

WORKSHOP MEETING MINUTES  
SISTERS CITY COUNCIL  
520 E. CASCADE AVENUE  
JULY 02, 2009

**MEMBERS PRESENT:**

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

**STAFF PRESENT:**

Eileen Stein        City Manager  
Lisa Young          Finance Director  
Brad Grimm         Public Works Director  
Kathy Nelson        City Recorder

**DESCHUTES COUNTY:**

Alan Unger          Commissioner  
Dennis Luke        Commissioner  
Tammy Baney        Commissioner  
Dave Kanner        County Administrator  
Nick Lelack         County Comm. Dev. Director  
Dan Despotopulos   County Fair and Expo Center Director  
Anna Johnson        County Communications Officer

**GUESTS:**

Brad Chalfant        Executive Director  
Deschutes Land Trust

1. Quarterly Meeting with Deschutes County Commissioners

A. Welcome and Introductions

The joint meeting of the County Commissioners and Sisters City Council was called to order at 8:05 a.m. by Mayor Kellstrom and Commissioner Baney. Introductions were given and **Mayor Kellstrom** welcomed the County staff and visitors.

**Dan Despotopulos, Deschutes County Fair and Expo Center Director**, stated that for the past five years the County has been running a limited bus program to get visitors to the County Fair from a centralized location. He stated this year the County is expanding its program to include this bus service in Sisters. He stated the first bus will leave Sisters at 9:30 in the morning and the last bus will head back to Sisters at 11:30 p.m. He stated the fair will run from July 29<sup>th</sup> through August 1<sup>st</sup> and busses will run every two hours. He stated the free service will be advertised in the Nugget Newspaper and other media to inform the public of this valuable service. He stated that on Friday, July 31<sup>st</sup> the entrance fee into the fair will be waived until 3:00 p.m.

B. Status Reports

1. Skyline Forest Update

**County Community Development Director Lelack** explained the purpose of HB 2228, the *Rural Jobs Act*, was to establish a pilot transfer of development rights (TDR) program to transfer residential rights from farm or forest property to other property. He stated Skyline Forest is a 33,000 acre parcel in Deschutes County currently held by Fidelity National Timber. He explained that the Southern Conservation Tract is comprised of three areas with only one in Deschutes

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County and the other two in Klamath County. He stated the sustainable development area is 1,200 acres 3,000 acres are included in the Southern Conservation Tract and the balance kept for recreation and healthy community forest. He noted that development is concentrated at the northern end and can include up to a total of 282 residential units, small scale commercial uses and the necessary facilities to sustain the residential units. He stressed that no gold course or golf related facilities will be permitted. He stated that the surrounding 1,800 acres will be designated as a conservation easement to minimize wildfire risk, to maintain habitat and equestrian facilities. **Mr. Lelack** explained the complete development will occur only if all the areas are conveyed to a land trust or a federal or state agency. He stated the sustainable development area conditions include coordination with the Oregon Department of Fish and Wildlife, Oregon State Forestry Department and the United States Forest Service. He stated the areas must be developed to provide firefighting facilities, minimally impacting wells and other additional conditions related to the land transfers.

**Mr. Lelack** stated that most important to the community of Sisters, is how the area will be accessed which will be by one primary and one emergency route. He stated the primary access will be off Highway 20 outside of Sisters between milepost three and six on an already existing paved road.

**Manager Stein** questioned if the development area is in the Sisters Camp Sherman Fire District. **Brad Chalfant, Deschutes Land Trust Executive Director** stated the area is not but is directly adjacent to the Fire District service area. He stated some dialogue has occurred about the fire District expanding its service area. He reminded the Council that providing firefighting facilities is one of the requirements for the development so if the area is not absorbed into the Sisters Fire District or another fire district, it will be required to provide that service. **Manager Stein** pointed out that if the development area is absorbed by the Sisters Fire District then Three Creeks Road will become the emergency access route. Councilor Weed asked what will stop people from using Three Creeks Road as a primary access. **Mr. Chalfant** stated he anticipates a limited access gate will be installed.

**Councilor Thompson** stated that the burden to build the roads and due process falls on the developer and it seems it would make sense for the County, Sisters and the City of Bend to be working in conjunction with the developer as benefit could be derived depending on the placement of those roads. He stated the roads will likely provide the largest impacts. There was discussion on the development area process that will be followed. **County Administrator Kanner** stated that existing legislation does not make it clear as to whether it will allow the County to exact any conditions for transportation mitigation. He stated that Fidelity National Timber is aware of the City's concern regarding traffic on Three Creeks Road and that is why that road has been identified as the secondary access.

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**Mr. Chalfant** stated there is some concern with the mule deer migration corridor in the area as well the high visibility of some portions of the area on mountain views. He stated the northern area slated for development was identified as being the least impacting for both concerns.

**Mr. Chalfant** stated that Fidelity National Timber, a fortune 500 company, is not a developer but instead its primary business is title insurance. He stated finding a development partner in the current economic conditions will likely prove to be challenging but will result in impacts that will be better than it would have been with the added benefit of providing jobs and protecting valuable forest land. He stated this development will result in the largest community forest in the nation. He added that students from this area will be part of the Redmond School District.

## 2. Destination Resorts Legislation Update

**Mr. Lelack** stated the County has been considering what changes to make to its destination resort map. He stated as a part of the update, county staff has been holding public outreach meetings with a County Planning Commission meeting to be held on July 23<sup>rd</sup> in order to determine what direction the County should take in moving forward. He stated that of the 112,000 acres under consideration 60% to 90% are not actually available for destination resorts due to local or state criteria. He stated that with the passage of HB 3298 many area of the Metolius Basin located have also become off limits also.

## 3. Special Events

**Public Works Director Grimm** explained that special events are handled by the City through a permit process that includes sign off from the Fire District, Sheriff Department, Oregon Department of Transportation (ODOT), a diagram of how the event will be set up and notification to affected parties. He stated the City charges a fee dependant of the size and venue used as well as for signage and traffic cones. He stated that rental of the traffic devices includes Public Works staff setting up, directing traffic and removal of the signs and cones. He added that event organizer can also provide their own signs and cones but the event must still meet the road closure requirements and compliance. There was discussion on how compliance issues can be monitored by use of Deschutes County Sheriff's Department or by event organizers providing their own security for the event.

**Director Grimm** stated that for big events, such as Rodeo Parade or Quilt Show, the entire Public Works crew works. He stated that although that requires overtime be paid and the City does not recoup the full amount, the benefit these events bring to the City cannot be refuted.

**Councilor Thompson** stated that the City has been approached regarding issues between transient vendors versus full time businesses but with the help of the Chamber of Commerce, are trying to come up with solutions to the concerns raised.

4. Deschutes Water Alliance (DWA)

**Commissioner Unger** stated the Deschutes Water Alliance (DWA) began, with members from Central Oregon cities, irrigation districts and the Deschutes River Conservancy, many years ago. He stated it was formed to create mitigation rules when changing surface water to drinking water. He stated the current effort to bring Central Oregon leaders to DWA is to create a united group to discuss water issues and water problems as a group as well as creating a stronger voice when matters are taken to the legislature. He stated the cost for a City to participate in the memorandum of understanding (MOU) is uncertain at this time but coordination is happening on a staff level. He stated DWA is looking for members for its policy board to provide direction.

C. Other Business

**Manager Stein** invited the Commissioners to view the new rearing stallion sculpture when they left the meeting that was recently donated to the City by artist Lorenzo Ghiglieri. She stated the sculpture was also recognized by the Oregon Sesquicentennial as a gift to the State in celebration of its 150th birthday.

**Commissioner Baney** reported that the County Mental Health Advisory Board has identified Sisters as being tremendously underserved with regard to mental health services. She stated that Sisters has neither a local staff representative nor any office space in which to serve residents. She stated as such only 44% of youth, 47% of adults and 0% of seniors are being served which is unacceptable. She stated the funding crisis in the schools has resulted in the program not being included in school budget and the numbers of youth not being served is shows. She stated the County will try and work with the school district on the issue as reinstating the project the district was a partner it would alleviate a lot of the problem.

**Commissioner Baney** discussed possible locations where services could be provided, transportation possibilities to Redmond or Bend, and staff needs. She stated help from the City would be appreciated and acknowledged that it is the County's responsibility to provide the necessary staff. She stated that seniors are best served in their homes and if students are served within the school it makes it necessary to find a space to serve adults only. **Councilor Merrill** stated that with the amount of open office space in Sisters he would hope there might be a building owner willing to donate space.

**Councilor Bogart** stated he would be interested in helping to identify a location for veterans to meet and receive services; a group he feels is largely underserved.

**Mayor Kellstrom** thanked the Commissioners and County staff for attending the workshop. The Commissioners thanked the Council for their time.

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The Mayor called for a recess at 9:38 a.m. The meeting reconvened at 9:45 a.m.

2. Business License Tax on Motor Vehicle Fuel Dealers Draft Ordinance

**Manager Stein** stated there is a window of opportunity for the City to adopt a motor vehicle fuel tax before the increased state tax kicks in, primarily because the new legislation also includes a four year moratorium on a local fuel tax. She stated the ordinance template used the City of Sandy's ordinance as an example as the City has not had compliance issues since it began collecting its tax in 2002. She stated that Sandy also gave its local fuel dealers an opportunity to comment on the ordinance prior to adoption, an option the Council might want to consider. She provided an overview of the draft ordinance proposing a \$.03 a gallon tax.

The *Council* discussed the reasoning behind a three cent tax versus a different amount and the negative impact of continuing to transfer funds from the General Fund for street maintenance. The **Council** discussed that imposing a street maintenance fee on city utility bills would not be as equitable and as property tax is the major source of revenue for the General Fund and the City is already transferring funds to the Street Fund from the General Fund. There was discussion that imposing a street maintenance fee would have the effect of taxing property owner a second time for street maintenance.

**Director Grimm** explained that besides street maintenance the Street Fund also pays for snow plowing, street lights, street cleaning, storm drainage and other street related matters.

**Manager Stein** stated she had checked with the City Attorney about the possibility of adding a sunset clause or deferring the begin date to the ordinance and he recommended against that action, telling Manager Stein it would be easier to simply abolish the tax if it became apparent it was no longer needed. She stated the City Attorney also suggested a separate community meeting to answer questions from citizens and have a public comment period at the first reading.

**Mayor Kellstrom** asked Council members if they would like to proceed with the process and suggested inviting local fuel dealers to the workshop next week. **Councilor Thompson** stated he would like to proceed if additional information can be provided showing the reasoning for choosing three cents a gallon as the amount to be imposed. **Councilor Bogart** agreed to move forward if he also received more information.

**Councilor Weed** stated she is not in favor of moving forward with a fuel tax at all. She stated that although she understands that the roads need to be maintained the City's General Fund can continue to support street maintenance for another three to four years. She cited the difficult economic conditions for many people as a major concern. She stated that in four years when the State's moratorium on local gas taxes has been lifted the matter can go to a vote of the people.

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**Councilor Merrill** stated he is in support of moving forward with the gas tax as presented. He stated he feels it is idealistic to think that citizens will vote for a gas tax in four years and the City should move forward with this critical need.

**Mayor Kellstrom** agreed the Council should move forward with imposing the fuel tax and stated the City should not count on seeing any additional money from the state until sometime in 2011.

**Director Grimm** stated that while 1,800 resident use city streets, there are approximately 110,000 residents that live outside city limits that use the streets on a regular basis. He stated collecting fuel tax from those individuals who regularly use city streets will remove some of the burden from Sisters residents.

**Mayor Kellstrom** directed staff to move forward with the ordinance and contact local fuel dealers and invite them to attend the workshop on July 9<sup>th</sup>.

### 3. Preview July 9, 2009 Workshop and Regular Meeting

**Manager Stein** provided an overview of the workshop and regular meeting for July 9th. She stated a liquor license endorsement for an expanded privilege for Scoots Bar and Grill has been moved to the July 23th regular meeting when the annual endorsements for all businesses holding a liquor license in Sisters will occur. She stated the City had received a letter from Deschutes County Sheriff's Department recommending the City not endorse renewal of Scoots liquor license at all. She stated Captain Edwards will be in attendance on July 23th with the regular Sheriff's report and then be available to discuss the concerns with Scoots at that time.

### 4. City Manager Update

Due to the length of the meeting the City Manager update was deferred to the next meeting.

The meeting was adjourned at 10:34 a.m.

Respectfully submitted,

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Kathy Nelson, City Recorder

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Lon Kellstrom, Mayor