm's number of attorney's and subsequent depth of experience.

2. Other Business

- Members of the proposed Hood Avenue Art District will present at next week's workshop
- Chamber of Commerce Executive Director Judy Trego will provide an annual update at next week's workshop

The meeting was adjourned at 7:55 p.m.


Kathy Nelson, City Recorder

Chris Frye, Mayor

Work Plan

July 2016

City of Sisters

Finance:

- Sewer/Water Rate Changes – Reviewing data, revisiting rates schedule – On hold
- Receivables Status Update (Report to CM)- continue monthly reporting – 30th of every month
- Forecasting Tool (Excel Sheet) – update monthly
- Cash Position Update, review CoS cash position, commitments and potential commitments – 30th of every month
- Barclay Drive Improvements – IFA reimbursement complete, awaiting IOF reimbursement
- Audit Preparation - Audit to begin September 6th.

City of Sisters

Community Development:

- Existing Applications: Final Plat FP 11-01 McKenzie Meadow Village Phase 1 final plats (15 lots); Temporary Use TU 15-01 Celia Hung 320/350 E. Cascade; SP 16-05 Site plan – for two lots at Westview Business Park: Lot 3 mixed use Commercial/Residential, Lot 4 - three lodging units *approved*; SP 16-06 Michael Black (Industrial expansion) *approved* ; EXT 16-03 Legacy Builders; MOD 16-01 Hayden Homes Modification to approved master plan Village at Cold Springs *withdrawn*; MNR 16-04 Minor partition for two parcels in Edge O' Pines *approved*; MOD 16-02 ClearPine – modification of SUB 15-01 to enable 9 cottage homes; TA 16-01 by staff – Development Code text amendment revising Cottage Development and Site Plan review sections
- Development Code revisions under draft: Expirations for entitlements under appeal, Vesting criteria and extensions to expirations of land use entitlements, Temporary Uses, Mobile Food Units, Vacation Rentals;
- Long range planning and studies: Urbanization Study consulting assistance on hold-until funding approved, Carver Lake Moraine Dam Risk Analysis and Reduction Project; Hood Ave Art District/Public Art projects;
- Code Enforcement: 1 active violation case;
- Grants: Grant awarded by OPRD for Creekside Campground Restroom project; Village Green play structure replacement, award decision pending
- Urban Renewal Grants - All grants that were previously outstanding have had contracts signed;
- Staffing: Recruiting for Senior Planner position, Intern hired for summer - Tanner Machala
- Planning Commission Agendas:
 - 08/18/16: Public Hearing for MOD 16-02, a modification to SUB 15-01 for Clear Pine subdivision
 - 08/18/16: Public Hearing for MOD 16-03 and SUB 16-01, modification to an approved MP 15-01 Village at Cold Springs Phases 4, 5, 6 & 7 and tentative subdivision in order to enable 70 single family detached homes, 27 single family attached homes and 52 multi-family apartments.
 - 08/18/16: Public Hearing for TA 16-01, amendments to the Development Code to make revisions to Chapter 4.6 Cluster Development and Chapter 4.2 Site Plan Review.

City of Sisters

Public Works:

- List and schedule for all “can’t you just (CYJ)” projects –schedule/completion is on-going
- URA Projects- Chamber Building Improvements – Final ADA Improvements are being constructed. Completion in Sept 2016.
- SDC Update – Infrastructure Management Plan, Wastewater drafted and delivered to Council, public hearing and adoption complete. Water is being drafted
- Red Dirt Triangle- to be analyzed along with intersections and access points for the eastern highway corridors as part of a TSP update which may include a corridor refinement plan
- East Portal – Forest Service update on 12/8, they are going to retain a broker and should be in a position to discuss the sale of this property some time in 2016
- Barclay Square Waterline Upgrade – Design Spring 2015, work on-hold pending easement procurement
- Speed zone study – Received draft recommendations from ODOT, Scheduled workshop presentation at Sept 8th meeting.
- Barclay/Hwy 20 Roundabout – IGA done, working with ODOT on design / construction staging and minimizing impact on west side and downtown businesses. Focus groups have completed their work to be presented to Council at Aug 25th meeting.
- Hood Avenue Improvements – Complete
- Airport Infrastructure Projects – Construction complete, awaiting IOF reimbursement
- Work with DEQ to develop long range compliance permits - Received new WPCF permit for our wastewater system, Finalizing new WPCF permit for our stormwater system. Reclaimed water use plan update (fall 2016), Bio-solids management plan 2017.
- Developed plan and cost estimates for repair of SSD Tennis Courts at Highway 20/Locust, Council approved on November 12 – Construction complete.
- TSP Update- Proposals due April 14th - Contract approval Aug 11th , Kick-off meeting early September.
- Clemens Park Restrooms – Building installation is complete, sidewalk/ADA work to be done over the next few weeks.
- 2016 Street Maintenance – Five Pine and Arrowleaf warranty work complete. Timber Creek/Creekside seal coat complete. Chip seal project on south side streets will begin next Monday. Overlay projects in fall/spring 2016/17.

City of Sisters

City Manager:

- **Kathy**
 - Council Meeting /Workshops – ongoing
 - Municipal Code Update –2016
 - General Election

- **Rick**
 - SDCs
 - Restructure and rationalize based on water / sewer service sizes, work with Council to potentially amend Transportation as well (TSP update)
 - Water / Sewer Rate discussion ongoing

City of Sisters

City Council Goals:

- 1. Increased Outreach and Participation:** Undertake a cohesive and consistent public outreach effort to improve awareness of city issues while promoting and inviting community participation.
 1. Develop a Comprehensive Communications Strategy
 2. Use City Hall Environment Effectively to Optimize Engagement
- 2. Leadership Development:** Invest in processes, training and tools that yield at high-performing, collaborative and responsive City and local leadership.
 1. Strengthen Staff Development and Service Rewards Programs
 2. Undertake Council Leadership & Accountability Activities
 3. Implement Volunteer & Citizen Development Activities
- 3. Identify Preservation & Enhancement:** Continue to strengthen and effectively apply City finances to supports assets, institutions and organizations that foster the City's unique identity and help build connections between people and place.
 1. Partner to Help Sustain Sisters' Unique Identity
 2. Invest in Programs that Enhance Sisters' Unique Identity
 3. Further Environmental Stewardship
 4. Support Youth Opportunities
 5. Honor History & Culture
- 4. Diversified Economic Vitality:** Proactively strengthen City finances and undertake policies and activities that will help the City and businesses address challenges as well as identify and leverage emerging economic and employment opportunities.
 1. Support Retail & Tourism
 2. Support Traded-Sector Business & Family Wage Job Creations
 3. Promote 'S.T.E.A.M.' Based & Locally Grown Entrepreneurial Activity
 4. Develop & Use New & Existing Data Effectively

City of Sisters

City Council Goals:

5. **Exceptional Operations, Infrastructure, and Policy Making:** Maintain and grow City assets, services and relationships – planning long-term and leveraging outside opportunities for cost-sharing as effectively as possible to promote local stability and positions Sisters for future growth while preserving equitable rates, charges and taxes.
 1. Enable a Vibrant & Vital Mix of Housing Including Opportunity for Affordable Housing
 2. Enhance Transportation Infrastructure
 3. Pursue Comprehensive Land Use Planning & Balanced Regulations
 4. Maintain & Continue to Strengthen City Finances
 5. Maintain & Develop Robust Public Works Operations
 6. Maintain & Develop a Thriving Parks System
 7. Help Ensure Community Safety

LICENSES: THRU ZZZZZZZZZZ

SORTED BY: LICENSE NUMBER

ORIGINATION DATES: 7/01/2016 TO 7/31/2016

PAID STATUS: ALL

EFFECTIVE DATES: 0/00/0000 TO 99/99/9999

LIC CODES: ALL

EXPIRATION DATES: 0/00/0000 TO 99/99/9999

ID	CODE	NAME	PROPERTY ADDRESS	CITY LIMIT	EFFECTIVE	
001175	CONTR	PERFORMANCE INSULATION		OUTSIDE	7/01/2016	Insulation, Installation
001176	SVS	VACATION SHOPPER, LLC	758 E BLACK BUTTE AVE	INSIDE	7/19/2016	Grocery service
001177	SVS	BIGFOOT WELLNESS, LLC	392 E MAIN AVE	INSIDE	7/19/2016	Chiropractic office
001178	SVS	TAYA NEWTON MASSAGE	161 N ELM ST C	INSIDE	7/19/2016	Message therapy
001179	SVS	LEGACY REALTY, LLC	282 S CEDAR ST	INSIDE	7/19/2016	Real Estate office
001180	RES	BRODY'S MEATS INC.	110 S SPRUCE ST	INSIDE	7/26/2016	Meat market

TOTAL LICENSES: 6

AGENDA ITEM



SUMMARY

**CITY OF SISTERS
SISTERS CITY COUNCIL**

Meeting Date: August 11, 2016

Staff: Paul Bertagna

Type: Regular Meeting

Dept: Public Works

Subject: Oregon Public Works Emergency Response Cooperative Assistance Agreement renewal

Action Requested/Motion: Discussion and consideration of a motion to approve the Oregon Public Works Emergency Response Cooperative Assistance Agreement and authorize the City Manager to execute the agreement.

Summary Points:

- This mutual aid agreement enables public works agencies to assist each other during an emergency.
- Provides the mechanism for local agencies to seek maximum reimbursement from federal agencies (i.e. FEMA).
- In the event of an emergency, Sisters could benefit by having a large amount of resources available to us. Responding agencies will assist only if they determine they have the resources available and the requesting agency coordinates with the Incident Commander for all of the activities and resources needed. This agreement is intended to supplement agency personnel in an emergency not to take over the local agencies authority.
- The previous five year agreement was approved by Council in 2011. This agreement also remains in effect for five years after the date that both parties execute the agreement.

Financial Impact: No direct financial impact due to the compensation policies within the agreement. Agencies that sign the agreement to be included on the list for a five year period may cancel their participation as they wish.

Attachment(s): Cooperative Assistance Agreement

Concurrence: _____ CM N/A F&A N/A CDD [Signature] PW

OREGON PUBLIC WORKS EMERGENCY RESPONSE
COOPERATIVE ASSISTANCE AGREEMENT

THIS AGREEMENT is between the government agencies (local, county, or state) that have executed the Agreement, as indicated by the signatures at the end of this document.

WITNESSETH:

WHEREAS, parties to this agreement are responsible for the construction and maintenance of public facilities such as street, road, highway, sewer, water, and related systems during routine and emergency conditions; and

WHEREAS, each of the parties owns and maintains equipment, and employs personnel who are trained to provide service in the construction and maintenance of street, road, highway, sewer, water, and related systems and other support;

WHEREAS, in the event of a major emergency or disaster as defined in ORS 40 1.025 (5), the parties who have executed this Agreement may need assistance to provide supplemental personnel, equipment, or other support; and

WHEREAS, the parties have the necessary personnel and equipment to provide such services in the event of an emergency; and

WHEREAS, it is necessary and desirable that this Agreement be executed for the exchange of mutual assistance, with the intent to supplement not supplant agency personnel;

WHEREAS, an Agreement would help provide documentation needed to seek the maximum reimbursement possible from appropriate federal agencies during emergencies;

WHEREAS, ORS Chapter 402.010 provides for Cooperative Assistance Agreement among public and private agencies for reciprocal emergency aid and resources; and

WHEREAS, ORS Chapter 190 provides for intergovernmental agreements and the apportionment among the parties of the responsibility for providing funds to pay for expenses incurred in the performance of the agreed upon functions or activities;

NOW THEREFORE, the parties agree as follows:

1. Request

If confronted with an emergency situation requiring personnel, equipment or material not available to it, the requesting party (Requestor) may request assistance from any of the other parties who have executed this Agreement.

2. Response

Upon receipt of such request, the party receiving the request (Responder) shall immediately take the following action:

- A. Determine whether it has the personnel, equipment, or material available to respond to the request.
- B. Determine what available personnel and equipment should be dispatched and/or what material should be supplied.
- C. Dispatch available and appropriate personnel and equipment to the location designated by the Requestor.
- D. Provide appropriate access to the available material.
- E. Advise the Requestor immediately in the event all or some of the requested personnel, equipment, or material is not available.

NOTE: It is understood that the integrity of dedicated funds needs to be protected. Therefore, agencies funded with road funds are limited to providing services for road activities, sewer funds are limited to providing services for sewer activities and so on.

3. Incident Commander

The Incident Commander of the emergency shall be designated by the Requestor, and shall be in overall command of the operations under whom the personnel and equipment of the Responder shall serve. The personnel and equipment of the Responder shall be under the immediate control of a supervisor of the Responder. If the Incident Commander specifically requests a supervisor of the Responder to assume command, the Incident Commander shall not, by relinquishing command, relieve the Requestor of responsibility for the incident.

4. Documentation

Documentation of hours worked, and equipment or materials used or provided will be maintained on a shift by shift basis by the Responder, and provided to the Requestor as needed.

5. Release of Personnel and Equipment

All personnel, equipment, and unused material provided under this Agreement shall be returned to the Responder upon release by the Requestor, or on demand by the Responder.

6. Compensation

It is hereby understood that the Responder will be reimbursed (e.g. labor, equipment, materials and other related expenses as applicable, including loss or damage to equipment) at its adopted usual and customary rates. Compensation may include:

- A. Compensation for workers at the Responder's current pay structure, including call back, overtime, and benefits.
- B. Compensation for equipment at Responder's established rental rate.
- C. Compensation for materials, at Responder's cost. Materials may be replaced at Requestor's discretion in lieu of cash payment upon approval by the Responder for such replacement.
- D. Without prejudice to a Responder's right to indemnification under Section 7.A. herein, compensation for damages to equipment occurring during the emergency incident shall be paid by the Requestor, subject to the following limitations:
 - 1) Maximum liability shall not exceed the cost of repair or cost of replacement, whichever is less.
 - 2) No compensation will be paid for equipment damage or loss attributable to natural disasters or acts of God not related to the emergency incident.
 - 3) To the extent of any payment under this section, Requestor will have the right of subrogation for all claims against parties other than parties to this agreement who may be responsible in whole or in part for damage to the equipment.

- 4) Requestor shall not be liable for damage caused by the neglect of the Responder's operators.

Within 30 days after presentation of bills by Responder entitled to compensation under this section, Requestor will either pay or make mutually acceptable arrangements for payment.

7. Indemnification

This provision applies to all parties only when a Requestor requests and a Responder provides personnel, equipment, or material under the terms of this Agreement. A Responder's act of withdrawing personnel, equipment, or material provided is not considered a party's activity under this Agreement for purposes of this provision.

To the extent permitted by Article XI of the Oregon Constitution and by the Oregon Tort Claims Act, each party shall indemnify, within the limits of the Tort Claims Act, the other parties against liability for damage to life or property arising from the indemnifying party's own activities under this Agreement, provided that a party will not be required to indemnify another party for any such liability arising out of the wrongful acts of employees or agents of that other party.

8. Workers Compensation Withholdings and Employer Liability

Each party shall remain fully responsible as employer for all taxes, assessments, fees, premiums, wages, withholdings, workers compensation and other direct and indirect compensation, benefits, and related obligations with respect to its own employees. Likewise, each party shall insure, self-insure, or both, its own employees as required by Oregon Revised Statutes.

9. Pre-Incident Plans

The parties may develop pre-incident plans for the type and locations of problem areas where emergency assistance may be needed, the types of personnel and equipment to be dispatched, and the training to be conducted to ensure efficient operations. Such plans shall take into consideration the proper protection by the Responder of its own geographical area.

10. The Agreement

- A. It is understood that all parties may not execute this Agreement at the same time. It is the intention of the parties that any governmental entity in the State of Oregon may enter into this Agreement and that all parties who execute this Agreement will be

considered to be equal parties to the Agreement. The individual parties to this Agreement may be "Requestor" or "Responder's" as referred to in Section 1. and 2. above, to all others who have entered this Agreement.

- B. The Oregon Department of Transportation (ODOT) Maintenance and Operations Branch shall maintain the master copy of this Agreement, including a list of all those governmental entities that have executed this Cooperative Assistance Agreement. ODOT will make the list of participants available to any entity that has signed the Agreement. Whenever an entity executes the agreement, ODOT shall notify all others who have executed the Agreement of the new participant. Except as specifically provided in this paragraph, ODOT has no obligations to give notice nor does it have any other or additional obligations than any other party.
- C. This Agreement shall be effective upon approval by two or more parties and shall remain in effect as to a specific party for five years after the date that party executes this Agreement unless sooner terminated as provided in this paragraph. Any party may terminate its participation in this Agreement prior to expiration as follows:
 - 1) Written notice of intent to terminate this Agreement must be given to all other parties on the master list of parties at least 30 days prior to termination date. This notice shall automatically terminate the Agreement as to the terminating party on the date set out in the notice unless rescinded by that party in writing prior to that date.
 - 2) Termination will not affect a party's obligations for payment arising prior to the termination of this Agreement.

11. Non-exclusive

This Agreement is not intended to be exclusive among the parties. Any party may enter into separate cooperative assistance or mutual aid agreements with any other entity. No such separate Agreement shall terminate any responsibility under this Agreement.

12. Parties to This Agreement

Participants in this Agreement are indicated on the following pages, one party per page.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement for Public Works Cooperative Assistance to be executed by duly authorized representatives as of the date of their signatures.

STATE OF OREGON
DEPARTMENT OF TRANSPORTATION



July 20, 2016

Luci Moore
Statewide Maintenance Engineer

Date

IN WITNESS WHEREOF, the parties hereto have caused this Agreement for Public Works Cooperative Assistance to be executed by duly authorized representatives as of the date of their signatures.

Agency

County, Oregon

Authorized Representative

Date

Designated Primary Contact:

Office:

Contact:

Phone Number:

Public Works Dept. Paul Bertagna (541) 323-5212

Emergency 24 Hour Phone Number:

Fax Number:

(541) 480-7634

(541) 549-0561

E-mail address (if available):

pbertagna@ci.sisters.or.us

**MEMORANDUM OF UNDERSTANDING
BETWEEN CITY OF SISTERS and
ECONOMIC DEVELOPMENT FOR CENTRAL OREGON**

WHEREAS, City of Sisters supports Economic Development for Central Oregon (EDCO) in its job creation and economic development efforts via an annual appropriation in the City of Sisters budget; and

WHEREAS, EDCO focuses its efforts on job creation activities with businesses of all sizes; and

WHEREAS, these job-creation efforts may include, but are not limited to, assistance with business relocation from outside of City of Sisters to City of Sisters or the expansion of an existing business within City of Sisters; and

WHEREAS, the City of Sisters City Council will determine an amount to appropriate in the City's Budget for the Sisters' Forgivable Loan Program; and

WHEREAS, the City of Sisters envisions that EDCO shall use this fund for the purposes described therein;

NOW, THEREFORE, EDCO AND CITY OF SISTERS AGREE AS FOLLOWS:

1. This Memorandum of Understanding is effective as of August 15, 2016. This replaces the Memorandum of Understanding dated July 10, 2015 and the Addendum to the Memorandum of Understanding dated February 23, 2016.

2. EDCO shall, in the course of its normal business recruitment activities, make eligible businesses aware of the availability of loans and grants from City of Sisters' Forgivable Loan Fund.

3. EDCO shall create a Due Diligence Committee to review applications, materials, financial information and provide recommendations to Sisters City Council for the making of Forgivable Loans under the following conditions:

- a. The Due Diligence Committee shall be an EDCO Committee;
- b. The Due Diligence Committee shall be comprised of at least three (3) members;
- c. At least one (1) member of the Due Diligence Committee will have extensive experience in Finance, Banking and Accounting. The other two (2) members shall have appropriate, actual business experience, which EDCO shall fully vet;

4. Loan and/or grant funds shall be disbursed directly by City of Sisters to recipient businesses upon receipt of an executed grant/loan agreement. Such agreements shall be approved by the City.

5. In determining whether to recommend that a business be offered a loan or a grant, EDCO shall consider the following:

- a. The long-term ability of a business to repay a loan or comply with clawback provisions of a grant;
- b. The likelihood that the award of a grant or loan will result in the creation of long-term jobs in City of Sisters;
- c. The marketplace viability of the business in question and the likelihood the business would create, retain, relocate and/or expand without the loan or grant.

6. All loans and grants shall be tied, via written agreement, to specific job creation targets. Grant agreements shall contain a clawback provision requiring full or partial repayment of the grant if job creation targets are not met. All eligible jobs shall be compensated at least the minimum of the Average Wage Rate for Deschutes County, Oregon.

7. A detailed description of the Forgivable Loan Program and its features and requirements is included in the Addendum to this Memorandum. That Addendum, dated August 15, 2016, is an integral part of this Memorandum.

8. All loans and grants are subject to the prior approval of the Sisters City Council, which approval is at their sole and absolute discretion. The Sisters City Council shall have final approval rights to approve a grant or loan. EDCO shall have no liability to the City of Sisters or any third party in connection with the Forgivable Loan Program.

9. This Memorandum of Understanding shall be effective upon signature by all parties. It shall terminate if the Sisters City Council, in its sole discretion, fails to appropriate monies in the Forgivable Loan Program for the purposes described herein. This Memorandum may also be terminated by either party upon 30 days written notice to the other party.

10. Except for the gross negligence of EDCO, the City shall defend, indemnify and hold EDCO, its officers, agents, employees, and members, as well as the members of the EDCO Due Diligence Committee (the "Committee"), from all claims, suits, and causes of action, including attorney's fees, of any nature whatsoever relating to claims resulting from or arising out of EDCO's and the Committee's provision of information to the public, businesses, or any other entity regarding the availability of loans and grants from City of Sisters' Forgivable Loan Fund, EDCO's creation, member evaluation, member selection, and operation of the Due Diligence Committee, and EDCO's and the Committee's evaluation of businesses and recommendations to the City for award of a loan or grant.

FOR CITY OF SISTERS:

By: Richard Allen, Interim City Manager

Date: _____

FOR ECONOMIC DEVELOPMENT FOR CENTRAL OREGON:

Roger Lee, Executive Director

Date: _____

**Addendum to the Memorandum of Understanding
Between the City of Sisters and Economic Development for Central Oregon**

August 15, 2016

Note: All capitalized words are defined terms with specific definitions contained in Section 3.

1. Scope of the Addendum

The purpose of this document is to provide additional details and additional clarity to the Forgivable Loan Program-related Memorandum of Understanding (MOU) between the City of Sisters and Economic Development for Central Oregon (EDCO).

2. Purpose of the Forgivable Loan Program

- a. The purpose of the Forgivable Loan Program is to foster job creation through (a) the creation of new jobs within the City of Sisters or (b) relocation (transfer) to the City of Sisters. All such created jobs must be in Traded Sector firms.
- b. The desired outcome of this Program is for increased and sustained employment, at Family Wage levels, within the City of Sisters, with the benefits arising both from that employment and from the associated economic return to the community.

3. Definitions

The following terms are herein defined and maintain that definition throughout this document:

- a. **Applicant:** The Company which files an Application for a Forgivable Loan from the City of Sisters.
- b. **Application:** The completed application, using the current application format, for consideration for a Forgivable Loan from the City of Sisters.
- c. **Balanced Scorecard:** A tool for rating an Applicant which applies weighted score and confidence levels to each of several criteria and results in a Total Weighted Score for that candidate. The Balanced Scorecard can be found in Attachment 1.
- d. **Base Employment Level:** The number of existing filled employment positions at the Applicant's company on the date of the receipt of a Forgivable Loan Application by the City of Sisters (or, if earlier, the date of the first created Eligible Job).
- e. **Class 1 ROI:** The projected return on investment (ROI) for a potential Forgivable Loan calculated from all factors with a primary (direct) economic impact on the City of Sisters. The procedure for its calculation is contained in Attachment 2.
- f. **Combined ROI:** The projected return on investment (ROI) for a potential Forgivable Loan calculated from all factors with either a primary or secondary (indirect) economic impact on the City of Sisters. The procedure for its calculation is contained in Attachment 2.

- g. **Created Job:** A new job position which has been added to the workforce of a company within the City of Sisters or relocated to that company from a location outside the City of Sisters. This is a filled position based primarily within the City of Sisters.
- h. **Eligible Job:** A job which meets one of the criteria listed in Paragraph 4 (b).
- i. **Family Wage Job:** A job which is compensated at least the minimum of the Average Wage (total covered employment payroll) of all industries within Deschutes County, Oregon.
- j. **Forgivable Loan:** A loan issued under the terms of the City of Sisters Forgivable Loan Program. Such loans, all or in part, are subject to eventual conversion to a Grant if the specific conditions described in this document are met.
- k. **Grant:** That portion of a Forgivable Loan which has been converted to a grant.
- l. **Job Existence Duration:** The number of months an Eligible Job was in existence within the Retention Period.
- m. **Recommended Funding Table:** A table that utilizes an Applicant's Total Combined Score and ROI (both Class 1 and Combined) in determining the recommended Forgivable Loan funding per Eligible Job. This table is contained in Attachment 3.
- n. **Retention Period:** The period of time that an Eligible Job must be retained to count in the conversion of a portion of the Forgivable Loan to a Grant. Details are contained in Paragraphs 5 (e) and 6 (b).
- o. **Retention Period Satisfaction Percentage:** A calculated figure which is used on a per-Eligible Job basis to determine how much of the Forgivable Loan will be converted into a Grant at the end of the Retention Period. Details are contained in Paragraph 6 (b).
- p. **Total Weighted Score:** The rating of an Applicant based on the use of the Balanced Scorecard. Details are contained in Paragraph 6 (a).
- q. **Traded Sector:** An employer, regardless of size, that sells a majority of their goods and services outside the region and thereby imports new dollars to be circulated within the Central Oregon economy.

4. Eligibility

- a. The Forgivable Loan Program commenced on July 10, 2015. Applications received on or after that date are eligible for consideration.
- b. An Eligible Job for the purpose of the Forgivable Loan Program shall meet one of the following criteria:
 - i. A Family Wage Job created within the City of Sisters after the receipt of a Forgivable Loan Application by the City of Sisters (and up to 6 months prior to the date of the receipt of that application);

- ii. A Family Wage Job transferred to the City of Sisters after the receipt of a Forgivable Loan Application by the City of Sisters (and up to 6 months prior to the date of the receipt of that application).
- c. An Eligible Job must be with a firm that is in the Traded Sector.
- d. An Eligible Job, whether created or transferred, must be from a business which either already exists within the City of Sisters or has relocated to the City of Sisters from a location more than 5 miles from the city limits.
- e. The minimum number of Eligible Jobs per application is 5. Applications meeting that minimum will have the total number of Eligible Jobs in the application considered for the Forgivable Loan (i.e., the first 4 jobs will count toward the total amount of the Forgivable Loan consideration).

5. Program Specifics

a. Allowable Time Period for the Creation of Eligible Jobs

The Allowable Time Period for job creation within the City of Sisters begins 6 months prior to the date of the receipt of a Forgivable Loan Application by the City of Sisters and ends up to 3 years from the date that a Forgivable Loan agreement has been signed by both the Applicant and the City of Sisters.

- i. If the applicant fails to achieve the total number of Eligible Jobs listed in the application within this time period, the amount of the Forgivable Loan that is proportional to the number of Eligible Jobs not created shall not be eligible in the future to be converted to a Grant.
- ii. If the number of eligible jobs created during this time period does not equal 5 or more, the entire amount of the Forgivable Loan shall not be eligible in the future to be converted to a Grant.

b. Amount of Forgivable Loan Funding Available for each Eligible Job

The amount of Forgivable Loan funding that is available for each Eligible Job is a range extending from \$0.00 to \$5,000.00.

The criteria for applying that range to an Application for Eligible Jobs are as follows:

- i. The Applicant's financial strength, future viability, and ability to repay the loan;
- ii. The Applicant's ability to create and preserve Eligible Jobs in/to the City of Sisters as well as invest in the local economy.
- iii. The Applicant's need for the Forgivable Loan and the probability of the Applicant to create Eligible Jobs in the City of Sisters and help the local economy without the Forgivable Loan.

More specific details regarding applying these criteria to the Application are contained in Paragraph 6(a).

c. Amount of Allowable Funding per Applicant

The maximum amount of funding per Eligible Job is \$5,000. There is no set maximum amount of Eligible Jobs allowed per application. The City of Sisters City Council does have sole discretion regarding the amount of funding that is allowed per Application.

d. Number of Times a Company may Apply for a Forgivable Loan

There is no limit to the number of times a company may apply for a Forgivable Loan. If, for example, a company applies and is accepted for a Forgivable Loan based on a set number of Eligible Jobs, and, at a later date, determines that it will create additional Eligible Jobs, it can apply for and potentially be accepted for subsequent Forgivable Loans based on those new Eligible Jobs.

e. Retention Period

To count in the conversion of a portion of the Forgivable Loan to a Grant, each Eligible Job must be preserved for a period of time. The required Retention Period extends 3 years from the date when all mutually agreed-upon jobs were created.

- i. If each Eligible Job in the Application is retained for the required length of time, the entire Forgivable Loan converts to a Grant.
- ii. If a portion of the Eligible Jobs listed in the Application is retained for that period of time, the equivalent portion of the Forgivable Loan is converted to a Grant and the remaining portion remains a loan.
- iii. Once an Applicant determines that they have created the last Eligible Job, they shall notify the City of Sisters in order that the Retention Period be commenced.
- iv. An Applicant must remain in operation within the City of Sisters (as evidenced by a valid Oregon Secretary of State-issued Certificate of Existence) during the entire length of the Retention Period for any portion of the Forgivable Loan to be converted to a Grant.
- v. More specific details regarding Retention Period considerations are contained in Paragraph 6 (b).

6. Program Details

a. Establishing the recommended amount of funding per Eligible Job

- i. Each applicant shall be rated, per a consistent method, on the extent it addresses each of the criteria listed in Paragraph 5 (b) above. A rating tool, the Balanced Scorecard, has been developed for this purpose. Attachment 1 contains the Balanced Scorecard to be used when rating an Applicant for Eligible Jobs. This scorecard breaks the criteria into their specific components, assigns weights to those components, allows for the assignment of scores, confidence levels, and comments, and results in a Total Weighted Score. EDCO's Forgivable Loan Due Diligence Committee is responsible for completing the Balanced Scorecard.

- ii. For each application, the return on investment (ROI) to the City of Sisters, both in primary (direct) and secondary (indirect) benefits, shall be calculated. The procedure for doing this is contained in Attachment 2. EDCO's Forgivable Loan Due Diligence Committee is responsible for calculating the return on investment, based on input received from the City of Sisters City Manager or their designee.
- iii. For each application, the (1) Total Weighted Score from the completed Balanced Scorecard, (2) primary ROI (referred to as Class 1 ROI) and (3) combination of primary and secondary ROI (referred to as Combined ROI) are applied to the Recommended Funding Table to determine the recommended level of Forgivable Loan funding per Eligible Job (the Recommended Funding Table is contained in Attachment 3). EDCO's Forgivable Loan Due Diligence Committee is responsible for completing this task.
- iv. It is recognized that any particular methodology may not address every circumstance that may arise. To maintain a level of flexibility for future such circumstances, the level of funding derived from this procedure shall be considered recommended in standard conditions, but not mandatory. The City of Sisters City Council maintains full flexibility to adjust the level based on the particular circumstances of an application. However, in no instance shall the amount of Forgivable Loan funding per Eligible Job exceed \$5,000.00.

b. Retention Period Details

- i. The Retention Period applies to all Eligible Jobs.
- ii. The Retention Period requirement is satisfied based on a percentage basis, from 0 to 100%, i.e., the Retention Period Satisfaction Percentage.
- iii. The Retention Period Satisfaction Percentage is used on a per-Eligible Job basis to determine how much of the Forgivable Loan will be converted to a Grant at the end of the Retention Period.
- iv. Calculation of the Retention Period Satisfaction Percentage is as follows:
 - 1. The number of existing filled employment positions within the City of Sisters at the firm applying for the Forgivable Loan on the date of the receipt of a Forgivable Loan Application by the City of Sisters (or, if earlier, the date immediately preceding the first created Eligible Job) is defined as the Base Employment Level.
 - 2. Eligible Jobs created within the allowable time period for the creation of such jobs (refer to Paragraph 5 (a)) will remain Eligible Jobs provided the Base Employment Level remains constant. If the Base Employment Level decreases, the number of Eligible Jobs decreases by that same amount on the date of the Base Employment Level decrease. If the Base Employment Level subsequently increases, the previously disqualified Eligible Job(s) will be reinstated on the date of that increase.
 - 3. The Retention Period Satisfaction Percentage is calculated for each Eligible Job by dividing the number of months the Eligible Job was in existence within the Retention Period (the "Job Existence Duration") by

the total number of months in the Retention Period (36), and then multiplying the result by 100%.

4. The amount of Forgivable Loan funding on a per-Eligible Job basis is multiplied by the Retention Period Satisfaction Percentage for each Eligible Job to determine the amount of that Forgivable Loan funding that is converted to a Grant at the conclusion of the Retention Period. The range of outcomes for this conversion is 0% to 100%.
5. Calculation of the Retention Period Satisfaction Percentage for Eligible Jobs that are disqualified due to drops in the Base Employment Level counts the period of time the Eligible Job was in existence prior to being disqualified. If that Eligible Job is reinstated because of a subsequent increase in the Base Employment Level, the period of time following the reinstatement is also included in the Retention Period Satisfaction Percentage calculation.
6. If an Eligible Job position is replaced by another Eligible Job position, that new position will count in the calculation of the Retention Period Satisfaction Percentage. There will be no interruption in the Job Existence Duration provided the interruption in time between the existence of the original and replacement Eligible Job positions was less than 90 days. If the gap was 90 days or longer, the entire gap shall be subtracted from the Job Existence Duration in making the Retention Period Satisfaction Percentage calculation.
7. If an Eligible Job position becomes open during the course of the Retention Period and subsequently is refilled (excluding through a decrease in the Base Employment Level), the Job Existence Duration will not reflect any interruption provided the period of time the opening existed was less than 90 days. If the gap is 90 days or longer, the entire gap shall be subtracted from the Job Existence Duration for that Eligible Job in making the Retention Period Satisfaction Percentage calculation.

Attachments

Attachment 1

Balanced Scorecard Table for an Applicant Applying for City of Sisters Forgivable Loan

No.	Factors in Consideration of a Company for a City of Sisters Forgivable Loan	Weight	Score*	Weighted Score	Confidence†	Comments
A	Factors related to a Company's financial strength, future viability, and ability to repay the loan	0.47				
A1	The Company's financial strength;	0.20		0		
A2	The Company's marketplace viability;	0.05		0		
A3	The Company's economic diversification;	0.03		0		
A4	The Company's prior commitment to expansion and growth (as exhibited, in part, through its past investment in new equipment and building improvements);	0.04		0		
A5	The Company's likelihood for future growth;	0.05		0		
A6	The Company's ability to repay the forgivable loan (and comply with any clawback provisions) if it is found in default;	0.10		0		
B	Factors related to a Company's ability to create and retain jobs in Sisters as well as invest in the local economy	0.35				
B1	The Company's potential for job creation in Sisters within the Allowable Time Period defined in the Agreement between the City of Sisters and the Company (ref. Para. 5a);	0.10		0		
B2	The potential for any such jobs to be "family wage" jobs (defined as ≥ the Average Wage Rate for Deschutes County, Oregon) in the Traded Sector;	0.10		0		
B3	The potential for any such jobs to be maintained for at least the duration of the Retention Period defined in the Agreement between the City of Sisters and the Company;	0.10		0		

B4	The Company's potential for investment in the local Sisters economy through such activity as equipment purchases and building improvements (as exhibited, in part, through its quarterly capital investment projections);	0.05		0		
----	---	------	--	---	--	--

C	Factors related to the company's need for the loan and probability of the Company creating jobs in Sisters and helping the local economy without the loan	0.18				
C1	The probability of the Company creating long-term family wage jobs in Sisters without the loan or grant (score 2 if low or no possibility, 1 if some possibility, and 0 if good possibility);	0.08				
C2	The Company's need for loan/grant funds to specifically offset the costs of moving of equipment, purchase or construction of facilities, and/or site improvements such as the extension of public services and/or utilities;	0.05				
C3	The probability of the Company investing in the local economy without the loan or grant (score 2 if low or no possibility, 1 if some possibility, and 0 if good possibility).	0.05				
		Total Weighted Score^{††}:				

* Scoring: 0 = Less than sufficiently adequate; 1 = Sufficiently adequate; 2 = Entirely adequate (or as noted above)

† Confidence: L = Low; M = Medium; H = High

†† Total Weighted Score = Sum of individual Weighted Scores (i.e., sum of individual Scores x Weights)

Attachment 2

Calculation of Class 1 and Combined Payback and Return on Investment

Total Investment [TI] = Amount of Forgivable Loan by the City of Sisters

Class 1 Revenue [C1R] = Annual business property tax revenue [BPTR] + Annual franchise tax revenue [FrTR] + Annual residential property tax revenue remitted to the City [RPTR_c] + Annual fuel tax revenue [FuTR] + Annual liquor tax revenue [LTR] + Annual tobacco tax revenue [TTR] + Annual business license revenue [BLR]

$$\mathbf{C1R = BPTR + FrTR + RPTR_c + FuTR + LTR + TTR + BLR}$$

Class 2 Revenue [C2R] = Annual additional residential property tax revenue exclusive of amount remitted to the City [RPTR_r] + Annual additional school funding [ASF] + Annual state income tax revenue [SITR]

$$\mathbf{C2R = RPTR_r + ASF + SITR}$$

Class 1 Payback = $P_{C1} = TI / C1R$

Annual Class 1 Return on Investment = $ROI_{C1} = C1R / TI$

Combined Payback = $P_c = TI / (C1R + C2R)$

Annual Combined Return on Investment = $ROI_c = (C1R + C2R) / TI$

Notes

1. Annual business property tax revenue [BPTR] = Building and improvement cost multiplied by the property tax rate
2. Annual business property tax revenue [BPTR] excludes any initial Enterprise Zone Tax Deferral
3. Annual franchise tax revenue [FrTR] includes the franchise taxes on electrical, telephone, cable, internet, water, and sewer services
4. Annual fuel, liquor, and tobacco tax revenue (FuTR + LTR + TTR) is based on the current state per capita estimates multiplied by the number of new people incurring those taxes (estimated by the number of new employees x 2)

5. Annual business license revenue [BLR] = \$105 per year + (number of new employees x \$4.00)
6. Annual residential property tax revenue remitted to the City [RPTR_c] = Number of new homes purchased x fraction of eligible employees living in Sisters x property tax per home remitted to the City. Assume 50% of the new employees will purchase a home (at the average price for Deschutes County) and, of those purchases, 20% will be new homes. Converting this to a formula:

RPTR_c = No. of eligible employees (EE) x .50 x .20 x fraction of eligible employees living in Sisters (SR) x estimated property tax per home remitted to the City (PTH_c)

$$\mathbf{RPTR_c = EE \times .10 \times SR \times PTH_c}$$

7. Annual additional residential property tax revenue exclusive of amount remitted to the City [RPTR_r] = Number of new homes purchased x total property tax per home (PTH_r) minus RPTR_c

Converting this to a formula:

$$\mathbf{RPTR_r = (EE \times .10 \times PTH_r) - RPTR_c}$$

8. Annual additional school funding [ASF] = Estimated number of new children (assume 1 per new employee) x current ADM (weighted) funding per student
9. Annual state income tax revenue [SITR] = Gross new employee payroll x average effective state tax rate

Attachment 3

Recommended Funding Table

Recommended Funding per Eligible Job Created *

ROI ↓	Total Score** →	1.00-1.34	1.35-1.44	1.45-1.54	1.55-1.64	1.65-2.00
Class 1 ROI = 10-19% Or Combined ROI = 50-59% [†]		\$1,000	\$1,500	\$2,000	\$3,000	\$4,000
Class 1 ROI = 20-29% Or Combined ROI = 60-69% ^{††}		\$1,250	\$1,750	\$2,250	\$3,250	\$4,250
Class 1 ROI = 30-39% Or Combined ROI = 70-79% ^{††}		\$1,500	\$2,000	\$2,500	\$3,500	\$4,500
Class 1 ROI = 40-49% Or Combined ROI = 80-89% ^{††}		\$1,750	\$2,250	\$2,750	\$3,750	\$4,750
Class 1 ROI = 50-59% Or Combined ROI ≥ 90% ^{††}		\$2,000	\$2,500	\$3,000	\$4,000	\$5,000

* Values shown in Table could be changed on a case-by-case basis by vote of the City Council

** From Balanced Scorecard

[†] Provided Class 1 ROI is ≥ 7%

^{††} Provided Class 1 ROI is ≥ 10%

Note: The Recommended Funding for instances of the total score less than 1.00 and/or the Class 1 ROI less than 10% is zero.

AGENDA ITEM



SUMMARY

CITY OF SISTERS SISTERS CITY COUNCIL

Meeting Date: August 11, 2016

Staff: Paul Bertagna

Type: Regular Meeting

Dept: Public Works Department

Subject: 2016/17 Transportation System Plan (TSP) Update Contract Approval

Action Requested/Motion: By motion, award a contract to Kittelson & Associates Inc. in an amount not to exceed \$120,000 for the 2016/17 TSP Update, and authorize the City Manager to execute the contract.

Summary Points:

- The City of Sisters current TSP was prepared by DKS Associates during 2008-9 and adopted by Council in January 2010. The City has been active in implementing the current TSP since its adoption. During the past 6 years the City has planned and built several significant transportation projects including the Cascade Avenue Streetscape, Alternate Route improvements, the forthcoming US 20/Barclay Roundabout and many bicycle and pedestrian projects.
- Even with the work that has been done to date, much is still necessary to accommodate existing and future demand in Sisters. Specific needs include intersection improvements at US 20/Locust St., Eastside transportation improvements including US 20/126, further development of the Alternate Route and updating Bicycle and Pedestrian plans.
- Staff issued and advertised a Request for Proposals for a TSP update and received one proposal (Kittelson & Associates). Staff with the assistance of our City Engineer and Councilor Blum reviewed the Kittelson proposal and interviewed the project team. Consensus was made to have staff work with the consultant to refine the Scope of Work and budget.
- The project includes a public involvement plan that will include assembling a citizen advisory committee and holding 2-3 meetings with this group to work through technical issues associated with the update in order to provide direction to the Consultant. A Community event will also be held to allow the citizens to learn about and provide feedback on the draft recommended transportation improvement plans. Kittelson has also committed to including an interactive project map that will allow anyone with internet access to pinpoint issues, ideas and comments directly on a Google map of the City.
- The project schedule will be developed upon contract approval. A kick-off meeting is anticipated to occur in early September 2016 that will start the update project with completion estimated at one year.

Financial Impact: \$120,000 was budgeted out of the Street SDC Fund for this project. The agreed upon project budget is a not to exceed \$120,000 budget that is broken down in the attached Scope of Work.

Attachment(s):

- 2016 TSP Update Scope of Work
- Professional Services Contract

Concurrence: N/A CM N/A F&A N/A CDD ESB PW



Scope of Work

The following tasks are proposed based on our discussion with City of Sisters Staff.

Phase 1: Background Analysis

Task 1: Project Management

This task is for general project management and team coordination.

Task 1.1: Kick-off Meeting

- Attend a kick-off meeting with City staff and local agency officials (ODOT, Deschutes County, etc.). This meeting will discuss the intended outcomes and approach to the TSP update.

Task 1.2: Monthly Conference Calls

- Conduct up to 12 monthly conference calls

Task 1.3: Agency Coordination

- Conduct up to 20 hours of coordination with supporting agencies, including ODOT.

Task 1.4: Public Involvement Plan

- Consultant shall prepare a public involvement plan that outlines the public engagement approach throughout the Project. The plan must include target communities (including Title VI populations) and a communication tool approach.
- Consultant shall submit a draft plan to the PMT for review and comment. The Consultant shall revise the plan one (1) time based on comments received from the PMT

Task 1 Deliverables:

- Meeting minutes from Kick-off Meeting
- Draft Public Involvement Plan
- Final Public Involvement Plan

Task 2: Methodology & Data Collection

This task will document the scope and proposed technical approach to the transportation system plan update.

Task 2.1: Methodology memorandum

- Prepare and submit a methodology memorandum for existing conditions, future conditions and alternative analysis.
- Work with City staff and ODOT staff to identify appropriate methodology and study locations for the analysis update.
- Attend one (1) in person meetings with City staff and ODOT staff to discuss the methodological approach and scope.
- Document methodology and study scope in the Methodology Memorandum.

Task 2.2: Data Collection

- Up to \$3,000 has been allocated for data collection efforts. This accounts for roughly 10 intersections or segments



Task 2 Deliverables:

- Draft Methodology Memorandum
- Final Methodology Memorandum
- Collect traffic counts up to \$3,000

Task 3: Existing Condition Review & Future Conditions Analysis

This task will analyze the data collected in Task 2 and develop revised forecasts for the future year of the current transportation system plan. The main outcome of this task will be to confirm the improvement needs identified in the Sisters TSP for the study area of this effort.

Task 3.1: Existing Conditions Review

- Evaluate the following study intersections during the pm peak hour:
 - US 20/Locust Street
 - US 20/Jefferson Avenue
 - US 20/126
 - US 20/Buckaroo Trail
 - OR 126/Creekside Drive
 - Barclay Drive/Pine Street
 - Barclay Drive/Larch Street
 - Barclay Drive/Locust Street
- Transportation analysis results should include:
 - Volume-to-Capacity ("v/c") ratio
 - Level-of-service ("LOS")
 - Delay
 - 95th percentile queuing (not simulation-based)
 - Turning movement volumes
 - ADT-based Traffic Control Device Warrant analysis for all critical intersections.
- All volumes on State facilities must be calibrated to 30th-highest hour consistent with ODOT Analysis Procedures Manual. Consultant shall use traffic analysis software programs which follow the Highway Capacity Manual, 2010 procedures and must be consistent with TPAU analysis procedures.

Task 3.2: Future Conditions Analysis

- Work with the Transportation Planning and Analysis Unit (TPAU) to update the Sisters Travel Demand Model as necessary to reflect future (2030) conditions.
 - Note: The scope of work and fee assume minimal updates will be necessary to the travel demand model. A more detailed may require additional time and or budget to accomplish.
- Evaluate the study intersection identified in Task 3.1 under 2030 conditions. Forecasts will be done using NCHRP 255 methodologies.
- The key objective of the future conditions analysis will be to:
 - Confirm the need for and scope of the roadway project identified in the Sisters TSP Motor Vehicle Improvement Plan along the Alternate Route and east of Locust Drive.
 - Identify additional improvements needed to accommodate growth and/or improve local circulation, most notably around within the area east of Locust Street.



Task 3.3: Public Advisory Committee Meeting #1

- The purpose of this meeting will be to introduce the Public Advisory Committee to the TSP update effort and discuss the findings of the Existing Conditions Analysis and Future Conditions Analysis.
- Key outcomes will be
 - Introduction to the TSP update and public involvement process
 - Confirmation of existing and future needs based on findings in Technical Memorandum 1.

Task 3 Deliverables

- Draft Technical Memorandum 1 Existing Conditions and Future Conditions Analysis
- Public Advisory Committee Meeting 1 Existing Conditions and Future Conditions
- Final Technical Memorandum 1 Existing Conditions and Future Conditions Analysis

Phase 2: Concept Evaluation and Design

A major component of this TSP Update will be to provide details and refinement to select transportation projects planned. The scoping of these projects will be readdressed as necessary to accommodate City budget and technical needs.

Task 4: Eastside Circulation Evaluation and Concept Design

This task will develop a circulation plan and resulting intersection improvements for the east side of Sisters. This generally refers to the area east of the US 20 Locust Street intersection to city limits.

Task 4.1: Eastside Operational and Access Evaluation

- Based on the analysis and findings of Phase 1, document
 - Evaluation of highway capacity needs along US 20 and O 12 from Locust Street east to the city limits.
 - This analysis will focus on the study intersections identified in Phase 1 and document where capacity deficiencies exist under existing and/or future conditions
- Evaluate access spacing conditions along US 20 and O 12
 - Document access locations and conformance with applicable ODOT access spacing standards
- Work with City of Sisters and ODOT staff to document access needs and constraints. These constraints should include local needs such as access to the Creekside Campground and other local destinations.

Task 4.2: Eastside Concept Development

- Based on the findings of Task 4.1, draft up to two (2) concept level alternatives to address capacity, access spacing, and circulation constraints. These alternatives will include future year operational analysis and single line sketches.
 - Specific consideration will be given to the O 12 US 20 intersection and the opportunities to improve access if the existing truck scales were relocated.
 - The intent of these alternatives will be to identify transportation system improvements needed to support future growth and local circulation needs within the area, particularly within the area from Locust Street to eastern city limits.



- Prepare a double-line, sketch-level design concept and planning-level conceptual cost estimates for one (1) roundabout alternative at the US 20 Locust Street intersection, considering horizontal clearance for an appropriate design vehicle (as determined by Consultant, City of Sisters, and ODOT), alignment needs, striping, pedestrian bicycle needs, and right-of-way needs
- Document the findings of Task 2 and the concept level alternatives in a Draft Eastside Circulation Evaluation Memorandum for City of Sisters and ODOT staff review.
- Conduct an in-person meeting to review the Draft Eastside Circulation Evaluation Memorandum. City of Sisters and ODOT staff will work together to select a preferred eastside alternative.
- Finalize memorandum based on feedback received and include a refined double line version of the preferred alternative.

Task 4 Deliverables

- Draft Eastside Circulation Evaluation Memorandum
- Final Eastside Circulation Evaluation Memorandum
- Up to two (2) eastside concept level alternatives
- One (1) preferred eastside alternative

Task 5: Public Advisory Meeting #2 and Community Open House: Evaluate Draft Concepts

Task 5.1: Public Advisory Committee Meeting #2

- Review concept plans and designs, prepare for Community Open House.

Task 5.2: Community Open House

A community event to learn about and provide feedback on draft recommended transportation improvement plans.

- The recommended concept designs and modal plan updates will be presented to the public for feedback and comments.
- The concepts presented will focus on the preferred alternative and not the interim concepts developed within the individual tasks.
- The intent of the Open House will be to gather feedback on preferred alternatives and document what modifications may be warranted.

Task 5 Deliverables:

- Community Open House Meeting Materials
 - Preferred Concept Alternatives
 - Recommended Modal Plan Updates
- Community Open House Comment Report

Phase 3: Updated TSP

Task 6: Updated TSP

This task will revise the current TSP to document the outcomes of Phase 1 and Phase 2. This document will be produced to be adoption ready.

- Develop planning level cost estimates for the preferred alternatives. These costs estimates will be for the projects updated as part of this scope.



- Prepare updated text and figures to incorporate the updated analysis, preferred alternatives, and modal plan updates identified in Phase 2 into the Sisters TSP.
- Submit a Draft Updated Transportation System Plan for City of Sisters and ODOT review.
- Based on comments received, revise the document and produce a Final Updated Transportation System Plan ready for adoption.

Deliverables:

- Planning level cost estimates for recommended improvements (developed within specific tasks)
- Draft Updated Transportation System Plan
- Final Updated Transportation System Plan
- Final documents to be delivered in PDF and Word format. Final maps to be delivered in GIS format.

Task 7: Adoption

This task provides support for City staff during the adoption process related to this update. This includes the development of presentation material and attendance at a City Planning Commission hearing and City Council hearing.

Public Hearings

Public hearings of the Transportation System Plan Update will be held at Sisters Planning Commission and City Council.

Task 7 Deliverables:

- Prepare TSP adoption presentation material
- Update adoption presentation material based on one (1) set of consolidated comments from City staff.
- Attend one (1) City Planning Commission Hearing
- Attend one (1) City Council Hearing

Additional Opportunities for Public Involvement

These opportunities are not currently part of the scope of work but could be added as contingency tasks if needed/desired.

- **Stakeholder Interviews and Report:** Engage key stakeholders early in the process on project issues, concerns, and ideas; identify and confirm the process; develop trust and buy-in in the community.
- **Community Walking Tour:** Provide walking tour and discussion of project area for interested community members.
- **Coffees/Informal Meetings with Project Leaders:** Provide informal opportunities for interested community members to engage with working group and/or project team members.
- **Virtual Open Houses (VOH):** On-line VOHs can be viewed at any time on a computer with internet service. Viewers have access to graphical materials, presentations, and tools for providing input and feedback.
- **Additional Community Open House:** This Open House would offer early opportunities for community members to learn about and discuss City efforts to update the Transportation System Plan Update and provide a summary of Phase 1 findings.

Sisters TSP Budget Breakdown

Phase 1 – Background Analysis

Task 1 – Project Management	\$18,500
Task 2 – Methodology & Data Collection	\$5,500
Task 3 – Existing Conditions Review and Future Conditions Analysis/Advisory Committee #1	\$19,500
Phase Total:	\$43,500

Phase 2 – Concept Evaluation & Design

Task 4 - Eastside Circulation Evaluation and Concept Design	\$44,250
Task 5 – Advisory Committee #2/Community Open House	\$15,250
Phase Total:	\$59,500

Phase 3 – Updated TSP

Task 6 – Draft Updated TSP	\$12,500
Task 7 - Adoption	\$4,500
Phase Total:	\$17,000

Total:	\$120,000
---------------	------------------

Optional Additional Advisory Committee Meeting/Community Open House	\$15,500
---	----------

Attachment B

PROFESSIONAL SERVICES CONTRACT

THIS PROFESSIONAL SERVICES CONTRACT ("Contract") is made and entered into this day of _____, 2016 by and between the City of Sisters, a municipal corporation of the State of Oregon ("City") and _____ ("Consultant").

RECITALS

- A. City needs the services of a Consultant or team with the particular training, ability, knowledge, and experience possessed by the Consultant or team.
- B. The parties agree that Consultant shall provide City with such services, on a nonexclusive basis, subject to certain conditions.
- C. The parties agree to set forth the terms and conditions of their agreement in this Professional Services Contract ("Contract").

AGREEMENT

SCOPE OF WORK. The Scope of Work including the delivery schedule for such Work is contained in Exhibit "A" attached and incorporated by reference into this Contract. Contractor agrees to perform the Work in accordance with the terms and conditions of this contract.

EFFECTIVE DATE AND DURATION OF CONTRACT. This Contract shall become effective on the date shown above. Unless earlier terminated, this Contract shall remain in full force and effect until _____, 20__ on which date it shall expire, unless extended in writing by City. However, such expiration shall not extinguish or prejudice the City's right to enforce this Contract with respect to (i) breach of a contract warranty; or (ii) any default or defect in the Consultant's performance that has not been cured.

PAYMENT. City agrees to pay Consultant fees relating to Consultant's performance under this Contract as follows:

Total payment of fees under this Contract shall not exceed _____ Dollars and ____ Cents (\$_____) in accordance with the Consultant's fee schedule shown in attached Exhibit "A" to the Contract.

The Consultant shall submit monthly billings for work performed. The billings shall describe all work performed, by whom it was performed and shall itemize and explain all expenses for which reimbursement is claimed. No payment will be made for any services performed before the beginning date or after the expiration date of this Contract.

City shall pay Consultant for the amount billed each month within thirty (30) days after receiving Consultant's billing. City shall not pay any amount in excess of the compensation amounts set forth above nor shall City pay Consultant any fees or costs which City reasonably disputes or which Consultant fails to provide in the proper format and manner as required above.

CHANGES. Neither this Contract, including any of the contract documents, shall be waived, altered, modified, supplemented, extended or amended, in any manner whatsoever, except by written instrument, executed by both parties.

INDEPENDENT CONTRACTOR STATUS. Consultant shall be free from direction and control over the means and manner of providing the labor or service, subject only to the specifications of the desired results. Consultant is responsible for obtaining all assumed business registrations or professional occupation licenses required by state or local law.

Consultant agrees and certifies that:

Consultant is engaged as an independent contractor and will be responsible for any federal or state taxes applicable to any payments made under this Contract.

Consultant is not eligible for any federal social security, unemployment insurance payments. Consultant is not eligible for any PERS or workers' compensation benefits from compensation or payments made to Consultant under this Contract.

Consultant agrees and certifies that it is a corporation in good standing and licensed to do business in the State of Oregon.

OTHER CONTRACTORS. City may undertake or award other contracts for additional or related work, and Consultant shall fully cooperate with such additional contractors and with any City employees concerned with such additional or related work, and shall coordinate the performance of work under this Contract and contract documents, with such additional or related work. Consultant shall not commit or permit any act which will interfere with the performance of work by any other contractor or by any City employee.

SUBCONTRACTORS, ASSIGNMENT, SUCCESSORS-IN-INTEREST. Except as specifically authorized in the contract documents, Consultant shall not make any subcontract with any other party for furnishing any of the work and services contemplated under the contract documents or assign or transfer any interest in this Contract, without obtaining the express prior written consent of City. In any case, this Contract shall be binding upon and shall inure to the benefit of the parties hereto, and their respective successors and assigns, if any.

NO THIRD-PARTY BENEFICIARIES. City and Consultant are the only parties to this Contract and are the only parties entitled to enforce its terms. Nothing in this Contract gives, is intended to give, or shall be construed to give or provide, any benefit or right, whether directly or indirectly or otherwise, to third persons unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of the terms of this Contract.

COMPLIANCE WITH APPLICABLE LAW. Consultant shall comply with all federal, state and local laws and ordinances applicable to the work under this Contract.

INSURANCE. Consultant shall obtain prior to beginning any work under the Contract and shall maintain in full force and effect for the term of this Contract, at Consultant's expense, comprehensive general liability and automobile insurance policies for bodily injury, including death, and property damage, including coverage for owned, hired or non-owned vehicles, as applicable, for the protection of Consultant and the City of Sisters, its elected and appointed officials, officers, agents, employees and volunteers as additional insureds. The policies shall be primary policies, issued by a company authorized to do business in the State of Oregon and providing single limit coverage of \$1,000,000 or the limit of liability contained in ORS 30.260 to 30.300, whichever is greater. The policy shall provide that City will receive thirty (30) days' written notice of cancellation or material modification of the insurance contract at the address listed below. Consultant shall provide certificates of insurance to City before beginning work under the Contract.

PROFESSIONAL LIABILITY INSURANCE. In addition to other insurance requirements stated above, Consultant shall also provide City evidence of professional liability insurance in the amount of not less than \$1,000,000 combined single limit. Consultant shall notify City in the event of a cancellation or reduction in limits.

INDEMNIFICATION. Consultant agrees, to the fullest extent permitted by law, to indemnify and hold the City harmless from any damage, liability or cost (including reasonable attorneys' fees and costs of defense) to the extent caused by the Consultant's negligent acts, errors or omissions in the performance of professional services under this Contract and those of his or her sub-consultants or anyone for whom the Consultant is legally liable.

The City agrees, to the fullest extent permitted by law, to indemnify and hold the Consultant harmless from any damage, liability or cost (including reasonable attorneys' fees and costs of defense) to the extent caused by the City's negligent acts, errors or omissions and those of his or her contractors, subcontractors or consultants or anyone for whom the City is legally liable, and arising from the project that is the subject of this Contract.

The Consultant is not obligated to indemnify the City in any manner whatsoever for the City's own negligence.

CONFIDENTIALITY. No reports, information and data given to or prepared or assembled by Consultant under the contract documents shall be made available to any individual or organization, except to the City without the prior written approval of City.

RECORDKEEPING. Consultant shall maintain all fiscal records relating to this Contract in accordance with generally accepted accounting principles. In addition, Consultant shall maintain any other records pertinent to this Contract in such a manner as to clearly document the Consultant's performance hereunder. All such fiscal records, books, documents, papers, plans, and writings shall be retained by Consultant and kept accessible for a minimum of three (3) years, except as required longer by law, following final payment and termination of this Contract, or until the conclusion of any audit, controversy or litigation arising out of or related to this Contract, whichever date is later.

ACCESS TO RECORDS. Consultant agrees that City and its authorized representatives shall have access to all books, documents, papers and records of the Consultant which are directly related to the Contract for the purpose of making any audit, examination, copies, excerpts and transcripts.

GOVERNING LAW, JURISDICTION, VENUE. This Contract shall be governed and construed in accordance with the laws of the State of Oregon without resort to any jurisdiction's conflict of laws, rules or doctrines. Any claim, action, suit or proceeding (collectively, "the claim") between City and Consultant that arises from or relates to this Contract shall be brought and conducted solely and exclusively within the State of Oregon. If the claim must be brought in a federal forum, then it shall be brought and conducted solely and exclusively within the United States District Court for the District of Oregon.

OWNERSHIP OF WORK PRODUCT, LICENSE. All work products of Consultant that result from this Contract ("the work products") are the exclusive property of City.

This Contract shall not preclude Consultant from independently developing materials which may be similar to materials developed pursuant to this Contract.

ERRORS. Consultant shall perform such additional work as may be necessary to correct errors in the work required under this Contract without undue delays and without additional cost to City.

TERMINATION. This Contract may be terminated at any time by mutual consent of both parties, or by either party upon sixty (60) days' written notice, delivered by certified mail at the address listed in this Contract, or by facsimile at the facsimile number listed below, or in person.

The City shall within thirty (30) calendar days of termination pay the Consultant for all services rendered and all costs incurred up to the date of termination, in accordance with the compensation provisions of this contract.

ATTORNEY FEES. If a suit or action is filed to enforce any of the terms of this Contract, the prevailing party shall be entitled to recover from the other party, in addition to costs and disbursements provided by statute, any sum which a court, including any appellate court, may adjudge reasonable as attorney fees.

FUNDS AVAILABLE AND AUTHORIZED. City has sufficient funds currently available and authorized for expenditure to finance the costs of this Contract. In the event City fails to approve sufficient appropriations, limitations or other expenditure authority in the future, City may terminate this Contract without penalty or liability to City effective upon the delivery of written notice to Consultant, with no further liability to Consultant, except for services performed to the date of giving such termination notice.

SEVERABILITY. The parties agree that if any term or provision of this Contract is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Contract did not contain the particular term or provision held to be invalid.

FORCE MAJEURE. Neither City nor Consultant shall be held responsible for delay or default caused by fire, riot, acts of God, or war where such cause was beyond, respectively, City's or Consultant's reasonable control. Consultant shall, however, make all reasonable efforts to remove or eliminate such a cause of delay or default and shall, upon the cessation of the cause, diligently pursue performance of its obligations under this Contract.

WAIVER. The failure of City to enforce any provision of this Contract shall not constitute a waiver by City of that or any other provision.

AUTHORIZATION. The person signing this Contract on behalf of Consultant hereby covenants and warrants he/she is authorized to do so and that his/her signature will fully bind Consultant to the terms and conditions of this Contract. Upon City's request, Consultant shall provide City with evidence reasonably satisfactory to City confirming the foregoing covenants and warranties.

MERGER/ACKNOWLEDGEMENT. This contract constitutes the entire agreement between the parties, no waiver, consent, modification or change of terms of this contract shall bind either party unless in writing and signed by both parties. Such waiver, consent, modification or change, if made, shall be effective only in the specific instance and for the specific purpose given. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this contract. Consultant, by signature of its authorized representative, hereby acknowledges that he/she also has read this contract, understands it, and agrees to be bound by its terms and conditions.

CITY OF SISTERS:

Address

By

Date

Phone

Fax

E-mail

CONSULTANT:

Address

By

Date

Phone

Fax

E-mail