

**MINUTES
FAIRVIEW CITY COUNCIL REGULAR MEETING
FAIRVIEW CITY HALL
1300 NE VILLAGE STREET
FAIRVIEW, OREGON 97024**

MAY 3, 2000 -- 7:30pm

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

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

PRESENT: Mayor Roger Vonderharr
Councilor Ken Quinby
Councilor Sherry Lillard
Councilor Steve Owen
Councilor Len Edwards
Councilor James Raze

ABSENT: Councilor Barbara Jones

STAFF PRESENT: Marilyn Holstrom, City Administrator
Roy Wall, Finance Director
Caren Huson, City Recorder

II. CONSENT AGENDA

Councilor Owen moved and Councilor Lillard seconded the motion to approve the Consent Agenda, consisting of the Minutes of April 19, 2000.

AYES: 6
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.

Chris Gorsek, Troutdale resident, stated that he was running for State Senate in Senate District 11 which includes Fairview, Wood Village, Troutdale, and part of Gresham. Mr. Gorsek commented that he has always been interested in local Council issues and that he had spoken with Mayor Vonderharr earlier in the day. Mr. Gorsek stated that he has lived in Troutdale for three years and that he teaches at Mt. Hood Community College. Mr. Gorsek mentioned that the main focus for his campaign was educational issues, in addition to environmental, transportation, groundwater, and children services issues. Mr. Gorsek invited the Council to his kick-off campaign reception to be held at the Sheet Metals Workers Union Hall, 2379 NE 178th Avenue, Gresham, on May 6th, from 10:00am to Noon.

Mayor Vonderharr thanked Mr. Gorsek for introducing himself to the Council.

IV. PUBLIC HEARING

**A. ORDINANCE/
RESOLUTION -
Public Utilities Fees, Water/Sewer/
Stormwater**

Roy Wall, Finance Director, reported that on June 28, 1999, a Council Work Session was held to provide information on a number of possible alternative revenue sources. Council directed that further research be conducted on four possible areas. Staff returned to the regularly scheduled Council meeting of March 1, 2000

with additional research. City Council then directed that public hearings be scheduled.

Director Wall stated that the imposition of a 5% Public Utility Fee to the Municipally owned and Publicly owned and/or operated utilities located within the City's rights-of-way would not require a rate increase this year for the City-owned utilities. The Rockwood Peoples Utility District (PUD) has the option of passing on the public utility fee to their customers as a privilege tax, or paying the fee from current available District resources. A comparison of water rates found that even if the PUD passes through the public utility fee to their customers, that their residential water rates will remain below those of the City's residential water customers. Director Wall commented that it was estimated that the fee would generate approximately \$117,000 in resources for the General Fund in fiscal year 2000/2001. Director Wall added that other cities throughout Oregon had similar fees, such as the cities of Portland, Eugene, and Ashland.

Mayor Vonderharr opened the public hearing.

Harvey Barnes, Rockwood PUD, stated that he had received notice of this item several months ago, and that he was speaking on behalf of the Rockwood PUD Board of Directors who were in opposition to the fee, believing that the City should not tax a commodity necessary to life. Mr. Barnes commented that there was no tax on basic food items or drugs, which are also considered a commodity of life.

Mr. Barnes reported that the City of Portland charges a 5% privilege tax which Rockwood PUD passes on to its customers. Mr. Barnes requested that, if the Council does decide to impose a tax, that they not impose it until July so that Rockwood PUD may send a notification letter to its customers and also pass a budget that will allow them to pass through the tax.

Mr. Barnes commented that he had never seen an estimate of what the 5% tax would cost Rockwood PUD. Director Wall responded that it was anticipated that Rockwood PUD would pay an additional \$12,000 a year. Mr. Barnes responded that he did not think it would cost Rockwood PUD anything as they did not have any water lines in the City right-of-way, only in County streets.

As there was no further testimony, Mayor Vonderharr closed the public hearing.

Director Wall commented that the 5% fee was for the use of City right-of-way or to do business in the city limits of Fairview. It would be unfair to charge certain individuals in the City the 5% fee and have 1/3 of the City be exempt from the fee. Director Wall added that the 5% Public Utilities Fee was similar to franchise agreements with PGE, GTE, AT&T, etc., and that to be consistent, all facilities in the City should be charged the fee; in addition, all other franchise fees are collected consistently, no matter what street is used.

Councilor Owen asked if, in essence, the 5% fee was for a utility company to do business in the City of Fairview and that it did not matter if a waterline was in a City road. Director Wall responded yes, that was his understanding, and that the privilege fee met State law requirements. Councilor Owen questioned what the City's cost was for rights-of-way and doing business in Fairview. Director Wall responded that the City has infrastructure and a community which allows vendors to do their business in the City, which has a value; franchises are a way to have those businesses pay their fair share to do business in the City. Councilor Owen asked if any written comments were received regarding the 5% fee. Caren Huson, City

Recorder, responded no.

Councilor Raze questioned what advice was received from the City Attorney regarding the 5% fee. Marilyn Holstrom, City Administrator, responded that the City Attorneys assisted and wrote the proposed ordinance/resolution. Councilor Raze commented that not all of the Rockwood water lines were located only in County roads, and that their lines were also in local City streets such as NE 205th Avenue, NE Wistful Vista, etc.

Councilor Lillard asked if the Fairview City Attorneys had reviewed similar ordinances of other Oregon cities. Director Wall responded that the City Attorneys had written the ordinance based on State law.

Councilor Quinby questioned if staff knew how many other Oregon cities had a similar fee. Director Wall responded that he did not have those figures, but he did know that it was not a cutting edge fee as Portland has had the fee for over 50 years. Administrator Holstrom added that a City Manager's poll had shown that at least 20 cities in Oregon had this fee and that they had had it for awhile. Mayor Vonderharr commented that the various cities which charge this fee have more resources than the City of Fairview, and that Fairview's budget is so tight, we should have been the leader in this fee. Mayor Vonderharr commented that the legal advice from our City Attorney was that other cities have charged this fee for quite awhile, so we know it is legal. This money is needed in the General Fund which is in worse shape than other City funds.

Councilor Raze commented that he was very supportive of Rockwood PUD, but no matter what the fee was called, it is really a fundraiser for the City; in addition, it was an equitable way to spread the cost across the entire population of the City.

Councilor Edwards stated that the proposed fee was a fair and necessary step. Councilor Edwards moved and Councilor Owen seconded the motion that Ordinance 9-2000 be read a first time by title only.

AYES: 6
NOES: 0
ABSTAINED: 0

Recorder Huson read Ordinance 9-2000 aloud by title only.

Councilor Edwards moved and Councilor Owen seconded the motion to adopt Ordinance 9-2000, AN ORDINANCE AMENDING THE FAIRVIEW MUNICIPAL CODE BY CREATING A NEW CHAPTER 3.20 "PUBLIC UTILITY FEES".

AYES: 6
NOES: 0
ABSTAINED: 0

Councilor Edwards moved and Councilor Owen seconded the motion to adopt Resolution 8-2000, A RESOLUTION SETTING PUBLIC UTILITY FEES CONSISTENT WITH THE TERMS OF FAIRVIEW CITY CODE SECTION 3.20.

AYES: 6
NOES: 0

ABSTAINED: 0

Administrator Holstrom stated that the money collected from the Public Utility Fee would be set aside in a special fund pending the result of the November election and Mr. Sizemore's ballot measure. Director Wall commented that even if the November ballot measure does pass, this may be a fee that will still stand. Mayor Vonderharr mentioned that it was sad that the citizens and Council could not run their own City anymore. Administrator Holstrom reported that Ordinance 9-2000 would take effect on July 1, 2000.

V. CITY ADMINISTRATOR REPORT

Administrator Holstrom reported that staff has been interviewing police applicants, and reminded the Council that the next East Metro Cities Regional Issues Forum would take place on May 18th at Wood Village City Hall. Administrator Holstrom stated that the Journalism students at Mt. Hood Community College were once again producing the City's Annual Report which should be completed in June 2000.

VI. MAYOR/COMMITTEE REPORTS AND COUNCIL CONCERNS

Councilor Lillard reported that she had attended the East Multnomah County Transportation Committee meeting on Monday; a presentation on the 242nd Avenue Connector was given. The project was not going as fast as wanted, but several alternatives were being reviewed.

Councilor Owen reported that he had participated in a Police Department ride-along with Chief Jackson the previous week and had learned a lot about the department and their issues.

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

Mayor Vonderharr stated that he had been attending several meetings, and that the following day he would meet with the manager of the Bureau of Emergency Communications with Mayor Becker of Gresham.

VII. ADJOURNMENT

Councilor Owen moved and Councilor Lillard seconded the motion to adjourn. Mayor Vonderharr adjourned the meeting at 8:02pm.

AYES: 6
NOES: 0
ABSTAINED: 0

Mayor Roger Vonderharr

Dated:

Caren C. Huson Quiniones
City Recorder