

REGULAR MEETING MINUTES
SISTERS CITY COUNCIL
520 E. CASCADE AVENUE
JULY 22, 2010

MEMBERS PRESENT:

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

STAFF PRESENT:

Eileen Stein City Manager
Steve Bryant City Attorney
Brad Grimm PW Director
Pauline Hardie Comm. Devel. Director
Kathy Nelson City Recorder

ABSENT:

Lisa Young Finance Director

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE

The meeting was called to order by Mayor Kellstrom at 7:05 p.m.

II. VISITOR COMMUNICATION

City Recorder Nelson reported there were five letters to enter into the record regarding Aspen Lakes as a destination resort mapping matter. Letters were received from Susan Quatre, Dennis McGregor, Derek and Rachel Cornforth, Robert Corrigan and Frank and Jan Baldwin.

Merry Ann Moore, 69225 Hawksflight Drive, Sisters, OR 97759

Ms. Moore stated she was in attendance to oppose the Council's proposed letter of support for Aspen Lakes to be included in destination resort mapping by Deschutes County. She stated she was opposed to the concept and policy of inclusion for the following reasons:

1. The Council should create a policy consistent with County and State rules.
2. The Council should be consistent with past Council's actions.
3. The Council should consider the special status and fragility of Whychus Creek as the proposed development is too close to spawning areas of steelhead and salmon.
4. The Council's decision should be based on fairness to all property owners.

Ms. Moore requested that the Council wait until a public hearing could be scheduled to allow citizens to weigh in on the issue. She added if the Council is intent upon sending a letter regardless of her request and that of others, it should include a provision that if the property is ever sold by the Cyrus' the ability to convert to a destination resort will be revoked.

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Derek Cornforth, 69245 Hawksflight Drive, Sisters, OR 97759

Mr. Cornforth stated he was opposed to a letter of support from the Council with regard to Aspen Lakes converting to a destination resort. He stated in 1989 the Cyrus' split their property into two developments; the Rim at Aspen Lakes and Golf Course Estates. He stated the Cyrus family chose to build a cluster development which is quite different to a destination resort. He stated residents at the Rim at Aspen Lakes were told their open space would be permanently protected from development and would not change and changing the property should not be considered now. He stated the law does not allow a cluster development to be converted to a destination resort and that law should be upheld.

Ed Protas, 544 S. Oak Street, Sisters, OR 97759

Mr. Protas requested the Council not send a letter of support to have Aspen Lakes be included in Deschutes County's mapping of destination resorts. He stated when a public meeting was held by the Department of Land Conservation and Development (DLCD) regarding the possibility of a destination resort development in the Metolius Basin over 300 area residents attended with only a handful of those in support of another destination resort. He stated he felt with proper notice, the possibility of converting Aspen Lakes to a destination resort, would have the same type of turnout and response. He stated support of Aspen Lakes as a destination resort does not reflect the will of the community.

Kimry Jelen, PO Box 736, Sisters, OR 97759

Ms. Jelen stated supporting Aspen Lakes for inclusion in the mapping as a destination resort is a larger issue that just one land owner and the impacts are far reaching. She stated allowing Aspen Lakes to develop as a destination resort would change the face of Sisters forever. She stated she understand the Council's pro-growth stance but asked them to consider the entire community when making their decision whether to send the letter or not.

III. CONSENT AGENDA

- A. Minutes
 - 1. July 08, 2010 - Workshop
 - 2. July 08, 2010 – Regular Meeting
 - 3. July 15, 2010 – Workshop

- B. Bills to Approve
 - 1. July Accounts Payable

Councilor Merrill moved to approve the consent agenda. Councilor Weed seconded the motion.

Councilor Merrill questioned how having staff at Quilt Show set-up to monitor transient vendors had gone. **Manager Stein** reported it went very well.

The motion carried unanimously.

IV. ACCOUNTS PAYABLE NOT ON THE CONSENT AGENDA

A. July Accounts Payable

Councilor Merrill moved to approve the accounts payable not on the consent agenda. **Councilor Weed** seconded the motion.

Councilor Thompson stated he would refrain from voting due to a direct conflict of interest.

The motion carried unanimously.

V. STAFF REPORTS

A. Brad Grimm, Public Works Director

Public Works Director Grimm noted he had added the list of the special events occurring this summer to his report to illustrate to the Council the extent the City's parks are utilized. He reminded the Council that Jefferson Street between Highway 20 and Locust Street would be closed to accommodate the Arts and Craft Festival and car show occurring at Creekside Park this week-end.

Mayor Kellstrom commented having the Glory Days Car Show located on Adams Street instead of Main Street worked very well the previous week-end.

C. Pauline Hardie, Community Development Director

Director Hardie asked for questions on her staff report.

Councilor Weed asked for a status report as to when the City could expect the funding for the Safe Routes to Schools grant the City was awarded in January. **Director Grimm** answered that the City has been waiting for the State to release the funds.

Councilor Weed noted the City was not awarded the Oregon Parks and Recreation Department (OPRD) grant it applied for to be used for improvements to Clemens Park and asked if there was an alternate plan in place to fund the play structure. **Director Hardie** stated there was not an alternate plan in place yet. She added the Kiwanis, the City's partner in the endeavor, had been notified of OPRD's decision.

Councilor Weed asked when the way-finding signs program for businesses would be implemented. **Director Hardie** replied decisions on way-finding signs would be incorporated into the Cascade Avenue improvement project.

VI. COUNCIL BUSINESS

A. Discussion and Consideration of Resolution No. 2010-20: A RESOLUTION AUTHORIZING THE CITY MANAGER TO AWARD CONTRACTS EXCEEDING \$25,000 AND ACCOUNTS PAYABLE DURING THE PERIOD OF JULY 23, 2010 TO SEPTEMBER 08, 2010 WHILE THE CITY COUNCIL IS IN RECESS

Councilor Merrill moved to approve Resolution No. 2010-20 authorizing the City Manager to award contracts exceeding \$25,000 and accounts payable during the period of July 23, 2010 to September 8, 2010 while the City Council is in recess. Councilor Bogart seconded the motion.

Councilor Weed asked for clarification on how accounts payable would be handled during the Council summer recess. **Manager Stein** stated the accounts payable would be paid during the recess and a list of those payables would be provided to the Council.

Councilor Weed stated she was uncomfortable with the Council allowing the City Manager to act on their behalf with regard to the listed purchases and agreements without the Council seeing and reading the agreements. She stated she felt it would be remiss of the Council to not review the agreements and she would prefer to hold one regular meeting in August.

Councilor Weed stated she was unaware there was the possibility of approving a contract between the City and Economic Development of Central Oregon (EDCO) to solicit for an economic development position as moving forward with the position had not been discussed by the Council. **Mayor Kellstrom** stated he thought the Council had agreed to EDCO heading up the selection process for the position. **Councilor Weed** stated funding had been approved for the position during the budget process but hiring for the position had never been decided upon by the Council and she had been expecting a proposal to come back for discussion.

Councilor Merrill stated he did not recall agreeing to EDCO's handling of the recruitment process but agreed that EDCO is the logical choice to craft the job description and perform the interviews. **Councilor Thompson** stated he remembered discussing that EDCO would be better suited than the Chamber of Commerce in determining the best candidate. **Councilor Bogart** agreed that EDCO was the party the City should use for the recruitment.

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Mayor Kellstrom reported that EDCO was ready to proceed with the selection process and that City Attorney Bryant had reviewed the contract. He stated the City would divide the \$30,000 amount budgeted into quarterly payments to EDCO. **Councilor Weed** asked City Attorney Bryant if the Budget Committee had recommended the Council consider the position but stipulated it would be brought back to them for further discussion with specifics prior to filling the position and the Council did not do that, if there were any legal concerns. **City Attorney Bryant** stated Council approval of the resolution was sufficient.

Manager Stein explained the reason the contract and all the other items were listed in the resolution is that staff looked ahead and identified any items that might come up for approval during the Council recess prior to the next Council meeting in September. She advised it was the Council's prerogative to edit the list of items any way they wanted to. **Councilor Weed** stated all the other items on the list had been discussed by the Council previously with the exception of the economic development position.

Councilor Merrill moved to modify his motion to approve Resolution No. 2010-20 with item #6 that allows the City Manager to approve a contract between the City and EDCO removed from the list. Councilor Weed seconded the motion.

Councilor Bogart stated he did not agree with the modification as if it was determined the contract was acceptable to a majority of the Council then the recruitment should be able to move forward. **Councilor Weed** remarked there should be an opportunity for community input.

Mayor Kellstrom explained that EDCO had already worked extensively on the project and had already begun the process of soliciting applications. He stated he gave EDCO the go ahead after City Attorney Bryant had approved the contract.

Councilor Weed suggested that since there was a difference of opinion by Council members on the situation that the Council waits to decide until the Council is back from recess. **Mayor Kellstrom** stated it is a Council decision whether to include approval of the contract or not and called for the vote for the modified motion on the floor.

The motion carried with Councilor Merrill, Weed and Thompson voting in favor of the modified motion and Mayor Kellstrom and Councilor Bogart voting against the modified motion.

**B. Discussion and Consideration of Resolution 2010-21: A RESOLUTION
DECLARING A DESIRE TO PARTICIPATE IN THE SMALL CITY
ALLOTMENT PROGRAM TO REPAIR OR IMPROVE CERTAIN CITY**

STREETS OF INADEQUATE CAPACITY OR IN DETERIORATED
CONDITION

Councilor Merrill moved to approve Resolution No. 2010-21 declaring a desire to participate in the Small City Allotment (SCA) program to repair or improve certain city street of inadequate capacity or in deteriorated condition. Councilor Weed seconded the motion. The motion carried unanimously.

VII. CONTRACT REVIEW BOARD

- A. **Discussion and Consideration of a Motion** to Approve the Findings and Decision of the City of Sisters Contract Selection of T2, Inc. and ENERGYneering Solutions Inc. as Contractors to Provide Services to Complete the Sisters Area Woody Biomass Heating Feasibility Study

Councilor Merrill moved to approve the findings and decision of the City of Sisters contract selection of T2, Inc. and ENERGYneering Solutions Inc. as contractors to provide services to complete the Sisters area woody biomass heating feasibility study. Councilor Weed seconded the motion.

Councilor Weed stated she was under the impression the feasibility study was only for the high school. **Manager Stein** explained the scope of work built upon the high school project by examining the feasibility of creating a distributed heating system including Black Butte Ranch community facilities and senior assisted living facilities at McKenzie Meadow Village. **Councilor Weed** questioned why the middle school or the Sisters Park and Recreation District (SPRD) building were not included since the construction of the senior assisted living facility could be another three to four years. **Manager Stein** stated the grant, crafted by the Central Oregon Intergovernmental Council (COIC), did not include those buildings but the feasibility study could well address those buildings as better possibilities as opposed to the senior facility. She added she would ask for those buildings to be taken into consideration.

Councilor Merrill asked if the study would address the issues the City of LaPine is facing with its biomass facility such as the cost, large numbers of semi-trucks coming into the city each day and smoke stacks that spew potentially environmentally damaging smoke. **Manager Stein** replied the study would address issues such as cost but stated the biomass facility being constructed in LaPine is entirely different from what is being proposed here. She added environmental concerns would also be addressed in the study.

Manager Stein updated the Council on a related item stating County Commissioner Alan Unger was in Washington D.C. to advocate the Deschutes Skyline Project which had been submitted for national selection. She stated his attendance and testimony helped elevate

the project to number eight out of 31 projects. She stated these types of projects would help identify the need for additional research to determine if biomass is a renewable energy source for the future.

The motion carried unanimously.

VIII. OTHER BUSINESS

Mayor Kellstrom announced the Council would address the issue of whether to submit a letter of support to the County Commissioners to keep Aspen Lakes on the County's destination resort map and directed the Council to a draft copy of the letter. **Manager Stein** commented on the letter stating it incorporated past Council policy by stating it was expected there would be impacts on the City and acknowledged the review processes that would allow those impacts to be identified and mitigated prior to Aspen Lakes ever being considered for approval to develop as a destination resort. She reported the County Commissioners will address this matter at its July 28th meeting and that time was of the essence.

Mayor Kellstrom stated the draft letter was well written and was supportive of economic development and past Council policy. He reminded the Council that past Council decisions cannot bind the present Council nor can their decision bind future Councils. He added that when the Council sent the first letter not in support of the development of another destination resort it was very different economic times. He proposed sending the letter.

Councilor Weed stated she agreed with issues raised by Merry Ann Moore and asked that concern for the impacts on Whychus Creek be added to the letter as well as a provision that inclusion on the destination map expire if the Cyrus' sell the property at any time.

Councilor Merrill stated it is irresponsible of the Council to send the letter without evaluation of the costs and benefits to the City of Sisters. He stated a resort would do little towards economic development other than offer low wage jobs. He cited the example of Black Butte Ranch needing to provide bus service from Redmond and Bend for employees as they are unable to afford living in Sisters. He stated DLCD reported that destination resorts have been allowed without adequate assessment on the impacts to near-by areas. He read from an email from Deschutes County Principal Planner Peter Gutosky that stated case law currently prohibits Aspen Lakes from converting to a destination resort. He stated the City should support the construction of a hotel in Sisters rather than Aspen Lakes as a destination resort. He added it is out of the City's jurisdiction of responsibility to send the letter.

Councilor Bogart asked whether Aspen Lakes is currently mapped as a destination resort and **Director Hardie** replied it is. He stated he doesn't want to give the Cyrus's special treatment but it didn't appear a letter of support would do so. **Manager Stein** explained that

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the County is in the process of extracting lands that don't make sense as being eligible as destination resorts. **Councilor Weed** remarked that Aspen Lakes does not meet the criteria to be eligible for a destination resort and so a letter from the Council supporting Aspen Lakes be left on the map is providing special treatment. **Councilor Bogart** stated he felt the hoops that would allow the Cyrus' to convert to a destination resort would be so arduous they likely would never be able to develop as such, but felt that was not his to decide.

Councilor Thompson stated there is no doubt that development of Aspen Lakes as a destination resort would have an enormous impact on Sisters and the draft letter states the City's position quite clearly. It states the City would need the ability to weigh-in on all the impacts when and if the development occurs. He stated it isn't known if the impacts will be good or bad for Sisters and the Cyrus' should be allowed their due process and have the opportunity to determine what is best. He reminded the Council the number one industry in Sisters is tourism.

Councilor Weed stated that the letter should only say that if there is a change Sisters wants to be able to weigh in and not include it supports the property be included in the mapping. She stated she is was not in favor of sending the letter and was uncomfortable taking this position on behalf of the community without a public hearing. She added the Council hasn't had the opportunity to read all the letter submitted on the matter and noted that no one had spoken in support of sending the letter. She stated the County's intent was to remove those properties that don't meet the requirements for destination resorts and Aspen Lakes clearly does not meet those requirements.

Councilor Merrill remarked the Council encourages folks to participate and they were not listening to their views and comments. He stated their testimony shouldn't be disregarded. He stated the Council should not send a letter in support or opposition to Aspen Lakes.

Mayor Kellstrom asked the Council whether the letter should be sent. **Mayor Kellstrom, Councilor Thompson** and **Councilor Bogart** agreed the letter should be sent. **Councilor Merrill** and **Councilor Weed** did not agree to send the letter. **Mayor Kellstrom** stated since a majority of the Council was in favor of sending the letter it would be sent.

IX. MAYOR/COUNCILOR BUSINESS

Mayor Kellstrom reported he received a call from a representative from Senator Wyden's office to inform him the Senate agreed to a \$1.5 million earmark for the City's Cascade Avenue improvement project. He stated it was the largest earmark for Central Oregon and although it still needs to go through the House/Senate reconciliation, it was expected to be approved.

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Councilor Weed reported she had attended the first hour of the *10 Year Plan to End Homelessness* town hall meeting prior to the start of the Council meeting.

X. ADJOURN –8:35 p.m.

Respectfully submitted,

Kathy Nelson, City Recorder

Lon Kellstrom, Mayor