

WORKSHOP MEETING MINUTES
SISTERS CITY COUNCIL
520 E. CASCADE AVENUE
APRIL 28, 2016

MEMBERS PRESENT:

Chris Frye	Mayor
Nancy Connolly	Council President
David Asson	Councilor
Amy Burgstahler	Councilor
Andrea Blum	Councilor

STAFF PRESENT:

Paul Bertagna	PW Director
Patrick Davenport	CDD Director
Joe O'Neill	Finance Officer
Kathy Nelson	City Recorder

ABSENT:

Andrew Gorayeb	City Manager
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The workshop was called to order by Mayor Frye at 6:02 p.m.

1. Forgivable Loan Program

The item was pulled from the agenda due to some miscommunication between the City Attorney and the Economic Development Manager resulting in the item not being ready for presentation. **Councilor Asson** voiced frustration and inquired as to why since specific instructions had been given three weeks prior. **Mayor Frye** replied he did not know but City Attorney Bryant would be attending the regular meeting and the Council could ask that question.

Mayor Frye distributed an email he had written to the Council. **Mayor Frye** was concerned the City was not planning appropriately to balance how it could financially assist projects for the future and cover all the "asks" that would be coming to the City related to forgivable loans, affordable housing and the City's strategic reserves. **Mayor Frye** stated a means of replenishing the strategic reserves each year needed to be created. He stated the City needed to consider the forthcoming system development charge (SDC) waivers from Housing Works and Habitat for Humanity as well as the assistance Housing Works might need for its upcoming multi-family affordable housing project.

Mayor Frye asked how much the City had in the Reserve Fund and **Finance Officer O'Neill** replied the City had about \$800,000 in the General Fund Reserve. The **Council** inquired what the recommended amount to maintain in the reserve fund would be and requested staff query other municipalities to see what other cities deemed a healthy reserve amount.

Mayor Frye asked what the different impacts would be if the City waived versus payed for SDC fees. **Finance Officer O'Neill** stated if SDC charges were waived, no money would be going into the SDC fund and the fund would not grow. He stated if the City paid the SDC fees, money would transfer from the operating funds into the SDC funds. The **Council** determined the City could not afford to waive the SDC fees as the funds would be needed for future growth projects. **Finance Officer O'Neill** informed the Council Deschutes County Assessor Scot Langton was anticipating a property tax increase of 5% this year which would translate to approximately \$40,000.00 in additional revenue for the City.

Director Davenport stated that there would be a big financial hit if the City contributed to Housing Work's apartment building but the City might be able to juggle the pay-out over two fiscal years.

Mayor Frye posed the question on whether the City should sponsor a ballot measure in November to address the issue regarding the City Charter's required 50 year period of affordability in order for the Council to waive SDC's. **Councilor Blum** felt the length of the affordability period should not even be in the Charter and should be removed completely. She discussed the need to prioritize where the funds the City did have, would go. **Mayor Frye** questioned whether the City Council should prioritize how funds would be used or if another group should be tasked with prioritizing expenditures. **Mayor Frye** felt if the City set aside large amounts over the next few years, the Reserve Fund could be paid back.

Director Bertagna asked if there was interest in leveraging the strategic reserve. **Councilor Connolly** asked for an example and **Director Bertagna** explained that each completed project would produce increased revenue from property tax for the City and if that additional property tax revenue could pay the debt service then that would be a simple solution, especially considering the City's credit rating. He noted the Housing Works multi-family project would be used for many years and asked if the Council wanted to burden current tax payers or spread it out to other tax payers that might benefit from the project in the future. **Director Davenport** suggested Bend's Affordable Housing Manager Jim Long would be a very good resource for the Council and he had indicated he would be willing to speak to the Council and share his expertise. The **Council** requested staff research the amount the City should keep in its strategic reserve and reach out to Mr. Long and schedule a time when he could attend a workshop.

2. Other Business

Director Bertagna approached the Council with a request from Pine Meadow Village Home Owners Association (HOA) to landscape an unimproved section on the City's right of way on Pine Street. In exchange for the City paying for the materials needed, the HOA would maintain and water the ROW for the City. The costs for the materials were estimated at \$2,700 and included irrigation parts, 3500 square feet of sod, equipment rental and fuel costs. **Director Bertagna** reported the Street Fund still had adequate budget to cover the cost. The **Council** was supportive of the request and **Councilor Connolly** requested the City ask for a written statement from the HOA affirming they would maintain the landscaping.

Director Davenport informed the Council the timing for having the Sustainable City Youth Program work on the TSP update would not work and it had been dropped from the project list.

Director Davenport distributed a year to date listing of building permits activity. He noted there were 26 units and 23 building permits in the works, indicating it was a really good start to the year. He stated there was a high demand for housing but it was hard for builders to get quality employees due to the shallow labor force.

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Councilor Blum asked if the City was still negotiating with the Deschutes County Building Department to handle building code administration and **Director Davenport** replied work on the intergovernmental agreement was continuing and, when completed, would come to the Council for final approval.

The meeting was adjourned at 6:55 p.m.


Julie Pieper, Finance Assistant


Chris Frye, Mayor