

REGULAR MEETING MINUTES  
SISTERS CITY COUNCIL  
520 E. CASCADE AVENUE  
APRIL 23, 2009

**MEMBER PRESENT:**

Lon Kellstrom        Mayor  
Bill Merrill        Council President  
Sharlene Weed      Councilor  
Pat Thompson       Councilor  
Jerry Bogart        Councilor

**STAFF PRESENT:**

Eileen Stein        City Manager  
Lisa Klemp         Acting City Attorney  
Eric Porter         Comm. Devel. Director  
Brad Grimm         Public Works Director  
Lisa Young         Finance Director  
Laura Lehman       Associate Planner  
Kathy Nelson       City Recorder

**I. CALL TO ORDER/PLEDGE OF ALLEGIANCE**

The meeting was called to order by Mayor Kellstrom at 7:06 p.m.

**II. VISITOR COMMUNICATIONS**

**Catherine Childress, 1021 E. Timber Pine Drive, Sisters, OR 97759**

**Ms. Childress** introduced herself as a board member of the Timber Creek Homeowners Association. She thanked the City and Council for addressing the speeding concerns on Cascade Avenue that members of the board brought to the City's attention in March. She stated that moving the speed limit sign and placement of "Children at Play" signs provide a good visual deterrent.

**Ms. Childress** stated that at the March 17<sup>th</sup> community meeting regarding the Whychus Creek management plan, the subject of the Timber Creek Bridge created lively discussion. She stated at the suggestion of Councilor Merrill she was addressing the Council with her concerns regarding the bridge. She stated that each homeowner was required to pay a \$2,500 premium, per lot, to pay for their portion of the bridge cost. She stated that homeowners were told by the builder and his representatives that the bridge would be for emergency egress only. She stated that at the Whychus Creek meeting, homeowners were informed the bridge will be used to mitigate traffic through the city.

**Ms. Childress** stated that she and two other members of the neighborhood met with City staff regarding concerns of traffic running directly through the subdivision and the impacts it will have. She stated they requested the City's assistance in limiting and controlling traffic in their neighborhood. She stated the two issues discussed were the negative impact to property owners and the flow of traffic from the bridge that will facilitate drivers on to East Timber Creek Drive. She stated this is a private street that is privately maintained by the homeowners. She stated there is no law enforcement for the private street and therefore no

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recourse for speeding and impaired drivers that might use the street. She stated that although the City has assured homeowners that no signage will be placed on Highway 126 regarding the bridge; it will only be a matter of time before it becomes known as a cut-through to avoid the more heavily trafficked intersections in Sisters. She stated even though the homeowners will place signs regarding their private streets they are requesting the Council rethink the function of the bridge and limit it to pedestrians, bikes and for emergency egress only.

**Laurie Kimmel**, 925 E. Creekview Drive, Sisters, OR 97759

**Ms. Kimmel** stated she is concerned as a homeowner and the possibility of the bridge opening to the public. She stated she lives on a private street and if access is given to all, she and other homeowners will bear the burden of the traffic, wear on the road and cost to maintain the road. She stated it will also grossly impact the wildlife that inhabits the area. She stated that she, as a very informed home buyer, was led to believe the bridge would be used for emergency vehicles only. She suggested it be maintained for emergency vehicle access only and that crash gates be installed.

**Manager Stein** stated there are two meetings that might be of interest to the Timber Creek neighborhood homeowners; the Action 31 community meeting, relative to the Whychus Creek Management Plan, with members from the Upper Deschutes Watershed Council (UDWC) providing information and hosted by the Committee for Citizen Involvement (CCI) on April 29<sup>th</sup> and the community meeting regarding the Transportation System Plan (TSP) update on May 12<sup>th</sup>. She stated there will be discussion regarding the bridge at both meetings and an opportunity for questions to be answered.

### III. CONSENT AGENDA

#### A. Minutes

1. March 5, 2009 –Special Meeting
2. April 9, 2009 - Regular Meeting

#### B. Bills to Approve

1. April Accounts Payable

Manager Stein requested one item be added to the accounts payable list; a check for \$150 is needed for the application for a limited license to operate Well #3 this summer.

**Councilor Merrill** moved to approve the consent agenda including \$150 for the limited license for Well #3. **Councilor Bogart** seconded the motion.

**Councilor Weed** asked for clarification as to whether the City is responsible for paying Central Electric Cooperative (CEC) for street lights. **Manager Stein** explained that it

depends on the location of the street light. She stated that some of the lights are wired to and paid for by local business owners while others are the City's responsibility. She stated that when the Cascade Avenue streetscape redevelopment is finally undertaken then all street lights should be rewired to become the City's responsibility.

**Councilor Weed** asked for clarification on the invoice from Obsidian Builders for \$12,970. **Director Grimm** explained it was for improvements to the existing structure at the treatment center where City vehicles are stored. He stated the bays are being enclosed to increase security for City vehicles and protect the vehicles in the winter from the harsh weather that requires Public Works employees to spend additional time warming up vehicle engines in order to use them.

*The motion carried unanimously.*

#### IV. ACCOUNTS PAYABLE NOT ON THE CONSENT AGENDA

There were no accounts payable not on the consent agenda.

#### V. STAFF REPORTS

##### A. Brad Grimm, Public Works Director

**Director Grimm** stated he had one change to his staff report. He stated that with regard to the City's application for a project grant from the Oregon Department of Environmental Quality (DEQ), DEQ had contacted him and stated the agency would like to increase the City's grant amount to \$2,457,000 from the original request of \$1,957,000. **Director Grimm** reported that the additional grant funds will allow the Lazy Z reuse expansion project to last for 20 years. He discussed the additional items on the project list that can be accomplished with the additional funds, adding that all the projects are on the Capital Improvement Plan (CIP). He stated the City will be required to take a 20 year loan at 0% interest.

**Mayor Kellstrom** stated it was very good news but that it would increase the amount of match the City must provide. He asked if the City is prepared to cover the additional match amount. **Manager Stein** stated that the City's required 25% match is worked into the FY 09/10 budget.

**Councilor Weed** stated she was pleased to see the Highway 242 bike/pedestrian path project beginning. She asked is there would be a crosswalk at Hood Street and **Director Grimm** stated there will be one. **Councilor Weed** stated she noticed that the path that leads to the middle school stops at a very busy intersection and asked if the City can continue the

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walkway to make it safer for students. **Director Grimm** explained that the property in question where the walkway would need to be placed is on Sisters School District's property and the City cannot use grant funds on private property. He stated he's had a conversation with the district regarding the matter to alert them to the concern. He added that the path will be continued to McKinney Butte because the bid for the work came in lower than budgeted and the Oregon Department of Transportation (ODOT) is willing for additional work to be completed in order to use all the grant funds.

**Councilor Weed** stated she continues to receive complaints from citizens regarding the tire ruts in the road on Cascade Avenue and asked if there was any progress with regard to the problem. **Director Grimm** stated that ODOT is aware of the City's concern with the ruts in the road but have no funding mechanism and no date for when the problem will be addressed. **Director Grimm** suggested letters of concern should be sent to ODOT, Region 4. **Mayor Kellstrom** stated he is hopeful the road will be mended by next summer and suggested the City continue to remind ODOT of the City's concern.

**B. Eric Porter, Community Development Director**

**Director Porter** invited the Council to participate in the Arbor Day Celebration events that will be occurring on Friday and asked if there were any questions regarding his staff report.

**Councilor Weed** stated that she attended the recent Planning Commission meeting and was embarrassed by the master plan development that was approved and stated she did not think it was the type of development the City wants to have. She stated it was extremely dense, she foresaw there will be parking issues and the plan received a density bonus even though it will likely never provide affordable housing. She stated it is her hope that the ongoing Development Code update can address and correct this issue so projects of this nature are not allowed in the future.

**Councilor Weed** stated the fence surrounding the swale at the new Post Office is unsightly and the traffic circulation in the parking lot is poorly designed. She asked what steps the City can take to correct these problems. **Director Porter** stated that since the fence was on federal property the City has no jurisdictional authority. He stated staff could ask the Post Office to change the fence to a more attractive style but the Post Office is not required to respond to the City's request. **Director Grimm** stated he received a call from the Portland Headquarters Post Office asking for suggestion on how to improve the traffic flow in the parking lot. He stated that additional signage and striping should help alleviate some of the problem. **Councilor Thompson** suggested relocating the drop-off mailbox site to remove the confusion as to what is the appropriate traffic flow and the potential for an accident.

**Councilor Weed** asked about the time frame surrounding the Housing Plan and voiced concerns there will not be adequate time for community members to provide comment if it is rushed. **Director Porter** stated the hearing was continued with a workshop scheduled for May 7<sup>th</sup> and the hearing scheduled on May 19<sup>th</sup> with the intent to allow adequate time for citizen comment and not rush the process.

## VI. COUNCIL BUSINESS

### A. Public Comment and Consideration of Resolution No. 2009-11: A RESOLUTION OF THE CITY OF SISTERS AMENDING THE MASTER FEE SCHEDULE BY MODIFYING WATER AND SEWER UTILITY RATES

**Manager Stein** stated the City has been monitoring the financial condition of the Water Fund for several years and been concerned about its viability; while also watching the Sewer Fund and its increasing contingency. She reminded the Council that the City had contracted with Deb Galardi to analyze the City's utility rates and those findings were presented to the Council at a workshop in March. She stated the City has worked to make the rate adjustments as neutral as possible to the average residential rate payer. She directed the Council to the worksheet that noted the current and proposed monthly fees for water and wastewater. She noted that the proposal recommends reducing the monthly sewer rate by \$3.30 and increasing the monthly water rate for 10,000 gallons of water or less by \$3.30. She stated there is also an increase of \$.22 in the water volume rate for those households that use more than the allotted 10,000 gallons of water each month. She stated this adjustment is the first of a two phase process with a more comprehensive study of the utility accounts scheduled for FY 09/10. She stated the effective date of the resolution, if adopted, will be July 1, 2009.

**Mayor Kellstrom** opened the public comment period regarding the modification to the Master Fee Schedule for the utility rates. As there was no one wishing to speak on the matter **Mayor Kellstrom** closed the public comment period.

***Councilor Merrill** moved to approve Resolution No. 2009-11 amending the master fee schedule by modifying the water and sewer utility rates. **Councilor Bogart** seconded the motion.*

**Councilor Thompson** asked why the proposed effective date was July 1<sup>st</sup> and not sooner. **Manager Stein** stated that July 1<sup>st</sup> is the beginning of the new budget year and it will also allow time to inform citizens of the change.

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**Councilor Weed** stated she was surprised by the rates suggested after looking over the sample bills which Manager Stein had handed out at the earlier workshop. She thought all the rate changes would be neutral in every instance. She stated she did not feel prepared to vote on the matter without additional time to understand the new information. She stated she was not comfortable with increasing any rates.

**Mayor Kellstrom** asked other members of the Council if they needed additional time before making a decision on the resolution. They did not.

*The motion carried with a vote of four to one with Councilor Weed casting the opposing vote.*

**B. Discussion and Consideration of a Motion** to Approve a Transfer of Funds to the Bank of the Cascades Business Money Market Sweep Service and Authorize the City Manager to Enter into a Business Money Market Sweep Agreement

*Councilor Merrill moved to approve a transfer of funds to the Bank of the Cascades Business Money Market Sweep Service and authorize the City Manager to enter into a Business Money Market Sweep Agreement. Councilor Bogart seconded the motion.*

**Manager Stein** reported the Finance Director, City Attorney and she had all studied the agreement and were comfortable with the terms. **Councilor Thompson** asked how often Director Young would be in communication with Bank of the Cascades regarding City accounts. **Director Young** stated that the City will still receive its statement on a monthly basis as well as daily monitoring of the accounts to make certain the City receives the highest yield possible. She stated staff will continue to maintain its close working relationship with the Bank. She stated she will also be receiving the State Treasurer's quarterly report on the Bank's capitalization requirement.

**Councilor Weed** asked why the Council is not waiting to approve the sweep agreement until the first quarterly results for the Bank are in as discussed at last week's workshop. **Mayor Kellstrom** stated the agreement, which had been taking some time, suddenly came together and it was decided to make the transfer to minimize the City's exposure. He added that he is not expecting any big changes to the Bank's viability when the quarterly report is published.

*The motion carried unanimously.*

**C. Discussion and Consideration of a Motion** to Award a Bid to Knife River Corporation in the Amount of \$48,930 for Construction of the Bike/Pedestrian Path on Highway 242.

*Councilor Merrill moved to award a bid to Knife River Corporation in the amount of \$48,930 for construction of the bike/pedestrian path on Highway 242. Councilor Bogart seconded the motion.*

**Councilor Merrill** asked if the project was already underway. **Director Grimm** stated that Knife River Corporation was already building the base of the path under its prior obligation to the County when the company developed its rock pit 15 years ago.

**Councilor Weed** asked how the reimbursement from ODOT was collected. **Director Grimm** stated that with quick fix grants, the City turns in invoices to ODOT for reimbursement after the City has already made the payment to the vendor.

*The motion carried unanimously.*

**VII. OTHER BUSINESS**

A. Budget Committee Appointments

**Mayor Kellstrom** appointed Shawna Bell to serve on the Budget Committee. The **Council** concurred.

B. Arbor Day Proclamation

**Mayor Kellstrom** read the Arbor Day Proclamation proclaiming April 24<sup>th</sup> as Arbor Day and invited Council members, City staff and visitors to attend the planned activities on April 24<sup>th</sup>.

C. Take Care of Sisters Day Proclamation

**Mayor Kellstrom** read the Take Care of Sisters Day Proclamation proclaiming May 16<sup>th</sup> as Take Care of Sisters Day and invited Council members, City staff and visitors to volunteer their time and effort to enhance the environment throughout the community and keep Sisters clean and litter free.

**VIII. MAYOR/COUNCILOR COMMENT**

A. Committee Reports

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**Councilor Bogart** gave kudos to Director Porter and the Planning Department for its efforts in helping to facilitate the approval process for the new BBQ restaurant locating in Sisters and stating the restaurant owner had mentioned the Planning Department had been easy to work with.

**Councilor Bogart** commended Director Grimm and all of the Public Works Department for the upgrades made to Sisters Overnight Park and general clean-up efforts made around the City. He stated that he has received comments from citizens who have noticed the clean-up efforts and complimented the park improvements.

**Manager Stein** stated she had received a status report on the possible assisted living facility that may be constructed in Sisters. She stated it appears the project could be located on the land known as McKenzie Meadow Village (MMV) and if so, the City will need to resurrect the annexation agreement for the property. She stated since the agreement will require quite a bit of staff time she wanted to find out if the Council wanted the matter to take a higher priority than other staff projects and if there was a desire to have a workshop on the issue.

**Councilor Merrill** stated he would not support the annexation of the property. **Councilor Weed** stated that since there is adequate land inventory already in the city limits to accommodate the facility, she wondered whether the City was legally allowed to work on the annexation of the MMV property.

**Councilor Bogart** stated he felt the facility was something the community needs and the City should move forward in assisting with the issue. He stated he would like to have a workshop on the topic to become familiar with the background on the matter. **Councilor Thompson** stated he would like to know what is being proposed to see what it would entail from the City to accommodate the request. He stated he does not know enough about the proposal to comment and stated he would also like a workshop to receive background information.

**Mayor Kellstrom** told the Council that Manager Stein met with the developer who is interested in building the assisted living facility and she provided information to him about three properties that might work for his project and he found one piece of property on his own. He stated it is important for the City to realize it cannot constrict where someone wants to locate their business as it is a private contractual agreement between the developer and the property owner.

**Councilor Merrill** stated the MMV property was brought into the urban growth boundary (UGB) in order to meet the specific purpose of providing a 20 year residential housing need. He stated he agrees with Mayor Kellstrom but feels it should only apply to land already

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within the city limits. **Manager Stein** stated that land brought into the UGB is done so with the expectation that it will be developed. She stated that when she was reviewing the parcels with the developer she was very careful to discuss all the challenges and process that would be required for each property. She stated she feels that he went into the process fully aware of what to expect with regard to developing the facility on any of the parcels.

**Councilor Merrill** stated that an assisted living/senior/retirement center will not bring in family wage jobs and it would be a grave mistake to annex the property. He also stressed that the Comprehensive Plan shows that it would be inappropriate to annex MMV given the current population of the city.

**Councilor Thompson** asked what the zoning will need to be for the project. **Director Porter** stated that it could be commercial or another zone in the Development Code called the “neighborhood center” zone.

**Manager Stein** stated she will need to check with the City Attorney to determine whether the Council can workshop the topic of the assisted living facility considering the land use implications and that she was only trying to determine if the Council wants staff to be working more actively on the annexation agreement. **Councilor Merrill** stated that if the developer wants to go through the process for any of the properties within the city limits, he should, but he should follow the existing rules. **Councilor Bogart** stated he feels the City needs to move forward and he would like a workshop to see what is being proposed.

**Acting City Attorney Klemp** stated that if the Council wants to have a workshop on annexing the property that is acceptable, but if the Council wants to have a workshop to discuss annexing the property for the sole purpose of the assisted living facility there would be ex-parte concerns as that could be construed as a preliminary land use discussion.

**Councilor Bogart** stated he is more worried about the economics of the proposal. **Manager Stein** stated she feels it is very important to proceed cautiously so as not to put the entire project in jeopardy. She stated she is merely looking on direction from the Council on the annexation agreement and whether staff should spend time working on it.

**Mayor Kellstrom** stated that the voters have agreed to annex the property and the next step is for the Council to approve the annexation. **Manager Stein** stated this legislative process is a good opportunity for the City to require certain conditions and property uses for the annexed property. She stated a workshop on the annexation agreement could occur but she agreed with Acting Attorney Klemp that discussing the specifics could result in the Council making a preliminary land use decision.

**Councilor Merrill** stated that prior to annexing the property it requires the owners to show there will be no impacts on the City’s infrastructure, which he doesn’t see how that can

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happen without a master plan. He stated the City needs to follow the rules and not make special accommodations for anyone. He stated he is concerned the City could be sued by the other property owners within the city limits. **Mayor Kellstrom** stated he did not think anyone could take action against the City for a negotiation between a property owner and developer. **Acting City Attorney Klemp** agreed that the City cannot direct the developer to any specific property regardless of where it is located as it would be inappropriate to interfere with the ongoing negotiations. **Councilor Merrill** stated MMV is not within the city limits and **Mayor Kellstrom** countered that citizens have already voted to bring the property into the UGB. **Councilor Merrill** stated that the developers are trying to get the property into the city limits by whatever means possible to benefit themselves, not the City or its citizens and the annexation is not a priority at this time.

**Councilor Thompson** asked what the proper procedure for the owner to annex the property into the city limits will entail. **Director Porter** stated it is a two step process. He stated that typically an owner will come to the Council first for permission to annex and then that possibility would go to a vote of the people. He stated in the case of this proposed annexation, it went to a vote of the people first. He stated that a needs assessment is required as well as an adequacy of the City's infrastructure to support the development but it is not stipulated as to when those assessments need to occur. He stated the property owner oversized the sewer lines in anticipation of having a residential development and given the sewer capacity data the City has at present, the City could support a low-density residential development in MMV. He stated in order to have multi-family zoning, MMV will need a zone change at which time the City can make those assessment determinations. He stated that City Attorney Bryant had indicated during a previous conversation that the assessments can take place post annexation.

**Councilor Weed** asked what the recent needs assessment in Sisters showed. **Director Porter** stated that the City is in need of affordable housing, which presumably will be provided through high density multi-family dwellings. He stated there is also a need for public facilities land.

**Mayor Kellstrom** asked what a workshop on annexation will accomplish. **Manager Stein** stated it will give staff direction to begin working on the terms of the annexation agreement and indicate to the owners of the property that the City might be interested in moving forward with the annexation. **Manager Stein** stated that it could also allow the City to let the owners know that the City is not interested in moving forward after reading the terms of the agreement. She stated she is merely trying to manage expectations with regard to items that will be coming before the Council as soon as the budget sessions in May are finished. **Councilor Weed** stated she feels there is no need for a workshop unless the Council is interested in annexing the property. **Councilor Merrill** stated that since the City already has

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land available the cost to citizens is not worth it. He stated he feels the Council has a larger responsibility to its citizens.

**Mayor Kellstrom** polled the Council members as to whether they would like a workshop on annexation of the MMV property. **Councilor Merrill** and **Councilor Weed** stated they are not interested in having a workshop. **Councilor Bogart, Councilor Thompson** and **Mayor Kellstrom** stated they were interested in having the workshop.

**Manager Stein** suggested that with the upcoming budget session and the lack of time for the Council to workshop annexation, that the City request the attorney for the MMV owner begin drafting an agreement that the City can respond to after the budget sessions end. **Councilor Weed** asked why the City would ask the developer to spend time and resources if there is no intention of annexing the property at this time. **Manager Stein** stated a draft agreement could help the Council decide whether or not there is any interest in continuing. **Councilor Weed** voiced concern that the City could be opening itself up to lawsuits and appeals if they chose to annex the property when the City knows there is not a need.

**Acting Attorney Klemp** stated it would be beneficial for the Council to discuss need and receive guidance from legal counsel. **Councilor Merrill** agreed that a workshop on annexation to bring the new Council members up to speed could be beneficial. **Manager Stein** stated she will discuss the potential liabilities of having a workshop with the City Attorney at the next weekly legal meeting.

**IX. ADJOURN – 8:45 p.m.**

Respectfully submitted,

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Kathy Nelson, City Recorder

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Lon Kellstrom, Mayor