

QUARTERLY WORKSHOP WITH COUNTY COMMISSION MEETING MINUTES
SISTERS CITY COUNCIL
520 E. CASCADE AVENUE
JULY 07, 2011

MEMBERS PRESENT:

Lon Kellstrom	Mayor
David Asson	Council President
Sharlene Weed	Councilor
Pat Thompson	Councilor
Wendy Holzman	Councilor

STAFF PRESENT:

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

DESCHUTES COUNTY:

Tammy Baney	Commissioner
Alan Unger	Commissioner
Tony DeBone	Commissioner
Dave Kanner	County Administrator
Eric Kropp	Deputy County Administrator
Peter Russell	County Transportation Planner

GUESTS:

Rob Roy	Pacific Crest Housing
John Gerke	Sisters Homeless Coalition
Bill Willitts	McKenzie Meadow Village

1. Quarterly Meeting with Deschutes County Commissioners

Mayor Kellstrom and **Commissioner Baney** called the meeting to order at 8:05 a.m. and introductions were made.

A. Sisters Recycling Center Operating Agreement

Mayor Kellstrom directed the Commissioners and Council to the operating agreement between the City, County and High Country Disposal (HCD) for the recycling center and asked if there were any questions related to the new agreement. He asked if the City or HCD would pay to install security equipment if it was determined it was necessary. **Manager Stein** stated the City would pay for security equipment if it was necessary with a risk management grant it had received for that purpose.

Mayor Kellstrom informed the Commissioners the City would be seeking community input prior to determining what would happen with the recycling center by the end of next fiscal year. **Manager Stein** reported the center had begun operating on its new schedule of four days per week, between Friday and Monday. She stated the education process for the community had begun and input from the community on what they would be willing to support would help the City determine which option to pursue.

Councilor Thompson asked the County to consider participating in assisting in the sale of the building to HCD if that is the option chosen. He stated he felt the County's better financial position had come on the backs of Sisters citizens with increased costs for less service. He reported the City was also incurring a 4 percent increase annually with the Sheriff's Department contract for the same service. He stated he felt the City did not ask enough of the County.

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Commissioner Baney expressed her appreciation for Councilor Thompson's candor. She agreed the County and City needed an open relationship that allowed the City to be comfortable in asking the harder questions. **Commissioner Unger** stated identifying what the County was providing for the city would be a good place to start in the relationship. **Commissioner Baney** noted that in general, the cities in Central Oregon didn't ask for much from the county and so the focus had been on LaPine and its surrounding area. **Councilor Thompson** explained that changes the County makes can have a significant financial impact on the citizens of Sisters because of its small population.

B. Sisters Senior Affordable Housing Update

Commissioner Baney announced she had invited Rob Roy from Pacific Crest Housing to provide an update and overview of the affordable housing project. **Mr. Roy** reported the project was going quite well considering the many layers of funding and government involved. He reported the current issues he was dealing with included getting title to the property, the 130% basis boost, inclusion in the enterprise zone and the need for a 20 year tax abatement. He reported the \$5 million project would likely not include any solar components like previous projects had included as the Business Energy Tax Credit (BETC) program had changed and would no longer be available. He stated the key to the entire project was in securing funding but noted he did not expect to ask for any financial support from the County. He stated in order to obtain funding infrastructure at the property site would need to be installed or bonded for.

C. Ten Year Plan to End Homelessness

Deputy County Administrator Eric Kropp distributed information on Central Oregon's 10 Year Plan to End Homelessness. He explained Central Oregon is using the national model for its program which officially began on May 8, 2009 and includes Deschutes, Jefferson and Crook counties. He revealed that ultimately he hoped the Council would endorse and become advocates of the plan. He provided an overview of the regional plan.

Councilor Thompson asked if the plan addressed employment opportunities since an increase in jobs could alleviate a lot of the problems for the homeless. **Deputy Administrator Kropp** stated the plan did not address regional job creation but rather the aspect of getting an individual ready for employment. **Councilor Thompson** suggested if there was any way to incorporate some provision related to employment into the plan, it would be beneficial.

John Gerke, Sisters Homeless Coalition provided information on the vision, mission statement and goals of the local program for Sisters. He reported the program began a year ago and was comprised of concerned citizens committed to developing and implementing a plan to address homelessness within the school district boundaries. He stated the group was attempting to be included in the non-profit status of Sisters Park and Recreation District (SPRD) in order to pursue grant opportunities. He stated the first step the group took was to collect donations of survival

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gear such as tents, sleeping bags and coats and distribute those donations to the homeless in the area. He commented one of the largest drawbacks in the community for homeless individuals was the lack of transportation to the services available in Bend and Redmond, particularly at night since there are very few services available in Sisters. **Commissioner Baney** expressed that it was all right for the city to not have its own shelter, and that Sisters plan might be having a means to transport homeless individuals to one of the larger cities that does provide services. She complimented the Sisters Homeless Coalition for all it had accomplished to date. **Councilor Thompson** agreed with Commissioner Baney that partnering with a larger city made a lot of sense since the City of Sisters could not afford to support a large base program. **Mayor Kellstrom** added that the creation of jobs was crucial but that issue needed to be dealt with at a state level.

D. County TSP Update/Sisters Area Projects

Peter Russell, Deschutes County Transportation Planner distributed two maps; one illustrating proposed transportation project in the Sisters area to be completed by 2030 and another indicating area bikeways to be developed in the same timeframe. He stated the information was based on the county's analysis and future predictions of growth for the area. **Councilor Weed** voiced concern with the proposed installation of four lanes from Black Butte Ranch to Rail Way in Sisters and asked to be provided with more information which Planner Russell indicated he would forward. **Councilor Thompson** stated the problem with traffic is Sisters downtown core, noting it is a detriment to all of Central Oregon as people want to avoid getting tied up in the traffic bottleneck that occurs, especially in summer. **Commissioner Baney** stated when the improvements would be done for Highway 20 would be determined by the Oregon Department of Transportation (ODOT) noting that ODOT's standards of what constitutes failure on a roadway differed from the County's interpretation.

E. Senior Grange Hall Project

Bill Willitts, McKenzie Meadow Village (MMV) developer stated he was in attendance to introduce the County Commissioner's to the senior grange hall proposed for MMV. He provided an overview of the concept for the center and the businesses that would partners in sharing the building. He stated a recent survey of Sisters area residents indicated 65 percent rated a senior center as the highest priority need for the area. He explained MMV would not own and maintain the building when it was completed and indicated efforts were underway to have Central Oregon Council on Aging (COCOA) take that role. He stated the center would be built on a parallel track with Mark Adolph's senior assisted living project, which would reduce the costs associated with building the center. He stated the project would be unable to move forward if the assisted living facility was not built. He estimated \$400,000 would be required for base funding.

Commissioner Baney stated she would have a difficult time allotting any funds without knowing who would be operating the building. **Commissioner DeBone** stated determining who is

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responsible and who pays for maintenance of the building would be an issue to resolve prior to the center being built.

Councilor Weed asked what would happen with the Pacific Crest senior affordable housing project if Mr. Adolph did not receive funding for the assisted living project. **Mr. Willitts** replied that without the infrastructure from Mr. Adolph's project, the affordable housing project would have a very large hurdle to overcome. **Mr. Roy** stated he fully endorsed the senior grange hall project, relating that a similar project built in LaPine had been very successful.

F. Deschutes Water Alliance

Commissioner Unger reported the Deschutes Water Alliance (DWA) work plan for water supply needs in Central Oregon was moving forward and DWA was requesting all stakeholders to contribute \$2,000, or whatever amount was deemed appropriate, to the program. **Councilor Thompson** stated he felt municipalities should not be asked to contribute at the same level as irrigation districts since they use so much more water. **Mayor Kellstrom** requested the item be added to a future agenda.

G. Oregon Transportation Coalition

Commissioner Baney reported she had been appointed to the Oregon Transportation Commission to help shed light on how transportation issues affect cities.

Mayor Kellstrom thanked the County Commissioners and staff for attending the workshop.

Mayor Kellstrom called for a recess at 9:17 a.m. The meeting reconvened at 9:21 a.m.

2. Preview July 14, 2011 Workshop and Regular Meeting Agenda

Manager Stein provided a preview of the upcoming workshop and regular meeting. After further discussing the workshop topic, the Council decided it was premature to have the discussion related to the Five Pine/Lazy Z trail request and cancelled the workshop.

3. City Manager Update

Manager Stein reported the Water System TAC had met the previous night. She stated members had received a comprehensive presentation on water rights from Adam Sussman, the City's water rights consultant, particularly as it relates to securing water rights for Well #3. She stated Mr. Sussman had made the recommendation that the water right for Well #1 be transferred to Well #3, which would allow the City to exercise the water right using either well as needed, in order to provide the most flexibility and protection for the City. She stated Mr. Sussman also recommended the City begin the process to acquire permanent mitigation credits necessary for

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Well #3 so the City would not have to purchase temporary credits for Well #3 next summer. She stated after hearing the presentation TAC members, voicing concern about the lengthy timeframe needed for these processes and concern for the City continuing ability to provide a stable water source with two aging wells, concurred to recommend the Council immediately begin the process for both the water right transfer and permanent mitigation credits for Well #3. **Manager Stein** asked the Council if they would be willing to take the advice of the TAC or if a workshop to discuss the matter was necessary prior to moving forward with the strategies outlined. She stated Mr. Sussman had laid the groundwork for 87 credits towards permanent mitigation for Well #3 which would provide more than adequate coverage for next summer when the well is used. She added that ultimately the City would need over 200 mitigation credits to make Well #3 fully functional. She stated securing permanent water rights would position the City to meet the water needs of the City for a number of years.

Councilor Thompson expressed concern the City's water rights were not being fully used to the City's advantage. **Councilor Weed** asked whether the permanent mitigation credits were needed if the transfer of water right between Well #1 and Well #3 could be done. **Councilor Holzman** stated that both strategies needed to be pursued. **Mayor Kellstrom** stating he felt comfortable moving forward with the process on the recommendation of the TAC. **Manager Stein** indicated if the Council provided preliminary consent, Mr. Sussman could be scheduled for a workshop presentation to the Council when the two schedules could align. The **Council** agreed to have Mr. Sussman begin the two processes.

The meeting was adjourned at 10:08 a.m.

Respectfully submitted,

Kathy Nelson, City Recorder

Lon Kellstrom, Mayor