

WORKSHOP MEETING MINUTES  
SISTERS CITY COUNCIL  
520 E. CASCADE AVENUE  
DECEMBER 01, 2011

**MEMBERS PRESENT:**

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

**STAFF PRESENT:**

Eileen Stein	City Manager
Lisa Young	Finance Director
Pauline Hardie	Comm Dev Director
Paul Bertagna	Public Works Director
Kathy Nelson	City Recorder

The meeting was called to order by Mayor Kellstrom at 8:04 a.m.

1. Procurement of Professional Services Policy

**Director Young** stated that as directed by the Council at the June 30<sup>th</sup> workshop, staff had created a draft Professional Services Procurement Policy for Council review. She stated staff was looking for feedback on the policy, what professional services should be encompassed by the policy and the term of duration for service contracts.

**Councilor Weed** asked why the City Attorney contract term would be issue related as opposed to a specific period of three years. **Manager Stein** informed the Council that Bryant, Emerson and Fitch was the only law firm in central Oregon that offered municipal services and as such resources were very limited. She stated firms from the Willamette Valley were typically not interested in traveling to central Oregon on a regular basis for meetings and the time needed to travel and overnight stays would be an added expense to the City. She reminded the Council the City Attorney reports to them and any concerns they had should be discussed with the attorney directly. **Councilor Thompson** stated he felt the award duration should be the same for all professional service contracts; a three year contract with the possibility of a two year extension. He suggested the Economic Development Manager position be removed from the list and the **Council** agreed. **Mayor Kellstrom** commented that with some professional services there was not a lot to be gained by setting a three year contract, especially if there were limited number of companies available for a particular service. **Councilor Weed** stated that as a matter of the Council's due diligence, the City should go through the process and put out a request for proposal (RFP) for City Attorney every few years. **Councilor Holzman** agreed. **Councilor Asson** stated the time frame didn't really didn't matter since the City could cancel a contract anytime if it became necessary.

**Councilor Weed** stated she felt the Real Estate Agent of Record could be also removed from the professional service contract list as an agent was rarely, if ever needed. The **Council** agreed. **Councilor Thompson** noted the draft personal services contract referred to workers compensation insurance requirements in three separate areas of the document and suggested all the information be contained in one area. **Director Young** replied the City had used the template the previous

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year when the City contracted for the Parks Master Plan and it had been vetted by both City Attorney Bryant and Mr. Fullhart, the City's insurance agent.

**Councilor Thompson** directed the Council to item *III Responsibilities*, in the policy document and stated he didn't understand why the City Manager would be authorized to set the selection and performance criteria for any professional services contract. He felt the specific selection of criteria should already be established so as not to leave any gray area. **Manager Stein** stated in relation to procurement thresholds the language provided flexibility for staff when writing a RFP for a specific scope of work. She agreed there were some generic criteria that could be added to the contract document. She noted some contracts fall within her spending authority and do not come before the Council for approval. She added she would bring the professional services contracts for attorney, engineer, insurance agent and auditor to the Council for approval regardless of the contract amount and whether it fell within her spending threshold. **Councilor Weed** agreed the language should be added to ensure the Council was involved with those decisions.

**Councilor Thompson** stated he felt the selection and performance criteria requirements were too open-ended and needed more clarification to insure services would represent the City's best interest. He stated the criteria shouldn't change that much. **Manager Stein** suggested that staff could bring a draft RFP for any of the professional services listed on Attachment B (see attached) to the Council in advance for review. The **Council** agreed.

The **Council** discussed whether the policy would relate to all professional services, including those provided by consultants related to a specific scope of work or project, or just those listed on Attachment B. **Mayor Kellstrom** suggested the policy should relate only to those professional services on Attachment B given the fact that costs for other consultants would have likely been budgeted in advance and thus approved by the Council during the budget session. For those consultant services not approved in advance, the cost of the consulting services would come to the Council via a supplementary budget for approval. **Councilor Weed** agreed that policies regarding the City Manager thresholds already covered other consultant contracts.

The **Council** decided professional services contracts would be for three years with the possibility of a two year extension. **Councilor Weed** suggested that all extensions be approved by Council. **Mayor Kellstrom** replied he felt having the Council approve contract extensions would take unnecessary time and work. He stated staff would have identified any problem in advance of a contract extension and could make the recommendation to keep the service provider the additional two years or not. **Manager Stein** suggested language be added to the policy stating staff would bring a recommendation to the Council for the renewal. **Manager Stein** stated that would ultimately mean the City would go out for an RFP every five years for professional services. The **Council** agreed. **Mayor Kellstrom** stated the Council also had the option to not go out for an RFP for a service and just extend a contract if it wanted. He stated he did not feel the City needed a contract for banking services since the City could leave any bank whenever it wanted. He stated with all the banking regulations it would become too complicated. The **Council** agreed.

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The **Council** requested staff suggest a timeframe for when the RFP's for each of the services would go out. **Director Young** reported the RFP for an insurance agent of record would be going out in January. **Manager Stein** stated the City Attorney RFP would go out in the January to March 2012 timeframe, the City Engineer RFP would go out in the March to June 2012 timeframe and the inspection services RFP would go out in the October to December 2012 timeframe. The changes the **Council** elected to incorporate into the professional services procurement policy included:

**IV. Procurement Thresholds:** Remove the entire section as the policy would only apply to professional services that the Council would approve regardless of the dollar amount of the contract

**V. Procurement Process:** Remove the verbiage "*when applicable*" from the 5<sup>th</sup> bullet point.

**IX. Professional Services:** Add language to state the Council would review and approve the selection criteria for professional services (attachment B) prior to the RFP going out.

2. Public Contracting Threshold

**Manager Stein** provided a recap of the previous conversation of the Council on November 3<sup>rd</sup> pertaining to recommended improvements for Well #1. The total estimated cost for improvements was \$61,900. She stated concern was raised about using a bid process versus an informal quote process. She reported staff spoke with the City Attorney regarding the matter and he proposed a solution by amending the public contracting ordinance to include new criteria that allowed the Council to decide if projects in the \$50,000 to \$75,000 range would be done by bid or quote. She stated in the case of the Well #1 improvements, it was determined the constructions costs were estimated to only be \$46,000 of the project and therefore it was unnecessary for the project to go out for bid. She stated the City would solicit quotes for the project instead. She stated the issue facing the City was how to get good quotes. She stated vendors could look at the well and tell the City what they thought was needed or the City Engineer, who has an understanding of the entire water system, could create a specification sheet for vendors to use as guidance when providing their quotes. She stated if vendors were asked to provide a quote without benefit of a specification sheet, the City Engineer would need to evaluate those quotes after the fact to insure the proposals were compatible with the entire water system. **Director Bertagna** reported the City Engineer estimated the cost for the specification sheet, plan sheet, equipment list, advertising and review of the project was not to exceed \$4,800. **Manager Stein** stated the City could also incur some legal fees with the process. **Manager Stein** stated a concern for staff was if vendors were not given some specifications, it would be difficult to compare the quotes to know if they were comparable.

**Mayor Kellstrom** stated he thought the City Engineer should create the specifications for the project prior to the City soliciting quotes. **Councilor Holzman** stated she agreed since costs were

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being lowered and the City could be assured it was comparing the quotes on an “apples to apples” basis. **Councilor Asson** also agreed. **Councilor Thompson** stated he wanted to see the City curtail the price of the project and felt the project should go out to bid and the vendors could decide what was needed. He stated the City could use the specifications from when the pump was originally installed. **Director Bertagna** replied the pump had been installed 37 years ago and the equipment was not manufactured anymore and he was concerned that specification sheet would not provide adequate information. **Manager Stein** explained the project included purchasing the necessary equipment, removing the old equipment and installing new equipment. **Councilor Thompson** stated he would expect a quote from a vendor to include an evaluation of the system, equipment list and information on the company’s abilities to perform the job. He stated people in the business were knowable and he thought the City could save some money going directly to vendors. **Councilor Weed** stated she felt having the City Engineer create some specifications in advance was the best idea.

3. Preview 12/08/11 Workshop and Regular Meeting

**Manager Stein** previewed the December 8<sup>th</sup> workshop and regular meeting. She stated she would request a member of the County staff attend the meeting to answer any questions the Council might have related to the resolution approving the formation of a new countywide 911 service district.

**Councilor Weed** asked how many land use permits would be affected with the ordinance regarding the possibility of approving blanket extensions coming before the Council. **Director Hardie** replied there were 17 projects affected and most were for projects submitted in the 2007/08 timeframe. She added that currently, most people did not apply for permits unless they were actually ready to start construction. She explained the ordinance would extend the permits for an additional two years.

**Councilor Thompson** asked if approving the Cascade Avenue design streetscape would lock the city into a particular design. **Director Hardie** replied it would and a Comprehensive Plan amendment would come before the Council for adoption at a later time. **Councilor Thompson** stated he did not want to lock the city into a specific design and was still concerned with businesses losing parking spaces. He stated he wanted the lost parking mitigated. **Director Hardie** replied the Oregon Department of Transportation (ODOT) would be installing sidewalks regardless of whether there was an adopted design plan to follow, and if there was not, ODOT would install concrete sidewalks. She stated ODOT was the agency that made the decision to remove parking spots and entrances to businesses on Cascade Avenue, not the City and the City did not have the authority to change or modify ODOT’s decision. **Manager Stein** suggested adding language to the resolution indicating parking would be mitigated by the City. **Councilor Thompson** stated he also wanted the language in the design manual. **Councilor Asson** replied the design manual was ODOT’s document and the City had no authority to make ODOT mitigate parking. He stated parking was a separate issue from the design manual. **Councilor Weed** agreed

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with Councilor Thompson's concern that the issue should be addressed and stated she felt additional language in the resolution would be a good way to solve the matter.

**Director Bertagna** reported the paver supplier would be setting up examples of the design patterns to make certain the Council was satisfied with the design chosen. **Councilor Thompson** stated he felt the City should not decide on a pattern until the City had all its funding lined up. **Director Hardie** replied the City already had a majority of the funding and the project was scheduled to begin in January 2013. She reported the project was moving ahead and the construction schedule from ODOT would be coming to the Council in February. **Councilor Weed** reminded Councilor Thompson the whole reason the city went through all the public involvement process was to make decisions and come up with a plan. She stated the design manual merely provided project guidelines. **Councilor Thompson** asked if the project would be done if an agreement could not be reached regarding whether a roundabout or signal would be constructed at the Highway 20/Barclay intersection. **Mayor Kellstrom** replied that in discussions with ODOT, it had been decided that the Cascade Avenue improvement project would move forward regardless of whether a decision had been reached regarding the intersection. **Councilor Thompson** argued that one pattern could be less expensive to install versus another and the City might not know that until it was time for installation. **Councilor Holzman** replied since the paver project used the same supplies and the only difference was the pattern in which the pavers were laid; she did not feel there could be any significant difference in cost. She noted the pavers were Americans with Disabilities (ADA) compliant which had been a deciding factor. **Director Hardie** explained the pavers were a long-term investment for downtown.

**Manager Stein** noted the council business item regarding the fiscal policy for the Water Fund and asked the Council to confirm if it was only interested in amending the policy for the Water Fund versus all the funds. **Councilor Weed** stated she wanted the policy to provide 'wiggle room' by noting the City would strive to have a 15% contingency in its enterprise funds but might not always be able to do so during difficult economic times. She said it would affirm the intention of the City while allowing the City not to be contrary to its adopted policy at the same time. **Councilor Asson** countered anything that vague was not a policy. **Councilor Holzman** stated she felt the decision was too big and the Council should workshop the item before making a decision. **Director Young** stated she felt it was important for the Council to know where it stood with all the City accounts and to know what funds, if any, were out of compliance. **Manager Stein** stated she had been considering if whether instead of the normal goal setting session the Council has at the beginning of each year, it should hold a budget strategy meeting instead. She stated if the Council chose to do that, it might make sense to wait until then to discuss the matter, come to some decisions at that time and approve those decisions at a later Council meeting. The **Council** agreed to wait on the other funds until a later time.

4. City Manager Update

**Manager Stein** reported the City was waiting to hear back from High Country Disposal about the recycle center survey the City would be sending out with the January billing.

**Director Young** reminded the Council the City Manager evaluation forms were due to Council President Asson by December 9<sup>th</sup>. She reported that at the January 12<sup>th</sup> workshop, the City Manager's evaluation form would be coming back to the Council for review. She requested any suggestion or changes be sent to her to be incorporated into the form.

**Director Bertagna** reported the City's Wastewater Operator had resigned effective December 2<sup>nd</sup> and he would be taking over the job responsibilities for the time being. He explained that currently, he was the only employee with the required certification to do so. He explained he would be evaluating Public Works staff allocations to determine what type of position/employee to hire as a replacement.

**Mayor Kellstrom** provided a recap of the meeting with ODOT's Director, Matthew Garrett, and representatives from the trucking industry. He stated the meeting went well, with the trucking industry representatives raising their concerns and staff discussing the City's and citizen concerns. He noted a vast majority of the comments and survey forms received by the City were supportive of the installation of a roundabout instead of a signal for the Highway 20/Barclay intersection. He stated most of the concerns brought up by the trucking industry were addressed by the concept designs from Kittleson and Associates and another meeting with Director Garrett would take place but had not been scheduled so far. He stated he understood the freight industry had obligations also but hoped a compromise, agreeable to all parties, could be reached. He reported there had been 24 special permits for Highway 20 in the last three years and there were concerns that Cascade would be too narrow for the oversized loads to navigate. He stated it was discussed that Cascade Avenue could be closed temporarily to allow an oversized load to use both lanes of Cascade Avenue and get through town. **Manager Stein** stated it helped to have the trucking industry understand that was one option and that an oversize truck would not have to use the alternate route which they considered too arduous with its curves and turns. She reported typically oversized loads came through town in the middle of the night when there was no traffic issue. She stated the significance of Highway 20 was it was not only a state highway but it was also a designated freight route. **Mayor Kellstrom** stated the snag, whether a roundabout or signal was installed at the intersection, was that funding for the project had not been secured.

**Councilor Holzman** reported a Deschutes County Transportation System Plan (TSP) public hearing would be held at Sisters City Hall on December 15<sup>th</sup>. **Councilor Weed** reported a community member was adding some additional language to the letter to the County Commission and a copy of the draft letter would be available for the Council in their binder packets next week.

The meeting was adjourned at 10:15 a.m.

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Respectfully submitted,

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Kathy Nelson, City Recorder

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Lon Kellstrom, Mayor