

WORKSHOP MEETING MINUTES  
SISTERS CITY COUNCIL  
520 E. CASCADE AVENUE  
SEPTEMBER 22, 2011

**MEMBERS PRESENT:**

Lon Kellstrom            Mayor  
David Asson            Councilor President  
Sharlene Weed        Councilor  
Pat Thompson         Councilor

**STAFF PRESENT:**

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

**ABSENT:**

Wendy Holzman        Councilor

The meeting was called to order by Mayor Kellstrom at 6:00 p.m.

1. Review of FY 2010/11 Financial Reports

Finance Director Lisa Young reported that the purpose of this workshop topic was to review the year-end budget reports for FY 2010/11, as requested by the Council, now that the audit field work was complete. She indicated the actual audit presentation would be made later in the year.

General Fund

Beginning with the General Fund, **Director Young** explained the report illustrated the actual June 2010 and June 2011 balances. She stated the actual amount had also been compared to the budgeted amount. She stated the City exceeded the annual budgeted amount in its top six revenue categories which made up about 83% of the total General Fund operating revenue. She noted while revenue from current and prior year property tax exceeded the annual budget amount, actual planning fees collected in the same time frame had run slightly lower than budgeted.

**Mayor Kellstrom** noted the "real revenues", meaning those sources of revenue the City can depend on each year such as the top six revenue categories and development related revenue equaled \$1.52 million on June 30, 2010 and \$1.566 million on June 30, 2011. He stated the budgeted amount for 2011 was \$1.497 million which indicated the City had collected more revenue than anticipated.

**Director Young** discussed expenditures in the General Fund. She stated the General Fund included an additional \$32,487 carryover in the beginning fund balance for FY 2011-12 but noted it also included \$14,000 received from the Community Action Team for Sisters (CATS) which had specific criteria attached as to how the money could be used. She stated the funds would be set up as a project in order to track where and when the funds are dispersed. **Director Young** and the **Council** discussed how grants and pass throughs could affect the total operating revenue and expenditure amounts in financial reports. The **Council** asked if grant and pass through amounts could be broken out in future reports and **Director Young** stated they could.

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Water Fund

**Director Young** stated the increase in revenue to *Charges for Services* had been due to improved tracking of bulk water use. She stated the City had also carried over \$27,000 from a capital outlay project from FY 2010/11 into FY 2011/12 that had not been completed the previous fiscal year.

Street Fund

**Director Young** stated most of the revenue increase in the Street fund from 2010 to 2011 had been due to the increased percentage the City received in state highway tax. She reported the local gas tax revenue had been lower than projected due to a year-end adjustment of \$9,841 for deferred revenue. She stated one local gasoline dealer was still making payments on a past-due balance. She reported the dealer had consistently make payments on the past-due amount while staying current on monthly tax payments.

**Director Bertagna** stated actual expenditures for material and services had been less than projected as not all the budgeted street projects had been completed due to the wet spring.

Sewer Fund

**Director Young** stated the increase in revenue from the overnight park had been due to the City's change from an honor system to the Sani Star system. She explained how the Sani Star system required a credit card payment prior to use of the dump station. She stated other revenue sources included payment for grey water, sale of assets and payment for sewer reimbursements. She noted they were all one time revenue resources.

Transportation SDC Fund

**Director Young** stated actual revenue had been less than projected and that two capital projects, the Jefferson multi-use path and roundabout feasibility study, had not completed in FY 2010/11 as planned. She stated the projects would carry over to FY 11/12 through a supplemental budget.

Sewer SDC Fund

**Director Young** stated actual revenue had been higher than projected and there had been no capital projects.

Water SDC Fund

**Director Young** reported actual revenue had been higher than projected. She stated the Washington to Main Avenue project had not been completed in FY 2010/11 as planned and there would be a carryover expenditure of approximately \$135,000 into FY 11/12.

Other Funds Not Covered

**Director Young** stated there had been nothing of any significance in the Reserve Fund, Park SDC fund, Parking District Fund, City Hall Debt Service Fund or Urban Renewal funds to report. She encouraged the Council to contact her with questions relative to those accounts.

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**Councilor Weed** stated, given the end of year report for FY 2010/11, she wanted the Council to revisit the possibility of providing additional community grant funds to Family Access Network (FAN) and Sisters Park and Recreation District (SPRD). She stated the organizations had been given significantly less in community grants funds as compared to prior years. She distributed a letter from FAN detailing that \$980 of a total community grant amount of \$2,000 for FY 2011/12 had been used in the months of August and September, leaving just over \$1,000 for the remainder of the school year. She distributed a worksheet from SPRD detailing that \$139.50 of a total community grant of \$1,500 for FY 2011/12 had been used in less than one month as scholarships for students that otherwise would not be able to participate in classes and after school care. She stated she felt the City should provide additional grants funds of \$3,500 to SPRD and \$2,500 to FAN which would bring the total grant amounts up to the previous year's award amounts.

**Councilor Asson** and **Mayor Kellstrom** stated they were willing to consider providing additional grant funds to FAN and SPRD. **Councilor Thompson** stated he did not want the organizations to think the City did not care but felt the organizations shouldn't depend on receiving a certain amount of community grant funds from the City each year. **Councilor Weed** agreed but stated that in fact both organizations did depend on community grant funds. She stated the funds had a huge impact for both organizations in helping them to provide for the community.

**Manager Stein** stated she would look at the FY 2010/11 fund balance report to determine where excess carry forward amounts were and how it would affect balances if additional funds were moved into the Community Grant line item. **Director Young** added the supplemental budget would have several items for consideration and would likely come before the Council in December.

2. City Manager Update

Due to lack of time there was no City Manager update.

The meeting was adjourned at 7:00 p.m.

Respectfully submitted,

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Kathy Nelson, City Recorder

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Lon Kellstrom, Mayor