

WORKSHOP MEETING MINUTES  
SISTERS CITY COUNCIL  
520 E. CASCADE AVENUE  
APRIL 17, 2008

**MEMBERS PRESENT:**

Brad Boyd	Mayor
Bill Merrill	Councilor President
Lon Kellstrom	Councilor
Sharlene Weed	Councilor
Shawna Bell	Councilor

**STAFF PRESENT:**

Eileen Stein	City Manager
Eric Porter	Planning Director
Lisa Young	Finance Director
Brad Grimm	Public Works Director
Paul Bertagna	P.W. Proj. Coordinator
Kathy Nelson	City Recorder

1. Field Trip to Well #3

**Public Works Coordinator Paul Bertagna** provided a tour of Well #3 for the Council. He discussed how the well system works, the depth of the well, the amount of water that can be generated from the well, the chlorination system, and how the well will interface with the rest of city's the municipal water system.

The Council discussed the chlorination system with Project Coordinator Bertagna, how a similar system will be installed in Well #1 and Well #2, and other improvements proposed for Well #1 and Well #2. Improvements to Well #2's chlorination system are a high priority with a cost of approximately \$50,000. Improvements to Well #1 include a new chlorination system and new well building.

Also discussed was Sisters' water quality relative to other Central Oregon communities.

The Council and staff returned to City Hall to continue the workshop. The meeting was called to order by Mayor Boyd at 8:45 a.m.

2. Report on FY 06/07 Audit

**Finance Director Lisa Young** provided an overview of the FY 06/07 audit for the City of Sisters and the Sisters Urban Renewal Agency. She informed the Council that according to Oregon Budget Law the City is not allowed to exceed the budget and that transfers should have been made in some funds where budget overages occurred in certain budget categories at year end. She explained that in FY 07/08 supplemental budget transfers will be conducted to appropriate funds where overages are anticipated. **Councilor Merrill** asked how significant these overages were and **Manager Stein** explained that it simply meant that a paper work procedure was not performed by the City.

**Director Young** stated that the goal she will strive for in the upcoming fiscal year is to not have management comments from the auditors. **Councilor Merrill** asked what has been done to

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correct the errors from the audit and **Director Young** informed the Council that all deficiencies noted by the auditors had been corrected.

**Councilor Weed** asked about the comment by the auditing firm that there was difficulty finding some of the documents. **Director Young** stated that comment was with regard to her recreating the fixed asset worksheet. She also noted the auditing firm had difficulty locating documents after she sent them to the audit firm due to staff turnover there. **Mayor Boyd** asked if all problems noted on internal controls and building permits had been corrected and **Director Young** stated they had. She added that there are several procedures that she wants to fix and change and has already provided a list of the corrective action plan she will undertake to the new auditing firm.

**Manager Stein** stated that in the reference checks she performed it became apparent that the new auditing firm has very high standards. She stated that it will be interesting to find out if these standards will be reflected in the audit notes or in the management letter, and stated she was looking forward to city staff being held to a higher standard.

**Councilor Kellstrom** asked if Director Young had the ability to fully segregate accounting functions given the City's small staff and **Director Young** explained how work was divided between herself, Accounting Analyst Lynne Fujita-Conrads and Finance Administrative Assistant Suzanne Mohler. **Councilor Kellstrom** asked if checks are restrictively endorsed and **Director Young** stated that City Recorder Kathy Nelson opens and date stamps the mail and the checks are then endorsed by the department processing the check. **Councilor Kellstrom** asked if there was a process in place to make certain there are not ghost invoices and **Mayor Boyd** stated that all invoices are approved by department heads. **Director Young** stated that she has a cash collection policy in draft form she hopes to implement in the future. **Councilor Kellstrom** stated he appreciates Director Young's goal of having an innocuous management letter next year. He asked what the timing of the new auditors will be. **Director Young** stated that the contract with the auditors states the audit must begin by the beginning of October and she plans on having the audit published by December 7, 2008 as reports are due to the State of Oregon by December 31st.

### 3. Preview of 04/24/08 Regular Meeting Agenda

**Manager Stein** stated that a Budget Committee orientation will take the place of the normal workshop meeting and invited council members to attend if they were interested. She reminded the Council that there was still one vacancy on the Budget Committee and previewed the regular meeting items.

**Councilor Weed** asked why there was a need to accept the easements from the Forest Service and **Public Works Director Grimm** explained it was to obtain 80 feet of right of way on Barclay Drive as it will be designated as a minor arterial in the Transportation System Plan (TSP) update. He stated the Forest Service had approached the City to ask what the City wanted for additional right of way.

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**Manager Stein** stated that Resolution No. 2008-06 was to add the fees for the Three Sisters Overnight Park into the master fee resolution. **Director Grimm** explained that the cost for a recreational vehicle that includes one discharge is proposed to be \$15 per night and a tent site is proposed for \$12 per night. He added that the fire grates had been replaced and danger trees had been cut down in the park.

**Manager Stein** stated that another discussion on the density bonus will likely be added to the agenda if a letter she is expecting is received. **Councilor Merrill** asked why the Council is getting involved in the density bonus issue. **Community Development Director Porter** explained that in the previous conversation the Council had regarding the matter he had inadvertently applied an incorrect percentage to the density bonus and because of the math error wants to make certain the Council's intent was in fact to approve the correct density bonus percentage of 125%. He stated his example of a 6,000 square foot lot with a 125% density bonus would be 4,800 square feet, not 4,500 square feet as he had previously reported. He stated the rationale presented by the effected party feels is that staff was directed by the Council to allow a 4,500 square foot lot, not a 4,800 square foot lot. **Director Porter** stated he feels the intent of the Council was clear that they were in favor of providing 125% density bonus, and not a 4,500 square foot lot. **Mayor Boyd** stated that previously a math error was made and should be corrected.

**Councilor Weed**, stated she wished to address the Council in her capacity as the Sisters Habitat for Humanity Executive Director and the interested party. **Ms. Weed** stated that it's a process issue that the rule was changed after the process began.

#### 4. City Manager Update

**Councilor Weed** rejoined the Council.

**Director Grimm** stated that the striping for the new crosswalk at Cedar Street had been planned for that evening but because the Oregon Department of Transportation (ODOT) had put down deicer that morning the project will have to wait until the deicer wears off in approximately two weeks time.

**Director Grimm** reported that in a conversation with an ODOT representative he was informed that an ODOT Quick Fix grant can be used for the Highway 242 bike/pedestrian path. He stated that ODOT wants to make the path ten feet wide with extra thick asphalt to ensure the path is long-lasting and would even consider paying to extend the path to the high school. He stated that Hap Taylor and ODOT will pay for the entire project. He stated the project should be completed in the fall, shortly after school begins.

**Councilor Weed** asked for an update on the New Sisters Village Hotel project. **Director Porter** stated an application was received by the City but it was deemed incomplete. He stated that a

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letter to the applicant listing the missing items such as a title report, traffic study and planning fees will be sent and the applicant will have six months to comply and submit the necessary documents. He stated that if the applicant doesn't comply within the six month period then the applicant will need to follow the City's current standards and not be able to use the standards grandfathered in by the County from when they first applied. **Mayor Boyd** added there are many hurdles for the hotel to pass before it can be built including that the Sisters Camp Sherman Fire District does not have a fire engine that could reach the top floors of the proposed building.

The meeting was adjourned at 9:45 a.m.

Respectfully submitted,

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Kathy Nelson, City Recorder

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Brad Boyd, Mayor