

MEMBERS PRESENT:

Chuck Ryan Mayor
Nancy Connolly Council President
Andrea Blum Councilor
Richard Esterman Councilor
Michael Preedin Councilor

STAFF PRESENT:

Cory Misley City Manager
Paul Bertagna PW Director
Joe O'Neill Finance Director
Patrick Davenport CDD Director
Kerry Prosser City Recorder
Nicole Mardell Principal Planner
Garett Chrostek City Attorney

I CALL TO ORDER/PLEDGE OF ALLEGIANCE

The Meeting was called to order by Mayor Ryan at 6:40 pm.

II ROLL CALL

City Recorder Prosser took roll call, and a quorum was established.

III APPROVAL OF AGENDA

Councilor Blum made a motion to approve the agenda. Councilor Preedin seconded the motion. A roll call vote was taken. The motion carried 5-0.

IV VISITOR COMMUNICATION-None

V CONSENT AGENDA

- A. Minutes
 - 1. April 22, 2020- Workshop
 - 2. May 13, 2020-Regular Meeting
- B. Bills to Approve
 - 1. May 22, 2020-Accounts Payable
- C. Approve the First Extension to the Sisters Recycle Center Operating Agreement and Authorize the City Manager to execute the agreement.
- D. Authorize the City Manager to Sign an In-Stream Lease Application for Water Rights on the Lazy Z.

Councilor Blum made a motion to approve the Consent Agenda. Councilor Esterman seconded the motion. A roll call vote was taken. The motion carried 5-0.

VI COUNCIL BUSINESS

- A. Public Hearing and Consideration of a Motion to Approve an Application for a Modification to the MP-15-01/SUB-15-01 (Master Plan and Tentative Plat for the ClearPine Subdivision). The Modification would Alter the Conditions of Approval Related to the Timeline for Delivery and Type of Affordable Housing Units.**

Mayor Ryan opened the public hearing and reviewed the hearing process. He asked each Councilor to disclose any conflicts or ex-parte contact.

Council President Connolly stated she was one of the Councilors who had called this application up to the City Council in 2015. Councilor Blum, Councilor Preedin, Councilor Esterman, and Mayor Ryan did not have any conflicts. No one challenged any member of the Council's ability to hear the matter.

Mayor Ryan asked for the staff report.

Principal Planner Mardell presented the staff report. She reviewed this was a request to modify several conditions of approval associated with MP 15-01/SUB 15-01, an approved Master Plan and Tentative Subdivision Plat, carried over from a previous rezoning and comprehensive plan redesignation: CP 06-04, CP 06-03, ZC 06-05. She noted the properties included in this application were Lot 50 (Clearpine Phase 3) and Lots 83-88 in Clearpine Phase 6, all located at the intersection of West Heising Drive and North Bluebird Street.

Principal Planner Mardell said during the Plan Amendment and Zone Change process, 3 Sisters Partners, LLC, voluntarily agreed to deliver eight affordable housing units in the Clearpine Subdivision. This commitment was included in a 2007 development agreement and carried forward in the Master Plan and subsequent decisions.

The applicant agreed to deliver eight (8) units – originally planned to be a 6-unit rental complex and a duplex in the MFR Zone and totaling 7,000 square feet by May 11, 2020. Because these requirements were memorialized in land-use decisions, 3 Sisters Partners, LLC requests a modification of those decisions.

Principal Planner Mardell said Specifically, the applicant proposed Modifications to the following items:

- Remove the requirement to deliver the affordable units by May 11, 2020.
- Allow for the sale of the property to Sisters Habitat for Humanity to satisfy delivery of six (6) affordable units.
- Allow for delivery of affordable units through six (6) attached townhomes in place of a six (6)-unit multi-family complex.

- Allow for construction of a deed-restricted single-family home and accessory dwelling unit (ADU) to satisfy two (2) affordable housing units in place of a duplex.
- Allow for two of the eight units to be in the Residential (R) Zone rather than the Multi-Family Residential (MFR) Zone.
- The required square footage (7,000 sf) is not requested to change, and the applicant plans to exceed this requirement by delivering 8,331 sf feet in total of affordable housing.

Principal Planner Mardell had received a question regarding the required delivery date for the units. Condition #3 in the Master Plan decision required two delivery dates:

- Within 24 months of the date of issuance for the first building permit in phase 1, the applicant shall submit a site plan of the MFR zoned area, including an illustration of affordable housing units.
- Then, within 24 after site plan approval for the MFR zoned area, the applicant shall make the eight affordable housing units available for rent or sale.

The first building permit was issued in May of 2016. City staff accepted and approved a subdivision plan (SUB 18-01) in place of a formal site plan application. Staff approved the subdivision application in late April of 2018 and required the affordable units to be delivered by May 11, 2020. This deadline was agreed upon by both City Staff and the applicant.

Permits have been submitted for four of the six units owned by Habitat for Humanity. Construction of these units was anticipated to be completed by December 2020. As described in their letter of intent submitted with the application, Habitat plans to apply for permits on the remaining two townhome units by fall 2020 and complete construction by August 2021. All six of these units were to be located in the MFR Zone.

The remaining two units were currently being constructed by 3 Sisters Partners, LLC. They were anticipated to be completed and occupied by June of 2020, per the applicant's most recent letter dated May 15, 2020. The applicant has provided documentation of a third-party manager, Anita French, who has extensive experience in managing affordable housing units.

Principal Planner Mardell said Staff did not include a recommendation as this was a unique application and was highly discretionary. If Council were to approve the Modification as proposed, Staff had included recommended conditions of approval in Exhibit E, a recommended deed restriction for Lot 50 is included in Exhibit F, and an updated conditions of approval agreement was drafted and included in Exhibit G.

As of today, Staff had received two public comments in support, one from Paul Hodge, of Laird Superfood, and one from Rodger Lee, of Economic Development for Central Oregon (EDCO); both were sent to Council and included in the formal record.

Mayor Ryan asked each Councilor if they had any questions of Staff.

Council President Connolly asked when the building permits had been issued for lot 50. Principal Planner Mardell responded the permits for lot 50 had been submitted in 2019. Council President Connolly asked if Staff was contacted in 2019 about lot 50 becoming two affordable housing units: a house and ADU. Principal Planner Mardell replied the applicant had reached out to Staff during the building permit process, but Staff did not tell the applicant they would be accepted as two separate affordable housing units. Council President Connolly asked when the lots in Clearpine had been sold to Habitat for Humanity, and Principal Planner Mardell responded in September 2019.

Council President Connolly asked if the applicant had any discussion with Staff about these lots being used for affordable housing, and was there any indication that the timeline would not be met. Principal Planner Mardell said her understanding was that Staff was informed of the sale, but there was no agreement between the City and the applicant that the sale of these lots would meet the affordable housing requirements.

City Manager Misley stated on several occasions the applicant was told that Staff did not have the authority to authorize what they were proposing, they were instructed to submit a modification to Council.

Council President Connolly asked if it had been explained to the applicant the process would have to go to City Council or Planning Commission. Principal Planner Mardell said Director Davenport told the applicant staff could not commit to anything that did not meet the original terms, and they would need to do a modification to the development agreement. Director Davenport stated that was an accurate assessment.

Councilor Blum asked when the application for Modification was submitted, and Principal Planner Mardell replied it had been submitted on March 24, 2020.

Councilor Preedin clarified the Lot 50 building plans were approved on 08/23/2019. He had no questions for Staff. Councilor Esterman did not have any questions for Staff.

Mayor Ryan asked for the applicant's presentation.

Peter Hall from 3 Sisters Partners, LLC introduced himself and said Sharlene Weed of Habitat for Humanity (Habitat) and Miles Conway, legal counsel for 3 Sisters Partners would also be presenting this evening.

Mr. Hall said this had been a long process; the original agreement originated in May 2007. Shortly after the zone change, he started to search for partners for this project as affordable housing was different to construct than market-rate housing. Mr. Hall reached out to HousingWorks and Pacific Crest development, and they both turned him down because of the size of the project. In 2016 the specific schedule was defined, two years for site plan than two years to complete the units. At this point, he reached out to several affordable housing builders, but did not get a lot of traction. In 2018 Sharlene Weed of Habitat showed interest in the project.

He acknowledged they were late getting some of the units to market but said the two rental units on Heising Drive would be available in June. He showed a photo of the Lot 50 project and said they had tenants moving in on June 15th. Mr. Hall said the cost to build these units to date was approximately \$450,000. He noted all renters would meet the AMI threshold, and they had hired a third-party manager, Anita French, to manage the two rental units. The other six units would be the homeownership model built and managed by Habitat for Humanity. He noted this was the opposite of the original agreement, which had six rentals and two homeowners. Habitat had the permits in hand for the first four lots and was ready to move forward on the units.

Mr. Hall explained the Habitat project had secured LIFT funds of \$58,000 per lot, and 3 Sisters Partners had subsidized each by about \$35,000 per lot. He thought it was important to note the City of Sisters had not contributed funds to any of the units. He stated this was a subsidy by 3 Sisters Partners of \$210,000 plus \$450,000 on the two rental units.

He asked the Council to approve the Modification to allow Habitat for Humanity to complete the project on their timeframe.

Sharlene Weed, Executive Director of Habitat for Humanity, said she had been meeting with Mr. Hall since 2016 regarding this project. She noted land for Habitat homes was hard to come by as lots in Sisters could be \$100-\$150,000. She said the lots for this project were purchased for \$58,000 but had appraised for \$80,000. Ms. Weed said Habitat applied for State LIFT funds to purchase the lots in 2017 and thought they would be building by June 2018 but could not get the final funding approved and did not close on the lots until October 1, 2019. She noted Mr. Hall had given Habitat free design plans on these units, and they had just paid their System Development Charges on the first four units. Ms. Weed stated there was interest around the State on this project as it was a private, City, and non-profit partnership. She explained the Habitat units were land trust homes and would be perpetually affordable; if they resold, these homes would stay

affordable forever. Ms. Weed said this was a unique project that took longer than expected, but she thought everyone was working in good faith to get it completed. She hoped there was some grace and understanding of the completion of this project.

Miles Conway, the attorney 3 Sisters Partners, noted he had been working on this project for at least 13 years. He reviewed the conditions the applicant was looking to modify tonight were first put in place 13 years ago with the zone change and have been moved forward with subsequent land-use decisions as noted in the Staff report. When these conditions were drafted, there were no requirements that developers build affordable housing in the development code. He said they were not trying to get out of complying with the requirements which they voluntarily created; the current conditions simply did not work: At the time the language was developed, we did not know as much about affordable housing as we did today. We have tried to implement the conditions as initially drafted, but it could not be done. We went back to the drawing board for a new plan, and we had been working with the city attorney on the conditions of approval and deed restrictions for the two rental units. Mr. Conway said the timeline and configuration of units were different, but the developer had fulfilled his obligation to come up with the eight affordable housing units. Mr. Conway asked for the support of the Council for this Modification.

He explained they had kept City staff informed throughout the process, but Staff said it was dependent upon Council to make the final decision.

Mayor Ryan asked Council for questions of the applicant.

Council President Connolly asked why the applicant did not come to Council sooner with a Modification request as they knew they had issues in 2019. Mr. Hall responded he did not think he was behind schedule. The two rental units were essentially complete, and they thought they had a transfer agreement on the Habitat lots more than two years ago. It was not until November 2019 when they could not break ground on the Habitat lots that he thought he might miss the timeline. Council President Connolly stated when Habitat could not build, it should have been a red flag. She asked when you pulled a permit on the house and ADU, why didn't you ask for Council approval at that point. Mr. Hall replied the original agreement did not state the units needed to be on two tax lots. He thought it was a pretty good idea to do two units on one lot, and he did not see a disadvantage to the City to do it this way. He said the lot was adjacent to the MFR, which was in the vicinity of the area that it was to be provided in per the original agreement.

Council President Connolly asked if Habitat knew when they purchased the land, the applicant would be non-compliant if they could not be built by May; did either the applicant or Habitat have a back-up plan. Mr. Hall said after the 12-month delay on the LIFT grant, he knew the timing would be tight. He thought Council would put some weight on the fact building permits were in hand for the units and would provide some leniency on the final timeline. He assumed Council would accept that if they were willing.

Ms. Weed said they knew the timeline was slipping, but they thought the Council would be confident in the follow-through of the developer that the units would happen and that he would build these homes. They made an assumption about the Council's primary concerns.

Council President Connolly asked what your course of action would be if this request were denied. Mr. Conway said if they did not get Council support, the developer, contractors, etc. would lose their jobs or significant revenues; the City would lose system development charge revenue, permit fees, market housing, and the affordable housing component and they would possibly end up in a LUBA appeal. Mr. Conway said in retrospect, we should have come to the Council earlier as this evolved. Council President Connolly asked if this was approved and new deadlines were set, were you willing to establish a penalty if the deadlines were missed. Mr. Hall said they had faith the units would be delivered on time. He thought penalizing the applicant for something out of their control did not make a lot of sense. Ms. Weed said Habitat homes were built by volunteers, and their timeline had slipped because of COVID-19; she did not believe the pressure of a timeline on Habitat was fair.

Councilor Blum asked why you chose to do a home with an ADU vs. a duplex. Mr. Hall said based on how the lots were laid out, the house and ADU was a better solution. He had to make sure the neighborhood turned out without too many negatives; he thought it was an elegant solution for two units.

Councilor Preedin had no questions

Councilor Esterman did not agree with penalties. He asked if this Modification was approved did it create any precedent. Attorney Chrostek said it did not form a strict precedent.

Mayor Ryan commented communication was not what it should have been. He thought that before you inked a deal with Habitat, you should have come to Council, it was a significant change in the process that lead to other decisions. Mayor Ryan said Mr. Hall stated there were no out-of-pocket costs for the City on these eight units, which was not

valid. Habitat had requested grants for system development charge on four units and would probably ask for grants on the other two (about \$20,000 for all six units), which came from City funds. Mayor Ryan did not think these units would be done by the deadline, and he did not want to put pressure on Habitat to meet the deadline; 3 Sisters Partners was handing that off to Habitat without maintaining any skin in the game.

Mayor Ryan asked if anyone would like to provide testimony in support, neutral testimony, or testimony in opposition of the application. There was no public testimony.

Mayor Ryan asked if the applicant would like to rebut any of the testimony presented.

Mr. Hall said, based on some of the comments, it sounds like Mayor Ryan disagreed with their decision to engage with Habitat. He thought it was a natural fit, and he had tried to work with other affordable housing builders but was turned down. Mr. Hall said the original agreement stated we would provide eight affordable housing units; it did not say we would be the sole bearer of the entire project cost. He felt there was a sentiment that we had done something wrong by not doing that; we never had the funds to build the units on our own. Mr. Hall wanted the Council to understand a lot of effort and money was spent on their part. He thought the timing was the key issue and asked for approval on the extension of the unit's timing.

Mayor Ryan stated that he was in support of the Habitat homes and thought it was a great project, he was concerned about the communication on the process and timing from 3 Sisters Partners. He was pro the Habitat for Humanity model. He stated Mr. Hall said it would not cost the City or taxpayers any additional funds, which was not accurate.

Mayor Ryan asked the Council how they would like to proceed. Councilors unanimously choose to close the hearing and deliberate towards a decision.

Mayor Ryan closed the public hearing.

Mayor Ryan noted this was a significant modification, and he thought it was a good model, but he would like to propose a couple of changes. First, he said the cost to the City of approximately \$20,000 that would potentially be given to Habitat for System Development Charge grants on these homes should not be our cost; It should be 3 Sisters Partners responsibility. He was disappointed that it was not offered in the Modification. Mayor Ryan would like to see both the affordable housing and the market rate housing moving forward. He hoped we could adjust the Modification to include a clause that would not expose the City to any additional costs.

Mayor Ryan would also like the Modification to address the timing of when the affordable housing units would be delivered. He disagreed with Mr. Hall's memo outlining why the execution of the project was delayed. In the memo, Mr. Hall stated that this was a small project. Mayor Ryan said this was not a small project for Sisters. The memo also stated Mr. Hall did not have a non-profit to execute an affordable housing project. Mayor Ryan said standing up a non-profit was not a hard task, yet he never attempted to do so. Lastly, the memo said his business would not achieve breakeven status until the first quarter of 2022; Mayor Ryan did not know its relevance to his affordable housing commitment. Mayor Ryan noted this project was happening during one of the most robust housing markets in our history regarding demand and pricing. Mayor Ryan thought the timeline was favorable to 3 Sisters Partners; they had five years to execute on eight units. If they had come to the City earlier with the Habitat situation, we could have helped expedite things, and we might not be looking at the delayed timeline we had today.

Mayor Ryan thought the delays were due to poor planning and showed the affordable housing units were not a priority for 3 Sisters Partners. He thought the Habitat building timeline was troublesome, and he felt they would have trouble getting these units completed in the timeframe given the current situation. Mayor Ryan felt 3 Sisters Partners should carry the worry about getting these units built, not Habitat. If we agreed to the modifications as presented, 3 Sisters Partners had no skin in the game. He said it also put the City in the position that we did not know when we were getting these units; he fully supported Habitat's role in this project. Mayor Ryan said Council and the City take affordable housing seriously, and we had collaborated with others successfully. He noted the first three homes in McKenzie Meadows Village were affordable units. He was disappointed that families were not going to be moving into the Clearpine affordable units in May 2020.

Mayor Ryan's second recommendation was to have 3 Sisters Partners compensate the affordable housing fund in some way for the delay of this project or add some other level of accountability on the timeline. Mayor Ryan said the two changes he proposed could be easily negotiated; he suggested Council vote tonight to allow Staff to address the changes with 3 Sisters Partners in the next few weeks and move on to approval. He wanted this project to move forward; he just wanted a fair and equitable modification for our constituents.

Council President Connolly agreed with Mayor Ryan's solution. She said in 2015, when the City was in angst because of non-performance on affordable housing projects with other developers, it triggered Council to implement the 24-month timeline to build the units to keep developers from leaving affordable housing until the end of their projects.

She said although 3 Sisters Partners technically did not have to build affordable housing units when they began this process, they did agree to build these units; they were accountable for the agreement that they signed. Council President Connolly was glad the applicant was working through this process with Habitat and encouraged them to spend time with the Housing Policy Advisory Board and the Planning Commission on ways to improve this process.

Councilor Blum said she was happy Habitat was involved in this project. She thought there was a laissez-faire attitude along the way on moving this project forward, but she was not convinced there needed to be a penalty for how this happened. Councilor Blum stated it was not good if the City came out with a loss of \$20,000 that could be spent somewhere else.

Councilor Preedin said he could not disagree with Mayor Ryan more. He stated a developer had come forward with a solution to an affordable housing issue; things did not go as planned, but the units would be built. Councilor Preedin said our job as Councilors was to collaborate with Habitat to get these built. He did not see a need for a penalty, it was not a smooth transition, but he did not think there was any bad faith. He was willing to worry about the system development charge grants later. Councilor Preedin was looking forward to these units being built. He thought putting a timeframe on Habitat for the construction when they use volunteers could be difficult. He thought we could pick something like the end of 2021 to give them as much grace as possible to complete the units. Councilor Preedin thanked developers for coming into town and getting projects going, as it was a tough industry.

Councilor Esterman said were we going to live in the past or move forward. He was in line with Councilor Preedin and did not think there should be a penalty. Councilor Esterman said as a businessperson, he could see the other side and did not want to make a mountain out of a molehill.

Council President Connolly wanted to clarify the intent was not to penalize Habitat. She said it was a breakdown of communication and that the applicant had shown a lack of respect for the Council and the citizens of the City in honoring this agreement. Council President Connolly thought we needed to have a timeline when these units would be finished.

Councilor Blum asked if we could ask the applicant if they had any comments about what was being discussed and if they had a counterproposal.

Attorney Chrostek said Council could reopen the hearing to take in additional testimony and elect to carry over the hearing and leave the record open. He would like one more round of Council discussion to see where Council was headed.

Councilor Blum was leaning towards making a motion to accept this application with the conditions submitted by Staff. If there needed to be some sort of a deadline to make Council feel more comfortable that these units would be built to give some sense of skin in the game from 3 Sisters Partners, she would be willing to consider that motion.

Councilor Preedin was in line with Councilor Blum. He could accept Staff's findings and would be interested in hearing some type of timeframe on getting the six units completed. He did not know what we could do if they did not meet the deadline. If you put an end date, you must be careful with what we were proposing.

Councilor Esterman had concerns about an end date. He could go with Staff's current recommendation but would like to move this forward as quickly as possible.

Mayor Ryan said his biggest concern was accountability by 3 Sisters Partners; they were in default of their agreement. The current proposal has risk in it for the completion of the units. He could not look at his constituents and say we agreed to a deal with no accountability for 3 Sisters Partners; it was unacceptable to Mayor Ryan. He would like a motion that gave Staff a little bit of time to hammer out an agreement over the next few weeks.

Attorney Chrostek recommended reopening the hearing or carry it over to another meeting. City Manager Misley reminded Council this did not need to be a unanimous vote; it was a simple majority vote.

Mayor Ryan reopened the public hearing and stated all the rules continued to apply. He asked the applicant to respond to what he had heard during the deliberations.

Mr. Hall thought the most important issue to the Council was the timeline. He said if the completion date were at the end of December 2021, we could consider stopping permitting at that time if the affordable housing component was not complete. He thought Habitat needed to weigh in on this. On the financial side, he understood the concern. He suggested letting him work with Habitat to find a way to make them whole, and the City could deny the application for the system development charge grant for Clearpine units. He did not have a great idea of how to penalize himself for any Habitat delays.

Ms. Weed said Habitat, on average, built four homes a year and did not anticipate the build schedule slipping for the Clearpine homes. She did not think it was fair to ask Mr. Hall to pay the system development charge's that Habitat had applied for from the affordable housing grant program as other developers were not asked to pay those fees. She was comfortable with a project completion timeline at the end of 2021.

Mayor Ryan would like to see a motion that we look at this for another week and come up with a solution.

Council President Connolly thanked Mr. Hall for contemplating the system development charge cost. She was comfortable with a timeline with a 2021 completion date. She would like to address this at the next council meeting.

Councilor Blum asked if we were thinking about adding a date for completions and system development charge covered by Mr. Hall; did we need it memorialized in writing or just by a motion tonight.

Attorney Chrostek replied any amendments would be to the restated conditions of approval agreement. Councils options were to end the hearing tonight or carry it over to the next Council meeting, so the applicant and Staff could discuss the proposed language and bring it back to the meeting.

Councilor Blum thought we should move the hearing into the next meeting.

Councilor Preedin said Mr. Hall's skin in the game was apparent by his offering eight affordable units before it was a City emphasis. Councilor Preedin thought Mr. Hall had done a fairly good job of getting this project done, and he felt working with Habitat was an awesome solution. He had faith in Habitat to get the project done. If the Council wanted to talk about it more, he was comfortable with that, but he could also vote for it right now.

Councilor Esterman agreed with Councilor Preedin, and he would move forward tonight, but if the Council wanted to move to the next meeting, he was comfortable with that choice.

Councilor Blum moved to approve the application with the conditions of approval recommended by Staff with additional amendments to be coordinated between the applicant and Staff at our next Meeting. The motion was not seconded.

Attorney Chrostek recommended that Council make a motion to carry over the public hearing and leave the record open until the June 10th meeting.

Councilor Blum made a motion to continue deliberations and leave the public hearing open and continue deliberations until Council reconvenes at 6:30 pm on June 10th. The motion was not seconded.

Councilor Blum made a motion to carry the entire public hearing over until June 10th. Council President Connolly seconded the motion. A roll call vote was taken. The motion carried 5-0.

Attorney Chrostek clarified because the land use proceeding was still in effect. You could not have contact with the applicant or anyone else without disclosing that at the next meeting.

B. Discussion and Consideration of Resolution 2020-09: A RESOLUTION OF CITY OF SISTERS APPROVING A CONTRACT-SPECIFIC SPECIAL PROCUREMENT OF AERATORS FOR THE CITY'S WASTEWATER TREATMENT PLANT; AND AUTHORIZING AND APPROVING THE USE OF DIRECT APPOINTMENT PROCUREMENT PROCEDURES FOR A PROCUREMENT AGREEMENT WITH AERATION INDUSTRIES INTERNATIONAL, LLC.

Director Bertagna explained the resolution detailed the findings for the direct procurement process with Aerations Industries. He reviewed we had an upset treatment plant this spring, and we partnered with regulators and suppliers and found the issue was that we did not have enough aeration in the pond. Staff knew after the past few months; we needed to address the issue. The existing aeration equipment had worked very well for the last 20 years, and now we needed to increase our aeration to provide additional treatment capacity for the next 20 years. To curtail the current problem, we were upgrading the aeration system and doubling the capacity. Any other type of aeration system would require significant infrastructure retrofitting to make it work.

Councilor Blum made a motion to approve Resolution 2020-09: A Resolution approving the use of direct appointment procurement procedures for a procurement agreement with Aeration Industries International LLC for \$127,683 and authorize the City Manager to execute the agreement. Councilor Preedin seconded the motion. A roll call vote was taken. The motion carried 5-0.

VII OTHER BUSINESS

A. Staff Comments

Councilor Preedin asked how confident was Staff the police cars would look like we wanted them. City Manager Misley replied the language in the agreement said the cars had to be mutually agreed upon in relation to the markings. He stated we need to get this right the first time; he was optimistic, but there was more work to do.

VIII MAYOR/COUNCILOR BUSINESS

Councilor Blum reviewed \$25,000 in grant funds would go out this week to 23 local businesses through the Oregon Community Foundation and Central Oregon Intergovernmental Council.

Councilor Preedin was optimistic about the future; he thought we were slowly getting back to normal. He was sad to see the cancellation of the Sisters Folk Festival. He said we were not out of the woods, but he thought we could all smile a little more.

Councilor Esterman stated he was going to start something new during his comments, he was looking at certain laws on the books, and he wanted to share one law this week. He shared the law stated a dead person could not be required to serve on a jury.

IX ADJOURN: 8:47 pm.



Kerry Prosser, City Recorder



Chuck Ryan, Mayor