

**MINUTES
FAIRVIEW CITY COUNCIL REGULAR MEETING
FAIRVIEW CITY HALL
300 HARRISON
FAIRVIEW, OREGON 97024**

MAY 6, 1998 -- 7:30pm

**I. CALL TO ORDER/
ROLL CALL**

Mayor Vonderharr called the meeting to order at 7:30pm.

PRESENT: Mayor Roger Vonderharr
Councilor Sherry Lillard
Councilor Mike Weatherby
Councilor Dave McCutcheon
Councilor Len Edwards
Councilor James Raze
Councilor Steve Owen

STAFF PRESENT: Marilyn Holstrom, City Administrator
Jeffrey Sarvis, Director of Public Works
Bob Cochran, City Engineer

Roy Wall, Finance Director
Caren Huson, City Recorder

II. CONSENT AGENDA

Councilor Weatherby moved and Councilor Edwards seconded the motion to approve the Consent Agenda, consisting of: Design Approval/Construction Authorization for the Seventh Street Pocket Park; an Intergovernmental Agreement with Multnomah County for Business Income Tax; an Agreement for Federal Surplus Property; Ordinance 10-1998, AN ORDINANCE AMENDING THE FAIRVIEW MANUFACTURED HOUSING ORDINANCE 11-1990, BY ADDING SECTION 3. MANUFACTURED HOMES ON INDIVIDUAL BUILDING LOTS, PART 'A'; and, the Minutes of April 15, 1998.

AYES: 7
NOES: 0
ABSTAINED: 0

**III. CITIZENS WISHING TO
SPEAK ON NON-AGENDA
ITEMS**

Mayor Vonderharr called for persons wishing to speak on non-agenda items. As there was no response, the session continued.

**IV. PUBLIC HEARING
Storm Drainage Rates**

Mayor Vonderharr announced that a public hearing on Storm Drainage rates would be heard at Council tonight, with the Council discussion and decision to occur at their next regularly scheduled meeting. Mayor Vonderharr opened the public hearing.

Louis Ludeman, 245 Lincoln Street, Fairview, approached the podium and stated that he has lived in Fairview for 40 years, and at no time does water run off his property, and if anything, it was the street water running onto his property, yet he must pay to have that water pumped off his property. Mayor Vonderharr commented that all water collects onto City streets, and part of the reason for storm drainage is to get that water off of the streets to prevent flooding in the City, and that every citizen must pay their fair share. Mr. Ludeman stated that he disagreed that he himself contributes to the runoff onto City streets. Councilor Raze reported that

all houses collect water into the ground, into their driveways, and all of those things were part of water collection and storm drainage, and that everyone needed to participate. Mayor Vonderharr mentioned that the City was also suffering from many years of neglect in the area of controlling storm drainage.

Peter Tuomala, 2667 NE 205th #D141, Fairview, stated that much of the water runoff was being caused by the large degree of building that was taking place in Fairview, and he understood that the City was trying to divert all runoff into streams. Mr. Tuomala questioned if the City had taken into consideration biofiltration to keep the heavy metals and carcinogens from running off into the streams, and asked if the City had mandated xeriscaping for the new developments. Mayor Vonderharr responded that the City has a NPDES Permit which measures the amount of pollution which runs off into the water, and that all of the City's systems are designed to keep contaminants within the Federal limits. In addition, Metro is also speaking of additional limits which will include biofiltration. Mayor Vonderharr stated that the NPDES program mandates that the City must meet the quality requirements in all of the water that leaves the City; in addition, biofiltration systems are built into retention and detention systems that are being placed. Mayor Vonderharr commented that since the City does not have sidewalks and curbs in the core area, the water is naturally filtered through grass, etc. Mr. Tuomala asked if the City had a copy of the Storm Drainage Master Plan that he could review. Jeffrey Sarvis, Director of Public Works, responded that the City has a Master Plan, but also had adopted various manuals which speak to biofiltration systems and features which are required in storm drainage design review.

Eileen Ayers, 155 Fourth Street, Fairview, approached the podium and stated that water continues to collect on their property after 38 years, and asked when it would be there turn for correction. Director Sarvis responded that the Ayers' property would be part of the next upgrade once funds are received through grants. Marilyn Holstrom, City Administrator, stated that federal grant monies are drying up, but part of the proposed storm drainage rate increase would match proposed grants and show our commitment in doing a project, and that Ms. Ayers' property would be involved in the next round of grant proposals. Ms. Ayers stated that she did not believe Director Sarvis when he stated that her property was next in line for upgrades, and that the City had corrected everyone's water problems around them except for the properties on Fourth Street. Ms. Ayers contended that the City was giving her the run-around and that she did not like the decisions the City has made. Administrator Holstrom commented that Director Sarvis does not have the authority to make decisions on which projects are completed first, as they are addressed, by priority, in the Storm Drainage Master Plan which was adopted by Council. Ms. Ayers questioned why her property was so far down on the list of priorities. Administrator Holstrom responded that downstream projects received the first priority. Mayor Vonderharr added that new development must place their own drainage and that the City did not pay for those systems; money is a limitation for the City, and the Council is sensitive to the fact that its residents do not want their taxes raised, so it has taken longer to correct all the drainage problems. Mayor Vonderharr stated that he understood Ms. Ayers' frustration, but the Fourth Street properties do happen to be the farthest away from the stream, and if the City had had enough funds, those properties would have moved up the priority list sooner. Director Sarvis reiterated that Ms. Ayers property would be included in the next project after funding was received, but it could take one to two years to receive that funding.

Bonita Jenkins, 400 Main Street, Fairview, reported that she has lived in Fairview for 50 years, and that homes were built before the streets, with the streets constructed higher than the homes, which contributes to the flooding.

Jerry Ayers, 155 Fourth Street, Fairview, stated that he had heard that because he

lives in the older section of Fairview, that they were being overlooked. Mayor Vonderharr responded that that was totally untrue; the new parts of town have their drainage taken care of by developers, and that the City itself must take care of the older part of town, which it is trying to do in catching up with problems of the past.

As no one else approached the podium, Mayor Vonderharr closed the public hearing.

IV. COUNCIL BUSINESS

A. ORDINANCE - Revised Solid Waste Code

Tam Driscoll, City of Gresham, approached the podium and reported that the Council had all received a copy of the revised Solid Waste Code in their packet, and that, basically, the proposed ordinance would revise the existing Solid Waste Code.

Ms. Driscoll explained that the revised code would contain more clear requirements of haulers, citizens, and city staff on the expectations of garbage, recycling and yard debris; as much detail as possible was placed into the revised code. Ms. Driscoll stated that the Solid Waste Citizens Advisory Committee (SWCAC), staff, and haulers had provided input for the revised code, and some of the major changes were indicated in the staff report.

Randy Burbach of Twelve Mile Disposal commented that the revised code defines procedures more clearly, and that the haulers have already been doing most of the items defined; basically, the document was catching up with the service level.

Councilor Lillard questioned the main reason for changing the hauler's term of agreement from 5 years to 10 years. Ms. Driscoll responded that 10 years was the industry standard in the region, but the 10 years would benefit the haulers as the cost of equipment is such that the 10 year period would provide for investment recouping. Councilor Raze asked what other business had a 10 year guarantee. Ms. Driscoll responded that the ordinance provides no guarantee of service, and that there would be a five year review.

Councilor Owen commented that he was Council liaison to SWCAC, and that the committee had spent a great deal of time reviewing the ordinance and working through various language that would best protect the citizens in dealing with haulers.

Councilor Lillard moved and Councilor Owen seconded the motion that Ordinance 9-1998 be read by title only.

AYES: 7
NOES: 0
ABSTAINED: 0

Administrator Holstrom read Ordinance 9-1998 by title only.

Councilor Lillard moved and Councilor Owen seconded the motion to adopt Ordinance 9-1998, AN ORDINANCE AMENDING CHAPTER 8.20, SOLID WASTE MANAGEMENT, OF THE FAIRVIEW MUNICIPAL CODE.

AYES: 7
NOES: 0
ABSTAINED: 0

B. DISCUSSION - Sanitary Sewer Rates

Administrator Holstrom reported that this would be the second opportunity for the Council to discuss potential sewer rate increases. The first opportunity was on March 18, 1998, when staff had recommended a 10% increase; however, several questions remained unanswered regarding future costs to the City. Administrator

Holstrom stated that staff had met with Gresham staff since March 18th, and now felt comfortable with the current billing methodology because it is predictable and consistent, and we now have a six month history; staff feels fairly certain that Fairview will not have to finance its own bond sale and would be able to piggy-back onto Gresham's sale, which would save the City approximately \$180,000.

Administrator Holstrom reported that City staff was still recommending the original 10% increase for the following reasons: 1) Public Works staff will have to increase by next year in order to accommodate additional growth; 2) prior sewer rate studies brought before Council in past years have discussed regular rate increases over the next five years or so in order to pay off the purchase of additional capacity in the wastewater treatment plant, and not having a rate increase this year might precipitate greater increases in coming years; 3) discussions regarding the Wood Village line have yet to occur, and the City might end up having to participate in the construction of an additional line; and, 4) the City has based all of its financial conclusions regarding the purchase of capacity in the wastewater treatment plant on a \$5 per gallon figure. Based upon the City's need for one million additional gallons, staff has projected a \$5 million cost; information coming from other sources indicate that this figure might not hold and could increase during construction.

Administrator Holstrom stated that the Council had three options regarding proposed sewer rates: 1) recommend a 10% increase based upon the information presented; 2) recommend a 5% increase which will allow the City to pay all current costs as seen today but allow very little cushion for additional costs that might occur; or, 3) recommend a 0% increase which will not cover current costs as seen today.

Councilor Weatherby asked why Fairview might have to help pay for additional sewer line for Wood Village. Administrator Holstrom responded that staff was not proposing that, but as we enter into negotiations with Wood Village, they may request that Fairview participate in the cost; we would fight that, but some legal requirement may make us participate. Councilor Weatherby questioned if Fairview's population continues to increase each year, creating a larger base, wouldn't everyone then pay less. Ray Bartlett, Financial Consultant, responded that if the growth rate exceeds the inflation rate, then per customer basis cost would probably be cheaper; but the less cash the City has on hand, the less interest they accrue, and the less funds it would have for any improvements. Mr. Bartlett added that the City will be trying to do rate increases over the longest period of time possible, so that perhaps down the road, you may not even need to do a rate increase.

Councilor Owen questioned what the \$1540 SDC per home was used for. Mr. Bartlett explained that when a new development comes into Fairview, it pays a Systems Development Charge (SDC) which offsets the City's increased costs, and the connection charge is the charge to connect that property to the sewer line in the street. Councilor Owen commented that it appeared that the report showed growth as being pretty static from this year to the next, so growth may not be a real element in the discussion.

Councilor Lillard commented that she agreed that Public Works needed additional staff, and asked how a 10% sewer rate increase would work in paying for a new staff person. Director Sarvis responded that a 10% increase would help fund an additional staff person one year from now. Councilor Lillard asked if an additional staff person could be funded with a 5% increase. Roy Wall, Finance Director, responded that an additional staff person could probably be funded with a 5% increase, but that it may require eliminating some of the seasonal help.

Councilor McCutcheon mentioned that at the beginning of 1997/98, the City instituted a 35% sewer rate increase to catch it up in rising treatment costs; however, the methodology in determining those costs has changed, the bills have

decreased, and the question remaining was where that extra 35% was now going. Director Wall responded that the sewer fund had been neglected and the rates were so low that the fund would have been driven to insolvency; the 35% increase was instituted to place the fund into a cash flow positive to meet its obligations. Mr. Bartlett added that Gresham's lower treatment costs have helped, but they did increase their rate per gallon for the last 3 to 4 years; we've taken care of how they measure BODs, but we still need to cover their yearly rate increases which are based on inflation. Administrator Holstrom added that the projected 15% increase for this year which Mr. Bartlett had suggested last year, because of Gresham's dropping their treatment rates to us, has dropped to 10%. Councilor McCutcheon reiterated that the original estimate was based on old methodology.

Councilor Raze stated that the City was responsible to make sure it had enough money to do what must be done; Council owes it to the citizens to review the rates every year, and it does not have to be a 5% or 10% increase, it could be something in between. Councilor Raze suggested that perhaps there was a number Council could settle on between 5% and 10%, so that the City covers its bases and still have cash available rather than not having enough.

Mayor Vonderharr reminded the Council that at last year's public hearing, the citizens did not want to wait for several years and then have a large jump in rates; they preferred small increments, regularly, as their pay increases incrementally each year.

Councilor Lillard commented that she did not feel comfortable with a 10% increase, or any increase at all, since the methodology had changed in determining the treatment billing from Gresham. Councilor Raze mentioned that he would rather have the money now than try to play catch-up later.

Councilor Edwards stated that, previously, the City had three years of negative cash flow in the sewer fund; then a 35% increase occurred to bring it up even. Councilor Edwards commented that his feeling was that if the rates were increased 10% now, more money would go into the fund and more interest would be made. Councilor Edwards stated that the City needs to get ahead in the fund and that he would vote for a 10% increase.

Administrator Holstrom stated that a public hearing notice would be sent to all residents for the June 3, 1998 Council meeting, and asked how Council would like that notice to read. Mayor Vonderharr suggested that the notice indicate that a 5%, 7.5%, or 10% sewer rate increase would be considered, and a dollar amount given as to what that percentage would cost each rate payer, along with a scenario of how that would place the fund.

V. CITY ADMINISTRATOR REPORT

Administrator Holstrom reported that a memo was before the Council regarding the acquisition of land for a park; the memo depicts what the Park Fund looks like and what has been budgeted for pocket parks.

Administrator Holstrom reminded the Council that a Police Work Session has been scheduled for May 27th, 7:00pm, at the Police Storage Building. Administrator Holstrom commented that an additional Street Faire for August 27th had been scheduled, as Council members had requested that staff expand the Street Faires to more than 2 a year. Administrator Holstrom asked for commitment from the Council for 3 Street Faires a year.

VI. MAYOR/COMMITTEE REPORTS AND COUNCIL CONCERNS

Councilor Lillard stated that she had attended the East Multnomah County Transportation Committee meeting where the big issue was TriMet purchasing 160 new, low floor buses to replace some of their older buses. Councilor Lillard commented that TriMet was still interested in giving each jurisdiction a small amount

of money to develop ideas for local control, such as the purchase or rent of buses for each jurisdiction, but the Committee felt administration of such a plan would cost much more than TriMet would give each jurisdiction, so the idea was rejected. Councilor Lillard reported that Multnomah County had produced a fiscal plan for the next four years, with no funding coming from the County on any new projects; all new funds are provided by grants or other sources. Councilor Lillard stated that the County would finish the 207th Avenue Connector by August 1998, and that it will cost them five times more than they anticipated due to the wetlands.

Councilor McCutcheon reported that the Emergency Management Committee would be meeting and that he would be voting on a decision to send all City personnel to Gresham for an emergency event. Councilor McCutcheon asked the Council for their feelings on maintaining a skeleton crew for Fairview. Mayor Vonderharr stated that he would not want to abandon Fairview to assist Gresham or anyone else; Councilor Raze agreed. Council consensus was that Councilor McCutcheon return to the Committee with the information that Fairview would always maintain a minimum crew.

Councilor Weatherby thanked the Council for allowing him to serve, as earlier in the evening he had submitted his resignation letter.

Councilors Owen, Raze, and Edwards had no reports or concerns.

Mayor Vonderharr reported that he had requested that the County place a left turn signal at 201st and Halsey. Mayor Vonderharr stated that he would be attending a Mayor's breakfast the following morning, and that he had attended a Metro meeting last week where they discussed transportation and housing issues.

Mayor Vonderharr commented on the City's Spring Clean-Up Event, stating that it had a fair turnout of citizens, but not many volunteers. Mayor Vonderharr asked if the Council really felt that Fairview should finance its own event while, right down the street, we are participating in the same type of event with waste haulers. Mayor Vonderharr commented that Fairview does have some senior citizens who rely on us for pick-up of yard debris, but we do not have to eliminate that part of the event. Mayor Vonderharr added that the estimated cost for the event was \$3,000. Council suggested that the issue be raised early next Spring for discussion.

VII. ADJOURNMENT

Councilor Edwards moved and Councilor Raze seconded the motion to adjourn. Mayor Vonderharr adjourned the meeting at 9:47pm.

AYES: 7
NOES: 0
ABSTAINED: 0

Mayor Roger Vonderharr

Dated:

Caren C. Huson Quiniones
City Recorder