

WORKSHOP MEETING MINUTES  
SISTERS CITY COUNCIL  
520 E. CASCADE AVENUE  
JUNE 05, 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 |
| Kathy Nelson | City Recorder         |

**GUESTS:**

|              |  |
|--------------|--|
| Merle Irvine | General Manager, High Country Disposal |
| Bruce Bailey | Owner, High Country Disposal           |
| Brad Bailey  | Owner, High Country Disposal           |

The meeting was called to order by Mayor Boyd at 8:01 a.m.

1. High Country Disposal Franchise Discussion

**Manager Stein** asked for questions regarding her staff report discussing whether the City should enter into a franchise agreement with High Country Disposal (HCD) for refuse operations or continue to keep refuse services in-house. **Councilor Bell** asked if she was interpreting the information correctly as it appeared that the City would need to raise its rates 40 percent in the next three years in order to keep the Refuse Fund whole. **Manager Stein** stated that was correct. She noted that a concern expressed in the past about franchising the refuse operation was that HCD or some other service provider would raise rates exorbitantly after the franchise was granted. But in turn, the City will need to raise rates significantly more than HCD's proposal to modernize its fleet and provide the service citizens are expecting.

**Councilor Merrill** asked what the next step was. **Manager Stein** stated she was looking for direction from the Council whether staff should move forward towards the formal preparation of a contract or franchise agreement. **Councilor Merrill** stated he felt the City should move forward and **Councilor Bell** and **Councilor Weed** agreed.

**Mayor Boyd** stated he wanted to know the affect the franchise will have on the General Fund and asked if the proposed land lease payment for the collected yard debris at the wastewater treatment plant could go to the General Fund as opposed to the Sewer Fund. **Manager Stein** stated it could but if the City leases its property to a private enterprise the City will be required to pay property tax. She stated one way to offset the charge for property tax would be to increase the percentage for the franchise fee instead of having a land lease. **Mayor Boyd** stated he would be supportive of

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the franchise agreement if somehow there is no negative impact to the General Fund, however that might be accomplished.

**Councilor Kellstrom** stated he feels considering the franchise is awful public policy and the statement that it is the least favorable task is lame justification for giving away the taxpayer's money. He stated that salaries have increased as well as the purchase of capital equipment in past years. He stated that the land lease and franchise fee the City will collect is real money but the \$22,000 to pick up solid waste at city facilities that is recognized in the staff report is merely an avoided cost not actually money that the City will receive. He stated that leaves almost \$108,000 that needs to be spread to other funds. **Manager Stein** stated there is a real cost savings with regard to the pick up of solid waste at city facilities in that HCD could be charging the City for the pickup. **Councilor Kellstrom** stated that would only increase the costs. He stated the City is giving up \$9,000 a month in revenue year after year. He stated he feels the City can't afford to give up the service.

**Councilor Bell** asked how Councilor Kellstrom feels about the rate increases the City will need to impose if the service is kept in-house. **Councilor Kellstrom** stated those assumptions are based on five year projections of which he is skeptical. He stated the implication is the City will buy the new front loader truck in FY 08-09 and perhaps the City can wait a few years. He stated that just because a consultant stated the City should upgrade its equipment doesn't mean it should unless it is a safety factor. He added that with only 1,825 residents the City should consider a used truck instead. He added that the assumption to purchase two new trucks in the next three years may not be accurate. He stated that he is sure that HCD does a great job but it is still giving away \$9,000 in revenue each month. He stated that the monthly charge of \$14 for a 64 gallon container has not changed in many years and maybe it is appropriate to increase the rates. **Councilor Bell** stated that in an earlier conversation regarding the matter it was stated that the current method of commercial collection and yard debris pickup is not only a safety issue but that Public Works is unable to keep up with yard debris pick-up.

**Public Works Director Grimm** stated that the City had budgeted for a new rear-loader truck for FY 07-08 but it was not purchased. He added the cost difference between a front loading and rear loading truck is only \$20,000 and a front-loading truck is much safer and efficient. He stated the City had budgeted for the side-loader truck to be replaced in FY 10-11. He stated the new truck would be used for residential refuse pickup and the old side-loader would be used for year debris to get away from the current practice of two employees working in tandem with a dump truck and tractor. **Councilor Bell** stated that in earlier conversations the Council had agreed with the consultant for the need to upgrade capital equipment and **Councilor Kellstrom** stated he agreed with the need for safe equipment.

**Councilor Weed** stated she was confused as originally she had not been in favor of contracting out the refuse service but had changed her mind when she realized the added service to citizens. She stated the new information and the possibility of giving up \$9,000 a month is a concern.

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**Manager Stein** stated that there is certainly a cost to the other funds. She stated her staff report and recommendations are based on the financial data not on the characterization that staff doesn't like to collect garbage and apologized for any mis-interpretation.

**Councilor Kellstrom** asked Finance Director Young to explain why the lease purchase of the equipment is shown as it is. **Director Young** explained that because the vehicles would be financed the loan proceeds need to be listed as revenue and the expenditure is listed as capital outlay. **Councilor Kellstrom** stated he felt that the accounting was confusing and skews the balance sheet.

**Councilor Bell** stated that there are only four cities out of 240 in Oregon that collect their own garbage and she is still in favor of moving forward with the franchise agreement. **Councilor Kellstrom** stated the recycling center was just built at taxpayer expense. **Councilor Bell** stated the center is still valuable and will continue to be used for cardboard and glass recycling as well as by people outside of city limits. **Councilor Merrill** stated that with the quality and type of service that would be provided he was in agreement with moving towards a contract for the service.

**Manager Stein** stated that one of the points made in the staff report is that other utilities will benefit from the ability of Public Works staff to bring other projects in-house that previously the City has outsourced and there will be significant savings to the City. **Mayor Boyd** stated that he feels the citizens will receive a better quality service without increased costs. He stated he does not want to negatively impact the General Fund where taxpayer money goes but does not mind negatively impacting the enterprise funds some.

HCD owner **Bruce Bailey** stated that the level of service his company was looking to provide is a much higher level of service than citizens currently receive. He stated that if the Council approves moving forward with the next step his company would also like to discuss assuming responsibility for the recycling center. **Mayor Boyd** tasked staff and HCD to work together to find a means to offset the yearly \$22,000 negative impact to the General Fund and stated he felt the Council would then agree to the franchise.

## 2. Preview of 06/12/08 Regular Meeting Agenda

**Manager Stein** stated that the workshop would include a presentation from the Trust for Public Lands regarding an initiative the organization is crafting. **Councilor Kellstrom** asked how this initiative would apply to the City. **Mayor Boyd** stated he had met with representatives from the organization and it has an agreement with the County to perform an inventory of land. He stated the group is approaching all the cities in the area to receive permission to include the cities' lands in the inventory also. He stated the presentation will clarify to the Council what plans the Trust for Public Lands has for the area.

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**Manager Stein** provided an overview of the Urban Renewal Agency meeting and regular meeting of the City Council where the public hearing and possible adoption for the FY 08-09 budget are scheduled. **Manager Stein** informed the Council that since both she and Finance Director Young would not be in attendance at the meetings due to the 8<sup>th</sup> grade promotion ceremony, the Council could still hold the public hearings but wait to adopt the budgets at a later meeting if there were questions or concerns.

**Mayor Boyd** stated that the Planning Commission appointment that was listed was to replace David Marlow for an outside city limits position since Mr. Marlow resigned. **Mayor Boyd** stated that there are three Planning Commission positions that will expire on June 30<sup>th</sup>. He stated that although all three commissioners have indicated they are willing to remain on the Planning Commission the positions will be advertised and the three commissioners must also go through the formal application process.

**Mayor Boyd** stated that currently there are no regulations dictating that the Planning Commission Chair must reside within city limits and he would like to make the recommendation that the Council change that requirement. **Councilor Merrill** stated he didn't agree with that decision because there is a State law that requires the two outside city limits individuals to live within six miles of city limits. He stated that an outside city limits individual could also be very dynamic and the best choice for the position. **Mayor Boyd** stated there is also no set term for the Chair and Vice Chair and suggested a term of two years be identified with no restriction that an individual couldn't serve more than one term. **Councilor Weed** suggested that the Council set a two year term and leave the position of Chair open to any Planning Commission member. The **Council** agreed.

### 3. City Manager Update

**Manager Stein** asked if the April financial report with comments was easier to understand and acceptable. The **Council** stated it was.

**Manager Stein** brought the Council's attention to the letter from Richard Esterman requesting he be allowed a street closure on the highway for a photo shoot. She stated he has received approval from the Oregon Department of Transportation (ODOT) to close the highway for seven minutes at a time. The **Council** approved the request.

**Manager Stein** asked for clarification regarding the Council's intent with the new fees to be charged for Public Works staff support for special events that the Council approved earlier in the year. She asked if the Council wanted to provide relief to all special events for this year or only those events that had filed their request prior to the new fees being adopted. **Director Grimm** provided examples of the charges to the Rodeo and Quilt Show to the Council. **Mayor Boyd** stated that organizers of events that had filed an application or had sent out information to vendors based on the old rates prior to the fee increase should be given a grace period. **Councilor**

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**Kellstrom** asked if the City sent a copy of updated rates to event organizers or if organizers were unaware. **Director Grimm** stated he had discussed the rate changes with Jerri Buckman at the Chamber of Commerce and **Manager Stein** stated that although Anne Richardson was informed in January that there would be some new fees she has indicated it will be a burden for the Quilt Show. She stated that Ms. Richardson has always had the support of the City at no cost and stated she might have made some different choices if it was known these charges were forthcoming. **Mayor Boyd** stated he felt that the Quilt Show brings enough financial gain to pay the fees and **Councilor Merrill** stated benefit comes to all businesses in the city from the Quilt Show.

**Manager Stein** discussed the memo given to the Council regarding the application for a destination resort at Aspen Lakes. She stated that since the hearing is closed the next opportunity for the Council to provide input will be when the decision comes before the County Commissioners. She stated that the report by Deschutes County staff and the Oregon Department of Land Conservation does not support the application.

**Manager Stein** reported on the e-mail she had received and responded to regarding the accident at Barclay Drive and Highway 20 from Kim Cole, daughter of one of the accident victims. She asked if the Council had any interest in submitting a speed zone request to ODOT, reminding the Council that one was not supported for the same area in 2006. **Councilor Merrill** complimented Manager Stein on her well written answer to Ms. Cole. He stated he felt the Council could make a change to Barclay Drive that would help alleviate some of the danger from the intersection by allowing only a right hand turn onto the highway. He stated it is something the City can do immediately in response to a need. **Manager Stein** stated that when school lets out for the summer the danger will diminish considerably but stated she feels the City would need to install barriers not just signs to be effective.

**Director Grimm** stated that a median in the road will take longer as it will require ODOT approval. He suggested leaving McKinney Butte as is as a right hand turn only would create a hardship for drivers wishing to go west as they would need to go all the way around the Forest Service property. He stated that a right hand turn only on Barclay Drive allows drivers other alternatives that would only require them to cross one lane of traffic. **Mayor Boyd** stated that there will be a more permanent solution after the TSP update. The **Council** discussed installing a right hand turn only sign at McKinney Butte and Highway 20, a round-about, a stoplight and other alternatives. The **Council** agreed to marking Barclay Drive as right hand turn only onto the highway.

**Councilor Kellstrom** asked for an update on the issue involving the Recycling Center property and the Wastewater Treatment Plant re-designation for a fire training facility. He asked if staff expected to receive approval. **Community Development Director Porter** stated that staff has completed the burden of proof to bring the property into the urban growth boundary and would be submitting the application to the County soon. **Councilor Kellstrom** stated that the City needs to take the application into consideration relative to the negotiations with HCD on the Recycling

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Center. **Director Porter** stated he felt there was 95 percent chance of success for the application to be approved.

**Councilor Weed** asked for an update on striping the crosswalk on Hood Street and Highway 242. **Director Grimm** reported that ODOT wants to include the striping with their work for the multiuse path. He stated that if the City wants to pay for the striping it can perform the work immediately but if ODOT is going to pay for the work it will be on ODOT's schedule. He stated he expects ODOT to have the work completed shortly after the start of the new school year.

**Councilor Weed** asked what the next step regarding the cluster mailboxes will be. **Mayor Boyd** stated the discussion is scheduled for the June 19th workshop.

Respectfully submitted,

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Kathy Nelson, City Recorder

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Brad Boyd, Mayor