

WORKSHOP MEETING MINUTES
SISTERS CITY COUNCIL
520 E. CASCADE AVENUE
MAY 19, 2011

MEMBERS PRESENT:

Lon Kellstrom Mayor
David Asson Council President
Wendy Holzman Councilor

ABSENT:

Sharlene Weed Councilor
Pat Thompson Councilor

GUESTS:

Brad Bailey HCD President/Co-Owner
Bruce Bailey HCD Co-Owner
Ron Shearer HCD Operations Manager
Randy Sutman HCD Controller

STAFF PRESENT:

Eileen Stein City Manager
Paul Bertagna Public Works Director
Pauline Hardie Community Dev. Director
Julie Pieper Office Specialist

ABSENT:

Lisa Young Finance Director
Kathy Nelson City Recorder

The meeting was called to order by Mayor Kellstrom at 8:47 a.m.

1. Sisters Recycle Center Status

Director Bertagna reported in follow-up to the April quarterly workshop with the County Commissioners, High Country Disposal (HCD) representatives, Deschutes County representatives and City staff had met to try and find solutions for keeping the Sisters Recycling Center (SRC) operational in FY 11-12.

HCD President Brad Bailey provided a recap of how the City, HCD and County had arrived at the current situation. He recounted how in previous years the County had contributed to funding the operations of the SRC but in light of the recent economic climate and cut-backs, the County had decided to move away from providing financial support. He stated the goal was to find a means to continue sustained operation of the center. He directed the Council to the letter he had written, included in their workshop packets, which outlined a two year plan that would eventually use the center only for recycling glass and oil. He stated the letter also included an alternate plan whereby the center would still collect all recyclable materials but with a very limited number of days of operation. **Mr. Bailey** discussed the proposed funding model that still included some participation by the County. He stated the center could eventually shift to being completely rate funded. He stated there were concerns that if the SRC was not maintained at some level, the amount of glass seen at the County landfills would increase. He stated a continued partnership between the three organizations was still needed.

Mayor Kellstrom asked how the figures in the alternative plan, as it relates to revenue breakdown and glass, were determined. **Mr. Bailey** replied the figures were based on a proportional

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percentage of cost to recycle glass for Sisters residents and county users. **Councilor Asson** asked if glass would ever become valuable again and **Mr. Bailey** replied it might. He stated the cost of hauling was part of what kept the cost of recycling glass above its actual recycled value. He stated consideration could be given to using the glass locally as an aggregate base for areas that would not be re-dug in the future. **Councilor Asson** asked at what point the City should consider not collecting glass at all. **Mr. Bailey** stated the glass was being reused and that it was the process to recycle it was just expensive. He added to recycle glass or not would be a policy decision for the Council. **Mr. Bailey** acknowledged that glass is the most expensive component to recycle but it would cost HCD approximately the same to haul it to the landfill as recycle it. **Director Bertagna** stated it was important to provide a spot for motor oil to be recycled also as the City certainly didn't want folks dumping it. **Councilor Holzman** agreed it was important to provide a safe place to recycle oil. **Mr. Bailey** stated if the SRC was closed, the Fryrear transfer station would be the closest depot where citizens could recycle glass and oil. He stated it is open four days a week. **Director Bertagna** stated if the City chooses to have SRC open only two days a week, he would recommend weekend days.

Mayor Kellstrom divided the number of accounts in the City by the additional rate amount needed to recycle glass and oil and approximated it would cost about \$1.25 extra per month per household and **Mr. Bailey** agreed that was a fairly accurate approximation. **Councilor Holzman** asked what the cost would be to provide curbside recycling of glass and oil and **Mr. Bailey** replied it would be about the same cost per account. He added if the City chose that option, citizens would no longer need the recycling center. **Councilor Holzman** asked what the City might do with the building. **Director Bertagna** stated the City could explore the possibility of allowing the long time use or selling of the land and building to HCD, adding that the City would lose the monthly income it receives for the land it leases to HCD by the treatment plant for its staging and storage needs. He stated additional land was available next to the recycling center which HCD would also need. **Mayor Kellstrom** noted the City does not own the land SRC sits upon and wondered how complicated, costly or long it would take to resolve that issue. **Councilor Asson** and **Councilor Holzman** agreed it was worth having staff look into that possibility. **Manager Stein** stated the City would also need to make certain it was not violating any covenants of the acquisition and/or financing of the wastewater treatment plant property by selling some of the land to the Sisters-Camp Sherman Fire District for the fire training facility.

Councilor Holzman stated the City needed to contemplate which was a better solution considering the costs would be approximately the same. **Councilor Asson** voiced concern with costs increasing down the road and citizens having to pay more to recycle glass.

Manager Stein stated HCD was also going to be coming before the Council requesting a rate increase and the Council could consider including the cost for curbside glass and oil recycling into the increase. **Councilor Holzman** stated the City needs a clear picture of what the County is going to do prior to making any decision. **Mayor Kellstrom** stated he had spoken with Councilor

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Thompson about the matter and Councilor Thompson had commented he was not in support of any rate increase and would instead recommend closing the SRC.

Councilor Asson asked if there was any advantage to collecting glass and oil at the SRC versus curbside. **Mr. Bailey** stated it was more efficient to collect items curbside and it would likely be the least costly in the long run. He stated the City could look to collecting glass and oil only once a month to save on costs to its citizens.

Mr. Bailey stated HCD would be requesting a 4.5% rate increase and discussed Sisters collection history rates. He noted this would be the first operational increase HCD had requested in the three years of the franchise agreement. He stated the previous rate increase was only due to increased tipping fees imposed by the County. He discussed the increasing operation costs HCD was experiencing, especially with fuel costs while revenue had remained flat. He distributed a worksheet comparing the collection rates charged in other Central Oregon cities, noting Sisters' rates were the least expensive. He stated the rate even included the cost of yard debris pickup and other rates did not and were still higher. He stated if Sisters approves the 4.5% rate increase, the City would still have very competitive rates. He voiced his appreciation of the successful partnership the City and HCD have and stated HCD would support whatever direction the Council decides on.

Manager Stein reminded the Council that the franchise agreement stipulates rate increases must be approved by the City Council and were only permitted under certain conditions, and the letter included information that met those criteria. **Councilor Asson** asked if a 4.5% increase would offset the cost of curbside collection of glass and oil. **Mr. Bailey** replied it would help but not completely offset the additional operational costs. **Councilor Holzman** stated perhaps the County would contemplate asking HCD to provide curbside glass and oil recycling to county residents also. The **Council** directed Manager Stein to schedule another workshop when there were additional details that could be provided including the County's reaction to the HCD proposal and costs for curbside pickup of glass and oil.

2. Preview May 26, 2011 Regular Meeting

Manager Stein provided an overview of the upcoming regular meeting. **Mayor Kellstrom** reported Patty Cordoni would present the economic development report in Mac Hay's absence.

3. City Manager Update

Manager Stein reported she had received a call from Rob Roy regarding moving forward with his senior affordable housing project and he was asking for a memorandum of understanding (MOU) between the City and Pacific Crest Affordable Housing. She indicated that staff would follow up with Mr. Roy.

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Director Bertagna reported some rocks had been placed in the City's right-of-way (ROW) over the week-end by a property owner who claimed the ROW was his property. He stated the rocks had been removed.

Mayor Kellstrom stated Councilor Weed had requested the Council hold a workshop to discuss a re-tooling of Economic Development Manager Mac Hay's contract. The Council discussed this request with **Mayor Kellstrom** reporting that Councilor Thompson had communicated he did not feel a workshop was necessary. There was discussion regarding Mr. Hay being an employee instead of an independent contractor and how that would impact the already proposed FY 11/12 budget. The **Council** agreed Mr. Hay could best serve the City as an independent contractor. **Mayor Kellstrom** and **Councilor Asson** agreed a workshop was unnecessary. **Mayor Kellstrom** stated Mr. Hay had only been working less than a year and the City should wait at least one more year before looking at the contract. **Councilor Holzman** asked for a copy of the agreement and **Manager Stein** stated she would provide a copy to her.

The meeting was adjourned at 9:54 a.m.

Respectfully submitted,

Kathy Nelson, City Recorder

Lon Kellstrom, Mayor