

WORKSHOP MEETING MINUTES  
SISTERS CITY COUNCIL  
520 E. CASCADE AVENUE  
JUNE 18, 2009

**MEMBERS PRESENT:**

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

**STAFF PRESENT:**

Eileen Stein	City Manager
Eric Porter	Comm. Dev. Director
Brad Grimm	Public Works Director
Lisa Young	Finance Director

**ABSENT:**

Kathy Nelson	City Recorder
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The meeting was called to order by Mayor Kellstrom at 8:00 a.m.

1. Street Maintenance Program

**Public Works Director Brad Grimm** distributed copies of charts indicating the condition of city streets and associated maintenance costs. **Director Grimm** discussed the lifecycle of a typical street and reviewed standard maintenance practices for streets. He discussed how regular intervals of preventative maintenance prolong the life of a street.

**Councilor Merrill** asked how many drywells are located in the city. **Director Grimm** commented the City maintains over 200 drywells and they are now heavily regulated by the Department of Environmental Quality (DEQ). He stated that bioswales are becoming more commonplace. **Manager Stein** stated this is one area of concern identified from the endangered species act (ESA) risk assessment as needing more attention by the City. She also noted that in other cities without a formal stormwater utility, drainage improvements are paid for from the Street Fund. **Councilor Merrill** concurred and stated this is an area the City needs to pay attention to with regard to the future of the Street Fund.

**Director Grimm** reviewed the pavement condition rating matrix he'd created for city streets and explained how the matrix works. He noted the pavement condition ranges from a '10' for the best condition to a '1' which indicates the worst condition. He stated that many streets in Sisters are currently rated an '8' because they received a new pavement overlay when the sewer system was installed and because of the many relatively new developments in town. He advised the Council that it is time to begin proactively maintaining the city streets.

**Councilor Merrill** asked about the order of crack and chip sealing. **Director Grimm** replied that crack sealing is done first, and then chip sealing. **Councilor Weed** asked whether the City had ever crack sealed city streets and **Director Grimm** replied the City had not to the best of his knowledge other than the project to crack seal approximately one-third of the City earlier in the month, the first of its kind.

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**Director Grimm** reviewed the maintenance schedule he created for the city street system. He then took the maintenance needs and developed a 10 year cycle and averaged the cost over 10 years. This analysis shows that the City should spend approximately \$140,000 per year on street maintenance. He noted that the City currently appropriates only \$90,000 per year for maintenance, by means of a transfer from the General Fund.

**Manager Stein** recalled that the purpose of this discussion was to look at the City's street maintenance needs in relation to the FY 09/10 budget process and legislative developments in Salem related to a new transportation funding package. She provided a status report on the funding package and recounted that there is a narrow window of opportunity to enact a local gas tax without requiring a local election. She explained that when the State bill goes into effect this opportunity will be gone.

**Manager Stein** reviewed the fiscal impact statement and the staff recommendation from the staff report. She stated that a funding framework that involves a combination of a local gas tax and a street maintenance fee will reach all of those who use and impact city streets. She asked if there were any questions on the figures provided in Attachment E of the staff report which revealed different revenue projections based on certain assumptions about a local gas tax and street maintenance fee. She stated the staff recommendation is to enact a \$.03 local gas tax and street maintenance fee of \$2 per month per residential household and \$6 per month per business.

**Councilor Merrill** stated he agreed with the staff recommendation and asked about offering an administrative discount. He stated local gas stations should be given a discount for collecting and accounting for the tax, just as the local lodging establishments are given for collecting room taxes.

**Councilor Weed** asked about the 30 year look and what the average annual cost associated with it. **Director Grimm** replied by averaging street maintenance costs over 30 years, it increases the requirement for an annual contribution to \$187,000 per year. He noted this is because by that time all of the streets currently rated as '8's' will need to be overlaid or reconstructed.

**Councilor Thompson** stated he is having a difficult time asking people to pay more at this difficult economic time. He feels that people have made sacrifices in their personal lives and that the City has not made any significant sacrifices yet. He stated the City should if street maintenance is a priority. He stated he is not in support of a street maintenance fee but would be willing to support a local gas tax, especially because of the small window of opportunity that exists. He felt the City should also dig a little deeper into the General Fund.

**Councilor Merrill** commented there is an urgency with the gas tax, but the street maintenance fee can be implemented at any time. **Manager Stein** concurred. **Councilor Merrill** continued that he likes the idea of a street maintenance fee because all citizens benefit from good roads along with increasing tourism and property values.

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**Councilor Bogart** asked if a local gas tax was enacted, if it could have a deferred implementation date like the state legislation has proposed for the new state tax. **Manager Stein** replied she would consult with the City Attorney on this point, but wondered why a deferred implementation date was needed.

**Councilor Weed** asked how long the City can afford to continue to transfer funds from the General Fund into the Street Fund. She added that she wants to see the General Fund in serious jeopardy of a deficit before she will consider a street maintenance fee. She felt the Council should do nothing at this time, unless she is given more information about the long term impact on the General Fund. **Manager Stein** replied that given the contingency balance in the General Fund, and given what will be transferred to the Reserve Fund, it could be a number of years before the General Fund is in serious jeopardy, all else being equal. However, she stated, to do so would be misleading as it does not reflect other priorities for the City that may be identified down the line.

**Councilor Merrill** noted that the proposed annual cost (for a street maintenance fee) is \$24 per household and \$60 per business. He felt this was not asking a lot from citizens to have well maintained and paved streets. He stated again that he believes people's property values will increase if their streets are better maintained. He stated he has given this subject much thought over the years and has spoken to a number of people around town. He stated he feels the staff report represents good work. **Councilor Weed** concurred it was good work and a much needed analysis.

**Mayor Kellstrom** stated he agrees there is a need to do something and that the Council has the best information ever produced available to them. He stated that facts have changed at the state level which makes considering a local gas tax a compelling thing to contemplate. He felt it would be a good idea to follow up on Councilor Bogart's suggestion of deferring the implementation of the tax or to include language in the ordinance that mimics what the state is doing.

There was general discussion about what other cities have street maintenance fees and/or a local gas tax. **Manager Stein** referred to Attachment F in the staff report, which are appendices from a recent publication of the League of Oregon Cities called "*TUF Solutions for Local Cities*".

**Mayor Kellstrom** took a straw poll to determine whether the Council should move ahead and direct staff to develop a local gas tax ordinance. **Councilors Merrill, Thompson and Bogart** agreed to direct staff to develop the ordinance. **Councilor Weed** disagreed. **Mayor Kellstrom** concurred with Councilors Merrill, Thompson and Bogart. He stated that it appeared that a majority of the Council supports pursuing a local gas tax now and deferring a street maintenance fee for consideration at a later time. **Mayor Kellstrom** summarized that there are still questions about the administrative discount and the deferred implementation. **Mayor Kellstrom** asked staff to also explore the possibility of putting a sunset clause on the ordinance.

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**Manager Stein** asked about public process, specifically if there was a need to conduct a community workshop to discuss the need for the tax. **Councilor Merrill** commented that he did not think this is necessary as implementing the gas tax is what the City Council has elected to do. **Councilor Weed** commented that for her the argument to the public breaks down as there is a public perception that the General Fund is fat.

**Manager Stein** commented that staff was comfortable with this direction as anything that would lessen the impact on the General Fund was a good first start.

2. Preview 6/25/08 Agenda

**Manager Stein** reviewed the draft agenda for the June 25<sup>th</sup> City Council workshop and regular meeting. She noted the workshop topics include a review of the supplemental budget for FY 08/09 and the proposed annexation of the McKenzie Meadow Village property. There was discussion about the Planning Commission appointments and the need to recognize outgoing members of the Planning Commission and Committee for Citizen Involvement (CCI).

3. City Manager Update

**Manager Stein** commented on the emergency exercise staff participated in during the week at Sisters Fire Hall in conjunction with an update of the Sisters Emergency Operations Plan. She stated the exercise reminded her of the need to communicate and reinforce to city staff what their role is when a disaster strikes and that they should prepare their families that they might not be able to be at home. She also reminded Councilors Thompson and Bogart of their need to take the National Incident Management System (NIMS) training for elected officials.

**Councilor Weed** asked about the status of community grants. **Manager Stein** stated that some grant requests had been received from the earlier solicitation before the process was temporarily stopped to discuss award criteria. She asked how the Council would like to move forward with grants. The **Council** discussed and agreed to re-advertise in the June 24 and July 1 editions of the Nugget News for grant requests through July 6<sup>th</sup>. The Council is scheduled to review and decide on the grant requests at their July 9<sup>th</sup> workshop and regular meeting.

**Councilor Weed** also acknowledged the recent unveiling of the Wild Stallion sculpture by famed artist Lorenzo Ghiglieri. She asked about liability to the City and whether there ought to be signage discouraging people from climbing on it. **Manager Stein** stated she will follow up with the City Attorney and City's insurance agent.

**Mayor Kellstrom** commented on the meeting he and Manager Stein had with ODOT Region 4 Manager Bob Bryant. He stated that the meeting produced the very real possibility that the City will receive \$1 million for a remake of Cascade Avenue. He stated staff is following up, and he

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wished to thank the City of Redmond and Senator Chris Telfer for being instrumental in making this come about.

**Councilor Bogart** complimented Director Grimm for all his work on the road inventory and street maintenance assessment.

**Councilor Weed** stated she received a call from a person interested in adding a senior affordable housing component to the proposed Black Butte Crossing project.

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

Respectfully submitted,

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Kathy Nelson, City Recorder

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Lon Kellstrom, Mayor