



CITY COUNCIL Agenda

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

Wednesday, April 24, 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/87068373053>

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.

5:00 PM WORKSHOP

1. Affordable Housing Grant Review
2. Water and Wastewater Rate and Policy Updates
3. 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. April 10, 2024 – Joint City Council/County Board of Commissioners Workshop
 2. April 10, 2024 – Regular Meeting
6. **COUNCIL BUSINESS**
 - A. **Discussion and Consideration of Resolution 2024-06 –AUTHORIZING APPLICATION FOR GRANT FUNDS UNDER THE LOCAL GOVERNMENT GRANT PROGRAM ADMINISTERED BY THE OREGON PARKS AND RECREATION DEPARTMENT FOR DEVELOPMENT OF A MASTER**

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

PLAN FOR THE FUTURE NORTHWEST PARK; AUTHORIZING EXECUTION OF GRANT APPLICATION.

7. OTHER BUSINESS

- A. Deschutes County Sheriff's Office Update
- B. Explore Sisters Update
- C. Planning Commission Member Appointment
- D. 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-eighty (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



Meeting Date: April 24, 2024
Type: Workshop
Subject: Affordable Housing Grant Fund Request

Staff: Woodford
Dept.: CDD

Action Requested: Conduct a workshop to review and discuss the application submitted by Sisters Habitat for Humanity requesting grant funds from the City of Sisters through its Affordable Housing Grant Fund program.

Background:

- In 2019, the City established an Affordable Housing Grant program via Ordinance 495, which sought to address affordable housing in Sisters through disbursement of grant (and/or loan) funds to qualified agencies and private developers in exchange for delivering affordable housing for the community.
- The program is funded primarily through a percentage of the Transient Room Tax that the city charges on all overnight lodging transactions in Sisters. As of this spring, the fund amount is \$162,000.
- There are minimum requirements applicants must meet to qualify for the funds (see Ordinance 495 in Attachment B) and it is in the City's sole discretion to determine whether or how much money should be granted (and/or loaned).
- Past Affordable Housing Grant program awards:
 - 2019 - Resolution 2019-04 authorized grant funds in the amount of \$18,721 to Sisters Habitat for Humanity for System Development Charges (SDCs) for 9 lots in the Village Green Subdivision.
 - 2020 – First year of the grant program, city approved a Habitat for Humanity Affordable Housing Grant Application in the amount of \$6,627 for SDCs for three Village Meadows Homes on Desert Rose Loop.
 - 2021 – Awarded Sisters Habitat for Humanity \$50,000 for costs related to utility construction for a replat of lots owned by Habitat in the Village Green Subdivision. The replat converted six lots into ten lots with one lot already built upon, so the grant was for nine lots.
 - 2022/2023 – The Affordable Housing Program was suspended during this timeframe to concentrate on attracting a developer to partner with the City in constructing affordable and/or workforce housing in the Sisters community. Funds to be utilized included Urban Renewal Agency funds dedicated for workforce housing (\$400,000), funds the City received at the time from Deschutes County from the American Rescue Plan Act of 2021 (\$500,000), and funds dedicated to affordable housing within its Transient Lodging Tax that it utilized for the Affordable Housing Grant Program (approximately \$100,000 at the time). This resulted in the partnership with



Northwest Housing Alternatives that utilized ARPA funds and now has its larger funding package from Oregon Housing & Community Services (OHCS) to construct a 40-unit, affordable apartment project commencing in Spring, 2025.

Proposal:

- Each year, the city solicits requests for applications to use Affordable Housing Program funds. This year the applications were due on March 1, 2024 after approximately six weeks of public notice. Sisters Habitat for Humanity submitted the only application (Attachment A).
- Habitat for Humanity is requesting \$182,000 (or the maximum available) to support construction of nineteen (19) affordable housing units in a planned new development called Adams Commons, which will also include six (6) workforce housing units in single family or duplex residences interspersed through the development (note: Sisters Habitat for Humanity has also applied for the Urban Renewal Authority funds the city is offering for construction of workforce housing, which is currently under review by the URA).
- The development will be spread out over four lots (see map below), although the affordable housing units will only be on tax lots 1000, 1100 and 1500, the workforce housing units will be constructed on those lots plus tax lot 1700). More about the included tax lots:
 - Tax Lot (TL) 1000, No street address assigned, owned by Sisters Habitat (.93 acres, zoned Downtown Commercial)
 - Tax (TL) 1100, 484 E. Adams Avenue, owned by Sisters Habitat (.22 acres, zoned DC)
 - Tax Lot (TL) 1500, 354 E. Adams Avenue, owned by Roginbertger Revocable Living Trust (.26 acres, zoned DC)
 - Tax Lot (TL) 1700, 294 E. Adams Avenue, owned by Joseph and Jennifer Rambo (.21 acres, zoned DC)



Proposed Sites for Adams Commons

- Adams Commons will blend affordable units (targeted towards those making less than 80% the Area Median Income) and workforce housing units (targeted towards those making between 80-120% of the Area Median Income) in order to, according to the application, “add to the diversity of the project.”
- Additional project funding is anticipated to come from LIFT (Local Innovations & Fast Track Funding), Oregon Health and Community Services (OHSC) for \$3,040,000; OHSC LIFT Supplemental Funding for \$800,000; OHSC Land Acquisition and Purchase Funding for \$359,100; and \$350,000 from Sisters Habitat for Humanity funds.
- Homes developed in Adams Commons will have permanent affordability guaranteed by a Land Trust model with 99-year lease terms that restart upon any transfer of title. The lease utilizes AMI-based formulas to ensure that both the initial affordable base price and resale pricing are directly tied to the area AMI.
- Timing: the applicant expects to submit their land use application for approval of the Adams Commons development in early August, 2024, with site work anticipated to start in March, 2025 before going vertical with the first units in August, 2025 and concluding with occupancy by early 2026.
- Staff has reviewed the application and finds that it meets the minimum eligibility requirements of the adopting ordinance.

Financial Impact: The total grant request is \$182,000 or the maximum grant award possible. It will be up to the City Council’s discretion whether to award the full ask in the upcoming

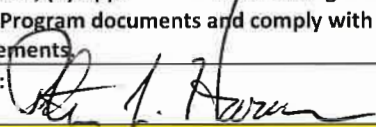


CITY COUNCIL Staff Report

fiscal year or determine the funding amounts on an annual basis. Per the adopting ordinance, the Council may limit or elect not to provide funding for the program in any fiscal year. If awarded, the Council will budget the funds for disbursement in the 2024/2025 fiscal year.

Attachments:

- Attachment 1 – Sisters Habitat for Humanity Application
- Attachment 2 – Ordinance 495 Adopting the Affordable Housing Program

APPLICANT INFORMATION	
Applicant Name (including DBA): Sisters Habitat for Humanity	Telephone No.: 541-549-1193
Applicant Address: PO Box 238	
Applicant Email: director@sistershabitat.org	Authorized Agent: Peter Hoover, Exec. Director
Applicant is (please check the applicable box): <input type="checkbox"/> a housing authority <input checked="" type="checkbox"/> a qualified non-profit organization that constructs affordable housing <input type="checkbox"/> a for-profit developer of affordable housing for low- and moderate-income households	
Complete the following by attaching separate page(s) to this application: 1. A description of the proposed project, including, without limitation, the type of housing, the proposed project location (i.e., identification of the real property of which the proposed project concerns), a timeline for project completion, and any additional information to demonstrate that the proposed project will satisfy the eligibility requirements of a "qualified project" under City's Affordable Housing Program (Ordinance No. 495) (the "Program"). 2. The amount of Program funds requested and the purposes for which the Program funds will be used (including, without limitation, identification of all eligible qualified expenses). 3. The project pro forma, including, without limitation, identification of funding sources to be used in connection with the proposed project. Include evidence that all other funding commitments (e.g., conventional construction and permanent loans, subsidies and loans, and/or low-income housing tax credits) have been, or are anticipated will be, obtained.	
CERTIFICATION	
The undersigned Applicant (or authorized agent) hereby declares under penalty of perjury as follows: (a) Applicant is current on all City of Sisters accounts; (b) Applicant has read and agrees to comply with the Program; and (c) Applicant will enter into all applicable grant, loan, and/or Program documents and comply with all terms and conditions thereof, including, without limitation, the project affordability requirements.	
Applicant Signature: 	Date: 03-01-2024
FOR CITY USE ONLY	
This application has been submitted to City. Please review the Applicant's information above. If necessary, contact the Applicant for further information. If you require additional space for comments, please attach your comments by separate page to this application.	
Administrator	
Does the Applicant meet the eligibility requirements contained in the Program? Yes <input type="checkbox"/> No <input type="checkbox"/>	
Does the proposed project comply with the Program? Yes <input type="checkbox"/> No <input type="checkbox"/>	
Recommendation – Approve Funding Request: Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, please identify the recommended type of award (i.e., grant and/or loan) and award amount(s).	Comments:
Signature:	Date:
Council	
Approve Funding Request: Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, complete the "Approved Request" section below.	Comments:
Mayor's Signature:	Date of Council's Decision:
Approved Request	
Type(s) of Funding: _____	Funding Amount(s): _____
Affordability Period: _____	
Collateral Required? Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, please attach a separate page containing a description of the collateral.	
Please list any conditions of approval.	

Sisters Habitat for Humanity



We build strength, stability, self-reliance and shelter.

February 27, 2024

City of Sisters
520 E Cascade Ave
Sisters OR 97759

RE: City of Sisters Affordable Housing Grant Program

Good morning:

Thank you for the opportunity to present our application for the Affordable Housing Grant. Sisters Habitat for Humanity deeply appreciates this opportunity the City of Sisters is providing to support the community's housing needs and, if awarded, the work of Sisters Habitat to meaningfully address those needs.

Both the City of Sisters and Sisters Habitat are well aware of the affordable housing crisis that is faced by area residents. I hope you find our envisioned affordable housing project that we are referring to as Adams Commons to be well-planned, logical, realistic, and very feasible.

As will be documented on the following pages, Sisters Habitat is committed to leveraging any resources the City of Sisters may commit. We are actively pursuing grants, private funding, gifts-in-kind, plus commitment of our fiscal resources and talents to ensure the successful fruition of Adams Commons.

On behalf of Sisters Habitat for Humanity, I thank you in advance for your consideration.

Yours truly,


Peter Hoover

Executive Director

Eligible Applicant Confirmation:

Sisters Habitat for Humanity is a non-profit organization registered as a 501(c)3 entity with the Internal Revenue Service. Confirmation from the IRS is attached as Exhibit 1.

Our commitment to Sisters is strong as demonstrated by our history. Since its founding in 1991, Sisters Habitat for Humanity has built or refurbished 78 affordable homes in the community. This phase of our Adams Commons project will provide 19 homes specifically for households with less than 80% AMI. Adams Commons is in addition to the homes we are constructing in Brooks Camp.

Other Eligibility Requirements:

Ordinance #495 stipulates the following eligibility requirements. The Adams Commons project complies with each of the requirements:

- New affordable housing opportunities with City's incorporated limits
 - All properties involved in this application are within the incorporated limits as demonstrated by the tax map attached as Exhibit 2.
- Affordable housing
 - All funding awarded to Sisters Habitat under this grant will be fully utilized to develop affordable housing available to area residents with household income that does not exceed 80% Area Median Income (AMI)
- Affordability Period
 - Affordable homes developed with these funds will have permanent affordability guaranteed by a Land Trust with 99-year lease terms that restart upon any transfer of title. Sisters Habitat will use a Master Lease developed by Habitat for Humanity Oregon and Proud Ground. The Master Lease utilizes AMI based formulas developed from trusted and proven models across the United States to assure both the initial affordable base price and resale pricing is directly tied to area AMI. Thus, funds granted by the City of Sisters will be an investment assuring affordability for perpetuity.
- Income-Qualified Persons
 - Although Ordinance #495 Exhibit A permits household income not to exceed 120% AMI, these affordable homes will be sold to households whose income does not exceed 80% AMI. (For clarity, Sisters Habitat will also be constructing Work Force Housing within the City limits to serve households with incomes between 80% and 120% AMI independent from funding that may be awarded under this grant application.)
- Project attributes
 - Dwellings built with funds from this grant will be either single-family homes or duplexes.
 - All dwellings will be new construction. Rehabilitation is not within the scope of Adams Commons or this application.
 - All dwellings built with funds from this grant will be owner-occupied and will have restrictions designed to strongly discourage short-term rentals.
 - Landscaping will include greenspace, fire-hardening, and xeriscaping characteristics to the extent possible
 - Energy efficient features will be incorporated into the construction of each home and Energy Star appliances will be utilized

- Community considerations
 - Local suppliers, vendors and labor will be used to the extent possible to benefit the local economy and maximize the multiplier effect of any funds awarded under this grant.
 - Community forums will be held to gather input to shape the project design and to inform the community of the availability of affordable homes

Application Review Criteria:

- The “Affordable Housing Program Application” form is attached as part of this application
- Project Description:
 - The project, known as Adams Commons, is described below:
 - The subject properties are identified as follows:
 - Tax Map 151004CD Lot 1000
 - Tax Map 151004CD Lot 1100
 - Tax Map 151004CD Lot 1500
 - Dwellings will be a combination of single-family homes and duplexes, all of which will be owner-occupied
 - As envisioned, a total of 19 affordable (less than 80% AMI) dwellings will be constructed and will be the beneficiary of any grant funds awarded
 - Adams Commons will be a blend of Affordable Housing (less than 80% AMI) and Work Force Housing (80% to 120% AMI) to add to the diversity of the project. Funds awarded under this grant will be exclusively used for development of affordable dwellings.
 - Completion of construction and transfer of ownership will be as soon as feasible but no later than 42 months from grant award.
 - Adams Commons will be completed in phases over the 42-month maximum time frame, and ownership transfer will occur as each phase is completed
 - Timeline:
 - February – June 2024
 - Complete OHCS grant applications (award decisions anticipated in June 2024)
 - Continue seeking financial support from individuals, foundations, and local employers
 - Develop a plat plan in conjunction with SHFH retained design team and the City of Sisters Community Development Department’s review

- July – October 2024
 - Solicit bids and select firms for infrastructure development, dwelling construction and project management
- November – February 2024
 - Initiate site improvements (weather permitting) for infrastructure and pushouts
- March 2024 through project completion
 - Complete infrastructure
 - Initiate dwelling construction
 - As appropriate, open homeownership application submission
 - Review received applications
 - Prepare selected applicants for homeownership through orientation and educational requirements
 - Obtain Certificates of Occupancy
 - Transfer fee simple title to home and leasehold interest in land
- **Funding Request:**
 - For the 19 affordable homes that are the subject of this application, Sisters Habitat requests \$182,000 (or maximum available funding)
 - Funds awarded under this grant will be applied exclusively for:
 - Land acquisition
 - Site preparation
 - Construction of perpetually affordable priced dwellings including labor costs, material costs, applicable fees, home design and such costs related to affordable home development
- **Project Pro Forma:**
 - The Adams Commons pro forma is attached as Exhibit 3.
 - Applications have been submitted for Local Innovation & Fast Track Funding (LIFT) to Oregon Community & Community Services (OHCS) in the amount of \$3,040,000
 - Application is in process for OHCS LIFT Supplemental Funding in the amount of \$800,000

- Application is in process for OHCS Land Acquisition and Purchase Funding in the amount of \$359,100
- Sisters Habitat for Humanity is committing \$350,000 to the development of Adams Commons.
- Dwellings will be sold using the Oregon Bond Residential Rate Advantage Loan Program to provide affordable loans to purchasers, thereby freeing capital for Sisters Habitat to reinvest in Adams Commons development.
- Applicant History:
 - Sisters Habitat for Humanity began its service to Sisters in 1991 and has built/rehabilitated over 78 homes since then
 - Sisters Habitat has received the support of the City in prior affordable home development
 - The Adams Commons project is a significant move by Sisters Habitat to respond to the City's identified owner-occupied Affordable Housing need on a scope that has no precedent within the City of Sisters
 - Sisters Habitat has a proven track record of successful construction of Affordable Homes and home rehabilitation in the Sisters Community. We are a known quantity that delivers on its commitments.
- **Program Participation Requirements:**
 - Sisters Habitat agrees to enter into and sign all then-applicable program documents, and acknowledges this is a condition to receiving funds under the program.
 - Sisters Habitat acknowledges and agrees to maintain documentation and information necessary to demonstrate the project is occupied by income-qualified persons as defined by the ordinance, and will provide certification in the form directed by the City to confirm future ownership transfers comply with the affordability commitments undertaken herein.

Exhibit 1



Department of the Treasury
Internal Revenue Service
Tax Exempt and Government Entities
PO Box 2508
Cincinnati, OH 45201

Date:
March 14, 2023
Employer ID number:
93-1039346
Person to contact:
Name: MS. WINN
ID number: 1000110131
Telephone: 877-829-5500

SHARLENE WEED, EXECUTIVE DIRECTOR
PO BOX 238
SISTERS, OR 97759

Dear Sir or Madam:

This is in response to your letter of February 22, 2023, regarding the tax-exempt status of SISTERS HABITAT FOR HUMANITY INTERNATIONAL. We show that this organization is affiliated with a group exemption.

You can verify an organization is a subordinate under a group exemption ruling by reviewing the official subordinate listing approved by the central organization or by contacting the central organization. The central organization, not the IRS, determines which organizations are included as subordinates under its group exemption ruling.

If you need more information about the tax-exempt status of this organization, consider contacting this organization's central organization. You can also find information on the tax-exempt status of this and other organizations at www.irs.gov/eobmfextract.

If you have questions, you can call 877-829-5500 between 8 a.m. and 5 p.m., local time, Monday through Friday (Alaska and Hawaii follow Pacific time).

Thank you for your cooperation.

Sincerely,

A handwritten signature in cursive script that reads "Stephen A. Martin".

Stephen A. Martin
Director, Exempt Organizations
Rulings and Agreements

Exhibit 2

15 10 04CD

S.E. 1/4 S.W. 1/4 SEC. 4 T. 15S. R. 10E. W.M.
DESCHUTES COUNTY

1" = 100'

THIS MAP WAS PREPARED FOR
ASSESSMENT PURPOSE ONLY

1/25/2024

- Canceled Nos
- 400
- 901
- 901
- 7800
- 2800
- 3000A1
- 3001A1
- 3500
- 4700
- 5201
- 5300
- 5700
- 6000



15 10 04CD

Exhibit 3

Homeownership Proforma Summary

Budget Sources

	Per Unit	Total
TOTAL PROJECT SOURCES	429736.8421	\$8,165,000

Expected Receipt of Funds Timing

	Y1	Y2	Y3
TOTAL PROJECT SOURCES	\$3,800,000	\$2,182,500	\$2,182,500

Budget Uses

	Per Unit	Total
Acquisition & Site Work		
Lot Acquisition	\$100,389	\$1,907,400
Site Work/Public Improvements	\$23,684	\$450,000
Utilities	\$7,926	\$150,600
Other (list below - unhide for more rows):	0	
	0	
	0	
Acquisition & Sitework Subtotal:	\$ 132,000.00	\$2,508,000

Expected Spend Down of Funds Timing

	Y1	Y2	Y3
Acquisition & Site Work			
Lot Acquisition	\$1,907,400	\$0	\$0
Site Work/Public Improvements	\$450,000	\$0	\$0
Utilities	\$150,600	\$0	\$0
Other (list below - unhide for more rows):			
Acquisition & Sitework Subtotal:	\$2,508,000	\$0	\$0

	Per Unit	Total
Pre-Development & Soft Costs		
Appraisals	\$ 105	\$2,000
Architect	\$ 789	\$15,000
Asbestos Report	\$ -	\$0
Building Permits	\$ 4,500	\$85,500
Engineer	\$ 1,579	\$30,000
Environmental & Phase 1	\$ 368	\$7,000
City Fees, Inspections & Approvals	\$ 500	\$9,500
Lead Based Paint Report	\$ -	\$0
Soils Report/Geotech	\$ -	\$0
Special Inspections/Testing	\$ -	\$0
Survey Costs	\$ 1,737	\$33,000
System Development Charges	\$ 16,504	\$313,576
Wetland Mitigation	\$ -	\$0
Other (list below - unhide for more rows):	\$ -	
	\$ -	
Pre-Development & Soft Costs Subtotal	\$ 26,083	\$495,576

	Y1	Y2	Y3
Pre-Development & Soft Costs			
Appraisals	\$2,000	\$0	\$0
Architect	\$15,000	\$0	\$0
Asbestos Report	\$0	\$0	\$0
Building Permits	\$85,500	\$0	\$0
Engineer	\$30,000	\$0	\$0
Environmental & Phase 1	\$7,000	\$0	\$0
City Fees, Inspections & Approvals	\$9,500	\$0	\$0
Lead Based Paint Report	\$0	\$0	\$0
Soils Report/Geotech	\$0	\$0	\$0
Special Inspections/Testing	\$0	\$0	\$0
Survey Costs	\$33,000	\$0	\$0
System Development Charges	\$0	\$156,788	\$156,788
Wetland Mitigation	\$0	\$0	\$0
Other (list below - unhide for more rows):			
Pre-Development & Soft Costs Subtotal	\$182,000	\$156,788	\$156,788

	Per Unit	Total
Hard/Construction Costs		
Concrete	5814	\$110,466
Masonry	0	\$0
Metals	0	\$0
Wood, Plastics, and Composites	78167	\$1,485,173
Thermal and Moisture Protection	26707	\$507,433
Openings (doors & windows)	18990	\$353,210
Finishes	6100	\$115,900
Specialties	0	\$0
Equipment and Appliances	2600	\$49,400
Furnishings	1184.210526	\$22,500
Conveying Equipment	0	\$0
Fire Suppression	0	\$0
Plumbing	15230	\$289,370
Heating, Ventilating, and Air Conditioning	8189.157895	\$155,594
Integrated Automation	0	\$0
Electrical	8121.315789	\$154,305
Communications	431.5789474	\$8,200
Electronic Safety and Security	0	\$0
Waste Management	\$39	\$750
Landscaping	\$3,947	\$75,000
Other (list below - unhide for more rows):	0	
	0	
	0	
	0	
Hard/Construction Costs Subtotal:	\$ 175,121.11	\$3,327,301

	Y1	Y2	Y3
Hard/Construction Costs			
Concrete	\$0	\$55,233	\$55,233
Masonry	\$0	\$0	\$0
Metals	\$0	\$0	\$0
Wood, Plastics, and Composites	\$0	\$742,585	\$742,585
Thermal and Moisture Protection	\$0	\$253,716	\$253,716
Openings (doors & windows)	\$0	\$176,605	\$176,605
Finishes	\$0	\$57,950	\$57,950
Specialties	\$0	\$0	\$0
Equipment and Appliances	\$0	\$24,700	\$24,700
Furnishings	\$0	\$11,250	\$11,250
Conveying Equipment	\$0	\$0	\$0
Fire Suppression	\$0	\$0	\$0
Plumbing	\$0	\$144,685	\$144,685
Heating, Ventilating, and Air Conditioning	\$0	\$77,797	\$77,797
Integrated Automation	\$0	\$0	\$0
Electrical	\$0	\$77,152	\$77,152
Communications	\$0	\$4,100	\$4,100
Electronic Safety and Security	\$0	\$0	\$0
Waste Management	\$0	\$375	\$375
Landscaping	\$0	\$37,500	\$37,500
Other (list below - unhide for more rows):			
Hard/Construction Costs Subtotal:	\$ -	\$ 1,663,648.00	\$ 1,663,648.00

	Per Unit	Total
Project Administration		
Bonding & Insurance	1000	\$19,000
Contractor Fee/Profit	0	\$0
Contractor General Conditions	10001.21053	\$190,023
Contractor Overhead	0	\$0
Developer Fee	50000	\$950,000
Legal	526.3157895	\$10,000
Marketing/Advertising	973.6842105	\$18,500
Other (list below - unhide for more rows):	0	
	0	
	0	
Professional Fees & Administrative Costs Subtotal:	\$ 62,501.21	\$1,187,523

	Y1	Y2	Y3
Project Administration			
Bonding & Insurance	\$19,000		
Contractor Fee/Profit			
Contractor General Conditions	\$63,341	\$63,341	\$63,341
Contractor Overhead			
Developer Fee			\$950,000
Legal	\$0	\$5,000	\$5,000
Marketing/Advertising	\$12,000	\$3,250	\$3,250
Other (list below - unhide for more rows):			
Professional Fees & Administrative Costs Subtotal:	\$94,341	\$71,591.00	\$1,021,591.00

	Per Unit	Total
Closing, Carrying Costs & Other Project Fees		
DOJ Charges*	78.94736842	\$1,500
Interest Costs	0	\$0
Loan Fees & Closing Costs	0	\$0
OHCS Application Charge*	131.5789474	\$2,500.00

	Y1	Y2	Y3
Closing, Carrying Costs & Other Project Fees			
DOJ Charges*	\$1,500		
Interest Costs			
Loan Fees & Closing Costs			
OHCS Application Charge*	\$2,500		

Homeownership Florida Summary

OHCS Recipient Charge*	105,263,157.9	\$2,000.00	\$2,000		
OHCS Reservation Charge*	2400	\$45,600.00	\$45,600		
OHCS Document Preparation Charge	0				
Real Estate Taxes	0				
Sales Expense	0	\$0			
Title Insurance & Recording	0				

Other (list below - unhide for more rows):

	0				
	0				

Carrying Costs & Other Project Fees Subtotal: \$ 2,715.79 \$51,600 \$ 51,600.00 \$ - \$ -

Contingencies

	Per Unit	Total	Y1	Y2	Y3
Soft Cost Contingency (max \$25,203.80)	1315.789474	\$25,000			\$25,000
Hard Cost Contingency (max \$196,395.05)	10000	\$190,000			\$190,000
Escalation (max \$392,790.10)	20000	\$380,000			\$380,000

Contingencies Subtotal: \$ 31,315.79 \$595,000 \$ - \$ - \$ 595,000.00

TOTAL PROJECT COST \$429,737 \$8,165,000 \$2,835,941 \$1,892,027 \$2,842,027

Exhibit 4

RE: Certification Sisters Habitat is current on all City accounts

Kim Keeton <KKeeton@ci.sisters.or.us>

Tue 2/20/2024 10:17 AM

To: Peter Hoover <peter@sistershabitat.org>

Cc: Joe O'Neill <joneill@ci.sisters.or.us>

Peter,

Thank you for the clarification. As of today 2/20/2024, all the Sisters Habitat Water/Sewer accounts are paid in full and have a zero balance.

I hope this is sufficient, if not, please let me know.

Kim Keeton

Accounting Analyst

City of Sisters | Finance Dept.

PO Box 39 | 520 E. Cascade Ave., Sisters, OR 97759

D: 541-323-5209 | City: 541-549-6022

kkeeton@ci.sisters.or.us | www.ci.sisters.or.us

From: Peter Hoover <peter@sistershabitat.org>

Sent: Tuesday, February 20, 2024 10:02 AM

To: Kim Keeton <KKeeton@ci.sisters.or.us>

Cc: Joe O'Neill <joneill@ci.sisters.or.us>

Subject: Re: Certification Sisters Habitat is current on all City accounts

Good morning Kim,

A bit of background may clarify what I'm seeking. Sisters Habitat is applying for the City's Affordable Housing Grant. Section 8(e) of Exhibit A attached to Ordinance 495 indicates application process will include "certification that the applicant is current on all city accounts. The applicant may not be delinquent on any city accounts (e.g., utility accounts) and all property taxes ..."

I read this to mean that a certification that accounts are current needs to be submitted as part of the grant application, and that was the basis for my request.

It may be that a certification is not required with the application, and instead Section 8(e) is just indicating account status will be part of the City's review process. I am attempting to ensure I am complying with required documents.

Thank you for your guidance, Kim.



Peter Hoover

Executive Director

Sisters Habitat for Humanity

PO Box 238 • Sisters OR • 97759

541-549-1193

ORDINANCE NO. 495

AN ORDINANCE OF CITY OF SISTERS ADOPTING AN AFFORDABLE HOUSING PROGRAM FOR PURPOSES OF CREATING AND PRESERVING AFFORDABLE HOUSING IN CITY.

WHEREAS, City of Sisters ("City") has determined that City lacks sufficient affordable housing inside City's incorporated limits; and

WHEREAS, Section 42(3) of the 2003 Sisters City Charter (the "Charter") provides that City may waive City's system development charges ("SDC(s)") for affordable housing provided by nonprofit organizations provided the housing is affordable for a period of fifty (50) years; and

WHEREAS, subject to and in accordance with the Charter, City has granted certain requests to waive SDCs for affordable housing provided by nonprofit organizations; and

WHEREAS, City desires to collaborate with agencies and private developers to provide permanent, new affordable housing opportunities within City's incorporated limits, including, without limitation, providing support for agencies and private developers who provide safe, comfortable, and affordable housing; and

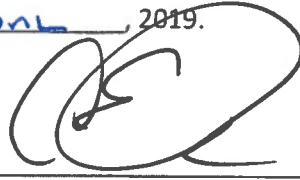
WHEREAS, by adoption of this Ordinance 495 (this "Ordinance"), the Sisters City Council (the "Council") desires to establish a program and guidelines to subsidize costs of constructing affordable housing in City.

NOW, THEREFORE, City of Sisters ordains as follows:

1. Findings. The above-stated findings are hereby adopted.
2. Affordable Housing Program Established. Council hereby establishes the City of Sisters Affordable Housing Program (the "Program"). The Program will be implemented and administered in accordance with the Program terms and conditions attached hereto as Exhibit A.
3. Miscellaneous. All pronouns contained in this Ordinance 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 word "or" is not exclusive. The words "include," "includes," and "including" are not limiting. Any reference to a particular law, statute, rule, regulation, code, or ordinance includes the law, statute, rule, regulation, code, or ordinance as now in force and hereafter amended. If any section, subsection, sentence, clause, and/or portion of this Ordinance is for any reason held invalid, unenforceable, and/or unconstitutional, such invalid, unenforceable, and/or unconstitutional section, subsection, sentence, clause, and/or portion will (a) yield to a construction permitting enforcement to the maximum extent permitted by applicable law, and (b) not affect the validity, enforceability, and/or constitutionality of the remaining portion of this Ordinance.

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This Ordinance was PASSED by the City Council by a vote of 5 for and 0 against and APPROVED by the mayor on this 10 day of April, 2019.



Chuck Ryan, Mayor

ATTEST:



Kerry Prosser, City Recorder

Exhibit A
City of Sisters Affordable Housing Program
[attached]

Exhibit A

City of Sisters Affordable Housing Program

1. Purpose. The purpose of this ordinance is to establish the administrative framework pursuant to which city may grant or loan funds for qualified affordable housing projects located in city that benefit low- and moderate-income persons.

2. Program Established. City establishes this affordable housing program to offer eligible agencies and private developers grant and/or loan funds for purposes of constructing and offering affordable housing to low- and moderate-income persons in city.

3. Definitions. For purposes of this ordinance, the following terms and phrases have the meanings assigned to them below:

“Affordability period” means the period commencing on the date which a qualified project receives a certificate of occupancy or final inspection, whichever is later, and ending ten years from such date; provided, however, council may increase or shorten the ten-year affordability period for a project if (a) circumstances necessitate a longer or shorter affordability period, as determined by council in council’s sole discretion, and/or (b) applicable law, including, without limitation, the 2003 Sisters Charter, requires a longer affordability period.

“Administrator” means the city manager or such other individual designated by council from time to time to administer the program.

“AMI” means area median income.

“Applicant(s)” means the person applying for program funds.

“City” means City of Sisters, Oregon.

“City council” or “council” means city’s then elected legislative body.

“City manager” means city’s then appointed city manager or his or her designee(s).

“Code” or “SMC” means the Sisters Municipal Code.

“Grant, loan, and/or program document(s)” means city’s program documents in form and content acceptable to city and such other restrictive covenants, trust deeds, security agreements, assignments, UCC financing statements, subordination agreements, guarantees, documents, and/or instruments city may require to effectuate any program grant and/or loan, including, without limitation, those program documents identified under Section 9.2 and/or Section 9.3.

“Housing needs analysis” means city’s then existing housing plan and/or housing needs analysis adopted by city, as amended from time to time.

“HUD” means United States Department of Housing and Urban Development or HUD’s successor.

“Income-qualified person(s)” means (a) as applied to owner-occupied or lease-to-purchase housing, a person or group of persons whose household income does not exceed one-hundred twenty percent (120%) of AMI for Deschutes County as calculated and adjusted for household size from time to time by HUD, and/or (b) as applied to rental housing, a person or group of persons whose household income does not exceed one-hundred percent (100%) of AMI for Deschutes County as calculated and adjusted for household size from time to time by HUD.

“Person” means any natural person, corporation, limited liability company, partnership, limited liability partnership, joint venture, firm, association, trust, incorporated organization, and/or any other entity, whether acting in an individual, fiduciary, or other capacity.

“Program” means the City of Sisters Affordable Housing Program described in this ordinance.

“Program funds or funds” means grant and/or loan funds provided by city under the program.

“Project” means the proposed development for which an applicant requests program funds which may include, without limitation, multi-family housing, single-family residence(s), and/or other dwelling unit(s); provided, however, the term “project” does not include rehabilitation projects.

“Qualified expense(s)” means land use fees, building permit fees, material and supply costs and expenses, and such other fees, costs, and expenses arising out of the development and construction of a qualified project; “qualified expense(s)” may include, without limitation, costs and expenses for the acquisition of real property on which a qualified project will be constructed.

“Qualified project(s)” means a project located in city’s incorporated limits that is (a) owner-occupied or lease-to-purchase housing for households with an income at or below one-hundred twenty percent (120%) of AMI for Deschutes County as calculated and adjusted for household size from time to time by HUD, or (b) rental housing for households with an income at or below one-hundred percent (100%) of AMI for Deschutes County as calculated and adjusted for household size from time to time by HUD.

“SDC” means the Sisters Development Code.

“Transfer” means any transfer, including, without limitation, any sale, conveyance, exchange, gift, lease (excepting a tenant lease in the ordinary course), encumbrance, and/or foreclosure of an encumbrance, regardless of whether the transfer occurs voluntarily or involuntarily, by operation of law, or because of any act or occurrence.

4. Program Administrator. The administrator has the authority to implement, administer, and manage the program, including, without limitation, the authority to interpret the program and this ordinance. Notwithstanding this broad authority, the administrator will act reasonably, in compliance with applicable federal, state, and local laws, regulations, and ordinances, and in a manner the administrator reasonably believes is in city’s best interests. The decision of the administrator on any given matter will not set any precedent nor bind future decisions of the administrator.

5. Annual Appropriation. Available program funds will be determined and subject to appropriation each fiscal year by resolution of the council. The amount of financial assistance may be increased or decreased at any time by council resolution. Council may limit or elect not to provide

funding for the program in any fiscal year. Council will attempt to provide notice of available program funding (if any) each fiscal year; provided, however, council will attempt to provide additional notice of any program funds available after March 1. If program fund requests exceed funding provided by the council, council will determine program participation based upon what the council determines is in city's best interests. At all times, city's financial assistance under the program will be based on availability of funds in city's program budget at the time of application and, if applicable, any subsequent fiscal year(s). Notwithstanding anything contained in this ordinance to the contrary, city will not be obligated to provide any program funding if sufficient funding is not then available.

6. Funding. Subject to the provisions of this ordinance, city may, in city's sole discretion, grant and/or loan program funds to an applicant satisfying all program requirements in an amount not to exceed the amount requested in the applicant's application. Program funds provided to an applicant may consist of grant funds, loan funds, and/or a combination of grant and loan funds. Notwithstanding anything contained in this ordinance to the contrary, grant and/or loan funds provided under the program will be used for qualified expenses and for no other purposes.

7. Minimum Eligibility Requirements. In addition to any eligibility requirements and/or conditions that the administrator may impose, to be eligible for program funds, an applicant must demonstrate compliance with all eligibility requirements and conditions imposed under this ordinance, including, without limitation, the following minimum requirements: (a) the applicant must be (i) a housing authority, (ii) a qualified non-profit organization that constructs affordable housing, or (iii) a for-profit developer of affordable housing for low- and moderate-income households; (b) the project for which program funds are sought must be an eligible qualified project as defined in this ordinance; and (c) the applicant must timely apply for program funds on city's then current program application and in such manner as the administrator may prescribe.

8. Application Review.

8.1 Applications. Application forms for program funds will be available at the Sisters City Hall. Each application must be filed with the administrator no later than March 1 immediately preceding the fiscal year in which the applicant desires to obtain program funds. Notwithstanding the immediately preceding sentence, if the council has not awarded all program funds appropriated for the fiscal year, an application may be filed with the administrator after March 1 subject to the provisions of this ordinance. Each application must contain all information and documentation city may require, including, without limitation, the following:

(a) The date of the application and the applicant's name, address, contact information, and the signature of the applicant's authorized representative.

(b) A description of the proposed project, including, without limitation, the type of housing, the proposed project location (i.e., identification of the real property of which the proposed project concerns), a timeline for project completion, and such additional information city deems necessary or appropriate to demonstrate that the proposed project will satisfy the eligibility requirements of a qualified project.

(c) The amount of program funds requested and the purposes for which the program funds will be used (including, without limitation, identification of all eligible qualified expenses).

(d) The project pro forma, including, without limitation, identification of funding sources to be used in connection with the proposed project. Applications must include evidence that all other funding commitments (e.g., conventional construction and permanent loans, subsidies and loans, and/or low-income housing tax credits) have been, or are anticipated will be, obtained. If applications to other funding programs are due after submission of the program application, the applicant will submit documentation that the proposed financing structure is expected to meet other source requirements and the timeline for applying and receiving award notification from other funders. If requested by the administrator, the applicant will provide a copy of the application to be submitted to other funding sources.

(e) Certification that that the applicant is current on all city accounts. The applicant may not be delinquent on any city accounts (e.g., utility accounts) and all property taxes for the property(ies) identified in the application must be paid at the time of application.

(f) All other information that the administrator deems necessary and/or appropriate to enable city to review the application and determine eligibility for the program funds.

8.2 Preliminary Review. Each application will be reviewed and processed by the administrator in order of receipt. The administrator will perform a preliminary review of each application and conduct whatever investigation the administrator deems necessary or appropriate to determine whether the application is complete, the statements made therein are true and accurate, and whether the application complies with this ordinance. City reserves the right to request additional documentation and information as needed. If, after a preliminary review, the administrator determines that the application does not include all required materials and/or information, the administrator will return the application and notify the applicant, in writing, of the deficiencies. If, after a preliminary review, the administrator determines the application is complete, the administrator will forward the application to council for review and evaluation along with the administrator's recommendations.

8.3 Evaluation; Criteria. Applications will be evaluated by council to determine whether to approve the application and award program funds (or any portion of program funds requested) or deny the application. The council may request additional documentation and/or information to render a decision on an application. The council may approve, approve with conditions, or deny an application. Applications (and the amount of funds provided) will be evaluated on criteria, including, without limitation, the following:

(a) Qualified Expenses. Applications will list specific qualified expenses for which the program funds are sought. City may give priority to certain types of expenses, including, without limitation, requests for program funds to assist with land use fees, building permit fees, material and supply costs and expenses, and other fees, costs, and expenses arising out of the construction of a new qualified project. Preference may be given to projects where other public funders have made their maximum award.

(b) Type of Housing; Needs. City may consider factors relating to the type of housing to be constructed, including, without limitation, whether city is experiencing a shortage of certain types of housing (e.g., multi-family housing), the percentage of units in a project that will be offered as affordable, and/or whether the project addresses city's housing needs as identified in city's housing needs analysis and/or council's then current housing goals.

(c) Applicant History. City may evaluate whether the applicant has previously received funding under the program and the applicant's compliance with the provisions of this ordinance. City may consider the applicant's history of constructing and offering affordable housing in city and/or the region.

The council may establish the relative weight (value) of any criteria for purposes of evaluating applications. The administrator will provide the applicant written notice of the council's decision on an application. The council's decision will be final and binding on the date the decision is mailed to the applicant. The decision of the council on any application or given matter will not set any precedent nor bind future council decisions.

9. Program Participation Requirements.

9.1 Affordability Period. As a condition to receiving funds under the program, during the affordability period a project must continue to satisfy the eligibility requirements contained in this ordinance, including, without limitation, continuing to be a qualified project. Subject to the provisions of this ordinance, city will record documentation, in form and content satisfactory to city, of the program grant and/or loan (and affordability requirements) with the Deschutes County Clerk's office upon commencement of the affordability period.

9.2 Documentation. The applicant must enter into and sign all then-applicable program documents as a condition to receiving funds under the program. The program documents will contain terms and conditions acceptable to city, including, without limitation, (a) disbursement procedures, (b) conditions to disbursement of program funds, (c) the timeframe within which funds must be used, and (d) such restrictive covenants, deed restrictions, and/or related instruments to ensure the continued affordability of the qualified project in accordance with this ordinance. Notwithstanding anything contained in this ordinance to the contrary, program documents will contain such terms and conditions reasonably requested by the city manager and/or city attorney and will be subject to the review and approval of the city manager and city attorney.

9.3 Security. A recipient must perform all recipient obligations contained under this ordinance and all program documents. To this end, a recipient's obligations to city under this ordinance and the program documents may, as determined by city in city's sole discretion, be secured and/or evidenced by a deed restriction and/or perfected security interest in the following real and/or personal property (collectively, the "collateral"): (a) the subject project property and all improvements, fixtures, equipment, and other articles of personal property located on and used in connection with the subject project property; (b) all present and future leases, rents, accounts, deposit accounts, general intangibles, and income and revenues of any nature relating to the subject project property; and (c) all products and proceeds of the foregoing. City's security interest in the collateral may, as determine by city in city's sole discretion, be evidenced by, and each recipient will execute and deliver to city (and/or cause any other person to execute and deliver to city), such deed restrictions, trust deeds, security agreements, assignments, Uniform Commercial Code financing statements, certificates of title, subordination agreements, guarantees, and all other documents and/or instruments city may request from time to time (each in form and substance acceptable to city) to evidence, secure, grant, preserve, protect, perfect, and continue the validity and priority of city's security interest in the collateral. The council may, from time to time, prescribe the type of documentation and/or instrument required for purposes

of evidencing city's security interest in the collateral. Council may distinguish documentation and/or instrument requirements on the basis of award amount and/or award type.

9.4 Affordability Certification. During the affordability period, the recipient will maintain such documentation and information necessary to demonstrate that the project is occupied by income-qualified person(s) and continues to meet the eligibility requirements of this ordinance. For each owner-occupied single-family residence, the recipient will certify to city, in form and content satisfactory to city, that the project meets the eligibility requirements upon any transfer of the project occurring during the affordability period; for all other projects, the recipient will certify to city, in form and content satisfactory to city, that the project meets the eligibility requirements upon any transfer of the project and on or before January 1 of each year during the affordability period.

10. Disqualification. If, during the affordability period, a project ceases to qualify as a qualified project, the recipient will repay all program funds to city immediately upon city's demand, plus interest at the statutory rate for interest on a judgement from the date of the document recording described in Section 9.1.

11. Denial; Suspension; Repayment.

11.1 Grounds for Denial. City may deny an application for the following: (a) the application is incomplete and/or fails to meet the requirements under this ordinance; (b) fraud, misrepresentation, and/or false statement(s) contained in the application and/or willful withholding of information or incomplete disclosure concerning any matter required to be furnished in connection with any such application; (c) failure to satisfy the eligibility requirements under this ordinance, including, without limitation, disqualification under Section 10; and/or (d) failure to comply with any applicable federal, state, and/or local law, regulation, and/or ordinance, and/or any agreement with city.

11.2 Remedies. In addition to any other remedy available to city, city reserves the right to demand immediate repayment of program funds (or any portion thereof) if a recipient violates the provisions of this ordinance. The remedies provided in this Section 11.2 are not exclusive and will not prevent city from exercising any other rights and/or remedies available under law. City will be entitled to collect from any recipient violating or otherwise failing to comply with this ordinance city's reasonable attorney fees and all other fees, costs, and expenses incurred by city to enforce this ordinance.



Meeting Date: April 24, 2024
Type: Workshop
Subject: Water and Wastewater Utility Rate Update

Staff: Bertagna/O'Neill
Dept: Public Works/Finance

Action Requested: Direction to staff on the preferred Rate Structure Alternatives, Utility Rate findings and Implementation Strategies

Summary Points:

- The City's Water and Wastewater Master Plans were recently adopted in the spring of 2023 which included updating the Capital Improvement Plans (CIP) for each plan. The Council's FY 23/24 goals included updating the utility rates based on the new Capital Improvement Plans.
- The current water and wastewater utility rates were last updated in 2017 and 2% inflationary adjustments have been made each year through FY 23/24.
- The City contracted with the FCS Group to consult on the project and work with staff to update financial plans, rate structures, financing options, and policy objectives.
- With several large capital projects necessary to meet current operational requirements and accommodate future growth, the City will need to debt serve a majority of those capital project costs. In order to issue debt, the City will be required to ensure that the utility rates can pay for the debt service. This requires the City to raise water and wastewater rates to not only make the required debt payments, but to also keep the utilities reserves and operating/capital balances equal to at least 180 days of operating expenses.
- The Water Utility has \$21.7 million in capital projects in the next 10 years. 38% of that will be cash-funded through operating and System Development Charge (SDC) cash and \$13.2 million will need to be debt served through either State/Federal funding agencies or by revenue bonds. Both options require rate revenue to be able to support the debt service payments.
- At the direction of staff, FCS provided two rate structure alternatives. Alternative A provides a more secure financing option with 63% of the cost-recovery through base (fixed) rates which make the fund less susceptible to weather and conservation variables. Alternative B provides an enhanced conservation approach with 50% of utility revenue through the volume rate. This alternative keeps the base rates lower, rewards water conservation, and provides water consumer equity.
- Staff is recommending the conservation approach for reasons including customer equity, resource protection, and it allows the city to manage the existing water supply more efficiently over the long-term. This approach uses more volume rate revenue to make up the needed 12%/yr rate increases for the next 5 years.



- The Wastewater Utility has \$12.0 million in capital projects with cash resources covering 68% of the planned project costs. \$3.8 million will need to be debt served either by state/federal loan programs or revenue bonds. The utility will need to raise rates to cover the debt service and support the utilities reserves/operations.
- Staff is recommending staying with the existing rate methodology with a base rate per Equivalent Dwelling Unit (EDU) for both residential and commercial customers. The proposed increase is 4%/yr for the next six years.
- A typical residential water/sewer bill during the irrigation season (7500 gals) will see an approximately \$5-7 dollar or 7.5% increase per year for the next six years. With the rate increase Sisters' rates will still be below the majority of the municipalities in Central Oregon.
- The implementation strategy includes preparing a two-page educational flyer to be mailed to every utility account with additional information available on the City website. A public hearing will then be held at the May 8th City Council meeting, adopt the new rates by resolution, incorporate the new rates into the 2024/25 budget and implement the new rate fees on July 1, 2024.

Financial Impact: \$25,000 consulting fee budgeted in the Water and Sewer funds for FY 23/24.

Attachments:

1. FCS PowerPoint



2023 Water & Wastewater Utility Rate Study



April 24th, 2024

Presented by:
Chris Gonzalez, Principal



Agenda



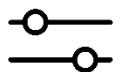
Study Objectives & Process



Fiscal Policies & Assumptions



Revenue Requirement Forecast/Financial Plan



Water Rate Structure Alternatives



Recommendations

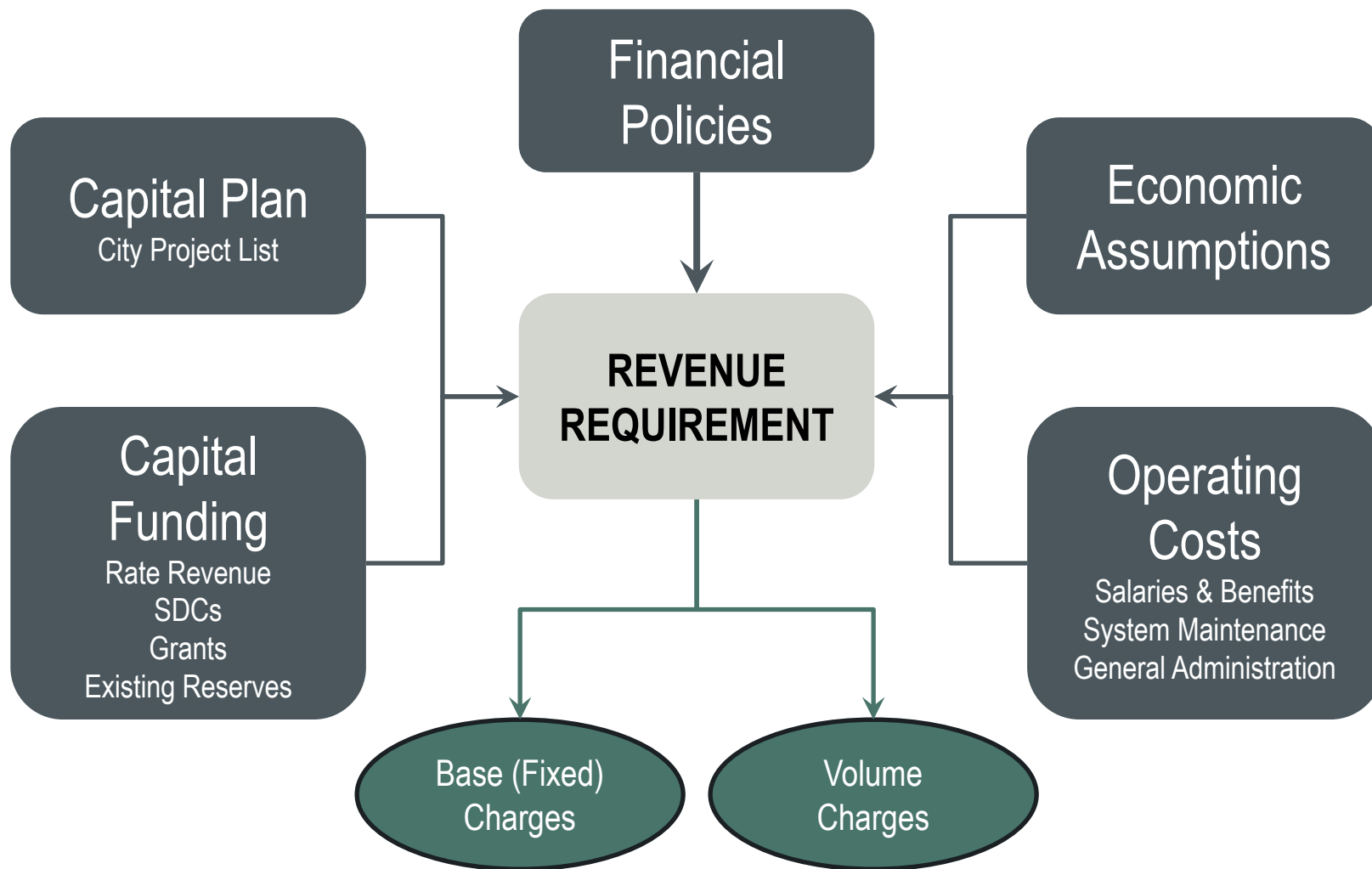


Key Study Objectives

- **Update financial plan for the City's water and wastewater utilities**
 - » Operation and maintenance
 - » Capital projects
- **Design water rate structure alternatives**
 - » Driven by key policy objectives
 - Equity: Improve alignment of cost causation/recovery through base charges
 - Conservation: Promote water conservation by increasing volume charges



Overview of the Utility Rate Study Process





Fiscal Policies

- **Each utility maintains an operating reserve of 2 months (16%) of expenses**
 - » ≈ \$138,000 for water, ≈ \$143,000 for wastewater based on 2024 Budget
- **Each utility funds transfers for capital through rates**

Reserve	Purpose	Annual Transfer
Capital Improvement Reserve	Provide funding for major capital projects and purchases	<ul style="list-style-type: none"> » Water: ≈ \$104,000 per year » Wastewater: N/A (not currently funded)
Capital Replacement Reserve	Provide funding to replace assets at the end of their lives	<ul style="list-style-type: none"> » Water: ≈ \$45,000 per year » Wastewater: ≈ \$46,000 per year

Goal: Maintain combined operating/capital balance equal to at least 180 days of operating expenses (policy recommended by bond rating agencies)



Key Assumptions

- **Annual Cost Inflation**

- » Employee Benefits: 9.2% per year
- » Credit Card Fees: 5.0% per year
- » Other Operating Costs: 4.0% per year
- » Construction Costs: 5.0% per year

- **Annual Growth**

- » 2.5% (\approx 72 equivalent single-family homes) per year

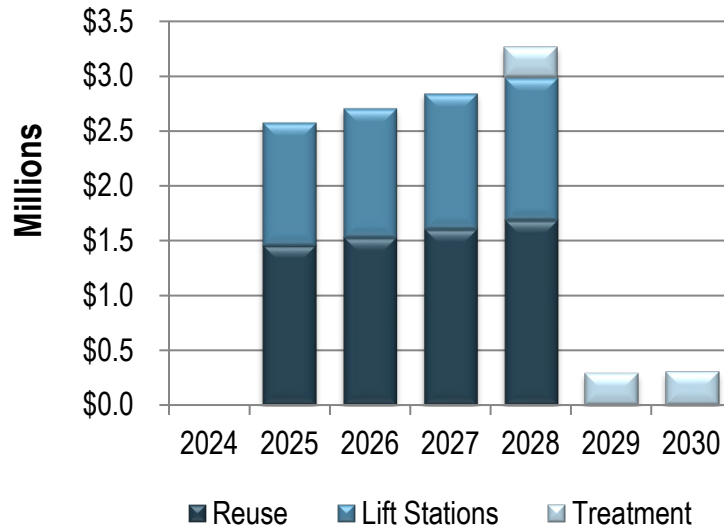
- **Operating Forecast**

- » Operating revenue generally projected based on FY 2024 Budget
 - Water rate revenue forecasted based on FY 2022 actuals
- » Expenses forecasted based on 2024 Budget
- » 7.0% franchise fee calculated on projected revenues

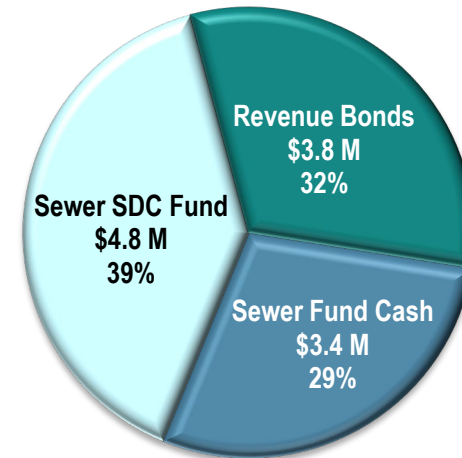


Wastewater Utility Capital Needs Forecast

Capital Costs by Year (2024 – 2030)



Capital Funding Strategy (2024 – 2030)

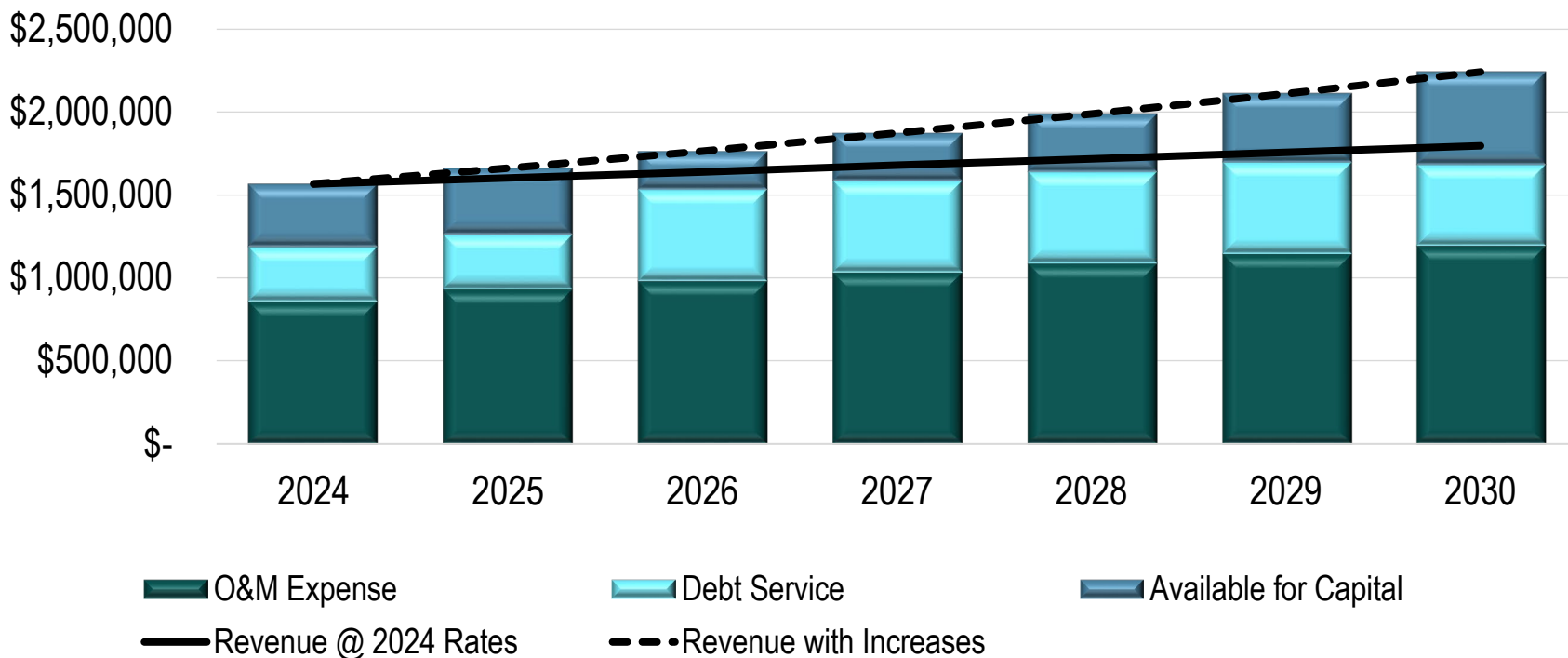


- **\$12.0 million in capital projects from 2024 – 2030**
 - » Reuse: \$6.3 million
 - » Lift Stations: \$4.8 million
 - » Treatment: \$0.9 million

- **Cash resources expected to cover \approx 68% of the planned project costs**
 - » \$3.4 M (29%) from Sewer Fund operating cash; \$4.8 M (39%) expected to be funded by SDCs
 - » \$3.8 M (32%) expected to be funded by revenue bonds
 - Increases annual debt service by \approx \$221,000 by 2030



Wastewater Utility Revenue Requirement Forecast

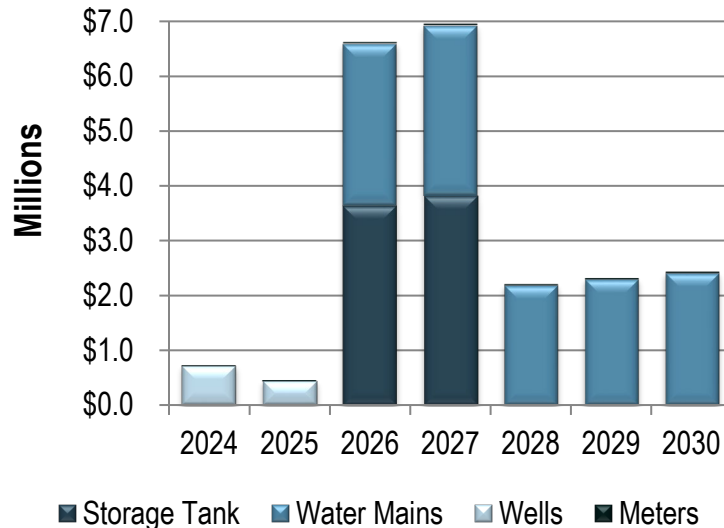


Wastewater Rate Forecast	Existing	Proposed				Projected	
	2024	2025	2026	2027	2028	2029	2030
Annual Rate Increase		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Monthly Bill Per EDU	\$41.60	\$43.26	\$44.99	\$46.79	\$48.66	\$50.61	\$52.63
Change From Prior Year		+\$1.66	+\$1.73	+\$1.80	+\$1.87	+\$1.95	+\$2.02

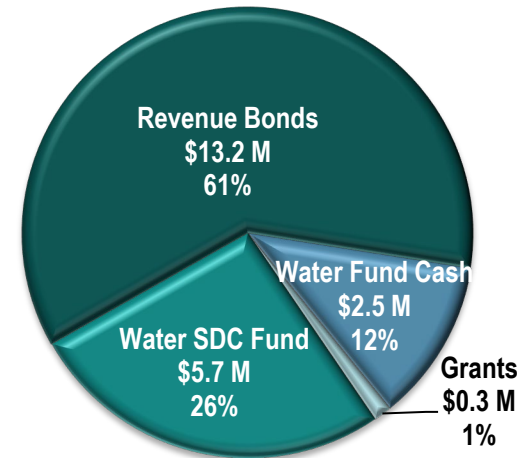


Water Utility Capital Needs Forecast

Capital Costs by Year (2024 – 2030)



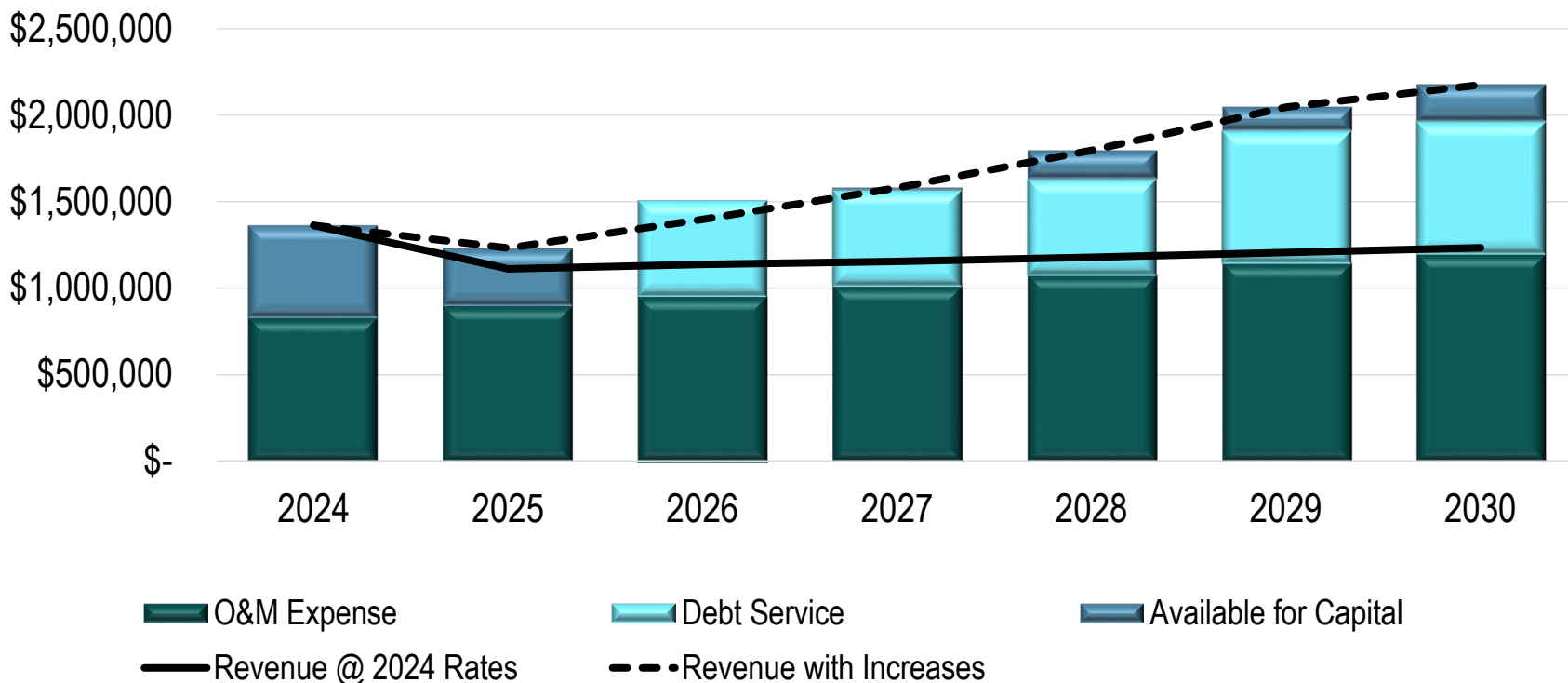
Capital Funding Strategy (2024 – 2030)



- **\$21.7 million in capital projects from 2024 – 2030**
 - » Water Mains: \$12.9 million
 - » Storage Tank: \$7.4 million
 - » Wells: \$1.2 million
 - » Meter Replacements: \$0.2 million
- **Cash resources expected to cover ≈ 38% of the planned project costs**
 - » \$2.5 M (12%) from Water Fund operating cash; \$5.7 M (26%) expected to be funded by SDCs
 - » \$13.2 M (61%) expected to be funded by revenue bonds
 - Increases annual debt service by ≈ \$767,000 by 2030



Water Utility Revenue Requirement Forecast



Water Rate Revenue Forecast	Existing	Proposed			Projected		
	2024	2025	2026	2027	2028	2029	2030
Annual Rate Revenue Increase		12.00%	12.00%	12.00%	12.00%	12.00%	4.00%



Water Rate Structure

Water Rate Structure	Current	Proposed			Projected		
	2024	2025	2026	2027	2028	2029	2030
Annual Water Rate Increase		12.0%	12.0%	12.0%	12.0%	12.0%	4.0%
Monthly Base Charge:							
5/8" and 3/4" Meters	\$19.37	\$21.69	\$24.29	\$27.20	\$30.46	\$34.12	\$35.48
1" and 1-1/2" Meters	\$21.72	\$24.33	\$27.25	\$30.52	\$34.18	\$38.28	\$39.81
2" Meter	\$24.07	\$26.96	\$30.20	\$33.82	\$37.88	\$42.43	\$44.13
3", 4", 6", and 8" Meters	\$58.70	\$65.74	\$73.63	\$82.47	\$92.37	\$103.45	\$107.59
Volume Charge Per CCF	\$1.00	\$1.12	\$1.25	\$1.40	\$1.57	\$1.76	\$1.83

- **Water utility costs are mostly fixed, driven in part by system capacity needs**
- **Water meter size defines potential capacity need of a connection**

Meter Size	3/4" x 3/4"	1"	1-1/2"	2"	3"	4"	6"	8"
Maximum Continuous Flow	30 gpm	50 gpm	100 gpm	160 gpm	320 gpm	500 gpm	1,000 gpm	1,600 gpm
Equivalent Residential Units (ERUs)	1.00	1.67	3.33	5.33	10.67	16.67	33.33	53.33

- **Can improve equity by aligning base charge structure with fixed costs**



Water Rate Structure Alternatives

- **Alternative A: Secure Financing**

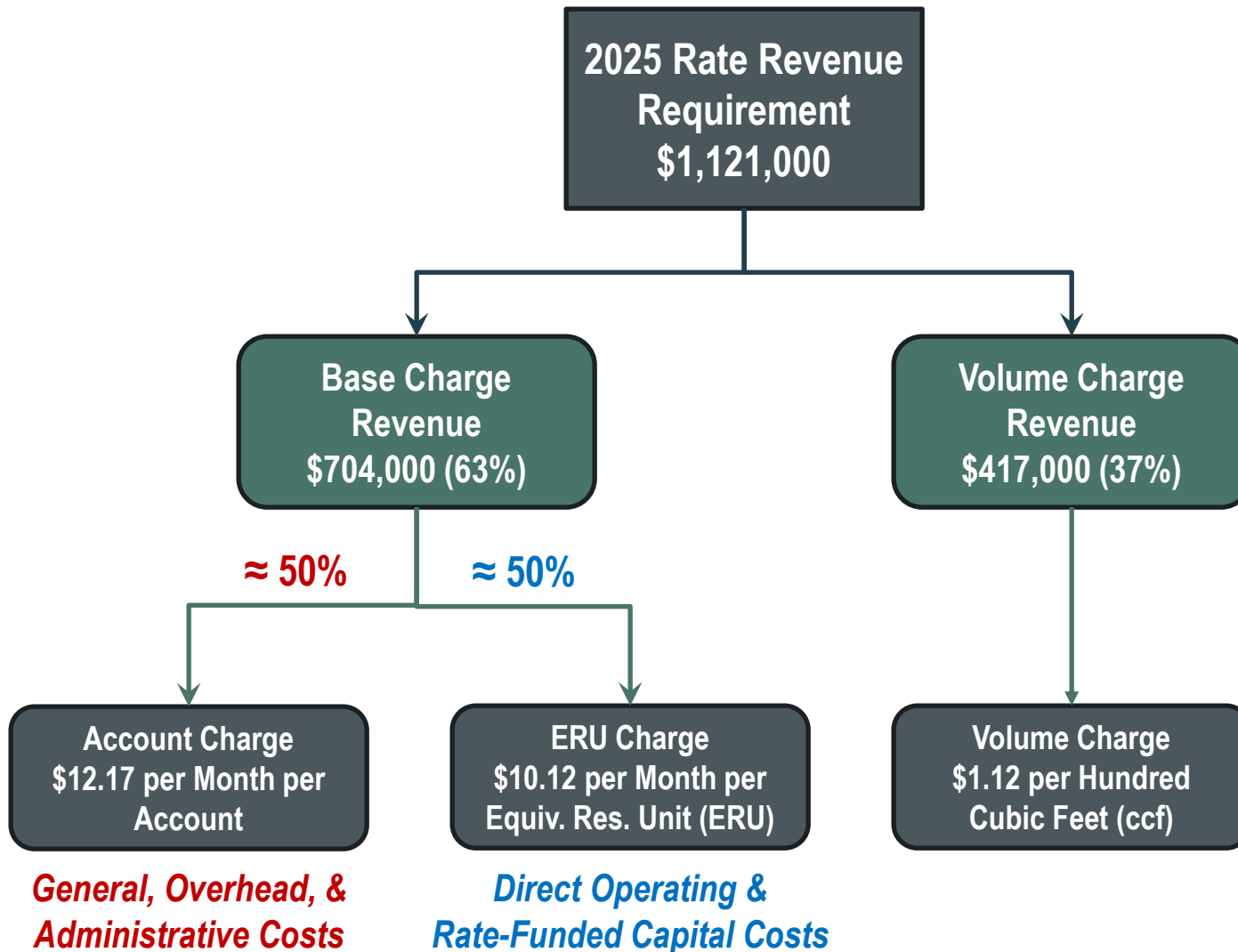
- » Recalibrates base charge structure
 - Account charge to recover costs equitably spread evenly to all customers
 - ERU charge to recover costs that scale with capacity needs (meter size)
 - Multi-family dwelling units charged 3/4” base charge per dwelling unit
 - Currently pay base charge based on meter size for each dwelling unit
 - Industry practice is to charge based on meter size or dwelling units
- » Targets 37% of cost recovery through volume charges (consistent with existing rates)

- **Alternative B: Enhanced Conservation**

- » Recalibrates base charge structure (*similar to Alternative A*)
- » Targets 50% of cost recovery through volume charges
 - Lower increases to base charges, higher increases to volume charges



Recalibrating the Water Rate Structure





Recalibrated 2025 Water Base Charge Structure

Meter Size	Account Charge	ME Charge	Total Base Charge (2025)	<i>Base Charge (2025 Status Quo)</i>
3/4"	\$12.17	\$10.12	\$22.29	\$21.69
1"	\$12.17	\$16.86	\$29.03	\$24.33
1-1/2"	\$12.17	\$33.72	\$45.89	\$24.33
2"	\$12.17	\$53.95	\$66.13	\$26.96
3"	\$12.17	\$107.90	\$120.08	\$65.74
4"	\$12.17	\$168.60	\$180.77	\$65.74
6"	\$12.17	\$337.20	\$349.37	\$65.74
8"	\$12.17	\$539.51	\$551.69	\$65.74



Rate Schedule

Alternative A: Secure Financing

Water Rates	Existing	Proposed			Projected		
	2024	2025	2026	2027	2028	2029	2030
Monthly Base Charge							
3/4" Meter	\$19.37	\$22.29	\$24.96	\$27.96	\$31.32	\$35.07	\$36.48
1" Meter	\$21.72	\$29.03	\$32.52	\$36.42	\$40.79	\$45.69	\$47.51
1-1/2" Meter	\$21.72	\$45.89	\$51.40	\$57.57	\$64.48	\$72.21	\$75.10
2" Meter	\$24.07	\$66.13	\$74.06	\$82.95	\$92.90	\$104.05	\$108.21
3" Meter	\$58.70	\$120.08	\$134.49	\$150.62	\$168.70	\$188.94	\$196.50
4" Meter	\$58.70	\$180.77	\$202.46	\$226.76	\$253.97	\$284.45	\$295.83
6" Meter	\$58.70	\$349.37	\$391.29	\$438.25	\$490.84	\$549.74	\$571.73
8" Meter	\$58.70	\$551.69	\$617.89	\$692.04	\$775.08	\$868.09	\$902.81
Volume Charge per ccf	\$1.00	\$1.12	\$1.25	\$1.40	\$1.57	\$1.76	\$1.83
% of Revenue from Volume Charges	37%	37%	37%	37%	37%	37%	37%

Wastewater Rates	Existing	Proposed			Projected		
	2024	2025	2026	2027	2028	2029	2030
Monthly Base Charge	\$41.60	\$43.26	\$44.99	\$46.79	\$48.66	\$50.61	\$52.63



Rate Schedule

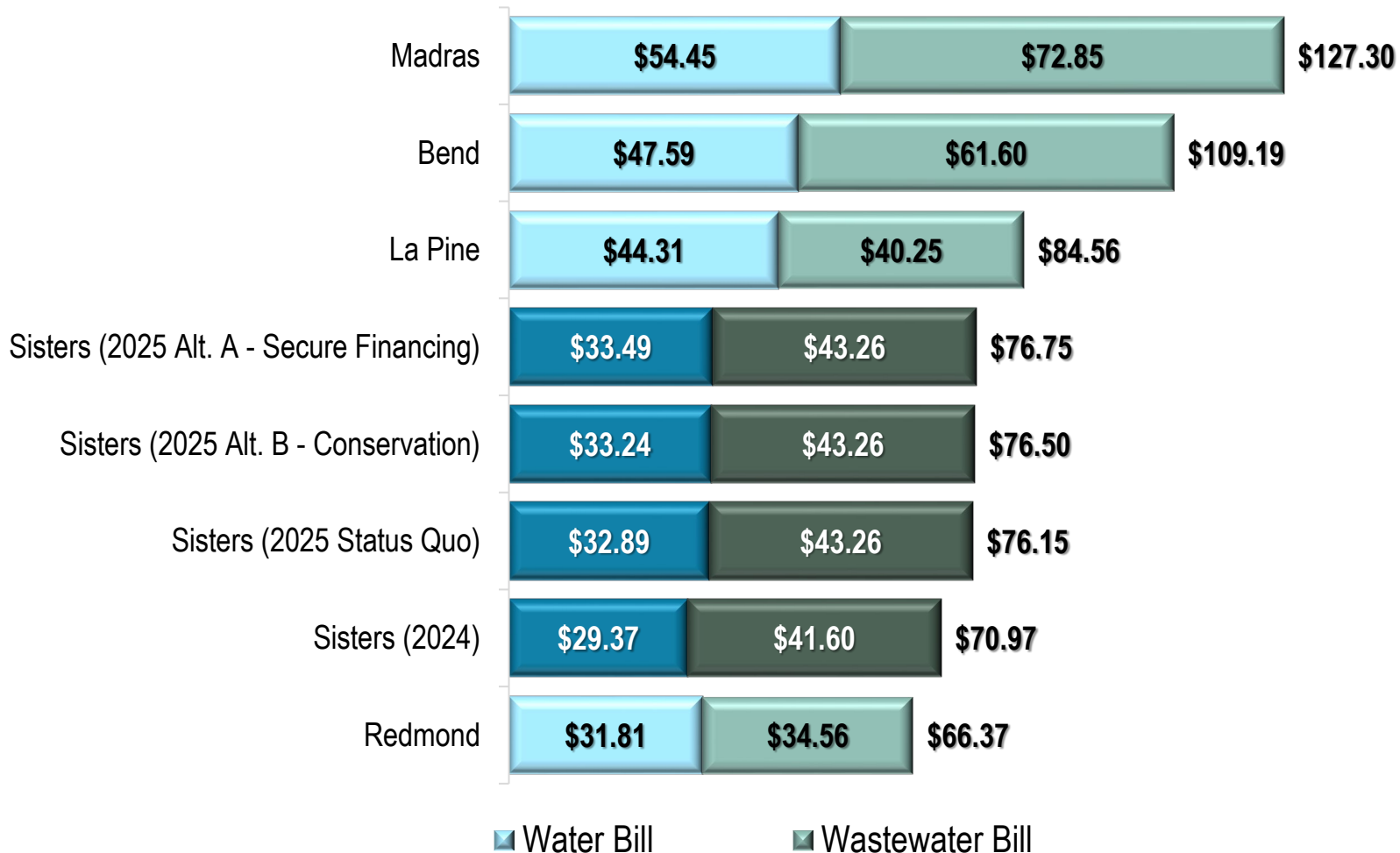
Alternative B: Enhanced Conservation

Water Rates	Existing	Proposed			Projected		
	2024	2025	2026	2027	2028	2029	2030
Monthly Base Charge							
3/4" Meter	\$19.37	\$20.84	\$22.42	\$24.12	\$25.95	\$27.92	\$29.04
1" Meter	\$21.72	\$27.15	\$29.21	\$31.42	\$33.81	\$36.37	\$37.83
1-1/2" Meter	\$21.72	\$42.91	\$46.17	\$49.67	\$53.44	\$57.49	\$59.79
2" Meter	\$24.07	\$61.82	\$66.52	\$71.56	\$77.00	\$82.84	\$86.15
3" Meter	\$58.70	\$112.27	\$120.79	\$129.95	\$139.82	\$150.43	\$156.45
4" Meter	\$58.70	\$169.01	\$181.84	\$195.64	\$210.49	\$226.47	\$235.52
6" Meter	\$58.70	\$326.64	\$351.43	\$378.11	\$406.80	\$437.68	\$455.19
8" Meter	\$58.70	\$515.80	\$554.95	\$597.07	\$642.38	\$691.14	\$718.78
Volume Charge per ccf	\$1.00	\$1.24	\$1.47	\$1.73	\$2.03	\$2.37	\$2.46
% of Revenue from Volume Charges	37%	41%	44%	46%	48%	50%	50%

Wastewater Rates	Existing	Proposed			Projected		
	2024	2025	2026	2027	2028	2029	2030
Monthly Base Charge	\$41.60	\$43.26	\$44.99	\$46.79	\$48.66	\$50.61	\$52.63



Combined Monthly Single-Family Bill



Assumed water use: 10 ccf | Assumed wastewater flow: 5 ccf



Recommendations

- **Adopt 2025 – 2027 wastewater rate increases of 4.0% per year**
- **Adopt 2025 – 2027 water rates, which reflect:**
 - » Revenue increases of 12.0% per year
 - » Alternative base rate structure

Residential Monthly Bill Forecast (Assuming 10 ccf of Water Usage)	Existing	Proposed			Projected		
	2024	2025	2026	2027	2028	2029	2030
Alternative A – Secure Financing							
Total Water/Wastewater Bill	\$70.97	\$76.75	\$82.45	\$88.75	\$95.68	\$103.28	\$107.41
Change from Prior Year		+\$5.78	+\$5.70	+\$6.30	+\$6.93	+\$7.60	+\$4.13
Percent Change from Prior Year		+8.1%	+7.4%	+7.6%	+7.8%	+7.9%	+4.0%
Alternative B – Enhanced Conservation							
Total Water/Wastewater Bill	\$70.97	\$76.50	\$82.11	\$88.21	\$94.91	\$102.23	\$106.27
Change from Prior Year		+\$5.53	+\$5.61	+\$6.10	+\$6.70	+\$7.32	+\$4.04
Percent Change from Prior Year		+7.8%	+7.3%	+7.4%	+7.6%	+7.7%	+4.0%

- **Monitor financial status regularly, considering adjustments as needed**
 - » Revisit 2028 – 2030 rate increases around 2027

Thank You! Questions?

Chris Gonzalez, Principal
(425) 502-6280

chrisg@fcsgroup.com

www.fcsgroup.com



Meeting Date: 4/24/2024
Type: Workshop
Subject: Water and Wastewater Policy Updates

Staff: Keeton, Bertagna, O'Neill
Dept: Public Works and Finance

Action Requested: Approval to move forward in the update of the Water and Wastewater Service ordinance, and other respective policies.

In conjunction with the utility rate updates, staff have been analyzing certain policies and definitions related to the water service and we're recommending the following updates to relative ordinances and policies.

Summary Points:

- Recommended ordinance updates:

At present, long-term renters have the option to manage the utility account in their name. However, we recommend exclusively assigning this responsibility to landlords. This transition offers several benefits. Firstly, it simplifies administrative processes for both finance and public works staff, eliminating the need for administration to establish new accounts and reducing the effort required to read meters with each tenant turnover. Secondly, the current practice often presents administrative challenges, such as returning security deposits to former renters, handling issues arising from failure to communicate the establishment of utility accounts, and managing late notices and other communication-related matters. Lastly, our research into similar practices in neighboring jurisdictions confirms that this approach is standard. Landlords will have until July 1, 2025, or the change of tenant, whichever occurs first, to implement this adjustment.

The current municipal code lacks clarity regarding the permissible area for City-provided bulk water. We propose a prohibition on bulk water usage outside of City limits, except for instances of fire support or other emergencies situated beyond the City's boundaries.

- Recommend policy updates:

With the proposed increase in utility rates, City staff have devised strategies to enhance the low-income utility assistance program. Currently, to qualify for participation in the program, the account holder's income must be at or below 50% of the Area Median Income (AMI), and they must have a good or better payment



CITY COUNCIL Staff Report

history, meaning they cannot have incurred more than two late payment penalties in the preceding 12 months. However, staff recommends removing the payment history component of the policy and instead allowing utility account participation for account holders who are current on their payments. Staff will closely monitor program participation levels and explore additional opportunities for expansion.

Financial Impact:

Staff estimates approximately \$10,000 of foregone revenue in the utilities.

Attachments: None.



CITY COUNCIL Staff Report

Meeting Date: April 24 2024
Type: City Council Meeting
Subject: City Council Meeting Minutes

Staff: R. Green
Dept: Administration

Consent Agenda: Approve the minutes from the April 10, 2024 Joint City Council-Deschutes County Board of Commissioners Workshop and the April 10, 2024 Regular City Council meeting.

Summary Points:

Approve the minutes from the April 10, 2024 Joint City Council-Deschutes County Board of Commissioners Workshop and the April 10, 2024 Regular City Council meeting.

Financial Impact: None.

Attachments:

- 1- April 10, 2024, Joint City Council-Deschutes County Board of Commissioners Workshop Minutes
- 2- April 10, 2024, Regular City Council Meeting Minutes

JOINT MEETING MINUTES
 SISTERS CITY COUNCIL
 520 E. CASCADE AVENUE
 APRIL 10, 2024

MEMBERS PRESENT:

Michael Preedin Mayor
 Andrea Blum Council President
 Jennifer Letz Councilor
 Gary Ross Councilor
 Susan Cobb 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
 Rebecca Green Deputy Recorder

BOARD OF COUNTY COMMISSIONERS:

Patti Adair Chair
 Phil Chang Commissioner
 Tony DeBone Commissioner

COUNTY STAFF:

Nick Lelack Administrator
 Kevin Moriarty County Forester

The meeting recording is available here: <https://www.ci.sisters.or.us/bc-citycouncil/page/joint-city-council-county-board-commissioners-workshop>

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE

The Joint meeting was called to order by Mayor Preedin at 5:00 p.m.

2. ROLL CALL

Mayor Preedin took roll call and established a quorum of the City Council were present. Chair Adair took roll call and established a quorum of the Board of County Commissioners (BOCC) were present.

3. INTRODUCTIONS

Mayor Preedin welcomed County Commissioners and staff. City Manager Jordan Wheeler and County Administrator Nick Lelack were introduced.

4. UPDATES

A. US20 at Locust Street Roundabout Update - *City*

Manager Wheeler provided an update on the [Roundabout construction](#), stating the project was on schedule and on budget, with an expected opening of the north side of Locust Street on May 24. The detour will then require the south side of Locust Street to close through the summer. The Roundabout route will be in place and tested during the Rodeo Parade scheduled for June 8, 2024. Wheeler thanked the County for contributing \$1 million dollars for the project. The City contributed \$1.4 million, and Oregon Department of Transportation contributed \$5 million. The Public Art for the Roundabout is in process and will take time to complete. Wheeler spoke to the changes occurring at 611 E Cascade, with the Elementary School getting ready to move out to the new school at 2155 W. McKinney Butte Rd. and Sisters Parks and Recreation’s move into the existing

JOINT MEETING MINUTES
SISTERS CITY COUNCIL
520 E. CASCADE AVENUE
APRIL 10, 2024

building for a community center and community park. Councilor Ross and Chair Adair spoke to the efforts of moving this project forward earlier than originally planned. Manager Wheeler spoke to the [Barclay Improvements Project](#) that will help facilitate traffic through town.

B. Urban Growth Boundary Amendment Status – *City*

Director Woodford introduced the topic by pointing out the different work projects over the last 4-5 years that have led to the commencement of a UGB amendment, including the 2040 Comprehensive Plan, the Housing Needs Analysis, the Economic Opportunities Analysis, and the Buildable Lands Inventory. These and other studies have identified a need to respond to population projections considering our limited UGB. The City has hired consultant MIG to help process the UGB Amendment over the next 18 months. The first step is providing information and soliciting public engagement, including a project website, open houses, surveys, and community conversations. The City will work with the County in several ways, including possible representation on the Steering Committee, information sharing with the County Community Development Department, and once developed, the amendment will go before the BOCC as a Comprehensive Plan amendment. Administrator LeLack requested a tour of the UGB area to see the land under consideration, and indicated the County welcomes the opportunity to participate in the process. Council and Commissioners discussed the details of the UGB area, the value of planning ahead, and various types of housing needs in Sisters.

C. Deschutes County Transportation System Plan – *County*

Administrator LeLack highlighted changes made to the County Transportation System Plan (TSP) as it relates to Sisters. The TSP was adopted by the Board on March 20, 2024. LeLack pointed out that the priority levels for target regional bicycle connections were removed, while the suggested new projects remained in the Plan. Some of these projects include improvements of Three Creeks Road from Sisters city limits to forest service lands and Indian Ford Creek bridge replacement along Camp Polk Road. There were a number of regional bicycle connections identified, including Sisters to Bend, Sisters to Redmond, Sisters to Terrebonne, Sisters to Black Butte Ranch, and Black Butte Ranch to Camp Sherman. There were a large number - 360 written comments received related to routes identified. LeLack stated the total costs of the TSP to be \$189 million and shared the breakdown of that number by category.

Commissioner Chang spoke to the removal of priority levels. He indicated that the projects represent a vision of what could be, but that it will be up to developers and communities to implement them if and as desired. Council and Commissioners discussed the process of developing the identified paths. Commissioner Debone spoke to Oregon State's Transportation package that will come to the legislature next year and city-level revenue sources.

JOINT MEETING MINUTES
SISTERS CITY COUNCIL
520 E. CASCADE AVENUE
APRIL 10, 2024

D. Wildfire Resiliency Updates – *City/County*

Manager Wheeler indicated the city has been working on building and hardening codes, and defensible spaces. The city is gathering information and while monitoring efforts by the state and other agencies, moving forward with developing local guidelines in coordination with the Sisters Country Wildfire Mitigation Group. Commissioner Chang spoke to the requirements and challenges to wildfire mitigation for different areas. Chang serves on the Oregon State Building Codes Division Rulemaking Advisory Committee that is developing wildfire hazard maps to be available for adoption in the next couple of months. Council and Board discussed the details of wildfire mitigation related to irrigation lands, hardening efforts, and standards for new and improved homes. Commissioner Adair announced the spring FireFree (www.firefree.org) events at various Deschutes County sites; Administrator Lelack added that for Sisters residents the Northwest Station event is on May 31 - June 8, 8am – 4pm.

5. OTHER BUSINESS

The meeting was adjourned at 6:32 p.m.

Rebecca Green, Deputy Recorder

Michael Preedin, Mayor

REGULAR MEETING MINUTES
SISTERS CITY COUNCIL
520 E. CASCADE AVENUE
APRIL 10, 2024

MEMBERS PRESENT:

Michael Preedin Mayor
Andrea Blum Council President
Jennifer Letz Councilor
Gary Ross Councilor
Susan Cobb 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
Rebecca Green Deputy Recorder

The meeting recording is available here: <https://www.ci.sisters.or.us/bc-citycouncil/page/city-council-meeting-332>

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE

The meeting was called to order by Mayor Preedin at 6:43 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 Cobb seconded the motion. Preedin, Blum, Letz, Ross, and Cobb voted aye; the motion carried 5-0.

4. VISITOR COMMUNICATION

Shereé Vance of Sisters Business Association (SBA) spoke to their work on behalf of businesses in Sisters. SBA exists to support all businesses grow and succeed. Upcoming activities include “A Taste of Sisters” in the fall, monthly “Sip and Mingle” gatherings and monthly “Morning Perk” events with speakers.

5. PROCLAMATION**A. Arbor Day Proclamation**

Mayor Preedin read the proclamation. Councilors Ross and Cobb indicated they would attend the Arbor Day celebration on April 26, 10am at Creekside Park. Urban Forestry Board member Therese Kollerer said that over 100 trees will be planted at the celebration and that adults can also participate.

6. CONSENT AGENDA**A. Minutes**

1. September 05, 2023 – Special Meeting
2. March 13, 2024 – Workshop
3. March 13, 2024 – Regular Meeting

REGULAR MEETING MINUTES
SISTERS CITY COUNCIL
520 E. CASCADE AVENUE
APRIL 10, 2024

- B. Authorize the City Manager to execute a grant agreement with the Oregon Department of Land Conservation and Development (DLCD) for a \$100,000 Housing Planning Assistance Grant to support the City's Urban Growth Boundary Amendment process.
- C. Authorize the City Manager to sign an In-Stream Lease Renewal Application.

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

7. COUNCIL BUSINESS

- A. Approve a Commercial Lease with Shannon Thorson dba Sisters Makers for 291 E Main Avenue and Authorize the City Manager to Execute the Agreement.

Assistant City Manager Prosser spoke to the process of awarding the lease; Preedin and Ross contributed their thoughts on the selection process as well. Sisters Makers founder Shannon Thorson provided an overview of Sisters Makers. The mission is to support artists, makers, growers, and innovators with facilities, education, and advocacy. Thorson spoke to the value of the 291 E. Main Ave. building to their mission and to the activities the organization will offer to the community and visitors. Council queried Thorson on the structure of the organization.

Council President Blum made a motion to approve the Commercial Lease with Shannon Thorson dba Sisters Makers for 291 E Main Avenue and authorized the City Manager to execute the agreement. Councilor Ross seconded the motion. Preedin, Blum, Letz, Ross, and Cobb voted aye; the motion carried 5-0.

8. OTHER BUSINESS

- A. Budget Committee Appointment

Mayor Preedin approved the appointment of Robin Smith to the Budget Committee for the term 4/10/2024- 12/31/2026.

- B. Staff Comments

City Manager Wheeler presented updates for all departments:

- Development services: The Planning Commission discussed the Short-Term Rental Program at their April 4, 2024, meeting, providing feedback on the 500-foot concentration limit in the mixed-use zoning areas in the Downtown Commercial District; the program will be considered again at an upcoming Planning

REGULAR MEETING MINUTES
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520 E. CASCADE AVENUE
APRIL 10, 2024

Commission meeting before returning to Council. Wheeler noted there will be an update on the Sun Ranch Text Amendment in the city's April edition of the Roundup Newsletter. This item is also being considered by the Planning Commission before it returns to Council. The Urban Growth Boundary kickoff meeting with MIG consultants is April 11. The Community Garden group continues to look at options for a new space, including the Sun Ranch property and Cliff Clemons Park. New home permits are being issued for Sunset Meadows.

- Public Works: the [Locust Roundabout](#) is on schedule, with an opening date of May 24. The design of the [East Portal Mobility Hub](#) is 90% complete. A One-Stop meeting occurred today that outlined opportunities for different loan programs to pay for city projects such as upcoming water projects. Creekside Campground opened April 1, everything is going well. The Finance Department is developing the budget; Budget Committee meetings will occur May 15 & 16, 2024.
- Administration: Civic Leadership Academy starts on Monday, April 16. Administration is working on next steps with the Vision Implementation Team. Management is meeting with Central Oregon Intergovernmental Council (COIC), focusing on community conversations about houselessness. The Urban Renewal Agency will meet April 24 at 4pm, followed by the Council meeting at 5pm.

8. MAYOR/COUNCILOR BUSINESS

Councilor Letz recently attended a Deschutes County Bicycle-Pedestrian Advisory meeting. She stated that the Oregon Department of Transportation has a number of grants available this year, including the Community Paths Grant Program, Innovative Mobility microgrants, carbon reduction grants, and EV chargers grants. Letz spoke to the McKenzie Hwy pavement improvements project, saying that it will impact bicyclists' ability to utilize the road in early summer, but that the improvements will create long-term safer riding. There will be a permeable pavement workshop in June 2024.

Councilor Cobb stated she attended the National Forest Service - Sisters Ranger District event on April 9. She spoke to the 144 trees being removed along the Tie Trail and Pine Street for powerline maintenance and suggested the city provide information to the public ahead of the project. The trail will be closed during the time of tree removal. Cobb stated that this winter's snow level is at 108% of need. Fire season starts July 4.

Councilor Ross also attended the Ranger District event. He stated there was a lot of information about the restoration work being done. Ross also went to the Economic Development Central Oregon (EDCO) meeting, also about powerlines issues. Ross attended the April Urban Forestry Board meeting, where they are focusing on a heritage tree nomination form. Heritage trees can be nominated for both city and private property trees. The Board has vetted the first iteration of the form and spoke to issues of cost. The Community Garden group has been exploring options for space. The City Parks Advisory

REGULAR MEETING MINUTES
SISTERS CITY COUNCIL
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APRIL 10, 2024

Board rejected the idea of putting the garden at Cliff Clemons park. There is more work to be done, involving the neighborhoods, community, staff, and council. Mayor Preedin suggested a long-term solution may be to utilize Urban Growth Boundary acreage.

Blum attended the Public Works Advisory Committee, where the pavement schedule for streets was reviewed. Blum was pleased to see the good conditions of our streets. Blum spoke to the recent McKinney-Vento, National Center for Homeless Education report of houseless youth within the school year. In Sisters during the school year of 2024, there were 26 houseless youth (K-12); in 2023, there were 22. Only two of the 26 are unaccompanied youth. Blum spoke to further statistics within the report.

Mayor Preedin spoke about the Oregon Mayors Association and will be giving a presentation about UGB expansion at the OMA conference in July. Preedin attended the recent Central Oregon Cities Organization (COCO) meeting in which Oregon Water Resources Department and the Oregon Water Resources Committee spoke about changing rules for ground water rights. Preedin represented the City of Sisters, and with other local leaders spoke to long-term local efforts that have worked, and the desire to maintain local governance. Preedin threw the first pitch at Opening Day for Sisters Little League.

9. ADJOURN: 7:46 p.m.

Rebecca Green, Deputy Recorder

Michael Preedin, Mayor



Meeting Date: April 24, 2024

Type: Regular Meeting

Subject: Resolution to apply for grant through Oregon Parks and Recreation Department's Local Government Grant Program.

Staff: J. Dumanch

Dept: Public Works

Action Requested: Approve Resolution No. 2024-06: A RESOLUTION OF CITY OF SISTERS AUTHORIZING APPLICATION FOR GRANT FUNDS UNDER THE LOCAL GOVERNMENT GRANT PROGRAM ADMINISTERED BY THE OREGON PARKS AND RECREATION DEPARTMENT FOR DEVELOPMENT OF A MASTER PLAN FOR THE FUTURE NORTHWEST PARK; AUTHORIZING EXECUTION OF GRANT APPLICATION.

Summary Points:

- The Parks Master Plan, updated in 2023, identified City-owned undeveloped parkland adjacent to Woodlands development as being suitable for a City park with year-round recreation facilities.
- The Plan also described the need for a public park to serve the growing western half of the City.
- Grant would fund the development of a Master Plan for the 2.82-acre lot.
- Future development of the park would result in a 17% increase in acres of developed parkland.
- Initial concept includes an open-air pavilion suitable for year-round recreation activities.
- Members of the public continue to voice their desire for a park in Sisters that can support year-round recreation.
- Public involvement efforts through the master planning process would help to gauge any changes to the public's recreation needs.
- Addresses two of the FY 2024/25 City Council Goals under "Economic Development" and "Essential Infrastructure".

Financial Impact: Approximately \$40,000 from Park SDC fund (\$50,000 award maximum with total project estimated at \$90,000).







Attachments:

1. Northwest Park Concept
2. Resolution No. 2024-06

CONCEPT ALTERNATIVE

Layout preferred by Project Management Team for further study in Sisters Parks Master Plan process.

LEGEND

-  PROPERTY LINE
-  POTENTIAL ACCESSIBLE PATHS / TRAILS
-  POTENTIAL VEHICLE ACCESS
-  POTENTIAL THROUGH ACCESS FOR EMERGENCY VEHICLE ONLY
-  EXISTING TREE
-  PROPOSED TREE

POTENTIAL USES

-  **A** SUPPORT BUILDING: POTENTIAL INDOOR COMMUNITY MEETING SPACE, MULTIPURPOSE SPACE, RESTROOMS, TICKETING, AND STORAGE
-  **B** OPEN-AIR COVERED PAVILLION CANOPY: POTENTIAL SEASONAL ICE RINK & MULTIPURPOSE RECREATION SPACE
-  **1** POTENTIAL ENTRY PLAZA - 2,000 SF
-  **2** POTENTIAL OUTDOOR OPEN SPACE WITH EVENT SPACE FOR 75 POPUP TENTS
-  **3** POTENTIAL LAWN SPACE FOR EXPANDED ICE RINK OR OUTDOOR SEATING - (200) PEOPLE DISTANCED 6FT OR (700) STANDARD FOLDING CHAIRS
-  **4** POTENTIAL OUTDOOR SEATING WITH FIREPLACE/PIT
-  **5** PICKLEBALL WITH WINDSCREEN APPROXIMATELY 4 COURTS WITH BENCHES
-  **6** SCREEN WALL & MURAL OR SIGNAGE OPPORTUNITY



Scale: 1" = 60'-0"

Full Size 11x17 Print



DRAFT 9/22/2022

SISTERS PARKS MASTER PLAN

PROPOSED NORTHWEST PARK SITE CONCEPT



RESOLUTION NO. 2024-06

A RESOLUTION OF CITY OF SISTERS AUTHORIZING APPLICATION FOR GRANT FUNDS UNDER THE LOCAL GOVERNMENT GRANT PROGRAM ADMINISTERED BY THE OREGON PARKS AND RECREATION DEPARTMENT FOR DEVELOPMENT OF A MASTER PLAN FOR THE FUTURE NORTHWEST PARK; AUTHORIZING EXECUTION OF GRANT APPLICATION.

WHEREAS, the Oregon Parks and Recreation Department (“OPRD”) administers the Local Government Grant Program (“LGGP”); and

WHEREAS, the City of Sisters (“City”) desires to submit an application for grant funds under the LGGP to fund development of a master plan for the project presently referred to as the “Future Northwest Park”; and

WHEREAS, a precondition to submitting an application under the LGGP is that the Sisters City Council (“Council”), as the governing body of City, must authorize submittal of the application; and

WHEREAS, the Council desires to authorize the grant application; and

WHEREAS, City has available local matching funds to fulfill its share of obligations related to the grant application should grant funds be awarded; and

WHEREAS, City will provide adequate funding for on-going operations and maintenance of the Future Northwest Park should grant funds be awarded.

NOW, THEREFORE, BE IT RESOLVED that City of Sisters resolves as follows:

1. Findings. The above-stated findings are hereby adopted.
2. Authorization. The Council hereby approves of submitting the LGGP grant application and authorizes City’s mayor to execute such grant application and take such further actions as may be necessary to further the purposes of this Resolution 2024-06 (this “Resolution”).
3. Miscellaneous. All pronouns contained in this Resolution 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 word “or” is not exclusive. The words “include,” “includes,” and “including” are not limiting. The provisions of this Resolution are hereby declared severable. If any section, subsection, sentence, clause, and/or portion of this Resolution is for any reason held invalid, unenforceable, and/or unconstitutional, such invalid, unenforceable, and/or unconstitutional section, subsection, sentence, clause, and/or portion will (a) yield to a construction permitting enforcement to the maximum extent permitted by applicable law, and (b) not affect the validity, enforceability, and/or constitutionality of the remaining portion of this Resolution. This Resolution may be corrected by order of the Council to cure editorial and/or clerical errors.

[signatures on next page]

ADOPTED by the City Council of City of Sisters and signed by the mayor this 24th day of April, 2024.

Michael Preedin, Mayor

ATTEST:

Rebecca Green, Deputy Recorder



CITY COUNCIL Staff Report

Meeting Date: April 24, 2024
Type: Regular
Subject: Explore Sisters Update

Staff: K. Prosser
Dept: Administration

Action Requested: Receive the Explore Sisters Presentation

Summary Points:

- In September, 2022 Council approved an agreement with Explore Sisters for Destination Management Services;
- As of July 2023, Explore Sisters adopted a 2023 budget and forecasted budgets for 2024 and 2025;
- Initial work on business, branding, and marketing plans have been in progress;
- Results of those efforts are the substance of today's presentation.

Financial Impact: None

Attachments:

1. Explore Sisters 2024 Update Presentation



About Explore Sisters

VISION

A thriving community through a robust tourism industry balanced with local livability.

MISSION

Guide intentional stewardship of the unique character of the greater Sisters area to enhance economic, social and environmental vitality.

VALUES

- Stewardship of our community and natural places
- Nurture collaborative partnerships
- Celebrate equity, inclusion and accessibility
- Embrace innovation and progress
- Operate with honesty, integrity and transparency



About Explore Sisters

BOARD OF DIRECTORS

Chair – Greg Willitts | FivePine Lodge

Vice Chair – Crista Munro | SFF Presents

Treasurer – Casey Muedt | Blazin' Saddles

Secretary – Jesse Durham | Sisters Coffee Co

Board Member – Nancy Connolly | Resident At-large

Board Member – Victoria Graves | Three Creeks Brewing

Board Member – Michael Preedin | Sisters City Council Liaison

Board Member – Kerry Prosser | City of Sisters Staff Liaison

STAFF

Executive Director – Scott Humpert



Roles & Responsibilities

Economic Development

- Nurture a sustainable year-round economy
- Grow Transient Lodging Tax revenue
- Support local workforce
- Expand area assets for guests and locals alike

Brand Stewardship

- Reputation and perception management of the Sisters community brand
- Destination marketing promoting Sisters area assets
- Integrated marketing producing content and managing owned media platforms

Destination Management

- Foster community livability
- Execute sustainable and regenerative practices
- Embrace diversity, equity, inclusion, and access

Insights & Impacts

- Data and analytics to inform decisions and indicate performance
- Industry advocacy and engagement
- Internal and external communications

Strategic Objectives



2023 Outcomes

Destination Marketing ~

Brand Development

- Brand guide
- Brand position and language (narrative, voice, headlines, copy)
- Logos (primary, monogram, social avatars, colors, usage rules)
- Secondary elements (color palate, typography, illustrations, patterns)
- Contextual usage examples

Interim Marketing

- Implementation and sunseting of temporary brand
- Placement of limited paid advertising
- Launch of social media channels
- Development of destination website
- Preparation of platform for email marketing
- Growth of primary audiences
- Captured photography and video for content library

2023 Outcomes

Stakeholder & Community Engagement ~

Communicate

- Participated in 150+ individual and community-based meetings
- Presented at speaking engagements
- Developed contact list to connect with stakeholders
- Hosted community town hall meeting
- Facilitated press coverage of ES
- Developed industry communication email template for distribution of relevant news and updates

Collaborate

- Partnered with City representatives on strategy and operations
- Engaged with EDCO for alignment on the intersection of tourism and economic development
- Attend monthly C4C Community Builders meetings to share updates, connect with a variety of community members and identify current and future partnership opportunities
- Formed a Brand Advisory Committee to guide the destination brand
- Provided letters of support to partner organizations

2023 Outcomes

Stakeholder & Community Engagement ~

Convene

- Participated in Vision Implementation Team
- Recruited as a core member of the Central Oregon Destination Management Studio sponsored by Visit Central Oregon and Travel Oregon
- Collaborated with Visit Central Oregon on customized Leave No Trace messaging to encourage responsible recreation
- Engaged with Oregon's Dark Sky Learning Community representing Sisters as one of the state's first Dark Sky certified communities.

2023 Outcomes

Data & Research ~

Visitor Data

- Broad understanding of who visits and why through research with Crosscurrent Collective
- Understanding of historical trends in tourism through key metrics and visitor data available from state and regional resources.

Impacts & Insights

- Working knowledge of current and emerging data sets and sources
- Informs the development of strategic planning
- Advocacy for the impacts of the tourism economy

Access to Data

- Stakeholders have tools available to them through the ES website to access to data to act on market trends
- ES is a trusted source of reliable and actionable information

2023 Outcomes

Sustainable Operation ~

Strengthen Governance

- Adopted Policies & Procedures to ensure appropriate oversight
- Adopted a Business Plan to guide organizational direction
- Prospected additional board members to govern and support vision
- Maintained close partnership with the City of Sisters

Build Financial Stability

- Implemented fiscal controls
- Created an operational reserve fund
- Strategized diversification of funding
- Explored future grant opportunities

Staff Capacity

- Identified areas of need
- Explored partnership with AmeriCorps RARE program
- Hired temporary contractors on a limited duration basis that provided specialized expertise for specific projects

2023 Outcomes

Sustainable Operation ~

Strategic Planning

- Developed and executed first year Business Plan
- Partnered with UO Sustainable City Year Program to develop short-term strategic goals and action plan
- Identification of potential long-term strategic planning consultants and outcome needs

Transparency

- Developed strong relationships with stakeholders
- Demonstrated ES is a good steward of TLT funds through strategic investments and thoughtful decision making

Brand Development

Primary Logo

We can't ignore (nor do we want to!) Sister's western heritage, so we leaned into that, while giving it a distinctly modern and elevated feel. The serif typeface has been customized just for Sisters, adding western flair, but making it feel like a boutique brand with a distinctive personality. The combination of strong letter forms with more delicate type suggests that there is more to Sisters than meets the eye.

We added the "est." established date to lend historical credence, and paired it all with "Oregon" to make sure people know exactly where we are.



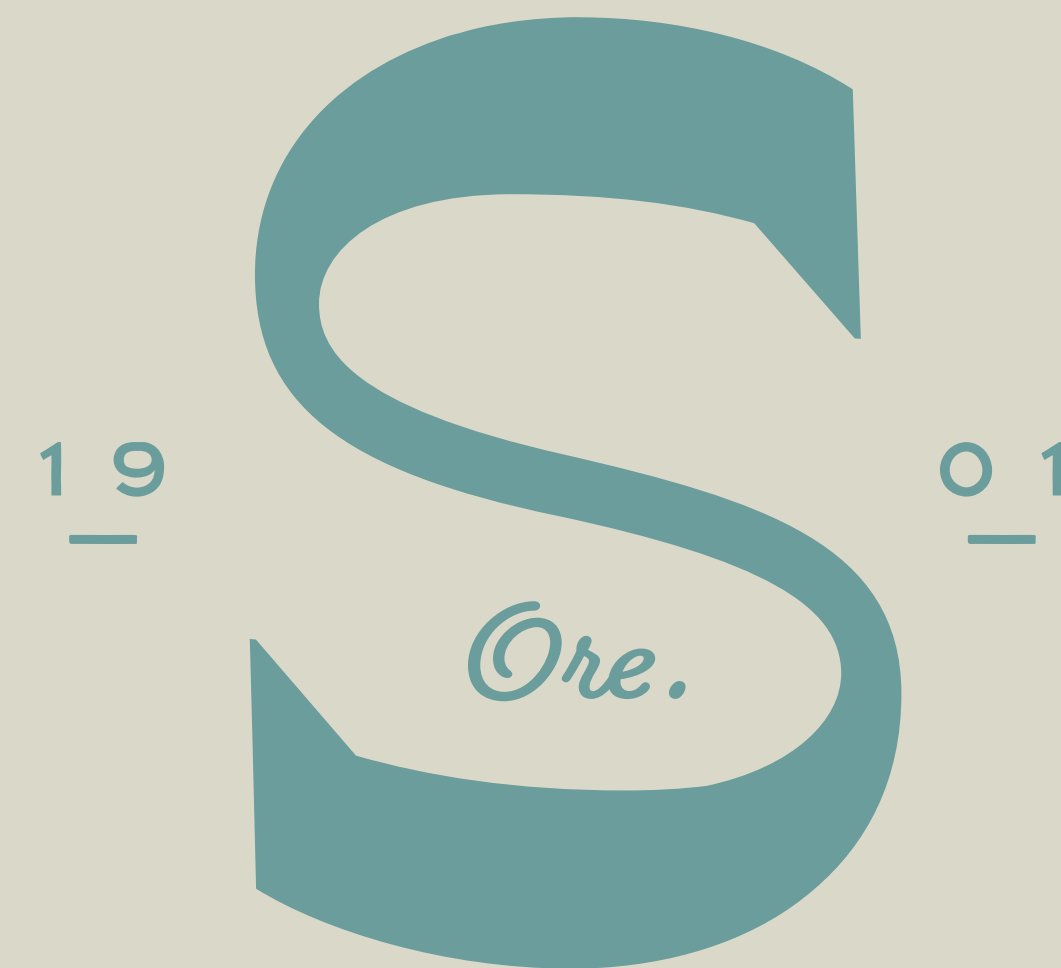
SISTERS
Oregon
EST. 1901

Brand Development

Monogram Logo

You should use the primary logo whenever possible. However, these two monogram logos can be used in special circumstances. For instance, as door signage, t-shirts, or when it is not possible to use the full logo due to space constraints. Please do not use Monogram O1 without the context of the word Sisters spelled out in the same layout or nearby.

Both of these options have been provided for you in all your brand colors.



Brand Development

Color Palette

Please use the following colors for all communications. The Sisters brand palette consists of the 8 colors listed at right and their tints. For typography in layout, please use one of the darker colors or 100% black. White can also be used over the top of dark photos or any brand color.

<p>EVERGREEN</p> <p>CMYK 66, 53, 98, 49 RGB 65, 69, 30 #41451e PANTONE 5747 C</p>	<p>LEAF</p> <p>CMYK 60, 31, 98, 13 RGB 108, 132, 56 #6c8438 PANTONE 7491 C</p>	<p>SKY</p> <p>CMYK 61, 25, 38, 1 RGB 107, 157, 157 #6b9d9d PANTONE P 129-12 C</p>
<p>BARK</p> <p>CMYK 19, 59, 100, 4 RGB 199, 119, 39 #c77727 PANTONE P 25-7 C</p>	<p>GOLD</p> <p>CMYK 6, 24, 100, 0 RGB 240, 191, 27 #f0bf1b PANTONE 7406 C</p>	<p>TRAILDUST</p> <p>CMYK 13, 10, 20, 0 RGB 219, 217, 202 #dbd9ca PANTONE 7527 C</p>
<p>BLACK</p> <p>CMYK 75, 68, 67, 90 RGB 0, 0, 0 #000000 PANTONE 426 C</p>		<p>WHITE</p> <p>CMYK 0, 0, 0, 0 RGB 255, 255, 255 #ffffff PANTONE n/a</p>

Brand Development

Typography

Please use the Google font Hepta Slab for traditional headlines and subheads. It can be downloaded for free [here](#).

Please use the font Nexa for body copy, captions, and any incidental type. Purchase it [here](#) before any use. When not available, please use the Google font Qwestrial.

For special callout copy, or headlines, you may use the font Beloved Script. Do not use it for body copy or in small use (like captions). You may access it through [Adobe Fonts](#).

Aa

Hepta Slab

Aa Bb Cc Dd Ee Ff Gg Hh Ii Jj Kk Ll Mm Nn
Oo Pp Qq Rr Ss Tt Uu Vv Ww Xx Yy Zz
1 2 3 4 5 6 7 8 9 0

Aa

Nexa

Aa Bb Cc Dd Ee Ff Gg Hh Ii Jj Kk Ll Mm Nn
Oo Pp Qq Rr Ss Tt Uu Vv Ww Xx Yy Zz
1 2 3 4 5 6 7 8 9 0

Aa

Beloved Script

Aa Bb Cc Dd Ee Ff Gg Hh Ii Jj Kk Ll Mm
Nn Oo Pp Qq Rr Ss Tt Uu Vv Ww Xx Yy Zz
1 2 3 4 5 6 7 8 9 0

Brand Development

Illustrations

To help convey the Sisters brand personality, we have drawn some custom illustrations and sourced some existing illustrations that mesh seamlessly with the others.

Any of the illustrations can be used in any of the brand colors and can also be used in conjunction with the logo (as shown on the cover of this guide). When using with the logo, be sure it is placed on a solid background and the logo is legible.

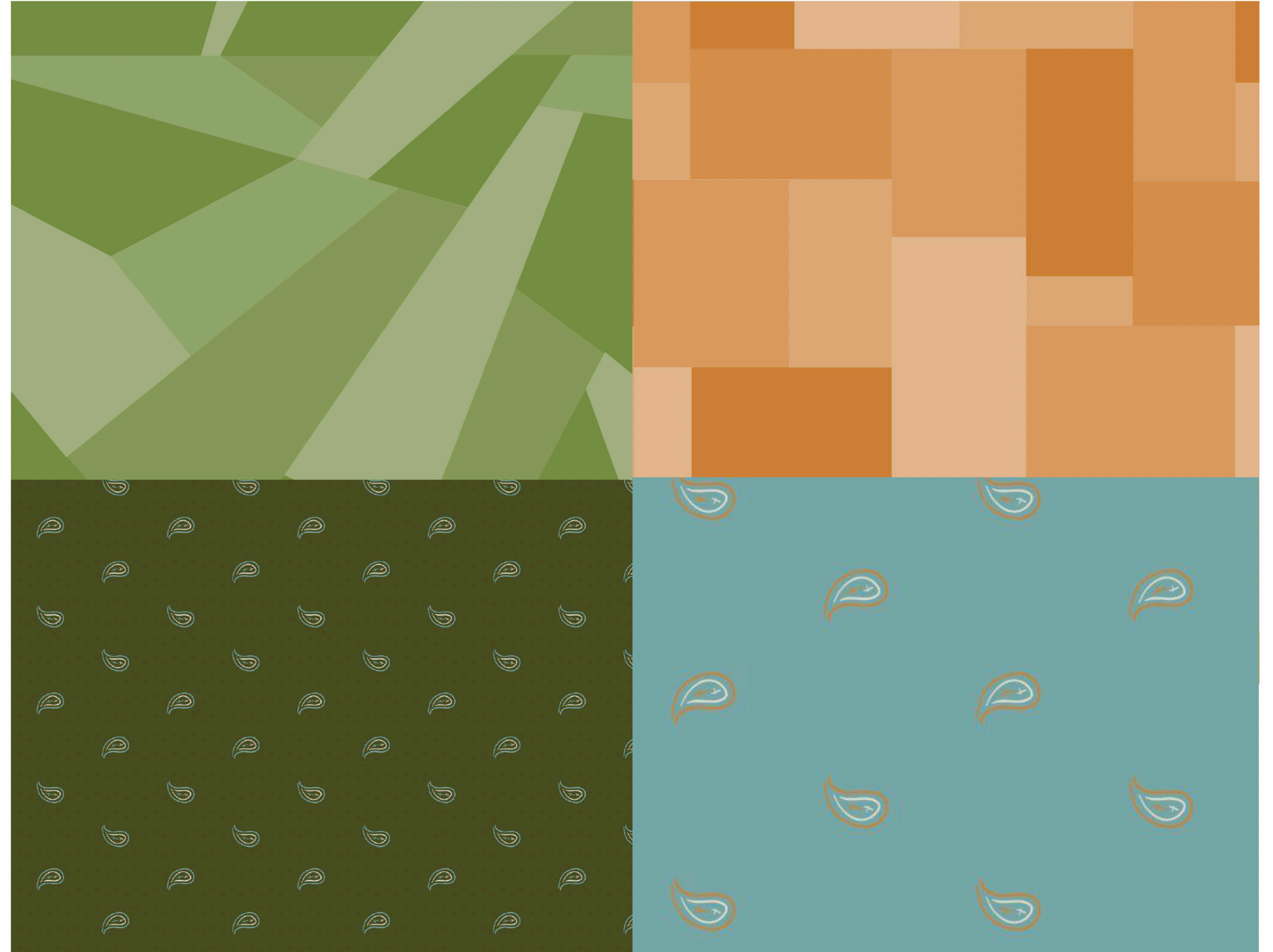


Brand Development

Patterns

We've included secondary pattern elements for use in layouts. Symbolic of Western culture and its diverse influences, quilt patterns convey a feeling of warmth, comfort and tradition. Paisley (bottom row) gained popularity in the West during the 18th and 19th centuries; its intricate and flowing patterns evoke a sense of elegance and adventure.

For use with text, please make sure the text is readable. You may need to use a lighter tint of the pattern.



2023 vs 2024

2023

Organizational Health

Foundation Building



2024

Destination Marketing

Strategic Planning

2024-25 Strategic Objectives

Destination Marketing

Brand Stewardship

- Stewardship of a cohesive brand for the community
- Brand consistency across all of ES' marketing channels and resources
- Trademarking of key brand elements for intellectual property protection
- Expansion of secondary brand elements to meet future needs

Marketing & Promotions

- Launch Phase I of the ES destination website
- Establish the ES website as the central hub for all marketing activity
- Develop Phase II of the ES website with more content and functionality
- Maximize search engine optimization
- Execute branded strategic paid advertising campaign
- Develop consumer email marketing
- Delivery of social media content more frequently across all channels
- Growth of the ES photo/video content library
- Leverage opportunities with regional and state DMOs
- Identify promotions that enhance the destination experience



2024-25 Strategic Objectives

Destination Marketing ~

Communications & Public Relations

- Generate earned media highlighting the greater Sisters area
- Amplification of marketing reach
- Develop relationships with media partners
- Support of site visits and familiarization tours

Visitor Services

- Visitors can access information via digital resources, phone and traditional mail at all stages of their planning cycle
- In-market visitors have access to a physical information center

Strategy

- Deploy a targeted, flexible, and data-driven strategy that will be used to demonstrate a positive return on investment of resources



2024-25 Strategic Objectives

Paid Advertising

- Spring Pulse - Primary markets for spring and early summer visits
- Fall Pulse - Primary markets for post Labor Day visits
- Winter Pulse - “Staycation” message targeted with Central Oregon market
- Always On - Travel guides, search engine optimization (SEO), broad target
- Events - Leverage large events to deliver destination resources during visits

30%
Social

25%
Digital Display

20%
Print

10%
Search

5%
SEO

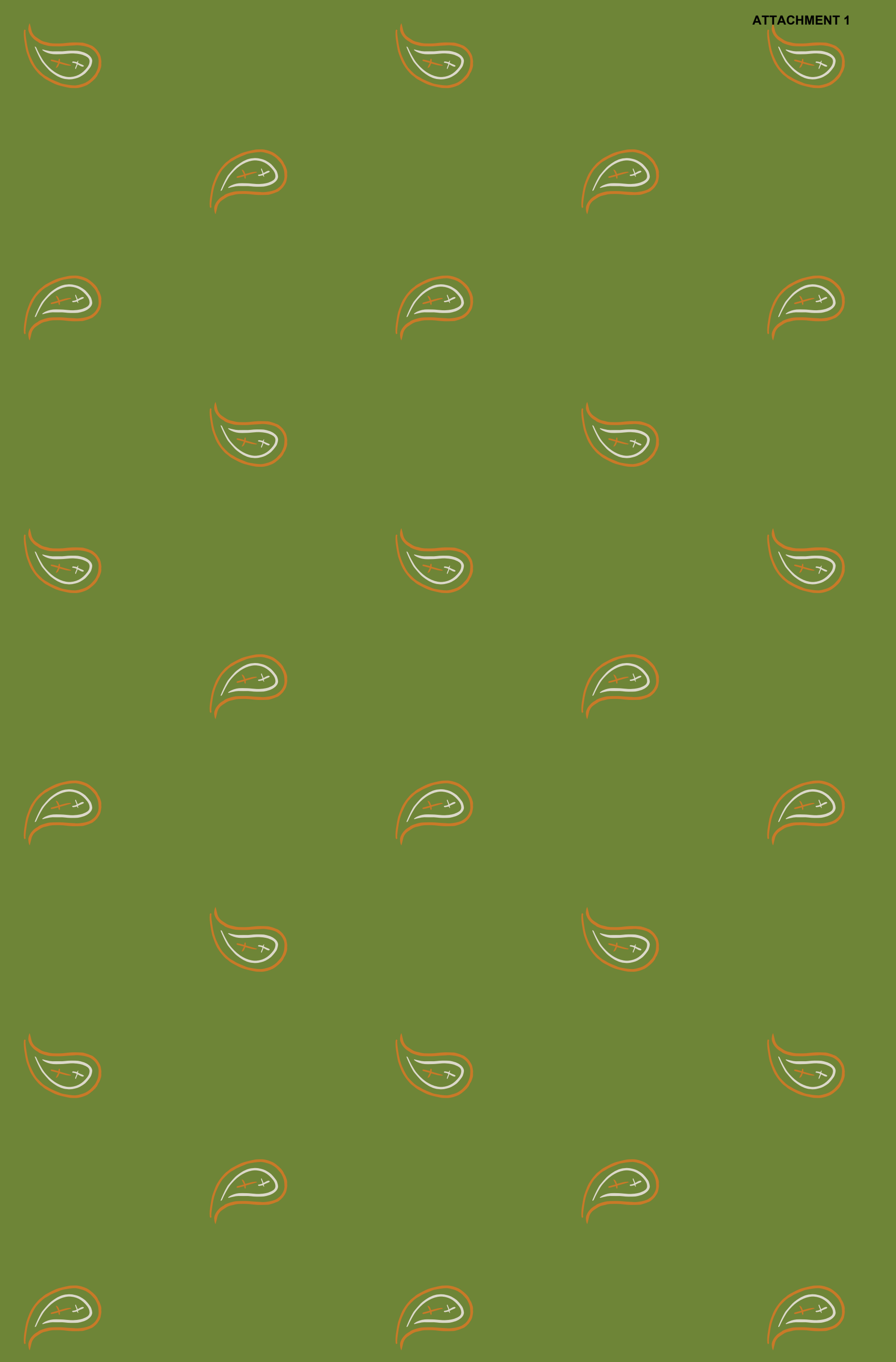
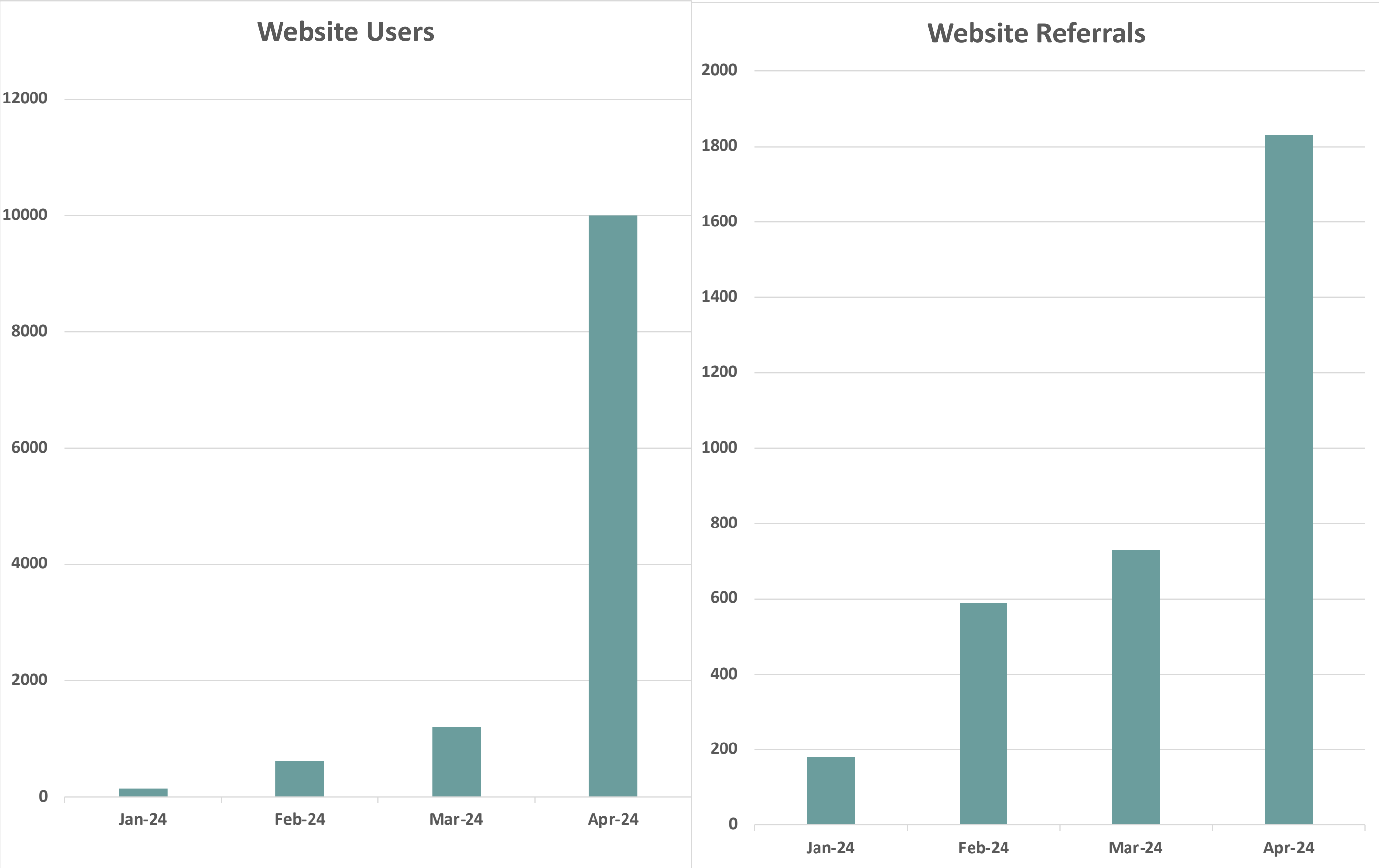
5%
Events

5%
Sponsored Content



2024-25 Strategic Objectives

Website Engagement



2024-25 Strategic Objectives

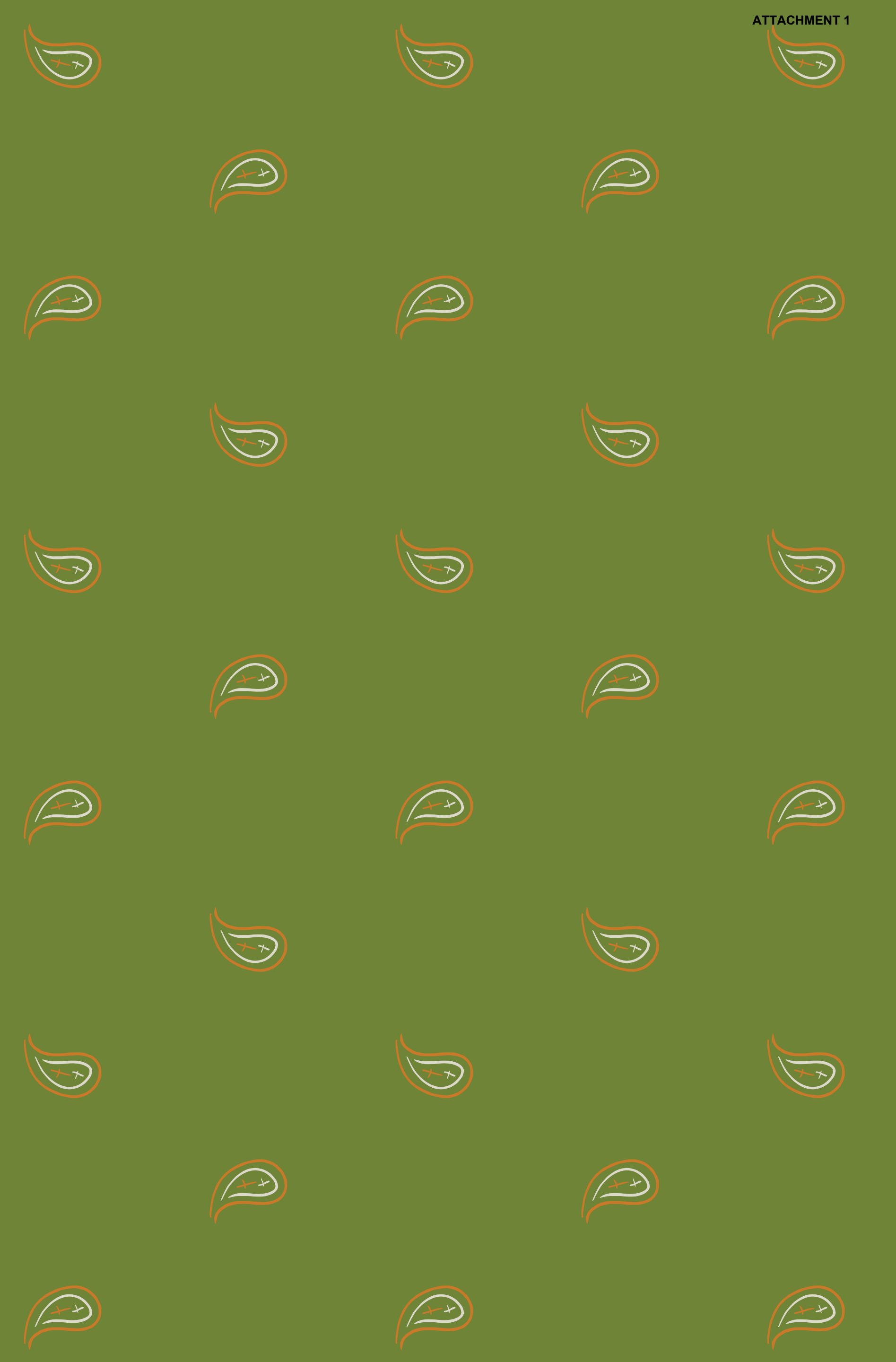
Social Media



900 Followers
10.6K Reach (2023)
375.2K Reach (2024)



2,200 Followers
37.4K Reach (2023)
289.5K Reach (2024)



2024-25 Strategic Objectives

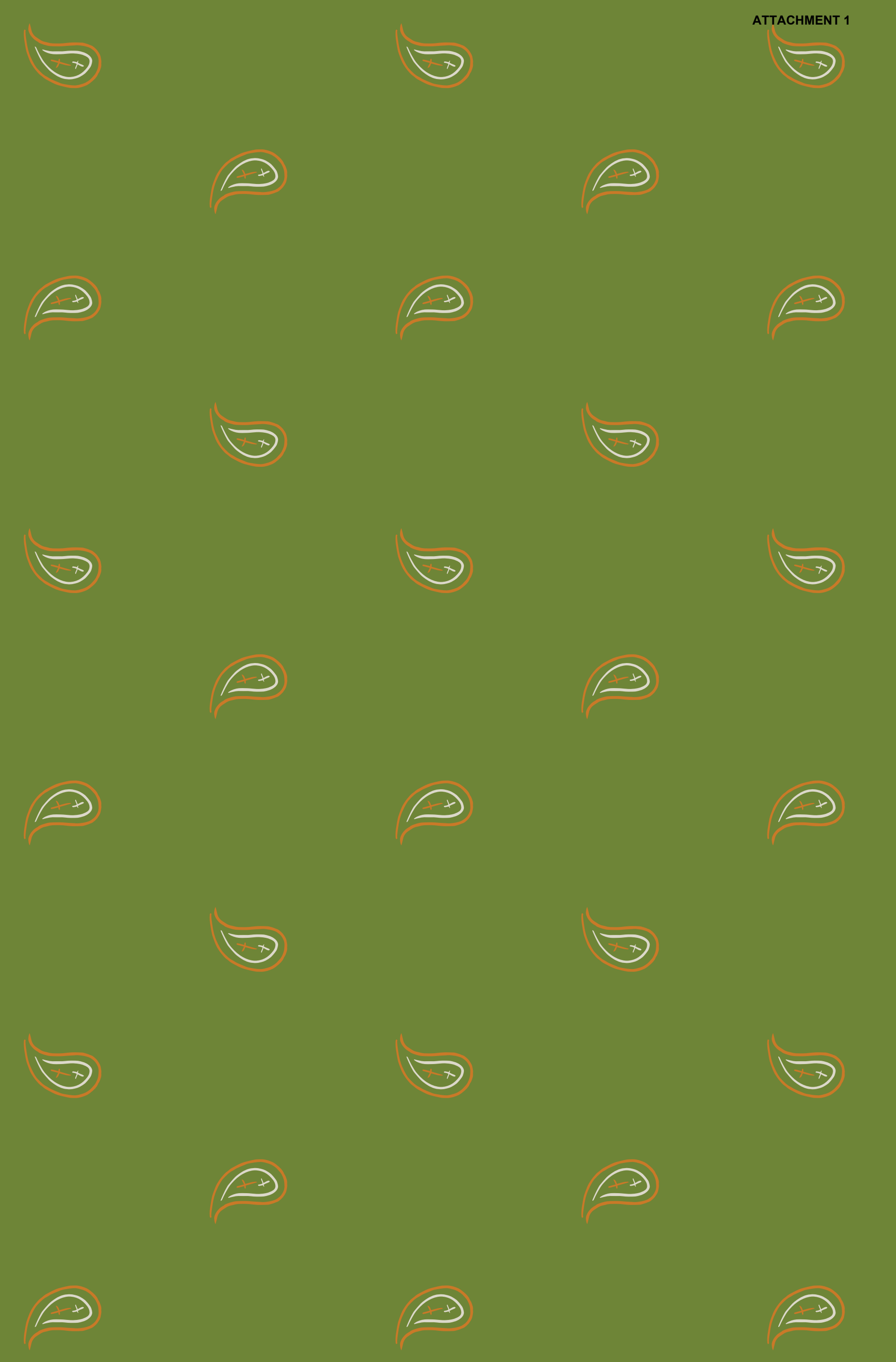
Email Marketing



192 Industry Contacts
0 Consumer Contacts (2023)
2,750 Consumer Contacts (2024)



64% open, 21% click - Industry
TBD - Consumer



2024-25 Strategic Objectives

Stakeholder & Community Engagement ~

Communicate

- Trust in ES from community and stakeholders
- Understanding of ES's role and that of tourism in the community
- Stakeholders will feel concerns and needs are understood

Collaborate

- Positive economic impact through organizational partnerships
- Amplification of resources and reach of voice
- Unified destination experience

Convene

- Help facilitate conversation when multiple interests are at play
- Fill leadership role in relevant initiatives pertaining to area tourism
- Champion industry related issues and the value of tourism



2024-25 Strategic Objectives

Data & Research ~

Visitor Data

- Understanding of historical trends in tourism
- Broad understanding of who visits and why
- Data and examples of the visitor experience to help make better decisions

Impacts & Insights

- Working knowledge of current and emerging data sets and sources
- Stakeholders will have access to educational opportunities and resources

Access to Data

- Stakeholders will have tools available to them through the ES website
- Stakeholders will have access to data to act on market trends
- ES will be a trusted source of reliable and actionable information



2024-25 Strategic Objectives

Sustainable Operation ~

Strengthen Governance

- Deliberately maintain Board to match vision
- Alignment of Explore Sisters' work with mission, vision and values

Build Financial Stability

- Explore diversification of funding sources

Staff Capacity

- Maintain adequate staffing levels with work-life balance
- Recruit volunteers that serve needs of the organization

Strategic Planning

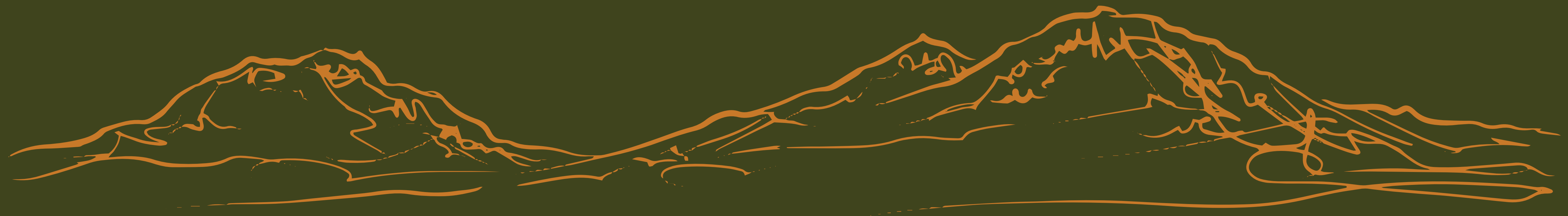
- Destination assessment, community engagement and strategies to carry out organizational goals

Transparency

- Good relationships between ES, its stakeholders and funding partners
- ES is trusted as a good steward of TLT funds



Questions?





CITY COUNCIL Staff Report

Meeting Date: April 24, 2024
Type: Regular
Subject: Planning Commission Appointment

Staff: R. Green
Dept: City Manager

Action Requested: Appoint Daryl Tewalt to the Planning Commission for the term 4/25/2024 - 12/31/2026.

Summary Points:

- Recruitment for the Planning Commission occurred from February 20 through March 8, 2024;
- The City received two responses, with one of those applicants withdrawing before interviews.

The Planning Commission meets on the first and third Thursdays of the month. Planning Commission members advise Council in the following matters:

- Advise council on land use regulations and certain land use applications;
- Issue decisions on certain land use applications;
- Serve as appellate body for certain administrative land use decisions;
- Offer a forum for citizen input and involvement;
- Assist in City's education and public involvement efforts;
- Provide feedback to staff on administration of City's adopted plans, policies, and procedures.

Financial Impact: None

Attachments: NA