



CITY COUNCIL Agenda

520 E. Cascade Avenue - PO Box 39 - Sisters, Or 97759 | ph.: (541) 549-6022 | www.ci.sisters.or.us

Wednesday, February 14, 2024

This City Council meeting is accessible to the public in person in the Council Chambers at 520 E. Cascade Avenue, Sisters, OR 97759

This meeting is open to the public and can be accessed and attended in person or remotely. Members of the public may view the meeting via Zoom at the link below:

<https://us02web.zoom.us/j/85339227375>

Visitor Communication: To offer written comments, send an email to recorder@ci.sisters.or.us no later than 3:00 p.m. on the day of the meeting. If attending the meeting via Zoom and wish to speak, submit your name, address, phone number, and the topic you intend to address to recorder@ci.sisters.or.us by 3:00 p.m. on the meeting day. For those attending the meeting in person, you may complete a request to speak form on-site.

5:30 PM WORKSHOP

1. Evaluation of Short-term Rental Code Amendments
2. Other Business

6:30 PM CITY COUNCIL REGULAR MEETING

1. **CALL TO ORDER/PLEDGE OF ALLEGIANCE**
2. **ROLL CALL**
3. **APPROVAL OF AGENDA**
4. **VISITOR COMMUNICATION**
5. **CONSENT AGENDA**
 - A. Minutes
 1. January 24, 2024 - Regular Meeting
 2. January 24, 2024 – Workshop
 - B. Accept Sunset Meadows Public Improvements Phase I & II
6. **COUNCIL BUSINESS**
 - A. **Public Hearing and Consideration of Ordinance 537: AN ORDINANCE GRANTING TDS BROADBAND SERVICE LLC, A WISCONSIN LIMITED LIABILITY COMPANY, THE RIGHT AND PRIVILEGE TO PROVIDE AND OPERATE A CABLE SYSTEM WITHIN CITY**

This agenda is also available via the Internet at www.ci.sisters.or.us

OF SISTERS, AND TO PLACE, ERECT, LAY, MAINTAIN, AND OPERATE IN, UPON, OVER, AND UNDER THE PUBLIC STREETS, ALLEYS, AVENUES, THOROUGHFARES, HIGHWAYS, PLACES, AND GROUNDS WITHIN CITY OF SISTERS, POLES, WIRES, AND OTHER APPLIANCES AND CONDUCTORS FOR ALL CABLE SYSTEM PURPOSES.

7. OTHER BUSINESS

- A. Quarterly Financial Review
- B. Staff Comments

8. MAYOR/COUNCILOR BUSINESS

9. ADJOURN

Pursuant to ORS 192.640, this agenda includes a list of the principal subjects anticipated to be considered at the above-referenced meeting; however, the agenda does not limit the ability of the Council to consider or discuss additional subjects. This meeting is subject to cancellation without notice.

This meeting is open to the public, and interested citizens are invited to attend. This is an open meeting under Oregon Revised Statutes, not a community forum; audience participation is at the discretion of the Council. The meeting may be recorded. The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made to the City Recorder at least forty-eight (48) hours in advance of the meeting.

Executive Sessions are not open to the public; however, members of the press are invited to attend.

The City of Sisters is an Equal Opportunity Provider

City of Sisters

Short-Term Rental Program Analysis Continued



OVERVIEW

- **BACKGROUND**
 - Purpose
 - Past Workshops
 - Identified Changes for Consideration
- **LEGAL ANALYSIS**
 - Transfer Limits
 - Moratorium
- **NEXT STEPS**
 - City Council Direction



BACKGROUND

PURPOSE

- 2023/24 City Council Goal
 - *Evaluate Short-Term Rental code language to mitigate adverse impacts on the community.*

PREVIOUS WORKSHOPS

- 9-13-23 City Council & 10-5-23 Planning Commission
 - Regulatory Framework
 - Regulatory Impact
 - Next Steps
- 1-24-24 City Council & 2-1-24 Planning Commission
 - Deschutes County Sheriff call data
 - Results of STR owner/operator survey
 - Analysis of increasing the concentration buffer from the current 250 feet to 500 feet



BACKGROUND

CITY COUNCIL IDENTIFIED CHANGES FOR CONSIDERATION

1. Expand concentration limit from 250 feet to 500 feet.
2. Apply concentration limit to condominiums.
3. Do not apply concentration limit to Commercial Zone Districts.
4. Prohibit STRs in Urban Growth Boundary expansion/annexation areas.
5. Limit transferability of “prior existing” STRs.
6. Increasing minimum required number of days to be rented.
7. Consideration of a moratorium on STR permits while changes are under consideration.



BACKGROUND

PLANNING COMMISSION IDENTIFIED CHANGES FOR CONSIDERATION

1. Special provisions for “hosted” STRs.
2. Do not apply an expanded concentration limit to primary residence or “hosted” STRs.
3. Temporary allowance for STRs during events of city-wide interest such as Sisters Folk Festival, Sisters Quilt Show, and Sisters Rodeo.



LEGAL ANALYSIS – TRANSFER LIMITS

BEFORE
12/28/18

- “Prior Existing” STRs
- Land Use Transferable to New Owners
- New Licenses Required

AFTER
12/28/18

- Land Use NOT Transferable
- New Land Use Approval and Licenses Required

LEGAL ANALYSIS – TRANSFER LIMITS

IDENTIFIED POTENTIAL ISSUES

- Impacts on Current Property Owner
 - “Taking” of vested property right
 - Property value
- Equal Treatment of Similarly Situated Properties and Uses
- Strategy Appears Untested



LEGAL ANALYSIS - MORATORIUM

OREGON REVISED STATUTE (ORS) 197.505-540

- Public Hearing Required
- DLCD 45-Day Notice of Public Hearing
- Maximum 120 days
- Required Findings
 - Existing regulations are inadequate.
 - Needed supply of affected housing is not unreasonably restricted.
 - Reasonable alternatives to moratorium are unsatisfactory.
 - Public harm caused by failure to impose a moratorium outweighs the adverse effects.
 - Sufficient resources are available to complete the development of regulations within the moratorium period.
- May be extended if needed and justified



NEXT STEPS – CITY COUNCIL DIRECTION

CITY COUNCIL IDENTIFIED CHANGES FOR CONSIDERATION

1. Expand concentration limit from 250 feet to 500 feet.
2. Apply concentration limit to condominiums.
3. Do not apply concentration limit to Commercial Zone Districts.
4. Prohibit STRs in Urban Growth Boundary expansion/annexation areas.
5. Limit transferability of “prior existing” STRs.
6. Increasing minimum required number of days to be rented.
7. Consideration of a moratorium on STR permits while changes are under consideration.

PLANNING COMMISSION IDENTIFIED CHANGES FOR CONSIDERATION

1. Support for special provisions for “hosted” STRs.
2. Do not apply an expanded concentration limit to primary residence or “hosted” STRs.
3. Temporary allowance for STRs during events of city-wide interest such as Sisters Folk Festival, Sisters Quilt Show, and Sisters Rodeo.



QUESTIONS?

Matthew Martin, AICP

Principal Planner

mmartin@ci.sisters.or.us

541-323-5208





CITY COUNCIL Staff Report

Meeting Date: February 14, 2024
Type: Workshop
Subject: Short-Term Rental Program Evaluation

Staff: Martin
Dept: Community Development

Action Requested: Workshop to present and discuss potential changes to the short-term rental program.

Summary Points:

The City Council (Council) identified “evaluation of the Short-Term Rental Code language to mitigate adverse impacts on the community” as a goal for the 2023-24 fiscal year. This evaluation has included staff research and analysis that has been presented to the Council and the Planning Commission (Commission) for consideration. The purpose of this workshop is to continue this evaluation and addresses the following:

- I. EVALUATION BACKGROUND
- II. LEGAL ANALYSIS OF TRANSFER LIMITS AND MORATORIUM
- III. NEXT STEPS

I. EVALUATION BACKGROUND

This evaluation was initiated at workshops with the Council and Planning Commission (Commission) on the following dates that included a staff presentation of an overview of the Short-Term Rental (STR) and request for input and direction regarding potential changes to the program:

- September 13, 2023 - City Council Workshop¹
- October 5, 2023 - Planning Commission Workshop²

The Council and Commission were in general agreement that changes to the program should be considered. Before pursuing any formal action, additional data and analysis were requested to better understand the impacts of the current STR program and potential changes. Subsequent workshops were conducted on the following dates that included staff presentation of Deschutes County Sheriff call data, results of STR owner/operator survey, and analysis of increasing the concentration buffer from the current 250 feet to 500 feet:

¹ 9/13/23 City Council Workshop: <https://www.ci.sisters.or.us/bc-citycouncil/page/city-council-workshop-and-regular-meeting-4>

² 10/5/23 Planning Commission Workshop: <https://www.ci.sisters.or.us/bc-pc/page/planning-commission-66>

- January 24, 2024 City Council Workshop³
- February 1, 2024 Planning Commission Workshop⁴

In general, some members of the Council expressed interest in changes to address impacts on availability of long-term housing and neighborhood livability for residents. The following is a summary of the changes identified by the Council for further discussion:

1. Expand concentration limit from 250 feet to 500 feet.
2. Apply concentration limit to condominiums.
3. Do not apply concentration limit to Commercial Zone Districts.
4. Prohibit STRs in Urban Growth Boundary expansion/annexation areas.
5. Limit transferability of “prior existing” STRs.
6. Increasing minimum required number of days to be rented.
7. Consideration of a moratorium on STR permits while changes are under consideration.

The Commission generally agreed with the changes identified by the Council but did not address consideration of a moratorium - recognizing that it is a policy decision for only the Council to consider. In addition to the identified changes, the Commission added the following for consideration:

1. Support for special provisions for STRs where the dwelling is the primary residence of the owner and/or “hosted” rentals where the owner is present on the property during the rental period.
2. Do not apply a concentration limit increase to primary residence or “hosted” STRs.
3. Temporary allowance for STRs during events of city-wide interest such as Sisters Folk Festival, Sisters Quilt Show, and Sisters Rodeo.

II. LEGAL ANALYSIS OF TRANSFER LIMITS AND MORATORIUM

As noted above, the Council and Commission have expressed interest in limiting the transfer of “prior existing” STRs. In addition, some members of Council have expressed interest in considering adoption of a moratorium on acceptance of new STR applications while changes are contemplated. Staff consulted city legal counsel on these issues and below is a brief overview. Staff and legal counsel will be present at the workshop to provide additional detail.

Transfer Limits

Pursuant to Sisters Development Code (SDC) Section 2.15.2700(J)⁵, “prior existing” STRs are those lawfully established or applied for prior to December 28, 2018. These prior existing STRs are allowed to be transferred to new owners. In contrast, those STRs applied for after December 28, 2018, are not

³ 1/24/24 City Council Workshop: <https://www.ci.sisters.or.us/bc-citycouncil/page/city-council-workshop-meeting-0>

⁴ 2/1/24 Planning Commission Workshop: <https://www.ci.sisters.or.us/bc-pc/page/planning-commission-73>

⁵ SDC 2.15.2700: <https://www.codepublishing.com/OR/Sisters/#!/SistersDevCode02/SistersDevCode0215.html#2.15.2700>

transferable and, instead, require new owners to receive a new approval, subject to compliance with the concentration limits and other requirements.

The Council and Commission have expressed interest in limiting the number of times prior existing STRs can be transferred to new owners. Staff has identified this as a potential legal issue associated with the “takings” of a vested property right. It appears limiting the transfer of prior existing STRs has not been implemented and, therefore, remains untested. Other strategies, such as an amortization approach that phases out STR uses over a period of time, have been implemented by other jurisdictions but details of recent case law do not provide comprehensive findings and cannot be relied upon for clear guidance. In general, any such change must contemplate impacts on the rights of the current property owner and consideration of equal treatment of properties and uses that are similarly situated. Needless to say, this is a complex and nuanced issue so, instead of elaborating further in this staff report, staff and city legal counsel will present and discuss the details of this issue at the workshop.

Moratorium

A “pause” in accepting new STR applications, such as a moratorium, is a tool available for consideration and one that has been used by other jurisdictions while development code changes are being considered. However, implementation of a moratorium is not a process that can be done quickly. Similar to legislative changes to the development code, adoption of a moratorium requires a relatively lengthy and detailed review process. Specifically, Oregon Revised Statute (ORS) 197.505-540⁶ identifies the process for establishing moratoria of “construction or land development.” A public hearing is required and notice of public hearing shall be sent to the Oregon Department of Land Conservation and Development (DLCD) at least 45-days prior to the hearing. Because the moratorium under consideration is not identified as a public infrastructure capacity issue, a moratorium under ORS 197.505 can only be justified where:

1. That application of existing development ordinances or regulations and other applicable law is inadequate to prevent irrevocable public harm from development in affected geographical areas;
2. That the moratorium is sufficiently limited to ensure that a needed supply of affected housing types and the supply of commercial and industrial facilities within or in proximity to the city, county or special district are not unreasonably restricted by the adoption of the moratorium;
3. Stating the reasons alternative methods of achieving the objectives of the moratorium are unsatisfactory;
4. That the city has determined that the public harm which would be caused by failure to impose a moratorium outweighs the adverse effects on other affected local governments, including shifts in demand for housing or economic development, public facilities and services and buildable lands, and the overall impact of the moratorium on population distribution; AND
5. That the city has determined that sufficient resources are available to complete the development of needed interim or permanent changes in plans, regulations or procedures within the period of effectiveness of the moratorium.

⁶ ORS 197: https://www.oregonlegislature.gov/bills_laws/ors/ors197.html

The maximum duration of this non-public infrastructure moratorium is 120 days, but it may be extended after a subsequent public hearing and providing notice of public hearing to DLCD at least 14 days prior to the hearing. Any extension is subject to adoption of written findings that:

1. Verify the problem giving rise to the need for a moratorium still exists;
2. Demonstrate that reasonable progress is being made to alleviate the problem giving rise to the moratorium; and
3. Set a specific duration for the renewal of the moratorium. No extension may be for a period longer than six months.

It is important to note that any regulations adopted during the moratorium will not apply to applications filed before the moratorium.

III. NEXT STEPS

Staff requests the Council provide further direction on the identified items and any others that emerge to be formally considered for amendments to the Sisters municipal and/or development codes. Staff will then draft text amendment language for consideration. This will be followed by the formal text amendment adoption process including public hearings before the Commission and Council.

Financial Impact: None identified at this time.

Attachments: None

MEMBERS PRESENT:

Michael Preedin Mayor
Andrea Blum Council President
Jennifer Letz Councilor
Susan Cobb Councilor
Gary Ross Councilor

STAFF PRESENT:

Jordan Wheeler City Manager
Kerry Prosser Assistant City Manager
Joe O'Neill Finance Director
Scott Woodford CDD Director
Paul Bertagna PW Director
Matthew Martin Principal Planner
Chad Davis LT DCSO
Rebecca Green Deputy Recorder

GUESTS:

Steve Donovan Donovan Enterprises, Inc.

The meeting recording is available here:

<https://www.ci.sisters.or.us/bc-citycouncil/page/city-council-workshop-meeting-0>

Mayor Preedin called the workshop to order at 5:00 p.m.

1. Deschutes County Sheriff Office Update

Lieutenant Davis announced that the newly hired Deputy, Aaron Myers, is scheduled to start work on January 31. Myers will fill the late-night service gap from Wednesday through Saturday, ensuring Sisters is now fully staffed. Lt. Davis will present year end statistics at the February 28th meeting, providing a detailed overview of services for 2021 through 2023, and make needed comparisons of staffing impacts. Discussion ensued about recent weather events and preparedness. Lt. Davis mentioned the unique challenges posed by the abundance of old growth ponderosa pines during weather events. Councilor Cobb asked whether it was worth looking at tree maintenance to mitigate hazard. Councilor Ross acknowledged the complexity of the City's forests, and suggested the concern be brought to the Urban Forestry Board.

2. Water and Sewer System Development Charge Update

Director Bertagna introduced the background of the System Development Charge (SDC) outlining the relationship between the adoption of both the Sisters Water Master Plan and the Sisters Wastewater Facilities Plan at the June 14, 2023, meeting, and the requirement to pay for those improvements. In part, those improvements would be paid for by developers with SDCs at the permit stage of a construction project. Bertagna described that the charge would be for newly required 16" pipes, and that the current 12" pipes will continue to be paid by water rates.

The City of Sisters has contracted with Donovan Enterprises to consult on the project. Steve Donovan presented background information, reiterating that SDCs are not charged to rate payers, but to new development at the time of permit issuance. This charge puts the City

of Sisters roughly in the middle of charges compared to surrounding cities. While the current timeline indicates that the SDCs would be incorporated into the 2024-2025 budget, COBA (Central Oregon Business Association) has requested a 90-day delay to give businesses time to plan for the change.

Discussion revolved around the need to fund upcoming and future projects while also creating better infrastructure ahead of the increase in growth. Efforts will be made to supplement needed funds through other programs. The SDC may rise moderately due to the needs of both street and parks services. The SDC policy ensures that costs are not borne by current ratepayers, but rather future homeowners and developers.

Director Bertagna addressed concerns presented in the COBA letter.

3. Short-term Rental Code Amendments

Mayor Preedin recused himself as he owns a short-term rental. He passed the gavel to Council President Blum.

Principal Planner Martin made a presentation providing background information and new data to assist Council in considering amendments to the Short-Term Rental Code. This information is in response to the City Council Goal of evaluating the Short-Term Rental Code language to determine if that would shift the availability of housing units for long-term occupancy and reduce the number of nuisances created by STRs. These concerns have also been addressed at the September 13, 2023, City Council Workshop and the October 5, 2023, Planning Commission meeting. Martin outlined details related to three areas: Deschutes County Sheriff STR call data, results from the STR owner/operator survey, and analysis of increasing concentration limits. Council asked many questions to elicit distinctions related to the data, survey, and analysis presented.

Councilor President Blum asked whether amendments to the code would increase the availability of affordable housing or improve livability. Martin responded that the survey indicated that there is not a strong appetite for homeowners to provide long-term rentals. Also, it is unlikely many of those properties would be offered at an affordable price in the market. Councilor Letz suggested that the sustained housing crunch in Sisters is present whether the property would sell at a higher or lower price, and there is likely a market for homeowners at every level to buy or rent long-term.

Councilors Ross and Cobb indicated support for the 500-foot buffer as well as supporting STRs in the downtown commercial zone. Ross indicated there could be different rules for different types of dwellings and is not in support of increasing the number of days STRs can be rented. Councilor Cobb proposed that we mitigate the effects of change to the STR Code to the homeowner by requiring that when a current homeowner sells their property, the

STR permit is retained for the buyer, with the stipulation that a subsequent sell would not transfer the permit. Martin will consult with legal on all transferability questions.

Councilor Letz suggested Council consider a temporary moratorium on the issuance of permits until the STR Code is amended. Letz stated she was in support of different rules for different types of dwellings, saying that she is not in support of using single-family residences for STRs, unless it is offered by a homeowner at their primary residence.

Council President Blum stated that the Council would need to table the discussion for another time. Blum indicated support for STRs as a way for community members to obtain or supplement their income. She asked Council to further review the survey results before the next discussion.

Martin thanked Council and specified he would return to Council with legal analysis and strategies used by other communities on the transferability of STR permits, and other conditions.

4. Other Business – None.

The meeting was adjourned at 6:37 p.m.

Rebecca Green, Deputy Recorder

Michael Preedin, Mayor

MEMBERS PRESENT

Michael Preedin Mayor
Andrea Blum Council President
Jennifer Letz Councilor
Susan Cobb Councilor
Gary Ross Councilor

STAFF PRESENT:

Jordan Wheeler City Manager
Joe O’Neill Finance Director
Kerry Prosser Assistant City Mgr.
Paul Bertagna PW Director
Scott Woodford CDD Director
Rebecca Green Deputy Recorder

The meeting recording is available here:

<https://www.ci.sisters.or.us/bc-citycouncil/page/city-council-workshop-meeting-0>

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE

The meeting was called to order by Mayor Preedin at 6:45 pm.

2. ROLL CALL

A roll call was taken, and a quorum was established.

3. APPROVAL OF AGENDA

Council President Blum made a motion to approve the agenda. Councilor Ross seconded the motion. Preedin, Blum, Letz, Ross, and Cobb voted aye; the motion carried 5-0.

4. VISITOR COMMUNICATION

Karen Rugg, Sisters, discussed how specific updates to the downtown commercial zone section of the Short-Term Rental code might affect her family’s efforts to establish a unique short-term rental that she believes will enhance the community. She requested Council take into consideration those projects in the midst of development when deciding to whom the new code applies.

Peter Hoover, Executive Director of Habitat for Humanity, Sisters requested a letter of support from Council for their application to Oregon Housing and Community Services for funds that will enable Habitat to work with the city on Affordable Housing and Workforce Housing projects.

Central Oregon Builders Association submitted a letter to Council responding to the proposed Water and Wastewater System Development Charges.

Rosemary Vasquez submitted an email to Council regarding houselessness during cold weather storms.

5. CONSENT AGENDA

- A. Minutes
 1. January 10, 2024 - Regular Meeting
 2. January 10, 2024 – Workshop

- B. Approve changes to the 2024 City Council Meeting Schedule: Cancel the July 24th, November 13th, November 27th, and December 25th meetings and add meetings on November 7th and 20th.

- C. Approve Resolution 2024-03: A RESOLUTION OF THE CITY OF SISTERS DECLARING A STATE OF EMERGENCY AND AUTHORIZING TEMPORARY SHELTER FACILITIES DURING SEVERE COLD WEATHER CONDITIONS.

Council President Blum made a motion to approve the Consent Agenda. Councilor Letz seconded the motion. Preedin, Blum, Letz, Ross, and Cobb voted aye; the motion carried 5-0.

6. COUNCIL BUSINESS

- A. **Discussion and Consideration of Resolution 2024-02:** A RESOLUTION OF THE CITY OF SISTERS AUTHORIZING AN INTERFUND LOAN OF \$500,000 FROM THE GENERAL FUND TO THE SISTERS' URBAN RENEWAL AGENCY.

Director O'Neill reviewed the staff report. He explained that the Urban Renewal Agency's (URA) Project Fund lacks funds to accomplish the design and construction of the US20/Locust Roundabout and other projects, as the tax revenue funds for URA exist in the Debt Service Fund and cannot be directly transferred to the project fund. Therefore, the resolution requests a loan from the City of Sisters General Fund directly to the URA Project Fund, that will be paid down through the URA Debt Service Fund.

Councilor Ross made a motion to approve Resolution 2024-02. Councilor Letz seconded the motion. Preedin, Blum, Letz, Ross, and Cobb voted aye; the motion carried 5-0.

7. OTHER BUSINESS

- A. Staff Comments

City Manager Wheeler

- Wheeler thanked the Public Works crew for their great work during the first significant winter storm of the season.
- Wheeler thanked the Sisters Cold Weather Shelter, the many volunteers, and the Oregon Office of Resilience and Emergency Management, each for their role in establishing the City's 291 E. Main Street building as an Emergency Shelter during the storm. Wheeler, Assistant City Manager Prosser, and Councilors Cobb and Ross attended a debrief meeting, discussing what went well, as well as lessons learned.

The Resolution passed this evening places the Emergency Shelter program in effect for future cold weather storms.

- City Council's January 22, 2024 Goal Setting Open House was a success, with approximately 30-35 participants. The community's feedback will be consolidated, along with results from the recent Goal Setting Survey, to be available for Council's February 6, 9 a.m. 2024-25 Goal-Setting Workshop to be held at 291 E. Main Avenue.

Assistant City Manager Kerry Prosser:

- RFPs for the lease of 291 E. Main Avenue will close on February 9. It was determined Mayor Preedin and Councilor Cobb will review the RFPs with staff, with Council President Blum the designated alternate.

Finance – Director O'Neill:

- O'Neill thanked Council for investing in the right equipment over the last few years so that Public Works crew can respond well to cold weather storms.
- The Urban Renewal Agency's Annual Report is complete and posted on the City's website.
- The audit for the City's finances is in progress and close to completion. The Budget Committee is engaged and doing good work.

Community Development Department – Director Woodford:

- Work continues on updating Development Codes; including Short-Term Rentals, and establishing specific language for Building Hardening and Defensible Space codes that will help mitigate the threats of fire in Sisters.
- Community Development received an application for a text amendment to the Tourist Commercial Zone. That potential change will be brought before both the Planning Commission and City Council.
- After passing Ordinance 536 amending the City's Dark Sky Standards, the next step is to pursue Dark Sky Certification. It is recommended to set up a citizen committee to work out the details, and a request was made to Council to draft a letter of support.
- The Community Development area of the City's website now has a section titled "Growth Management" that provides resources outlining background information and context for growth in Sisters. Anyone interested in knowing more about these efforts are encouraged to peruse the website.

Public Works – Paul Bertagna:

- There is a revised design of the East Portal Mobility Hub that takes into consideration the preservation of old growth trees. The new design sacrifices several parking spaces, but saves multiple trees.

- Both the East Portal Mobility Hub and the Barclay Avenue Improvements projects will be presented at the Public Works Advisory Board, then go before the City Council for approval before budgeting for construction.
- Bertagna acknowledged that the Public Works crew did a great job in the face of many challenges during the winter storm.

8. MAYOR/COUNCILOR BUSINESS

Mayor Preedin verified all Council members were in favor of sending a letter of support for Habitat for Humanity. Preedin asked whether Council wanted to further discuss Short-Term Rentals, specifically in the Commercial Zone to address tonight's Visitor Communication.

Council discussed whether they provided Principal Planner Martin with enough direction on short-term rentals for the next meeting. It was acknowledged that Martin would return to Council with legal analysis and strategies used by other communities, and that there were many more questions to answer. Council will forward additional comments to Martin, with copy to City Manager Wheeler, and further discuss Short-Term Rentals at the next Council Workshop.

Councilor Ross briefly discussed the debrief of Emergency Cold Weather Shelter efforts, saying that most of the feedback was constructive and positive.

Councilor Letz stated she recently attended several Economic Development for Central Oregon meetings where challenges to increasing power was discussed. Letz said the Council's Goal-Setting Open House went well and what stood out was the discussions with parents about the lack of indoor activities for small children.

Mayor Preedin stated the Council's Goal-Setting Open House went very well and he would like Council to have them three times per year. He shared that District 53 Representative Emerson Levy approached him about having a Town Hall open house meeting hosted by the City of Sisters, which will take place on Wednesday, January 31, 4 p.m. Preedin clarified that a letter of support for Dark Skies certification is supported by Council. Finally, Preedin thanked staff for their efforts in establishing the Emergency Shelter.

9. ADJOURN: 7:52 p.m.

Rebecca Green, Deputy Recorder

Michael Preedin, Mayor



CITY COUNCIL Staff Report

Meeting Date: February 14, 2024

Staff: Paul Bertagna

Type: Regular Meeting

Dept: Public Works

Subject: Public Improvement Acceptance – Sunset Meadows Phases I and II

Action Requested: Motion to accept the Public Improvements in the Consent Agenda for Sunset Meadows Phases I and II

Summary Points:

- As one of the final steps in the construction of public improvements, the City Council formally accepts the public improvements.
- The Public Works Department goes through a detailed checklist to ensure the Developer has met the requirements of the land use approval process as well as the Public Works requirements.
- The public improvements are ready to be accepted by the City of Sisters for perpetual operation and maintenance and start the one-year warranty period.

Financial Impact:

Accepting these improvements means the City will perpetually own and maintain this infrastructure.

Attachment(s):

A. Final Acceptance Checklist



City of Sisters

Subdivision/Public Works Improvements Final Acceptance Checklist

Subdivision Name: Sunset Meadows Phase I and II

Developer: Woodhill Homes

Contractor: Robinson & Owen Heavy Construction

| Checked Item | Approved/Date | N/A | Comments |
|------------------------------|-----------------------------|-----------------------------|---------------------------------------|
| 1. Easements/Dedications | | | |
| A) Accurate | <u> </u> | <u> </u> | <u>Verified in Final Plat Review</u> |
| B) Special Items Installed | <u> </u> | <u> </u> | <u>Open Space Tracts/Easements</u> |
| C) Recorded | <u> Pending </u> | <u> </u> | <u>Final Plat is under review</u> |
| 2. Public Works Requirements | | | |
| A) Cost of Improvements | | | |
| 1) Water | <u> 2/2/24 </u> | <u> </u> | <u>\$254,782.00</u> |
| 2) Sewer | <u> 2/2/24 </u> | <u> </u> | <u>\$225,239.00</u> |
| 3) Streets | <u> 2/2/24 </u> | <u> </u> | <u>\$496,593.00</u> |
| 5) Pumpstations | <u> </u> | <u> N/A </u> | <u> </u> |
| 6) Other | <u> </u> | <u> N/A </u> | <u> </u> |
| B) Development Agreement | <u> Yes </u> | <u> </u> | <u>MP22-01, SUB22-01</u> |
| C) Pre-Construction | <u> Yes </u> | <u> </u> | <u>BECON/Cont/Eng/Owner</u> |
| 3. Water System | | | |
| A) Water Mains | | | |
| 1) Diameter/Type | <u> </u> | <u> </u> | <u>780' 12" C900, 500' 12" C900</u> |
| 2) Chlorinated | <u> Yes </u> | <u> </u> | <u>HD Fowler (10/23/23)</u> |
| 3) Flushed | <u> Yes </u> | <u> </u> | <u>HD Fowler (10/24/23)</u> |
| 4) Bacti Test Pass | <u> Yes </u> | <u> </u> | <u>3 samples (10/25/23)</u> |
| 5) Pressure Test Pass | <u> Yes </u> | <u> </u> | <u>HD Fowler (10/27/23)</u> |
| B) Valves | | | |
| 1) Nut Centered in Can | <u> Yes </u> | <u> </u> | <u>checked during final walk-thru</u> |
| 2) Open Position | <u> Yes </u> | <u> </u> | <u>field verified by PW's Dept.</u> |
| 3) Quantity/Size | <u> OK </u> | <u> </u> | <u>per plans</u> |
| 4) Locations | <u> OK </u> | <u> </u> | <u>per plans</u> |



| Checked Item | Approved/Date | N/A | Comments |
|------------------------|---------------|-------|------------------------------|
| C) Services | | | |
| 1) Meter Sizes | _____ | _____ | (25) 3/4" (1) 4" |
| 2) Meter Boxes (Types) | OK | _____ | Carson Heavywall |
| 3) Meter Height | OK | _____ | _____ |
| 4) Tracer Wire | OK | _____ | _____ |
| D) Fire Hydrants | | | |
| 1) Pressure Rating | OK | _____ | 150 psi (4 Hydrants) |
| 2) Make/Model | Mueller | _____ | _____ |
| 3) Hydrant Valve Open | Yes | _____ | field verified by PW's Dept. |
| 4) Correct Height | OK | _____ | _____ |
| 5) Bollards | Yes | _____ | _____ |
| 6) Snow Flags | Yes | _____ | _____ |
| E) Irrigation Systems | | | |
| 1) Water Service(s) | _____ | N/A | _____ |
| 2) Backflow(s) | _____ | N/A | _____ |
| F) Hot Taps | | | |
| _____ | _____ | N/A | _____ |
| 4. Sewer System | | | |
| A) Sewer Mains | | | |
| 1) Diameter/Type | _____ | _____ | 641' of 8" 3034 |
| 2) Cleaned and Flushed | Yes | _____ | R & O |
| 3) Air Test/Passed | Yes | _____ | R & O |
| 4) T.V. Test/Passed | Yes | _____ | City Staff |
| 5) Mandrel/Passed | Yes | _____ | R & O |
| B) Manholes | | | |
| 1) Quantity | _____ | _____ | (5) 48" |
| 2) Locations | _____ | _____ | per plan |
| 3) Grouted | Yes | _____ | _____ |
| 4) Cleaned | Yes | _____ | _____ |
| 5) Locate Wire(s) | Yes | _____ | _____ |
| 6) Vacuum Test/Passed | Yes | _____ | HD Fowler |
| C) Laterals | | | |
| 1) Size(s) | _____ | _____ | (25) 4" (2) 6" |
| 2) Cleaned and Flushed | Yes | _____ | _____ |
| 3) Every lot is served | Yes | _____ | _____ |
| 4) Brooks Boxes | Yes | _____ | _____ |
| 5) Locate Wire(s) | Yes | _____ | _____ |
| D) Mainline Cleanouts | | | |
| 1) Quantity | _____ | N/A | _____ |
| 2) Locations | _____ | N/A | _____ |
| 3) Concrete Poured | _____ | N/A | _____ |



| Checked Item | Approved/Date | N/A | Comments |
|------------------------|---------------|-------|----------------------------------|
| 4) Locate Wire | _____ | N/A | _____ |
| 5. Stormwater | | | |
| A) Drainage Swails | | | |
| 1) Depth/Width | _____ | _____ | per plan |
| 2) Drain Material | _____ | _____ | 18" Topsoil |
| 3) Cover Material | _____ | _____ | 14-37" of 2-4" Round |
| B) Detention Areas | | | |
| 1) Capacity | _____ | N/A | _____ |
| 2) Geo-Fabric | _____ | N/A | _____ |
| 3) Areas Cleaned | _____ | N/A | _____ |
| 4) Access for Maint. | _____ | N/A | _____ |
| C) Curb Inlets/Outlets | | | |
| 1) Locations | _____ | N/A | _____ |
| 2) Quantity | _____ | N/A | _____ |
| 3) Clean of Debris | _____ | N/A | _____ |
| D) Catch Basins | | | |
| 1) Locations | _____ | _____ | B Street |
| 2) Quantity/Size | _____ | _____ | (2) G-2's |
| 3) Cleaned | Yes | _____ | _____ |
| E) Drywells | | | |
| 1) Locations | _____ | _____ | A Street |
| 2) Quantity | _____ | _____ | 1 |
| 3) Cleaned | Yes | _____ | _____ |
| 4) Tested | Yes | _____ | HA McCoy (24 hr test) |
| 6. Streets | | | |
| A) Sidewalks/Curbs | | | |
| 1) Quantity | _____ | _____ | 4280 SF concrete (A Street only) |
| 2) Alignment | _____ | _____ | per plan |
| 3) Joint Spacing | OK | _____ | _____ |
| 4) Backfilled Edge | Yes | _____ | _____ |
| 5) Clean | Yes | _____ | _____ |
| 6) ADA Ramps | _____ | _____ | (10) ramps |
| B) Asphalt | | | |
| 1) Quantity | _____ | _____ | 5120 SY HMAC |
| 2) Laying Temps | OK | _____ | Tri-County |
| 3) Infra-red Patches | _____ | N/A | _____ |
| 4) Edge Rock | OK | _____ | _____ |
| 5) Clean | OK | _____ | _____ |
| C) Street Trees | | | |
| 1) Quantity | _____ | _____ | Bonded |
| 7. Final Walk-Thru | | | |



| Checked Item | Approved/Date | N/A | Comments |
|---------------------------|---------------|-----|--------------------|
| A) Punchlist | Yes | | Contractor/PWD |
| B) Punchlist Items fixed | Yes | | |
| 8. As-Builts | | | |
| A) Approved | Yes | | 1/22/2024 |
| 9. Letter of Completion | Yes | | 1/22/2024 |
| A. Bond Reduction | | N/A | |
| B. 10% Warrant Bond Rec'd | Yes | | |
| C. 1yr Warranty Begins | Pending | | Council acceptance |



Meeting Date: February 14, 2024

Type: Regular Meeting

Subject: Ordinance 537 TDS Broadband Service LLC Franchise Agreement

Staff: J. Wheeler

Dept: Administration

Action Requested: Adopt Ordinance 537, granting a non-exclusive franchise with TDS Broadband Service LLC, to provide and operate a cable system within the City of Sisters.

Summary Points:

- The City's original franchise agreement with the cable provider, Bend Cable Communications, was granted in 1998. The City consented to and approved the assigned agreement to TDS Baja Broadband LLC in 2014. The original agreement was then assigned to TDS Broadband LLC, which is an entity under the control of TDS Baja.
- The original franchise agreement with TDS Broadband expired on August 24, 2023, and through the City's attorney, the City and TDS Broadband LLC negotiated a new franchise.
- The franchise would grant TDS Broadband Service LLC the continued right and privilege to operate a cable system in Sisters and use the public streets, alleys, and avenues for its cable infrastructure.
- The term of the franchise is for a period of 10 years with an additional 10 years by mutual agreement.
- The franchise includes cable service at the request of the city to four city facilities: City Hall, Public Works Headquarters, Creekside Campground, and the Main Avenue Building, 291 E. Main Avenue.

Financial Impact:

- The franchise includes the statutory limit of 5% of gross revenues for the rights and privileges granted to TDS in the agreement. The City collects about \$50,000 in revenue from the franchise fee which is allocated to the Street Fund.

Attachments:

- Ordinance 537

**CITY OF SISTERS
ORDINANCE NO. 537**

AN ORDINANCE GRANTING TDS BROADBAND SERVICE LLC, A WISCONSIN LIMITED LIABILITY COMPANY, THE RIGHT AND PRIVILEGE TO PROVIDE AND OPERATE A CABLE SYSTEM WITHIN CITY OF SISTERS, AND TO PLACE, ERECT, LAY, MAINTAIN, AND OPERATE IN, UPON, OVER, AND UNDER THE PUBLIC STREETS, ALLEYS, AVENUES, THOROUGHFARES, HIGHWAYS, PLACES, AND GROUNDS WITHIN CITY OF SISTERS, POLES, WIRES, AND OTHER APPLIANCES AND CONDUCTORS FOR ALL CABLE SYSTEM PURPOSES.

WHEREAS, Bend Cable Communications, LLC (“BCC”), an Oregon limited liability company d/b/a Bend Broadband, operated a certain cable system within City of Sisters (“City”), an Oregon municipal corporation, pursuant to the terms of a certain franchise agreement contained in Ordinance No. 285 (the “Original Agreement”); and

WHEREAS, on June 12, 2014, City consented to and approved BCC’s assignment of its assets and the Original Agreement to TDS Baja Broadband LLC (“Baja”), a Delaware limited liability company, pursuant to Resolution No. 2014-20 (the “Resolution”); and

WHEREAS, the Resolution authorized Baja to assign or transfer its assets (which includes the Original Agreement) to an entity directly or indirectly controlling, controlled by, and/or under common control with Baja; and

WHEREAS, in accordance with the Resolution, Baja assigned the Original Agreement to TDS Broadband Service LLC (“TDS”), a Delaware limited liability company, an entity under common control with Baja; and

WHEREAS, the term of the Original Agreement expired on August 24, 2023; and

WHEREAS, TDS desires to continue to provide and operate a cable system within City’s incorporated limits; and

WHEREAS, by passage of this Ordinance No. 537 (this “Ordinance”), City grants TDS the right, privilege, and franchise to provide and operate a cable system within City’s incorporated limits, subject to the terms and conditions contained in this Ordinance.

NOW, THEREFORE, THE CITY OF SISTERS ORDAINS AS FOLLOWS:

1. DEFINITIONS.

Unless defined elsewhere in this Ordinance, capitalized terms contained in this Ordinance have the meanings assigned to them in the attached Appendix A.

2. GRANT OF FRANCHISE.

2.1 Grant of Franchise. Subject to the terms and conditions contained in this Ordinance, City grants TDS the right and privilege to provide and operate the Cable System within the Franchise Area, and to place, erect, lay, maintain, and operate its Facilities in, upon, over, and under the Right-of-Ways for the purpose of providing Cable Services throughout the Franchise Area. Notwithstanding anything contained in this Ordinance to the contrary, nothing contained in this Ordinance will (a) abrogate the right of City to perform any public works or public improvements of any description, (b) constitute a waiver of any codes or ordinances of general applicability promulgated by City, and/or (c) waive or release City's rights in and to the Right-of-Way.

2.2 Franchise Non-Exclusive. The franchise granted by City under this Ordinance is and will be construed as a non-exclusive franchise. City reserves the right to grant franchises, licenses, permits, and/or other similar rights to other persons to use and/or place, erect, lay, maintain, and/or operate in, on, over, and/or under the Right-of-Ways for similar or different purposes allowed under this Ordinance.

2.3 Oversight of Franchise. In accordance with applicable Laws, City will have the right to oversee, regulate, and periodically inspect the construction, operation, and maintenance of the Cable System in the Franchise Area, and all parts thereof, as necessary to monitor TDS's compliance with the provisions of this Ordinance.

2.4 Technical Standards. TDS will comply with all applicable technical standards of the FCC as published in subpart K of 47 CFR § 76, as amended. City will have, upon written request, the right to obtain a copy of tests and records required to be performed pursuant to the FCC's rules and any other applicable Laws.

3. LOCATION, RELOCATION, AND REMOVAL.

3.1 Location of Facilities. For any new construction of Facilities concerning or impacting any new construction or development within City, TDS will locate its Facilities underground if all other utilities located in the same Right-of-Way are also required to locate underground. Notwithstanding anything contained in this Ordinance to the contrary, (a) TDS will not be permitted to place, erect, lay, maintain, and/or operate its Facilities in, upon, over, and/or under any City park, trail, open space, and/or similar areas, and (b) City has the authority to require generally applicable permits for the installation and location of the Facilities within the Right-of-Ways (whether such Facilities are newly constructed, replaced, repaired, or otherwise).

3.2 Relocation. Except in the case of an Emergency, within 30 days after City's request, TDS will, at TDS's cost and expense, remove, relocate, change, and/or alter the position or location of any Facilities within the Right-of-Way whenever City has determined that such removal, relocation, change, and/or alteration is necessary for any

of the following reasons: (a) an Emergency; (b) the construction, repair, installation, and/or maintenance of any City or other public work or improvement; (c) the operations of City or other governmental entity in, on, and/or under the Right-of-Way requires the removal, relocation, change, and/or alteration of the Facilities; (d) the removal, relocation, change, and/or alteration is pursuant to a beautification, streetscape, and/or other City improvement project; and/or (e) public convenience and/or necessity (as reasonably determined by City). If any moving and/or relocation work is done for or at the request of a private individual, entity, developer, or development, the costs of such moving or relocation work will be borne by the requesting private individual, entity, developer, or development. Nothing contained in this Ordinance will be construed in any way to prevent City from sewerage, grading, planking, rock, paving, repairing, altering, and/or improving any Right-of-Way in and/or on which the Facilities are or will be placed. If TDS is required to complete any removal, relocation, change, and/or alteration work under this Section 3.2 due to an Emergency, TDS will exercise its best efforts to complete such work promptly and without delay. City will not require TDS to remove or relocate its Facilities or vacate any Right-of-Way incidental to any public housing or renewal project under ORS Chapters 456 or 457 without reserving TDS's right therein or without requiring TDS to be compensated for the costs thereof.

3.3 Moving Aerials. Notwithstanding anything contained in this Ordinance to the contrary, whenever it becomes necessary to temporarily rearrange, remove, lower, and/or raise the Facilities to permit the passage of any building, machinery, and/or other object moved over any Right-of-Way (a "Temporary Adjustment"), TDS will perform the Temporary Adjustment within 30 days after TDS's receipt of written notice from the owner or contractor-mover desiring to move such building, machinery, and/or other object (the "Move Notice"). The Move Notice will (a) bear the approval of City, (b) detail the route of movement of the building, machinery, and/or object, (c) provide that the costs incurred by TDS in making the Temporary Adjustment will be borne by the contractor-mover, (d) provide that the contractor-mover will indemnify and hold TDS harmless for, from, and against any and all damages, claims, or causes of action caused directly or indirectly from the Temporary Adjustment, and (e) if required by TDS, will be accompanied by cash deposit or a good and sufficient bond to pay any and all such costs as estimated by TDS.

3.4 Maps. Upon City's request, but no more than once each calendar year, TDS will provide City accurate map(s) identifying the horizontal and/or vertical location of the Facilities located within the Right-of-Way (or any portion thereof). Notwithstanding anything contained in this Ordinance to the contrary, TDS's maps provided under this Section 3.4 will be in a form reasonably and mutually acceptable to City and TDS.

4. CONSTRUCTION, INSTALLATION, AND OPERATION.

4.1 Facilities. Facilities will not interfere with City's water mains, sewer mains, gas mains, and/or any other municipal uses of the Right-of-Way. Facilities will be erected and located so not to unreasonably interfere with the public's use of the Right-of-Way. TDS will maintain, at TDS's expense, all Facilities in good and safe order and condition. If TDS erects poles within the Right-of-Way for the purposes of providing and operating a Cable System, to the extent technically feasible and subject to reasonable conditions relating to safety, City may attach and maintain traffic signals, wires, control boxes, and similar items or equipment to the poles without cost or expense. City will compensate TDS for any make ready work needed in order to accommodate City's attachments to TDS's poles.

4.2 Construction Work. Except in the case of an Emergency, not less than 15 days prior to TDS commencing (or causing any person to commence) any Construction Work within City, TDS will (a) obtain all necessary construction permits concerning the proposed Construction Work, if any, (b) file with City maps, materials, documentation, a copy of the proposed work order, any necessary construction permits, and any other information or documentation requested by City concerning the proposed Construction Work (including, without limitation, a description of the location of any Facilities), and (c) obtain City's prior written consent to the proposed Construction Work. If TDS is required to perform any Construction Work due to the occurrence of an Emergency, TDS will be required to comply with Section 4.2(a), (b), and (c) as soon as practicable (but in no event later than five days after the occurrence of the Emergency). TDS will conduct its operations and will perform all Construction Work, including, without limitation, any excavation and/or restoration work, in accordance with the following: (w) all Construction Work will be completed in a safe manner, taking into account all applicable traffic control rules and procedures; (x) all Construction Work will be completed so as to minimize disruption and interference of the Right-of-Way; (y) all Construction Work will be completed in accordance with this Ordinance and all applicable Laws; and (z) all Construction Work will be completed in a good workmanlike manner. City will be permitted to inspect any and all Construction Work and demand correction of any incomplete or improper Construction Work.

4.3 Restoration of Property. If TDS disturbs and/or causes another to disturb any Right-of-Way, TDS will, at TDS's cost and expense, replace or restore the Right-of-Way to the same condition to which the Right-of-Way existed prior to the disruption as soon as practicable and without unreasonable delay; provided, however, TDS will complete the replacement or restoration work no later than 30 days after the initial disruption (temporary restoration measures (e.g., asphalt patches) are initially acceptable if final replacement or restoration cannot be achieved due to weather delays or ongoing project duration). If TDS fails to timely replace or restore any Right-of-Way to the same condition to which the Right-of-Way existed prior to the disruption, City may cause the replacement or restoration to be made at the expense of TDS. TDS will pay City all costs and expenses incurred by City to replace or restore the Right-of-Way within 30 days after City's demand.

4.4 Trimming of Trees and Shrubbery. Subject to the terms and conditions contained in this Ordinance, TDS will have the authority to trim or cut trees and/or other natural growth located in the Right-of-Way if necessary to prevent contact with the Facilities. All cutting and trimming will be done at TDS's sole cost and expense. TDS will trim and/or cut trees according to ANSI A300 Part 1, pruning standards. Trees and shrubs will not be removed without City's prior written authorization. TDS will not damage roots of any tree by compacting or filling on or around its base or make excavations in the soil within a foot of the tree's roots unless appropriate measures are taken to prevent the exposed soil from drying out. TDS will not top trees or shrubs (i.e., cut back limbs of a tree or shrub within the tree or shrub's crown to such a degree as to remove the natural canopy and/or disfigure the tree or shrub). The root system of any live or dead tree, shrub, and/or other vegetation that is removed will be at a depth of not less than twelve inches (12") below the ground surface. After any excavation or grinding work, the ground will be restored to a smooth and level surface. Any required grinding of a stump will be completed contemporaneously with the removal of the tree or shrub. All "pruning" will be performed in a careful and systematic manner so as not to damage other parts of the plant or tree as a whole.

4.5 Contractors; Safety Requirements; Cleanup. TDS is responsible for obtaining, at its cost and expense, all permits, licenses, and/or other forms of approval or authorization necessary to construct, operate, maintain, and/or repair the Cable System, or any part thereof, prior to the commencement of any such activities. Construction, installation, and maintenance of the Cable System will be performed in a safe, thorough, and reliable manner using materials of good and durable quality. TDS will use only licensed and bonded contractors familiar with the Laws and of good reputation to perform all Construction Work and will diligently prosecute completion of all Construction Work. TDS will, at its cost and expense, undertake all necessary and appropriate actions and efforts to maintain its work sites in a safe manner to prevent failures and accidents that may cause damage, injuries, and/or nuisances. To this end, TDS will daily clean and remove from the Right-of-Way all rubbish, debris, and surplus materials caused by TDS's operations.

4.6 Hazardous Substances. TDS will take all reasonable and practical precautions to not cause and/or permit any Hazardous Substances to be spilled, leaked, disposed of, and/or otherwise released in, upon, across, and/or under the Right-of Way and/or any surrounding areas. TDS will comply with all Environmental Laws and will exercise the highest degree of care in the use and handling of any Hazardous Substances and will take all practicable measures to minimize the quantity and toxicity of Hazardous Substances used and/or handled in, on, and/or over the Right-of-Way.

4.7 Removal of Facilities. Upon termination of this Ordinance (and the Franchise granted hereunder), City may require TDS to remove Facilities located in the Right-of-Way. Removal of the Facilities will be at TDS's cost and expense. Upon

removal, the Right-of-Way and all impacted surrounding areas will be restored by TDS to a condition substantially similar to which the Right-of-Way and surrounding areas existed prior to the removal.

5. FRANCHISE FEES.

5.1 Payment of Franchise Fees. In consideration of the rights, privileges, and franchise granted by City to TDS under this Ordinance, TDS will pay City a franchise fee equal to 5% of Gross Revenues (the “Franchise Fee”). TDS will pay the Franchise Fee in quarterly installments, which quarterly installments will be due on or before the last day of the month immediately following the end of each calendar year quarter. The first quarterly payment of the Franchise Fee is due on or before April 30, 2024. Contemporaneously with each quarterly payment, TDS will file with City a sworn statement describing the total Gross Revenues TDS received during the immediately preceding quarter (the “Accounting Statement”). Consistent with applicable federal law, payment of the Franchise Fee will not exempt TDS from the payment of any generally applicable license, permit fee, and/or other generally applicable fee, tax or charge on the business, occupation, property or income of TDS in connection with the operation of the Cable System that may be imposed by City. City’s acceptance of any payments under this Section 5.1 will not constitute a waiver by City of any TDS breach under this Ordinance.

5.2 Maintenance and Inspection of Books, Records, and Files. During the term of this Ordinance, and for a period of three years thereafter (or such longer period as may be required under applicable Laws), TDS will maintain adequate books, records, and files concerning the Cable System and the Franchise. TDS’s books and records will include, without limitation, any records required to be kept in a public file by TDS under the rules and regulations of the FCC, which public file will be available for public inspection during normal business hours. On 30 days’ advance written notice to TDS, City may review such TDS books, records, documentation, and/or information City reasonably determines necessary or appropriate to audit an Accounting Statement and/or ascertain TDS’s compliance with this Ordinance. TDS will cooperate with City in conducting any inspection and/or audit and will correct any discrepancies affecting City’s interest in a prompt and efficient manner. City will bear the cost of any audit provided no material irregularities (i.e., Franchise Fee underpayments of 5% or more in any one or more calendar years) are found (if City discovers any material irregularities, TDS will bear the cost of City’s audit in an amount not exceeding \$5,000.00 (the “Audit Fee Cap”). TDS will maintain accessibility (electronically or in hard copy) to all its books, records, documentation, and/or information concerning this Franchise at its Bend, Oregon office. Commencing on the first-year anniversary of the Effective Date, and continuing on the same day each year thereafter during the term of this Franchise, the Audit Fee Cap will escalate (increase) by 3% over the Audit Fee Cap amount for the immediately preceding 12-month period.

6. INSURANCE AND INDEMNIFICATION.

6.1 Insurance. TDS, at its cost and expense, will obtain and maintain in full force and effect during the term of this Ordinance (and for a period of two years immediately thereafter) the following insurance coverage and the respective minimum limits: (a) workers' compensation insurance within statutory limits; (b) employer's liability insurance with limits of no less than \$1,000,000 per occurrence, \$2,000,000 in the aggregate; (c) commercial general liability insurance with limits of no less than \$3,000,000 for bodily injury, death, or property damage; and (d) automobile liability insurance for all owned, non-owned, and hired vehicles that are or may be used by TDS and its employees with limits of \$1,000,000 combined single limit. Each liability insurance policy TDS is required to obtain and maintain under this Section 6.1 will name City and City's officers, employees, and agents as additional insureds. No cancellation, expiration, and/or reduction in amount of insurance coverage is permitted without providing City 30 days' prior written notice. All insurance TDS is required to obtain and maintain under this Section 6.1 will be issued only by insurance companies licensed in Oregon. Prior to City's execution and acceptance of this Ordinance, and at any other time thereafter within 10 days after City's written request, TDS will provide City with certificates of insurance and endorsements evidencing TDS's compliance with this Section 6.1. Notwithstanding anything contained in this Ordinance to the contrary, the minimum levels of insurance TDS is required to carry under this Ordinance will be increased to ensure TDS's coverage at least equals the applicable Oregon Tort Claims Act liability limits for state or local agencies. If City determines an increase is necessary under the immediately preceding sentence, City will provide TDS no less than 90 days' prior written notice of the required increase (and TDS will obtain, at TDS's cost and expense, the additional insurance coverage).

6.2 TDS Indemnification. TDS will defend, indemnify, and hold City and each employee, officer, agent, contractor, volunteer, and representative of City harmless for, from, and against all claims, actions, proceedings, damages, liabilities, losses, and expenses of every kind, including, without limitation, attorney fees and costs, resulting from or arising out of the following: (a) the acts or omissions of TDS and/or its officers, members, managers, employees, agents, representatives, contractors, affiliates, and/or subsidiaries, whether such acts or omissions are authorized, allowed, and/or prohibited by this Ordinance; (b) damage, injury, and/or death to person or property caused by TDS and/or its officers, members, managers, employees, agents, representatives, contractors, affiliates, and/or subsidiaries; (c) TDS's breach and/or failure to perform any TDS representation, warranty, covenant, and/or obligation under this Ordinance; and/or (d) any Hazardous Substances TDS (and/or its officers, members, managers, employees, agents, representatives, contractors, affiliates, and/or subsidiaries) spill, leak, dispose of, and/or otherwise release in, upon, across, and/or under the Right-of Way and/or any surrounding areas. TDS's indemnification obligations provided in this Section 6.2 will survive the termination of this Ordinance.

7. TERM OF FRANCHISE.

7.1 Term of Franchise. Unless sooner terminated as provided in this Ordinance, this Ordinance (and the franchise granted hereunder) will be in full force and effect for a period of 10 years commencing on the Effective Date. Notwithstanding anything contained in this Ordinance to the contrary, the termination of this Ordinance, regardless of how it occurs, will not relieve a party of any obligations that have accrued before termination. This Ordinance may be extended for an additional term of 10 years upon the parties' mutual written agreement.

7.2 Termination by Mutual Agreement. This Ordinance (and the Franchise granted hereunder) may be terminated at any time by the mutual written agreement of City and TDS.

7.3 Termination for Cause. Notwithstanding anything contained in this Ordinance to the contrary, but subject to the notice requirements provided under Section 7.4, if applicable, City may terminate this Ordinance (and the Franchise granted hereunder) by notice to TDS if TDS breaches and/or otherwise fails to perform any TDS representation, warranty, covenant, and/or obligation contained in this Ordinance (an "Event of Default").

7.4 Notice of Default. No party act or omission will be considered an Event of Default under this Ordinance unless and until the alleged defaulting party has received written notice from the non-defaulting party specifying with reasonable particularity the nature of the Event of Default the non-defaulting party believes exist (the "Default Notice"). Commencing from the defaulting party's receipt of the Default Notice, the alleged defaulting party will have 30 days within which to cure or remedy the default (the "Cure Period") before the defaulting party will be deemed in default under this Ordinance; provided, however, if the nature of the default is such that it cannot be completely remedied or cured within the Cure Period, there will not be a default by the alleged defaulting party under this Ordinance if the alleged defaulting party begins correction of the default within the Cure Period and thereafter proceeds with reasonable diligence to effect the remedy as soon as practicable. Subject to the immediately preceding sentence, if the alleged defaulting party is TDS and TDS fails to cure or remedy the default(s) within the Cure Period, City may terminate this Ordinance based on such default(s) and may pursue all rights and remedies available to City under this Ordinance and/or applicable Law. Nothing contained in this Section 7.4 prevents TDS from contesting or challenging City's assertion that an Event of Default has occurred.

7.5 Remedies. If a party breaches or otherwise fails to perform any of its terms, covenants, conditions, and/or obligations under this Ordinance, the non-defaulting party may, in addition to any other remedy provided to the non-defaulting party under this Ordinance, pursue any and all remedies available to the non-defaulting

party at law or in equity. All available remedies are cumulative and may be exercised singularly or concurrently.

8. GENERAL SERVICE OBLIGATIONS.

8.1 General Service Obligation. TDS will make Cable Service available to every residential dwelling unit within the Franchise Area where the minimum density is at least 7 dwelling units per quarter-mile and is within one-quarter mile of the existing Cable System. Subject to the density requirements provided under this Section 8.1, TDS will offer Cable Service to all new homes or previously un-served homes located within 125 feet of TDS's distribution cable; provided, however, TDS may elect to provide Cable Service to areas not meeting the above density and distance standards. TDS may impose an additional charge in excess of its regular installation charge for any service installation requiring a drop in or line extension in excess of the above standards. Any such additional charge will be computed on a time plus materials basis to be calculated on that portion of the installation that exceeds the standards set forth above.

8.2 System Capacity. During the term of this Ordinance, the Cable System will be capable of providing a minimum of 85 channels of video programming (analog and digital) with satisfactory reception available to its Customers in the Franchise Area.

8.3 Service to Municipal Buildings. As a voluntary initiative, TDS will upon request provide City, at no cost and expense to City, one "Basic" and "Expanded Basic" service or its equivalent in a digital tier (if necessary) and standard installation at one outlet to each Municipal Building identified in the attached Appendix A. TDS must provide 120 days' notice of any location where it intends to cease the voluntary initiative and begin charging for service or equipment, so that City may notify TDS to suspend service or take such other steps as may be appropriate under applicable Law.

8.4 Restoration of Service. If the Cable System and/or Facilities, or any part thereof, is partially or wholly destroyed, inoperable, and/or incapacitated, TDS will use due diligence to restore the Cable System to satisfactory service within the shortest practicable time.

8.5 No Discrimination. Neither TDS nor any of its employees, officers, directors, shareholders, agents, representatives, contractors, subcontractors, and/or consultants, nor any other person, will discriminate or permit discrimination between or among any persons in the availability of Cable Services provided in connection with the Cable System in the Franchise Area. It will be the right of all persons to receive all available services provided on the Cable System so long as such person's financial or other obligations to TDS are satisfied. Nothing contained herein will prohibit TDS from offering bulk discounts, promotional discounts, package discounts, and/or other such pricing strategies as part of its business practice.

8.6 Cable Rates, Fees, and Charges. All rates, fees, charges, deposits, and associated terms and conditions imposed by TDS for any Cable Service will be in accordance with applicable FCC's rate regulations and any other applicable Laws. Before any new or modified rate, fee, and/or charge is imposed, TDS will follow the applicable FCC notice requirements and rules and notify affected customers, which notice may be by any means permitted under applicable Laws.

8.7 Customer Service Standards. City adopts the customer service standards set forth in the FCC's rules and regulations, as amended. TDS will comply in all respects with the customer service requirements established by the FCC.

8.8 Customer Bills. Customer bills will be designed in such a way as to present the information contained therein clearly and comprehensibly to Customers, and in a way that (a) is not misleading, and (b) does not omit material information. Notwithstanding the immediately preceding sentence, TDS may, in its sole discretion, consolidate costs on Customer bills as may otherwise be permitted by Section 622(c) of the Cable Act (47 USC § 542(c)), as amended.

8.9 Privacy Protection. TDS will comply with all applicable federal and state privacy Laws, including, without limitation, Section 631 of the Cable Act (47 USC § 551), as amended.

9. MISCELLANEOUS.

9.1 Assignment or Transfer of Franchise. Subject to the terms and conditions contained in this Ordinance, TDS will not Transfer all or any part of the Facilities, TDS's interest in or to this Franchise, and/or the Cable System without City's prior written consent. If City consents to a Transfer, the following will apply: (a) the terms and conditions of this Ordinance (and the Franchise) will in no way be deemed to have been waived or modified; (b) consent will not be deemed consent to any further Transfer; (c) acceptance of any Franchise Fees by City from any other person will not be deemed a waiver by City of any provision of this Ordinance; (d) TDS will pay all fees, costs, and expenses incurred by City in considering and/or consenting to a Transfer (provided, however, fees, costs, and expenses payable by TDS under this Section 9.1(d) will not exceed \$2,500.00 (the "Reimbursement Fee Cap"); and (e) no Transfer relating to this Ordinance, whether with or without City's consent, will modify, relieve, and/or eliminate any liabilities and/or obligations TDS may have under this Ordinance. City may consent to subsequent assignments, subletting, and/or amendments or modifications to this Ordinance with assignees of TDS without notifying TDS, or any successor of TDS, and without obtaining its or their consent thereto and such action will not relieve TDS of any liability under this Ordinance. Subject to the terms and conditions contained in this Section 9.1, this Ordinance will be binding on the parties and their respective heirs, executors, administrators, successors, and assigns and will inure to their benefit. Commencing on the first-year anniversary of the Effective Date, and continuing on the

same day each year thereafter during the term of this Franchise, the Reimbursement Fee Cap will escalate (increase) by 3% over the Reimbursement Fee Cap amount for the immediately preceding 12-month period. Notwithstanding the foregoing, City's consent will not be required for TDS to Transfer this Franchise to an entity controlled by and/or under common control with TDS (a "Common Control Transfer") if TDS provides City no less than 90 days' prior written notice of the Common Control Transfer and the transferee signs an instrument agreeing to pay and perform all TDS's obligations under this Ordinance. Upon occurrence of a Common Control Transfer, TDS and the transferee will be liable for the timely payment and performance of TDS's obligations under this Ordinance and all terms and conditions contained in this Ordinance will not be affected due to the Common Control Transfer.

9.2 Severability. Each provision contained in this Ordinance will be treated as a separate and independent provision. The unenforceability of any one provision will in no way impair the enforceability of any other provision contained herein. Any reading of a provision causing unenforceability will yield to a construction permitting enforcement to the maximum extent permitted by applicable law.

9.3 Attorney Fees. With respect to any dispute relating to this Ordinance, or if a suit, action, arbitration, or other proceeding of any nature whatsoever is instituted to interpret or enforce the provisions of this Ordinance, including, without limitation, any proceeding under the U.S. Bankruptcy Code and involving issues peculiar to federal bankruptcy law or any action, suit, arbitration, or proceeding seeking a declaration of rights or rescission, the prevailing party will be entitled to recover from the losing party its reasonable attorney fees, paralegal fees, expert fees, and all other fees, costs, and expenses incurred in connection therewith, as determined by the judge or arbitrator at trial, arbitration, or other proceeding, or on any appeal or review, in addition to all other amounts provided by law.

9.4 Governing Law; Venue. This Ordinance is subject to all applicable Laws, including, without limitation, any City ordinances, standards, and regulations, all as now in force and/or which may hereafter be amended, modified, enacted, or promulgated. Any action or proceeding arising out of or concerning this Ordinance will be litigated in courts located in Deschutes County, Oregon, or the United States District Court for the District of Oregon. Each party consents and submits to the jurisdiction of any local, state, or federal court located in Deschutes County, Oregon, or the United States District Court for the District of Oregon.

9.5 Action by the Parties. In any action mandated or permitted by City or TDS under this Ordinance, such party will act in a reasonable, expeditious, and timely manner. Whenever the approval or consent of either City or TDS is required under this Ordinance, such consent will not be unreasonably withheld, conditioned, or delayed.

9.6 Compliance with Laws; Notices. TDS will comply with all applicable Laws. The rights and privileges granted by City to TDS under this Ordinance extend only to the extent of City's right or authority to grant a franchise to occupy and use the Right-of-Ways for the Facilities. All notices or other communications required or permitted by this Ordinance must be in writing, must be delivered to the parties at the addresses set forth in Appendix A, or any other address that a party may designate by notice to the other party, and are considered delivered upon actual receipt if delivered personally, by fax or email transmission (with electronic confirmation of delivery), or by a nationally recognized overnight delivery service, or at the end of the third business day after the date of deposit if deposited in the United States mail, postage pre-paid, certified, return receipt requested.

9.7 Person and Interpretation. For purposes of this Ordinance, the term "person" means any natural person, corporation, limited liability company, partnership, joint venture, firm, association, trust, unincorporated organization, government or governmental agency or political subdivision, or any other entity. All pronouns contained herein and any variations thereof will be deemed to refer to the masculine, feminine, or neutral, singular or plural, as the identity of the parties may require. The singular includes the plural and the plural includes the singular. The words "include," "includes," and "including" are not limiting. The word "or" is not exclusive. Reference to "days" means calendar days, with any deadline falling on a day other than a business day being extended to the next business day. Notwithstanding anything contained in this Ordinance to the contrary, TDS will bear all fees, costs, and expenses incurred or arising out of TDS's performance of its obligations under this Ordinance.

9.8 Entire Agreement; Corrections; Late Charge. This Ordinance contains the entire agreement and understanding between the parties with respect to the subject matter of this Ordinance and contains all the terms and conditions of the parties' agreement and supersedes any other oral or written negotiations, discussions, representations, or agreements. TDS has not relied on any promises, statements, representations, or warranties except as set forth expressly in this Ordinance. This Ordinance may be corrected by order of the Council to cure editorial and clerical errors. If any Franchise Fees and/or other payment due from TDS is not received by City within 10 days after it is due, TDS will pay a late charge of one and one-half percent (1.5%) per month on the amount past due (a "Late Charge") from the due date for such payment until the past due amount is paid in full. City may levy and collect Late Charge in addition to all other remedies available for TDS's failure to timely pay any Franchise Fees and/or other payment due from TDS.

9.9 Original Agreement; TDS Acceptance. TDS and City acknowledge and agree that the term of the Original Agreement is extended to the day immediately preceding the Effective Date. The Original Agreement will be deemed expired and of no further force and effect on the day immediately preceding the Effective Date; provided, however, the expiration of the Original Agreement will not relieve or constitute a waiver

and release of any party's obligations that have accrued prior to the expiration. TDS represents, warrants, and covenants the following to City: (a) TDS is a duly organized Delaware corporation, validly existing under the laws of the State of Oregon; (b) TDS has full power and authority to sign and deliver the Acceptance and to perform all of TDS's obligations under this Ordinance; and (c) TDS's obligations under this Ordinance are legal, valid, and binding obligations of TDS, enforceable against TDS in accordance with their terms. Within 30 days after City's passage of this Ordinance, TDS will file with City the written acceptance attached hereto as Exhibit A (the "Acceptance"). If TDS fails to timely file the Acceptance with City, this Ordinance (and the rights granted to TDS herein) will be deemed null, void, and repealed by City in all respects without further act by City.

[end of ordinance – signature page immediately follows]

This Ordinance was PASSED by the Sisters City Council by a vote of ___ for and ___ against and APPROVED by the Mayor on this 14th day of February 2024.

Michael Preedin, Mayor

ATTEST:

Rebecca Green, Deputy Recorder

Appendix A
Definitions

“Acceptance” has the meaning assigned to such term under Section 9.9.

“Accounting Statement” has the meaning assigned to such term under Section 5.1.

“Audit Fee Cap” has the meaning assigned to such term in Section 5.2.

“Baja Resolution” has the meaning assigned to such term in the recitals.

“Basic Service” means the lowest level of video service provided by TDS, which lowest level of service includes, at a minimum, one local broadcast channel.

“BCC” has the meaning assigned to such term in the recitals.

“Cable Act” means Title VI of the Communications Act of 1934, as amended.

“Cable Service(s)” has the meaning assigned to such term in 47 U.S.C. Sec. 522 as in effect on the Effective Date.

“Cable System” has the meaning assigned to such term in 47 U.S.C. Sec. 522 as in effect on the Effective Date.

“City” has the meaning assigned to such term in the first recital, whose address is 520 East Cascade, PO Box 39, Sisters, Oregon 97759.

“Common Control Transfer” has the meaning assigned to such term in Section 9.1.

“Construction Work” means any construction activity in, on, over, and/or under any Right-of-Way, including, without limitation, any excavation, maintenance, improvement, repair, extension, and/or relocation work.

“Council” means City’s then-elected legislative body (i.e., the city council).

“Cure Period” has the meaning assigned to such term under Section 7.4.

“Customer(s)” means a person or user of the Cable System who lawfully receives Cable Service therefrom with TDS’s permission.

“Default Notice” has the meaning assigned to such term under Section 7.4.

“Effective Date” means 30 days from the date the Council passes and approves this Ordinance, subject to the terms and conditions contained in this Ordinance.

“Emergency” means a human created or natural event or circumstance that causes or threatens loss of life, injury, significant damage, and/or destruction to person or property, human suffering, or significant financial loss.

“Environmental Law(s)” means any and all federal, state, and/or local statutes, regulations, and/or ordinances, and/or any judicial or other governmental orders pertaining to the protection of health, safety, and/or the environment.

“Event of Default” has the meaning assigned to such term under Section 7.3.

“Expanded Basic” means that tier of Cable Service just above the Basic Service level offered by TDS.

“Facility(ies)” means all TDS underground, surface, and/or aerial facilities necessary to provide Cable Services into, within, and through the Franchise Area, including, without limitation, optical fiber cable, wires, conductors, appliances, conduits, pipes, apparatus, ducts, poles, guys, anchors, vaults, pedestals, supports, fixtures, and related equipment.

“FCC” means the Federal Communications Commission and/or the successor governmental entity thereto.

“Franchise” means the franchise granted by City to TDS under this Ordinance.

“Franchise Area” means the present legal boundaries of City as of the Effective Date and any additions thereto by annexation or other legal means.

“Franchise Fee(s)” has the meaning assigned to such term under Section 5.1.

“Gross Revenue(s)” means all revenues TDS receives directly or indirectly from TDS’s operation of the Cable System to provide Cable Services within the Franchise Area, less net uncollectibles, including, without limitation, revenues from the use, rental, and/or lease of the Facilities.

“Hazardous Substance(s)” means any hazardous, toxic, infectious, or radioactive substance, waste, or material as defined or listed by any Environmental Law, and will include petroleum oil and its fractions.

“Late Charge” has the meaning assigned to such term under Section 9.8.

“Law(s)” means all applicable federal, state, county, and/or local laws, rules, regulations, codes, and ordinances, including, without limitation, the Americans with Disabilities Act of 1990 (“ADA”) and any regulations of any administrative agency

thereof, all Environmental Laws and laws related to Hazardous Substances, all as heretofore or hereafter adopted, promulgated, and/or established from time to time.

“Move Notice” has the meaning assigned to such term under Section 3.3.

“Municipal Building(s)” are those buildings owned or leased by City for government administrative purposes, which will receive TDS service pursuant to Section 8.3, including: (a) City Hall, 520 E Cascade Street; (b) Public Works Headquarters, 1000 S. Locust Street; (c) Creekside Campground, 504 S. Locust Street; and (d) Main Street Building, 291 E. Main Street.

“Ordinance” has the meaning assigned to such term in the fourth recital.

“Original Agreement” has the meaning assigned to such term in the first recital.

“Reimbursement Fee Cap” has the meaning assigned to such term in Section 9.1.

“Right-of-Way(s)” means the public streets, alleys, avenues, thoroughfares, highways, places, and grounds located within the Franchise Area which are owned and controlled by City.

“TDS” has the meaning assigned to such term in the third recital, whose address is 525 Junction Road, Madison, Wisconsin 53717.

“Temporary Adjustment” has the meaning assigned to such term under Section 3.3.

“Transfer” means any transfer and/or conveyance, including, without limitation, any sale, assignment, license, mortgage, sublet, lien, conveyance, and/or encumbrance, whether directly, indirectly, voluntarily, involuntarily, or by operation of law. The term “Transfer” includes the sale, assignment, encumbrance, or transfer – or series of related sales, assignments, encumbrances, and/or transfers – of fifty percent (50%) or more of the shares, membership units, and/or other ownership interest of TDS, regardless of whether the sale, assignment, encumbrance, and/or transfer occurs voluntarily or involuntarily, by operation of law, or because of any act or occurrence.

Exhibit A
Acceptance

The forgoing Ordinance No. 537, adopted by the City of Sisters on February 14, 2024, consisting of 14 pages, including this Exhibit A, is approved, accepted, and agreed upon by TDS Broadband Service LLC, a Delaware limited liability company d/b/a TDS.

Dated: _____, 2024

TDS Broadband Service LLC,
a Delaware limited liability company

By: _____
Its: _____

City of Sisters

Financial Summary

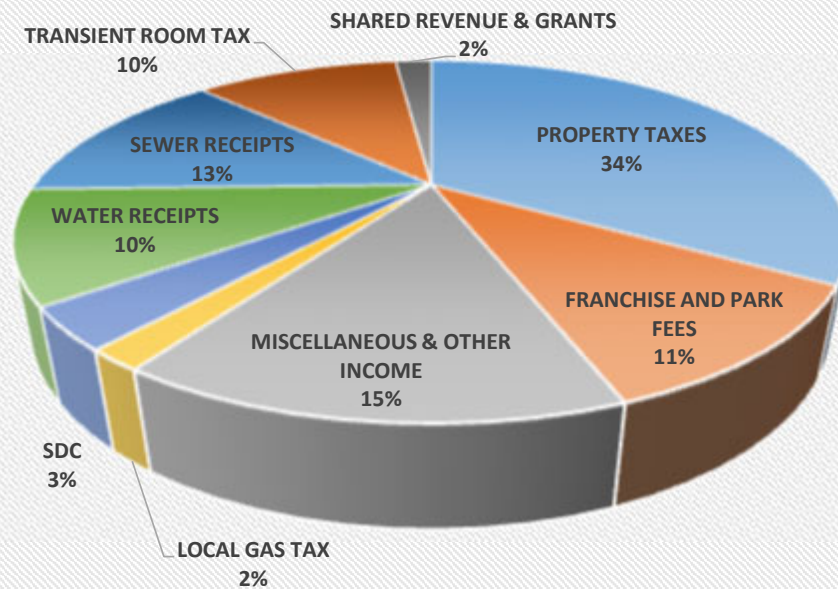
December 2023

Total Resources - Budget to Actual *

As of December 31, 2023

| | Year to Date | FY 23/24 Budget | Budget Remaining | (50% lapsed) % Earned |
|------------------------------|----------------------|----------------------|---------------------|-----------------------|
| BEGINNING FUND BALANCE | \$ 21,541,965 | \$ 21,324,353 | \$ (217,612) | 101% |
| PROPERTY TAXES | 1,926,372 | 1,958,500 | 32,128 | 98% |
| FRANCHISE AND PARK FEES | 615,043 | 1,084,500 | 469,457 | 57% |
| MISCELLANEOUS & OTHER INCOME | 849,373 | 2,618,715 | 1,769,342 | 32% |
| LOCAL GAS TAX | 100,889 | 195,000 | 94,111 | 52% |
| SDC | 203,599 | 1,150,000 | 946,401 | 18% |
| WATER RECEIPTS | 571,670 | 955,000 | 383,330 | 60% |
| SEWER RECEIPTS | 739,307 | 1,450,000 | 710,693 | 51% |
| TRANSIENT ROOM TAX | 606,171 | 1,100,000 | 493,829 | 55% |
| SHARED REVENUE & GRANTS | 108,498 | 223,672 | 115,173 | 49% |
| | \$ 27,262,887 | \$ 32,059,740 | \$ 4,796,853 | |

RESOURCES BY CATEGORY EXCLUDING INTERFUND TRANSFERS



Financial Highlights - Resources

- Property tax income of approximately \$1,448,000 and \$439,000 for the City and URA respectively, was received in November. For City property taxes, the receipts in November and December represent approximately 90% of the taxes imposed which puts the City on track for an overall collectability greater than expected.
- Franchise / User Fee is tracking with expectations and income is expected to increase as park reservations opened in January.
- Other income lapse rate is low due to factors such as the URA Debt transfer taking place in the third quarter.
- SDC income has continued to fall below revenue projections due to the decrease in development activity.
- Water and Sewer receipts are tracking with budgeted expectations. The Water receipts will decrease in the third quarter analysis due decrease in demand for the winter months.
- Transient Room tax had a very strong first quarter, however, the second quarter revenue was down 7% when compared to FY 2023/24.
- Shared Revenue and Grants is tracking the budget expectations.

*Excludes Transfers

FINANCIAL SUMMARY
RESOURCES - BUDGET TO ACTUAL BY FUND

| | Year to Date | FY 23/24 Budget | Budget Remaining | (50% lapsed) % Earned |
|------------------------------------|---------------------|---------------------|---------------------|-----------------------|
| GENERAL FUND | | | | |
| BEGINNING FUND BALANCE | \$ 4,717,864 | \$ 4,607,871 | \$ (109,993) | 102% |
| PROPERTY TAXES | 1,478,438 | 1,515,000 | 36,562 | 98% |
| TRANSIENT ROOM TAX | 606,171 | 1,100,000 | 493,829 | 55% |
| SHARED REVENUE & GRANTS | 100,553 | 223,672 | 123,118 | 45% |
| FRANCHISE AND PARK FEES | 282,926 | 431,450 | 148,524 | 66% |
| MISCELLANEOUS & OTHER INCOME | 247,029 | 966,025 | 718,996 | 26% |
| | <u>\$ 7,432,982</u> | <u>\$ 8,844,018</u> | <u>\$ 1,411,036</u> | |
| WATER FUND | | | | |
| BEGINNING FUND BALANCE | \$ 2,617,272 | \$ 2,555,050 | \$ (62,222) | 102% |
| WATER RECEIPTS | 571,670 | 955,000 | 383,330 | 60% |
| MISCELLANEOUS & OTHER INCOME | 98,703 | 446,900 | 348,197 | 22% |
| | <u>\$ 3,287,644</u> | <u>\$ 3,956,950</u> | <u>\$ 669,306</u> | |
| STREET FUND | | | | |
| BEGINNING FUND BALANCE | \$ 1,581,856 | \$ 1,656,145 | \$ 74,289 | 96% |
| FRANCHISE AND PARK FEES | 332,116 | 653,050 | 320,934 | 51% |
| SHARED REVENUE & GRANTS | - | - | - | - |
| LOCAL GAS TAX | 100,889 | 195,000 | 94,111 | 52% |
| MISCELLANEOUS & OTHER INCOME | 170,045 | 317,440 | 147,395 | 54% |
| TOTAL TRANSFERS IN | - | - | - | - |
| GRANTS & PASS THROUGH | 7,945 | - | (7,945) | - |
| | <u>\$ 2,192,852</u> | <u>\$ 2,821,635</u> | <u>\$ 628,783</u> | |
| SEWER FUND | | | | |
| BEGINNING FUND BALANCE | \$ 2,539,998 | \$ 2,837,192 | \$ 297,194 | 90% |
| SEWER RECEIPTS | 739,307 | 1,450,000 | 710,693 | 51% |
| MISCELLANEOUS & OTHER INCOME | 100,652 | 100,650 | (2) | 100% |
| | <u>\$ 3,379,957</u> | <u>\$ 4,387,842</u> | <u>\$ 1,007,885</u> | |
| TRANSPORTATION SDC | | | | |
| BEGINNING FUND BALANCE | \$ 2,317,702 | \$ 2,206,722 | \$ (110,980) | 105% |
| INTEREST EARNED | 51,611 | 55,000 | 3,389 | 94% |
| TRANSPORTATION SDC | 59,256 | 350,000 | 290,744 | 17% |
| | <u>\$ 2,428,569</u> | <u>\$ 2,611,722</u> | <u>\$ 183,154</u> | |
| SEWER SDC | | | | |
| BEGINNING FUND BALANCE | \$ 3,266,866 | \$ 3,240,442 | \$ (26,423) | 101% |
| INTEREST EARNED | 72,474 | 86,000 | 13,526 | 84% |
| SEWER SDC | 73,675 | 375,000 | 301,325 | 20% |
| | <u>\$ 3,413,015</u> | <u>\$ 3,701,442</u> | <u>\$ 288,428</u> | |
| WATER SDC | | | | |
| BEGINNING FUND BALANCE | \$ 2,686,011 | \$ 2,409,361 | \$ (276,650) | 111% |
| INTEREST EARNED | 59,770 | 73,000 | 13,230 | 82% |
| WATER SDC | 56,352 | 275,000 | 218,648 | 20% |
| | <u>\$ 2,802,133</u> | <u>\$ 2,757,361</u> | <u>\$ (44,772)</u> | |
| PARK SDC | | | | |
| BEGINNING FUND BALANCE | \$ 1,080,609 | \$ 1,084,276 | \$ 3,667 | 100% |
| INTEREST EARNED | 23,945 | 30,000 | 6,055 | 80% |
| GRANTS & PASS THROUGH | - | - | - | - |
| PARK SDC | 14,316 | 150,000 | 135,684 | 10% |
| | <u>\$ 1,118,870</u> | <u>\$ 1,264,276</u> | <u>\$ 145,406</u> | |
| PARKING DISTRICT FUND | | | | |
| BEGINNING FUND BALANCE | \$ 278,093 | \$ 292,097 | \$ 14,004 | 95% |
| INTEREST EARNED | 6,884 | 8,000 | 1,116 | 86% |
| PARKING DISTRICT | 4,636 | 14,500 | 9,864 | 32% |
| | <u>\$ 289,613</u> | <u>\$ 314,597</u> | <u>\$ 24,984</u> | |
| CITY HALL DEBT SERVICE FUND | | | | |
| BEGINNING FUND BALANCE | \$ 6,195 | \$ 6,235 | \$ 39 | 99% |
| INTEREST EARNED | 156 | 100 | (56) | 156% |
| TRANSFERS FROM OTHER FUNDS | 27,700 | 27,700 | - | 100% |
| TRANSFER FROM GENERAL FUND | 22,600 | 22,600 | - | 100% |
| | <u>\$ 56,651</u> | <u>\$ 56,635</u> | <u>\$ (16)</u> | |
| URBAN RENEWAL DEBT FUND | | | | |
| BEGINNING FUND BALANCE | \$ 164,404 | \$ 149,078 | \$ (15,326) | 110% |
| PREVIOUS LEVIED TAXES | 3,865 | 3,500 | (365) | 110% |
| INTEREST EARNED | 7,227 | 21,000 | 13,773 | 34% |
| CURRENT TAXES | 444,069 | 440,000 | (4,069) | 101% |
| | <u>\$ 619,565</u> | <u>\$ 613,578</u> | <u>\$ (5,987)</u> | |
| URBAN RENEWAL PROJECT FUND | | | | |
| BEGINNING FUND BALANCE | \$ 285,095 | \$ 279,883 | \$ (5,212) | 102% |
| INTEREST EARNED | 6,241 | 100 | (6,141) | 6241% |
| LOAN PROCEEDS | - | 500,000 | 500,000 | 0% |
| | <u>\$ 291,335</u> | <u>\$ 779,983</u> | <u>\$ 488,647</u> | |

City of Sisters

Financial Summary

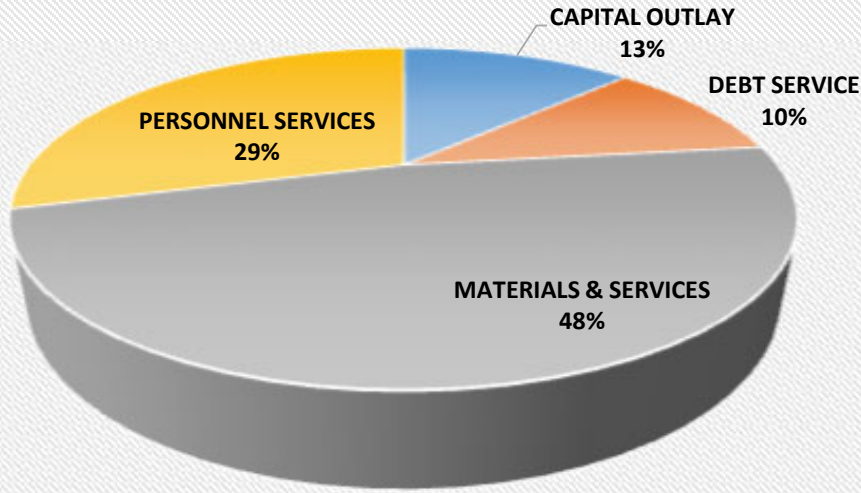
December 2023

Total Expenditures - Budget to Actual

As of December 31, 2023

| | Year to Date | FY 23/24 Budget | Budget Remaining | (50% lapsed) % Earned |
|---------------------------|---------------------|----------------------|---------------------|-----------------------|
| CAPITAL OUTLAY | \$ 465,889 | \$ 1,655,000 | \$ 1,189,111 | 28% |
| DEBT SERVICE | 374,500 | 958,300 | 583,800 | 39% |
| MATERIALS & SERVICES | 1,735,760 | 4,503,449 | 2,767,689 | 39% |
| PERSONNEL SERVICES | 1,063,683 | 2,608,195 | 1,544,511 | 41% |
| GRANTS & PASS THROUGHGS | - | - | - | |
| INTERFUND TRANSFERS - OUT | 50,300 | 330,300 | 280,000 | 15% |
| | <u>\$ 3,690,132</u> | <u>\$ 10,055,244</u> | <u>\$ 6,365,112</u> | |

EXPENDITURES BY CATEGORY EXCLUDING INTERFUND TRANSFERS



Financial Highlights - Expenditures

- Capital outlay is tracking at expectations in terms of timing due to the majority of projects such as splashpad retrofit, well improvements, overlays, westside pumpstation design, and US20/Locust Roundabout contribution taking place later in the fiscal year. An important item of note is related to the Sewer Fund Capital outlay which included the Biosolids removal project. That project exceeded budgetary projections and a supplemental budget adjustment this fiscal year will be necessary.
- The majority of debt service payments were initiated in late November while the remaining debt payments are due June 1. The other significant debt service transaction budgeted for the fiscal year is the fund (debt) transfer from the URA to the City.
- Overall, personnel services are tracking just under budget estimates and we don't foresee that trend changing as the year progresses.
- Materials and Services in total are tracking just below expectations as a lapse percentage. The Water, Street, and Sewer funds are slightly over their lapse percentage and will be closely evaluated toward the end of the fiscal year. Service items such as insurance premiums are significant expenditures and they are expensed early in the fiscal year which can shift the lapse percentage, especially early in the fiscal year.

FINANCIAL SUMMARY
EXPENDITURES - BUDGET TO ACTUAL BY FUND

| | Year to Date | FY 23/24 Budget | Budget Remaining | (50% lapsed) % Earned |
|------------------------------------|---------------------|---------------------|---------------------|-----------------------|
| GENERAL FUND | | | | |
| PERSONNEL SERVICES | \$ 545,988 | \$ 1,305,737 | \$ 759,749 | 42% |
| MATERIALS & SERVICES | 968,149 | 2,933,299 | 1,965,150 | 33% |
| CAPITAL OUTLAY | 9,545 | 66,000 | 56,455 | 14% |
| GRANTS & PASS THROUGHS | - | - | - | - |
| INTERFUND TRANSFERS - OUT | 22,600 | 302,600 | 280,000 | 7% |
| | <u>\$ 1,546,281</u> | <u>\$ 4,607,636</u> | <u>\$ 3,061,354</u> | |
| WATER FUND | | | | |
| PERSONNEL SERVICES | \$ 169,087 | \$ 412,974 | \$ 243,887 | 41% |
| MATERIALS & SERVICES | 209,431 | 404,875 | 195,444 | 52% |
| CAPITAL OUTLAY | 32,735 | 360,000 | 327,265 | 9% |
| INTERFUND TRANSFERS - OUT | 8,600 | 8,600 | - | 100% |
| | <u>\$ 419,853</u> | <u>\$ 1,186,449</u> | <u>\$ 766,596</u> | |
| STREET FUND | | | | |
| PERSONNEL SERVICES | \$ 188,417 | \$ 484,922 | \$ 296,505 | 39% |
| MATERIALS & SERVICES | 282,650 | 524,900 | 242,250 | 54% |
| CAPITAL OUTLAY | 38,265 | 405,000 | 366,735 | 9% |
| INTERFUND TRANSFERS - OUT | 7,000 | 7,000 | - | 100% |
| | <u>\$ 516,332</u> | <u>\$ 1,421,822</u> | <u>\$ 905,490</u> | |
| SEWER FUND | | | | |
| PERSONNEL SERVICES | \$ 160,191 | \$ 404,562 | \$ 244,371 | 40% |
| MATERIALS & SERVICES | 225,766 | 439,375 | 213,609 | 51% |
| CAPITAL OUTLAY | 385,345 | 235,000 | (150,345) | 164% |
| INTERFUND TRANSFERS - OUT | 12,100 | 12,100 | - | 100% |
| DEBT SERVICE | 259,800 | 331,920 | 72,120 | 78% |
| | <u>\$ 1,043,202</u> | <u>\$ 1,422,957</u> | <u>\$ 379,755</u> | |
| TRANSPORATION SDC | | | | |
| MATERIALS & SERVICES | \$ 46,514 | \$ 110,000 | \$ 63,486 | 42% |
| CAPITAL OUTLAY | - | 30,000 | 30,000 | 0% |
| | <u>\$ 46,514</u> | <u>\$ 140,000</u> | <u>\$ 93,486</u> | |
| SEWER SDC | | | | |
| MATERIALS & SERVICES | \$ - | \$ 25,000 | \$ 25,000 | 0% |
| DEBT SERVICE | 69,140 | 76,060 | 6,920 | 91% |
| CAPITAL OUTLAY | - | 200,000 | 200,000 | 0% |
| | <u>\$ 69,140</u> | <u>\$ 301,060</u> | <u>\$ 231,920</u> | |
| WATER SDC | | | | |
| MATERIALS & SERVICES | \$ - | \$ 25,000 | \$ 25,000 | 0% |
| CAPITAL OUTLAY | - | - | - | - |
| | <u>\$ -</u> | <u>\$ 25,000</u> | <u>\$ 25,000</u> | |
| PARK SDC | | | | |
| MATERIALS & SERVICES | \$ - | \$ 15,000 | \$ 15,000 | 0% |
| CAPITAL OUTLAY | - | - | - | - |
| | <u>\$ -</u> | <u>\$ 15,000</u> | <u>\$ 15,000</u> | |
| PARKING DISTRICT FUND | | | | |
| CAPITAL OUTLAY | \$ - | \$ - | \$ - | - |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | |
| CITY HALL DEBT SERVICE FUND | | | | |
| DEBT SERVICE | \$ 45,560 | \$ 50,320 | \$ 4,760 | 91% |
| | <u>\$ 45,560</u> | <u>\$ 50,320</u> | <u>\$ 4,760</u> | |
| URBAN RENEWAL DEBT FUND | | | | |
| DEBT SERVICE | \$ - | \$ 500,000 | \$ 500,000 | 0% |
| | <u>\$ -</u> | <u>\$ 500,000</u> | <u>\$ 500,000</u> | |
| URBAN RENEWAL PROJECT FUND | | | | |
| MATERIALS & SERVICES | \$ 3,250 | \$ 26,000 | \$ 22,750 | 13% |
| CAPITAL OUTLAY | - | 359,000 | 359,000 | 0% |
| | <u>\$ 3,250</u> | <u>\$ 385,000</u> | <u>\$ 381,750</u> | |