

**MINUTES  
FAIRVIEW CITY COUNCIL WORK SESSION  
FAIRVIEW CITY HALL  
1300 NE VILLAGE STREET  
FAIRVIEW, OREGON 97024**

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**JANUARY 29, 2001 -- 7:00pm**

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

Mayor Vonderharr called the meeting to order at 7:00pm.

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

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

**II. COMPENSATION STUDY**

Marilyn Holstrom, City Administrator, reported that at the last Budget Committee meeting held in April 2000, the Committee and Council had some concerns regarding employees salaries. At that time, two Fairview Police Officers had resigned to work at Troutdale where the pay was higher. Staff was directed to perform a Salary Compensation Study and present their findings to Council prior to the Budget meetings to be held in April 2001.

Caren Huson, City Recorder, stated that five years ago, the City had contracted with the Local Government Personnel Institute (LGPI) to perform a salary study. In 1996, LGPI researched those cities that were comparable to Fairview in terms of population, location in the Metro area, and job description similarity. Recorder Huson commented that LGPI had determined six comparable cities: Cornelius, Forest Grove, Gresham, Sandy, Sherwood and Troutdale. City department heads agreed that Gresham should not be included in the current salary study due to their size and the simple fact that Fairview could never compete with them.

Recorder Huson reported that she had interviewed the remaining five cities, verifying that Fairview job descriptions were similar to theirs, and asked for their salary data. She also asked the cities a series of questions pertaining to insurance, longevity compensation, training incentives, etc. All information was compiled and the minimum salary amounts of each of the five cities, in terms of job titles, were averaged.

Roy Wall, Finance Director, stated that once the minimum salaries of each job description were averaged, he developed a compensation mean by classification. A six-step compensation schedule was then created based upon the average compensation minimum of the comparable entities. Each employee was then placed within their respective compensation range at the step which relates to their years of service with the City of Fairview. Director Wall mentioned that the overall results of the classification study

showed that some classifications were paid at the appropriate market rate, while others were lower than the competition for employee services.

Administrator Holstrom added that she was also proposing Certification and Longevity Pay; staff had reviewed programs within various cities and then department heads were asked to review the programs and suggest what they felt would most reward Fairview employees for their growth and knowledge.

Mayor Vonderharr commented that there were two decisions to be made: how comparable Fairview wants to be with its competitors, and then what bonuses did Fairview want to offer its employees.

Councilor Edwards asked the Council to consider the fact that if the City had been paying their employees too little over the last five years, that the City had actually been spending any salary increases those employees should have received each year. Councilor Edwards stated that he was disappointed that there was not more information provided to Council, but staff had returned with the information which Council had requested. Councilor Edwards commented that Fairview staff was top of the line and that Longevity Compensation was one of the best ideas presented tonight, and that in his opinion, the real issue was keeping management and supervisory staff.

Councilor Raze mentioned that he was supportive of some of the ideas proposed, but that a compromise was needed. Some salary increases were definitely required, but he did not know if all salary increases had to occur at one time. Councilor Raze added that if staff had not seen this information, then Council would have more room to work with the figures. Administrator Holstrom stated that that was not how she conducted business - staff had always participated in various proposals and she asked the Council to keep in mind that it was staff that had come to them previously with a health plan that actually saved the City money.

Councilor Owen stated that he agreed with Councilor Raze - something needed to be done in terms of salaries, but each individual position had to be reviewed. Councilor Owen asked Administrator Holstrom to return to Council with a fall-back plan at a later date. Administrator Holstrom responded that her fall-back plan was before the Council tonight. Councilor Owen commented that he still felt strongly that an additional Police Officer should be hired, and that just because the City will receive an additional \$200,000 from alternative revenue sources, that did not necessarily mean that the City had to spend the complete \$200,000. Administrator Holstrom stated that when staff performed the salary study, they did not know that alternative revenue sources would add an additional \$200,000 to the City's funds, and that the proposal tonight was not based on that additional \$200,000. Councilor Owen commented that he would like to see the next City Administrator provide the salary increases. Administrator Holstrom mentioned that that would then put Fairview seven years behind in salary adjustments.

Councilor Quinby reported that he had put together some numbers for various salary increases which made sense to him and that they were available for Council to review. Councilor Quinby stated that he was in favor of Longevity compensation and that he was not adverse to certification pay, but that it should not be compounded. In addition, Councilor Quinby stated that when Council asked for a salary study to be performed, that they never said they would implement it - Council just

wanted to see how Fairview compared to other cities.

Councilor Jones stated that the major issue is salary compensation and that Fairview should be comparable to other cities.

Councilor Edwards commented that if the proposed salary ranges as presented tonight came to Council for formal action, that he would vote in favor of them. Councilor Jones concurred.

Councilor Lillard stated that she was in favor of Longevity compensation, but was not convinced about Certification Pay and compounding the amounts, or even that the amounts should be as presented tonight. Councilor Lillard suggested that perhaps the salary increases could be phased in - such as 80% on July 1st and 20% on January 1st.

Questions were asked and discussions held regarding the following subjects:

- comparable cities and services
- service levels of positions
- staff involvement in classification study
- length of time since last study
- turnover rate
- hiring of police officer/police levy failure
- incentive plans
- additional fringe benefit information
- budgetary impacts

Staff was asked to return with additional information and an additional Work Session would be scheduled.

### **III. ONE TIME REVENUES**

Administrator Holstrom distributed a document which contained her recommendations for use of one-time revenues coming from the sale of land. Should the sale go through, the City would receive \$587,000, and she would like to apply those funds to the following items:

- \$175,000 for the Renaissance Plan
- \$56,000 for Police Equipment
- \$200,000 to the General Fund Ending Balance
- \$22,000 towards the Community Center
- \$14,000 for improvements to City Hall
- \$5,000 for holiday street decorations
- \$15,000 for the Schautz Property Business Plan
- \$100,000 for Debt Service on City Hall

Councilor Raze mentioned that he would really like to see the Community Park constructed and that perhaps some funds should be reserved for that; Mayor Vonderharr agreed. Administrator Holstrom suggested that \$50,000 be used for the Community Park, and the Renaissance lessened to \$125,000; she would return to Council with some additional information on the park and whether some of the dollars would benefit its construction.

Council generally concurred with the remainder of the list as presented, including \$22,000 for the Community Center which would allow staff to conduct a Facility Usage Test Program for a year once the first floor of the Community Center was ready for rental.

### **III. ADJOURNMENT**

Councilor Raze moved and Councilor Quinby seconded the motion to adjourn. Mayor Vonderharr adjourned the meeting at 10:29pm.

AYES: 7  
NOES: 0  
ABSTAINED: 0

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Mayor Roger Vonderharr

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Dated:

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Caren C. Huson Quiniones  
City Recorder