

REGULAR MEETING MINUTES
SISTERS CITY COUNCIL
520 E. CASCADE AVENUE
NOVEMBER 10, 2011

MEMBERS PRESENT:

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

STAFF PRESENT:

Eileen Stein	City Manager
Steve Bryant	City Attorney
Lisa Young	Finance Director
Pauline Hardie	CDD Director
Kathy Nelson	City Recorder

ABSENT:

Paul Bertagna	PW Director
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I. CALL TO ORDER/PLEDGE OF ALLEGIANCE

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

II. RECOGNITION

Mayor Kellstrom thanked the Water System Technical Advisory Committee (TAC) and its facilitator for their hard work and effort on behalf of the city and presented them with a Certificate of Appreciation. Committee members in attendance were Mike Caccavano, Cris Converse, Wendy Holzman and McKibben Womack, as well as facilitator Michele Sims. Absent were committee members David Abbas, Kris Calvin, Mike Morgan and Ed Protas.

Councilor Holzman also thanked the committee members for their time and commitment. She stated she felt the end result was a good one.

III. VISITOR COMMUNICATION

There was no visitor communication.

IV. CONSENT AGENDA

A. Minutes

1. October 27, 2011 – Workshop
2. October 27, 2011 – Regular Meeting
3. November 03, 2011 – Workshop

B. Bills to Approve

1. November 10, 2011 Accounts Payable
2. November 23, 2011 Accounts Payable

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City Recorder Nelson pointed out to the Council they were voting to pre-approve payment of accounts payable later in the month due to the fact there would not be another regular meeting in November. She explained this would allow the City to pay bills that would come due prior to the next regular meeting. She stated the Council would receive a copy of the accounts payable with their December meeting packet.

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

Councilor Weed asked for the minutes of the November 3rd workshop be changed to reflect Council direction to staff to amend the City's fiscal policies to state the City, while realizing a 15% contingency was something to strive towards, it would have the ability to keep less than a 15% contingency in enterprise funds since the City might dip below that contingency amount and did not want to be out of compliance with its own policy. **Manager Stein** stated she thought the Council had indicated it would discuss the matter with the auditor prior to taking any action and had done so indirectly at the workshop when discussing the ending fund balance of utility funds. **Councilor Weed** stated although a 15% contingency was not unreasonable and understood it was best practice, with the current economic climate, she felt the City might need to dip below that recommended amount. **Manager Stein** replied staff was working on language to indicate the City would attempt to keep a 15% contingency but might not always hit that contingency amount.

Director Young stated she was evaluating all the City's fiscal policies with plans to bring any amended or updated policies back to the Council by March, prior to the FY 12/13 budget process. She noted she had asked Council members to provide recommendations for community members to sit on a fiscal policy advisory committee. She stated she had received some recommendations from Councilor Weed. **Manager Stein** stated the Council could wait and review all the fiscal policies in March, or if directed, staff could modify the specific fiscal policy related to contingencies as soon as possible and bring it back to the Council in December. **Mayor Kellstrom** stated it would be his suggestion to move the contingency policy forward as soon as possible. **Councilor Weed** agreed. **Manager Stein** stated Director Young could work on that fiscal policy without assembling a committee. **Councilor Asson** stated he felt it was important to modify the fiscal policy as soon as possible as he did not want to mislead the public. He stated the community should be informed if the Council decided to dip below the recommended contingency amount. **Mayor Kellstrom** directed staff to bring the policy related to contingency back to the Council as soon as possible and the remainder of the policies could be reviewed in 2012.

Councilor Thompson asked why the wastewater facility master plan had not gone out to bid instead of using HGE to create the plan at a cost of \$7,500. He stated he felt the City could have saved money if it had gone out to bid.

Councilor Holzman asked for clarification on the invoice from Engineered Control Products for chlorine system repair and asked what had needed repair. **Manager Stein** replied she would have Director Bertagna follow-up with the Council on the invoice when he returned.

The motion carried unanimously

V. ACCOUNTS PAYABLE NOT ON THE CONSENT AGENDA

A. Bills to Approve

1. November 10, 2011 Accounts Payable
2. November 23, 2011 Accounts Payable

There were no accounts payable not on the consent agenda for November 10, 2011.

Councilor Weed moved to approve any accounts payable not on the consent agenda for November 23rd, if there were any. **Councilor Holzman** seconded the motion.

Councilor Thompson stated he would refrain from voting if there were any accounts payable not on the consent agenda for November 23, 2011 due to a direct conflict of interest.

The motion carried unanimously.

VI. STAFF REPORTS

A. Eileen Stein - City Manager

Manager Stein stated there was a great deal of activity surrounding the recent sale of the Sisters Airport. She reported she and Economic Development Manager Mac Hay had met with representatives of Energyneering Solutions, Inc. (ESI) to explore options that included an application for a Connect Oregon IV grant to widen the runway, an expansion of the Greater Redmond Area Enterprise Zone boundary to include the property, and an exploration of bringing the property into the urban growth boundary and annexing it into city. She stated the application deadline for the grant was November 21st and that Sisters Runway LLC, (the applicant) would like a letter of support from the City. She stated the application would be submitted by ESI or possibly it would be a joint application with Deschutes County. She stated Hobbs Margaret, the individual working on the grant application, was in attendance as well as Economic Development Manager Mac Hay if the Council had any questions.

Councilor Weed stated she would have a lot of questions that needed answers prior to being agreeable to writing a letter of support for the grant application. She asked if there would be increased air traffic and what types of planes would be using the airport if the runway was

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widened. **Councilor Thompson** countered he was extremely supportive of writing a letter of endorsement as there would be many opportunities for citizens to prosper if airport services were expanded. He stated any improvement would be an asset to Sisters. He noted there had been a lot of people working at the airport already and those family wage jobs were very welcome. He suggested asking the Fire District and Forest Service to also write letters of support. **Councilor Asson** stated widening and improving the runway was related to safety measures and the airport could not be used for large aircraft with such a short runway. He stated he was in support of the City writing a letter. **Councilor Holzman** agreed with writing a letter of support unless the homeowners in the area of the airport were opposed to the development. **Mayor Kellstrom** asked staff to draft a letter of support.

Councilor Weed asked about amending the enterprise zone boundary outside the city limits and **Manager Stein** explained it was possible because it is classified as a rural zone. She stated there were still 240 acres available to be added to the enterprise zone the City has in common with the City of Redmond. She indicated Redmond was supportive of the addition of the property and it would take approximately three months to process.

Hobbs Margaret was introduced to answer questions from the Council. **Mr. Hobbs** stated he was an employee of ESI and was involved with Sisters Runway LLC, the entity applying for the grant. He stated there would be a separate landing zone for helicopters for use by Air Link, Search and Rescue, and the Forest Service. He stated there was support from all the agencies that currently use the airport. He reported the current runway was failing and was in need of new asphalt. He stated there were plans to install warming pipes under the runway to alleviate the need to ever snow plow noting it would be the first airport in the nation to be using biomass to do so. He stated the plans called for the eventual installation of a weather station and lights also. He stated there were plans to add hangers, a community garden and expand the main office building to house some additional businesses in the future. He volunteered to give tours of the airport to interested councilors.

Mac Hay, Sisters Economic Development Manager, stated property owner Benny Benson is weighing the pros and cons of staying in the county versus petitioning to annex into the city. He stated the decision to try and annex the approximately 12 acres was still in the preliminary stages of discussion. He reported there were over 60 registered pilots residing in Sisters Country. He remarked that regardless of whether the property remained in or out of city limits, it would positively enhance Sisters and be a boon to the economy.

Manager Stein reported Director Bertagna was looking into Councilor Weed's questions regarding the feasibility of Public Works staffing the recycling center. She reported High Country Disposal (HCD) would begin handing out customer usage surveys at the recycling center to poll who was using the center, whether the individual lived inside or outside city limits, and if the individual had curbside recycling available, why they chose to use the

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recycling center instead. She stated HCD was also working with staff on a customer survey to address the issue of future operation of the center.

Manager Stein stated she had forwarded the press release to the Council from ODOT announcing the locations nominated for electric car charging stations. She noted the press release was dated October 19th and had asked for public comments by November 1st but she had just received the information. She stated she had placed a call to the ODOT contact person listed in the press release to discuss the date discrepancy but had not received a call back so far. She stated she would find out if comments were still being considered and how the location of charging stations had been determined and if other locations would be considered.

Manager Stein reported staff had discussed with the City Attorney Bryant the feasibility of having the Well #1 improvement project not go out to bid, but instead solicit quotes with a change to the public contracting ordinance. She reported Director Bertagna was following up with a vendor on a preliminary quote to determine what portion of the project would be for equipment versus labor costs. She stated the City needed to determine if a contract would fall beneath the \$50,000 threshold. She stated the Council could consider amending its public contracting ordinance for projects in the \$50,000 to \$75,000 range. This would allow the Council to consider each project on a case by case basis and decide if the project should go to bid using weighted criteria or have staff solicit quotes. She stated this would provide the Council with an extra level of input on how intermediate levels of procurement would occur. She reminded the Council if it chose to solicit quotes, then weighted criteria could not be used.

Councilor Thompson stated he felt getting quotes on projects in the range discussed would save both staff time and cost less. **Manager Stein** replied that soliciting quotes actually required more staff time than competitive bids since bid documents were normally drafted by the City Engineer and quotes required staff to connect with each vendor. She stated there would still be engineering cost associated with the project since vendors do not know the entire water system. The **Council** acknowledged the City Engineer would need to review any proposal to make certain it was compatible with the entire system. She stated staff would report back to the Council on its findings. **Councilor Holzman** voiced concern with accountability for large projects that did not have specs as it would be difficult to know if the quotes were comparable or if the company would still be in existence at the end of a warranty period. **Councilor Thompson** stated he was not concerned as a company would be bonded, would be able to provide references and would be able to provide background information.

Manager Stein reported since Mayor Kellstrom would be unable to attend tree lighting ceremony at Barclay Park on November 25th, she was looking for one of the other Council members to stand in his place and provide welcoming remarks. She reported a re-dedication

of the park would also take place and the new Barclay plaque unveiled. **Councilor Asson** volunteered to stand in for the Mayor.

B. Lisa Young - Finance Director

Director Young reported she was currently working on the professional services policy, the supplemental budget and creating the FY 12/13 budget calendar. She stated Finance staff had met with Bank of the Cascades representative to discuss the City's banking relationship and structure of its accounts to ensure the City was maximizing interest on its balances.

Director Young reported she had subscribed to a Government Finance Officers Association (GFOA) training webinar on intergovernmental service sharing and was following up with a meeting of the school district, fire district, park and recreation district and the City to have a preliminary discussion on the possibility of sharing information technology services with these agencies to save money.

Director Young provided a recap of the utility billing statistic and gas revenue charts in her report. She noted a drop in the number of late notices the City was sending out and attributed it partly to the City's new policy to also notify property landlords and formatting changes on utility bills. **Councilor Weed** asked about the status of the gas tax litigation. **City Attorney Bryant** replied the case, which was argued in July, was still pending a decision by the Court of Appeals.

Councilor Thompson noted a drop in gas tax revenue when compared to the same time period from the previous year and asked if it was a statewide downturn, or specific just to Sisters. **Director Young** stated she does not receive state gas revenue notices but would research the matter and find out.

C. Captain Erik Utter - Deschutes County Sheriff's Department

Captain Utter reported on the number of patrol hours provided, incidents, citations, warnings and business checks for October. He reported a serious accident involving a vehicle and bicyclist had occurred in front of the high school and it was determined the driver was not at fault. He commented that safe driving education relating to texting and talking on the phone while driving was continuing at the high school by the school resource officer.

VII. COUNCIL BUSINESS

**A. Public Comment and Consideration of Resolution No. 2011-18: A
RESOLUTION OF THE CITY OF SISTERS AMENDING THE MASTER
FEE SCHEDULE MODIFYING WATER UTILITY RATES**

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Mayor Kellstrom opened the public comment period for anyone that wished to speak on the water utility rate modification. There was no one that wished to comment and **Mayor Kellstrom** closed the comment period.

***Councilor Weed** moved to adopt Resolution No. 2011-18 amending the master fee schedule modifying water utility rates. **Councilor Holzman** seconded the motion.*

Councilor Weed stated she would prefer to keep the overage rate to \$.99 per 100 cubic feet over 1,000 cubic feet of use as opposed to the resolution's amended rate of \$1.00 per 100 cubic feet over 1,000 cubic feet of use. She stated this way she could tell constituents there was no rate increase at all beyond that approved in May. The other **Council** members did not concur. **Councilor Weed** asked how the repairs to Well #1 would be funded and **Manager Stein** replied that would be a Council decision. **Councilor Weed** asked how the monitoring of the city's wells would be done and **Manager Stein** replied that in advance of creating the FY 12/13 budget the Council would need a discussion with Director Bertagna on their expectations of what work or projects Public Works staff would be concentrating on in the next fiscal year.

*The motion carried with a vote of 4 to 1. **Councilor Weed, Councilor Holzman, Councilor Thompson and Mayor Kellstrom** voted in favor of the resolution. **Councilor Asson** voted against the resolution.*

Councilor Weed made a final statement with respect to the water rate process (see attached.)

B. Discussion and Consideration of a Motion to Authorize an Application to the Oregon Water Resources Department (OWRD) for a Water Conservation Reuse and Storage Program Grant and if Awarded, Authorize the City Manager to Execute the Grant Agreement

***Councilor Asson** moved to authorize an application to the OWRD for a water conservation reuse and storage program grant and if awarded, authorize the City Manager to execute the grant agreement. **Councilor Holzman** seconded the motion.*

Councilor Thompson confirmed there would be no out of pocket cost to the City, only the in-kind donation of staff time. **Manager Stein** stated that was correct. **Councilor Thompson** asked what the scope of work would entail and **Manager Stein** directed the Council to the attachment regarding the preliminary scope of work and project budget. She stated a recent update of the wastewater master plan indicated the City's effluent disposal capability would be reaching capacity within the next two years and there was a need for the City to address the matter sooner than previously thought. She stated installing the effluent

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sprinkler lines as part of the Uncle John Ditch piping project would be necessary to allow the City to transition from irrigating with fresh water to effluent. She stated staff would be recommended moving forward with that \$50,000 project. She reported Director Bertagna was reviewing the updated plan and would present information related to the findings to the Council in January.

The motion carried unanimously.

VIII. OTHER BUSINESS

There was no other business.

IX. MAYOR/COUNCILOR BUSINESS

Councilor Holzman reported she had attended a Central Oregon Area Commission on Transportation (COACT) meeting with Manager Stein where the Oregon Highway Plan (OHP) and Transportation Planning Rule (TRP) were discussed. **Manager Stein** stated the OHP and TPR are being modified to reflect that as transportation dollars are shrinking the only alternative is to accept more congestion.

Councilor Weed stated a new class of the Ford Leadership Program would begin in January and encouraged other councilors and city staff to apply. She indicated she would be participating. **Councilor Holzman** stated she had participated in the program and had found it to be a valuable experience.

X. ADJOURN – The meeting was adjourned at 8:32 p.m.

Respectfully submitted,

Kathy Nelson, City Recorder

Lon Kellstrom, Mayor