

WORKSHOP MEETING MINUTES  
SISTERS CITY COUNCIL  
520 E. CASCADE AVENUE  
JANUARY 06, 2011

**MEMBERS PRESENT:**

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

**ABSENT:**

Jerry Bogart Councilor

**DESCHUTES COUNTY:**

Tammy Baney Commissioner  
Alan Unger Commissioner  
Tony DeBone Commissioner  
Dave Kanner County Administrator  
Anna Johnson Communication Coordinator

**STAFF PRESENT:**

Eileen Stein City Manager  
Pauline Hardie Comm Devel Director  
Lisa Young Finance Director  
Paul Bertagna Interim PW Director  
Kathy Nelson City Recorder

**GUESTS:**

Mac Hay Econ Devel Manager  
Bill Anthony District Ranger  
Wendy Holzman Councilor Elect  
David Asson Councilor Elect

1. Quarterly Meeting with Deschutes County Commissioners

A. Welcome and Introductions

The joint meeting of the Sisters City Council and Deschutes County Commissioners was called to order at 8:07 a.m. by **Mayor Kellstrom** and **Commissioner Baney**. Introductions were made and **Mayor Kellstrom** welcomed County staff and visitors. Council members provided their background information to newly elected Commissioner DeBone and in turn, he did the same.

B. Status Reports

1. Sisters Economic Development Program

**Mac Hay, Sisters Economic Development Manager** provided a recap of the economic development program insisters, explaining the hope was to retain and expand the number of businesses in Sisters. He discussed prospective businesses he was working with and the challenges he encounters, especially in acquiring funding, while providing assistance to these clients. He gave thanks for all the support he has received from many agencies and individuals.

**Commissioner Unger** asked if the enterprise zone had helped in attracting businesses. **Mr. Hay** replied that the enterprise zone had not been as successful as hoped so far, but it still continued to be a valuable tool. **Manager Stein** added the enterprise zone had been discussed and explored by several businesses and one business had been able to utilize it so far.

**Commissioner Baney** reported the County has an Economic Development Fund, facilitated by Economic Development of Central Oregon (EDCO) that could be used for relocation and

WORKSHOP MEETING MINUTES  
SISTERS CITY COUNCIL  
520 E. CASCADE AVENUE  
JANUARY 06, 2011

expansion costs. She explained that depending on the number of positions created by a business, there is a corresponding amount of the loan that can be forgiven. **Mr. Hay** was grateful for the information. **Councilor Thompson** stated he felt Sisters economic development program was great as it gave interested parties a point of contact and advocate to navigate all the issues surrounding setting up, relocating or expanding a business.

C. Other Business

1. Deschutes Skyline Collaborative Forest Landscape Project

**Manager Stein** gave thanks to Commissioner Unger for this trip to Washington D.C., last summer to promote a grant application for the Deschutes Skyline Project, a collaborative forest landscape project. She stated his diligence resulted in the project moving upwards in priority and the region receiving a multi-year, multi-million grant investment for fuel reduction on public lands in the region. She stated along with other area projects, the Popper Project will be eligible for funds from this program once the environmental studies are completed.

**Bill Anthony, Sisters District Ranger** voiced his appreciation to Commissioner Unger also in making projects in the Deschutes National Forest a high priority. He stated the ten million/ten year project consists of three main projects, the Sisters Area Fuels Reduction (SAFR) Project, Glaze Forest Restoration Project and the Popper Project. He noted the economic contribution the National Forest is making is becoming more obvious as it creates jobs for recreational opportunities and in wood products such as bio-mass.

**Councilor Thompson** asked if District Ranger Anthony foresaw changes coming with regard to restrictions for recreation opportunities. **District Ranger Anthony** stated budgets would be tighter but he did see small business opportunities such as additional yurts that would be privately managed being added in the region. **Councilor Thompson** asked if any changes to road access would be forthcoming. **District Ranger Anthony** stated the Forest Service was reducing road access by closing roads that are no longer needed. He added that did not include any large arterial routes often used by the general public. He stated the travel management program will be changing to restrict the types of vehicles allowed on some portions of Forest Service land in order to protect those areas.

2. Sisters Recycling Center

**Councilor Weed** stated she wanted to bring the issue of the Sisters Recycle Center to the attention of the County Commissioners and ask that they remember it when the County puts together its budget for FY 11/12. She reminded the Commissioners the one year trial period of it being run by High Country Disposal (HCD) would end in June as would funding from the County according to previous conversations. **Councilor Thompson** requested the County look at the information on usage collected by HCD to see how busy and important the recycle center is to the community. **County Administrator Kanner** stated the County is not required to provide rural recycling

WORKSHOP MEETING MINUTES  
SISTERS CITY COUNCIL  
520 E. CASCADE AVENUE  
JANUARY 06, 2011

centers and has found it is more efficient and cost effective to expand curbside recycling programs instead. He stated the fate of rural recycling centers should be decided by the haulers who are managing the centers now.

**Councilor Thompson** remarked the City had a partnership with the County when it first opened the recycling center. **Commissioner Unger** stated he recognized the big investment the City made in the recycling center but the challenge is to look at ways it can be changed to make it financially feasible. He stated instead of losing the investment perhaps there could be a step-down in the support provided. He stated with the economic climate the County is facing, it may be time to look past the former agreement and have a discussion with the hauler, County and City to look at other options. **Councilor Thompson** stated he doesn't want the center to become a burden to the citizens of Sisters and asked there be continued discussion on the issue at the next joint meeting with the commissioners. **Commissioner Baney** stated the community will need to look at what recycling will look like in the future and how much are they willing to pay for the service. **Councilor Merrill** noted the center is used by many county residents not just city residents so the County residents are also benefitting from the center. **Councilor Thompson** stated the recycling center also benefits the County by keeping recyclable items out of the landfill. **County Administrator Kanner** replied that recycling is not profitable but since the center is the only place where glass can be recycled, perhaps curbside glass recycling could be added as a service. He added there are options beyond the County subsidizing the program that can be used to make the recycling program viable. **Councilor Thompson** questioned at what point glass become trash as opposed to an item to be recycled. **County Administrator Kanner** stated that was an on-going conversation the County has had with the Oregon Department of Environmental Quality (DEQ).

**Mayor Kellstrom** asked for the topic to be slated for the next quarterly workshop with the Commissioners. He added that HCD should be involved in the conversation also. **Manager Stein** stated it would be added to the agenda of the next quarterly workshop.

3. Senior Housing

**Commissioner Debone** asked that a discussion on senior housing be added to the topics of conversation at the next quarterly meeting also. He stated he was very interested in being involved especially to assist with obtaining state funds.

D. Adjourn joint Meeting

**Mayor Kellstrom** thanked the County Commission staff for attending the workshop. **Mayor Kellstrom** called for a recess at 9:13 a.m. The meeting reconvened at 9:20 a.m.

3. Preview January 13, 2011 Workshop and Regular Meeting Agenda

WORKSHOP MEETING MINUTES  
SISTERS CITY COUNCIL  
520 E. CASCADE AVENUE  
JANUARY 06, 2011

**Manager Stein** provided a preview of the upcoming workshop and regular meeting.

**Councilor Thompson** asked how adoption of the Whychus Creek Restoration and Management Plan and Comprehensive Plan amendment changes would benefit the City. **Community Development Director Hardie** stated adoption of the plan and Comprehensive Plan amendments would show the City's commitment to protect Whychus Creek. She added it would not commit the City to any work or improvements. **Mayor Kellstrom** voiced his concern that adoption of the plan and amendments could evolve into a commitment for the City. **Director Hardie** stated she felt the Council would be comfortable with the language and that Upper Deschutes Watershed Council (UDWC) staff would be attending to answer questions. **Councilor Thompson** requested the staff report include background as to why the City would be adopting the plan as well as the benefit to the City with regard to soliciting grants.

**Mayor Kellstrom** stated he would like to bring Option #3 of the water rate structure back to the Council at the January 13<sup>th</sup> meeting for adoption. **Councilor Weed** stated she still had questions that need to be answered prior to being able to move forward with a decision but she was meeting with Manager Stein later in the afternoon to get her questions answered. **Councilor Elect Holzman** stated she wanted to make certain the changes would not be too impacting to low income users before she could make a decision. **Councilor Merrill** encouraged the Council to continue its research on direct and indirect costs. **Manager Stein** stated Option #3 would be a good first step as it would carry the Water Fund through June 2012 at which time the Council could discuss the necessary rate changes for FY 12/13. **Councilor Asson** suggested the Council not implement an interim plan but wait and figure out what was necessary for the long term. He voiced concern on the methodology that is used. **Manager Stein** stated if Option #3 were adopted at the next meeting, a change in the methodology could be considered over the next nine months.

Councilor Merrill left the meeting at 9:53 a.m.

**Councilor Weed** stated she wanted to discuss the upcoming Mayor and Council President election. **Councilor Weed** stated her first choice would be that she is Mayor and Mayor Kellstrom is Council President and her second choice would be to have Mayor Kellstrom serve as Mayor again and she would serve as Council President. She stated she thought it would make the community happier and serve everyone well to have representation from both sides. **Councilor Elect Asson** stated leadership and the future of the Council had been a concern of his for several weeks. He stated he didn't think this Council would have a problem working together regardless of who was Mayor or Council President. He announced he would be supporting **Mayor Kellstrom** to continue serving as Mayor. He added that he would discuss the office of Council President with Councilor Weed at a later time.

#### 4. City Manager Update

WORKSHOP MEETING MINUTES  
SISTERS CITY COUNCIL  
520 E. CASCADE AVENUE  
JANUARY 06, 2011

**Manager Stein** reported the City Attorney had filed the City's brief related to the suit with the Oregon Petroleum Association with the Oregon Court of Appeals.

**Manager Stein** reminded the Council that the yearly goal setting session was coming up and would be held on January 29<sup>th</sup> or February 5<sup>th</sup>. She anticipated the need for a longer than usual session because it's a new Council and to have time to preview the assumptions for the FY 11/12 budget season.

**Manager Stein** informed the Council the Chamber of Commerce Black and White Gala would take place on February 2<sup>nd</sup>. (Note: Date was moved to February 11<sup>th</sup>)

**Manager Stein** informed the Council of Sisters Habitat for Humanity's request for terminating its lease on the old City Hall. She stated Habitat is asking to be released from the requirement to provide and pay for a 90 day notice of its intent to vacate since the roof is not fixable and is unsafe according to Habitat's roofer. She stated the City will need to decide what will happen with the building. The **Council** agreed they had no issue with Habitat breaking the lease and paying only for the number of days it actually occupied the building in January. **Councilor Thompson** stated the City could tear the building down and finally construct something on the property that would benefit the entire community.

The meeting was adjourned at 10:12 a.m.

Respectfully submitted,

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Kathy Nelson, City Recorder

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Lon Kellstrom, Mayor