

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

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**JUNE 20, 2001 -- 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  
Councilor Barbara Jones

STAFF PRESENT: Marilyn Holstrom, City Administrator  
Gilbert Jackson, Chief of Police  
Jeffrey Sarvis, Public Works Director  
Roy Wall, Finance Director  
John Andersen, Community Development  
Director  
Caren Huson, City Recorder

**II. CONSENT AGENDA**

Councilor Owen moved and Councilor Quinby seconded the motion to approve the Consent Agenda, consisting of: Resolution 15-2001, A RESOLUTION EXTENDING WORKERS' COMPENSATION COVERAGE TO VOLUNTEERS OF THE CITY OF FAIRVIEW; Resolution 16-2001, A RESOLUTION STATING THE CITY'S QUALIFICATION FOR STATE-SHARED REVENUE FUNDS; an Intergovernmental Agreement with Multnomah County Department of Community and Family Services; and, the Minutes of June 6, 2001.

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 HEARINGS**

**A. RESOLUTION 17-  
2001 Adoption of  
Fiscal Year 2001/2002  
Fairview Budget**

Roy Wall, Finance Director, reported that on April 2, 2001, the Fairview Budget Committee approved a fiscal year 2001-02 budget for consideration by the Fairview City Council. The approved budget was submitted to the Tax Supervisory and Conservation Committee for comment. Their certification letter was received on May 16, 2001, and states, "the 2001-02 budget, filed April 24, 2001, is hereby certified with no objections or recommendations. Estimates were judged to be reasonable for the purpose shown and the document was found to be in substantial compliance with Local Budget Law." Director Wall commented that staff was recommending approval of Resolution 17-2001.

Mayor Vonderharr opened the public hearing.

Helen Maguire, 760 NE Pacific Drive, Fairview, questioned if it was a common practice to approve the budget prior to approving the proposed System Development Charge (SDC) rates and utility rates as listed on tonight's Council agenda. Director Wall responded that it is a common practice as it is not unusual to assign placeholders in the budget for anticipated revenue; if the revenue is not received, projects are simply not performed.

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

Councilor Owen commented that the Budget Committee was comprised of seven Fairview citizens and the Fairview City Council; a very good budget meeting had been held on the proposed budget.

Councilor Owen moved and Councilor Lillard seconded the motion to approve Resolution 17, 2001, A RESOLUTION ADOPTING BUDGET, MAKING APPROPRIATIONS, LEVYING TAXES AND CATEGORIZING THE LEVY.

AYES: 7  
NOES: 0  
ABSTAINED: 0

Councilor Owen commended Director Wall for his work on the present budget and prior budgets.

**B. RESOLUTIONS  
11-2001 AND 12-2001  
Rate Increases for  
Sanitary Sewer and  
Stormwater**

Jeffrey Sarvis, Public Works Director, reported that on May 16, 2001, the Fairview Council had discussed rate increases for sanitary sewer and stormwater services at that time; staff and Ray Bartlett of Economic Financial Analysis presented updated utility financial plans and answered City Council questions. Director Sarvis stated that the City annually reviews its utility rates and charges for water, sanitary sewer, and stormwater services. A 4% increase in sanitary sewer, and a 3% increase in stormwater are proposed with no changes to the water utility rates.

Director Sarvis commented that beyond normal operating and capital expenses, it is expected that a new Public Works facility would be constructed sometime within the next two to three years, and the report enclosed in the Council packet describes how the financing of the facility would occur.

Mayor Vonderharr opened the public hearing.

Jean Ridings, 21510 NE Blue Lake Road, Fairview, stated that she was the Director of the Interlachen Water Public Utility District and that they were concerned about the 4% increase in sewer. Ms. Ridings reported that the Interlachen sewer was originally placed by the Interlachen community in the 1960's, and at previous Fairview public hearings, they were assured that their sewer rates would not increase. Ms. Ridings added that since the PUD is an independent utility, one jurisdiction could not place a tax on another jurisdiction without approval by that jurisdiction.

Director Sarvis mentioned that Interlachen was outside of the Fairview city limits, but were not charged the higher outside rates;

they are in the Fairview urban services area.

Mayor Vonderharr asked if the proposed sewer increase was for operations and capital improvements. Director Sarvis responded yes.

Ms. Ridings commented that the Interlachen PUD was not paid one cent when their sewer was transferred to Fairview from Gresham, and it was their understanding that their sewer rates would never increase and that they would never have to pay extra for additional sewer treatment plant capacity. Mayor Vonderharr responded that they would not be paying for additional sewer capacity; the sewer rate increase only pertained to maintenance of the sewer system.

Georgeen Penketh, 21135 NE Interlachen, Fairview, stated that the newspaper had written that part of the sewer rate increase would be used to pay for a new Public Works building. Mayor Vonderharr responded that the rate increase has nothing to do with a new building, it is only for maintenance of the sewer system which is currently in place.

Director Sarvis stated that staff was proposing an 87c a month increase to sewer rates to continue to perform maintenance on the entire sewer system as costs increase.

Ms. Ridings commented that increased pressure has been placed on the Interlachen sewer due to the growth of Fairview; their maintenance agreement with the City states that any additional charges would be taken care of by developers. Mayor Vonderharr stated that that was true.

Helen Maguire, 760 NE Pacific Drive, Fairview, questioned if the increases were not approved, what the impact would be to the City's budget and what projects would be impacted. Ray Bartlett responded that the increases do not pertain to any particular line item in the budget, but it would reduce the maintenance that could be performed on the sewer system. In addition, if electricity costs are to increase dramatically, which is anticipated, the City may not have the funds to pay for that cost. Ms. Maguire commented that she thought the sewer fund was quite hefty and should be able to take care of whatever crisis might arise. Ms. Maguire asked Council to consider not approving the increase as it appears as though the City budget could handle any costs adequately.

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

Councilor Raze stated that every sewer system has been placed by a Local Improvement District or a developer and paid for by the people who use it; all systems fail eventually and they have to be replaced and upgraded.

Councilor Owen commented that it sounded as though Ms. Ridings believes that Interlachen sewer rates would never increase, but it does seem reasonable that a 40-year old sewer will need replacement at some point. It would surprise him if a guarantee had been made that sewer rates would never increase. Councilor Owen questioned if part of the proposed rate increase would go towards the increase in sewer treatment costs. Director Sarvis responded yes, as Fairview's cost for sewer treatment from Gresham will increase by 6.5% in January 2002.

Councilor Jones added that the older the system, the more potential there was for infiltration.

Councilor Quinby asked for clarification of the agreement with Interlachen and the City. Director Sarvis responded that the City does not have an agreement with Interlachen or their PUD; the agreement is with the City of Gresham when they transferred the Interlachen sewer system to Fairview. Fairview did agree that they would not charge the Interlachen community the outside user rates; they would be charged the same sewer rate as a resident within the city limits of Fairview. Director Sarvis added that the City had actually upgraded the Interlachen pump station, and that smoke testing had recently been completed on the system and it appears that it is in pretty good shape.

Councilor Owen moved and Councilor Lillard seconded the motion to approve Resolution 11-2001, A RESOLUTION REVISING SEWER SERVICE CHARGES RELATING TO THE FAIRVIEW SEWER SYSTEM.

AYES: 7  
NOES: 0  
ABSTAINED: 0

Councilor Owen moved and Councilor Edwards seconded the motion to approve Resolution 12, 2001, A RESOLUTION REVISING STORMWATER SERVICE CHARGES RELATING TO THE FAIRVIEW STORMWATER SYSTEM.

AYES: 6  
NOES: 0  
ABSTAINED: 1 (Lillard - had left dais)

**C. RESOLUTIONS  
13-2001 AND 14-2001  
Increases for  
Sanitary Sewer,  
Water, and  
Stormwater System  
Development  
Charges**

Director Sarvis reported that on May 16, 2001, the Fairview Council had discussed proposed increases in water, sanitary sewer, and stormwater System Development Charges (SDCs). Staff and Ray Bartlett had previously discussed the SDC increases with Council, along with a Stand-by Fire charge.

Mayor Vonderharr opened the public hearing.

Alan Grant, developer of Fairview Terrace, stated that he had testified in August 2000 in regards to the proposed fee increases, and wanted to state that he was supportive of the City increasing its fees as growth must pay for itself, but the City needs to be aware of what a developer goes through to get a project completed. Mr. Grant proposed that the City allow vesting for projects which have already been approved, adding that the City of Vancouver, Washington will vest a developer for two years (guarantee fee rates at the time of project approval).

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

Councilor Jones wished to clarify that Mr. Grant was asking the City to grandfather in his project at the current fee rate, and then charge new developers even higher rates than proposed tonight to make up that difference. Mr. Grant responded yes.

Councilor Lillard asked if the Council could allow an individual to place half down on the cost of fees and then pay the remainder at a later date. City Attorney Pam Beery responded no, as an entire new

methodology would have to be prepared. It is a question of fairness overall for all developers, and the Council should keep in mind that Oregon law may differ from the State of Washington law.

Councilor Raze questioned when Mr. Grant received the information on the proposed SDC increases. Mr. Grant responded that he had received the information in the summer of 2000. Councilor Raze commented that he personally felt that Mr. Grant had ample time to pay any fees at the current rate.

Councilor Owen stated that he did not believe the Council had to take action on the fees tonight, and that perhaps the action could be delayed for a month so that Mr. Grant would have an extra 30 days to pay a portion of his SDC fees at the current rate. Mr. Bartlett commented that the fee increase has been delayed for ten months, which means that additional funds have already been lost which were needed to pay Fairview's cost of sewer treatment. Mr. Bartlett added that he did not have a good rationale for delaying the increase further, as the proposed SDC increase is not out of line with surrounding communities. Mr. Bartlett encouraged passage of the proposed resolution.

Councilor Jones stated that she strongly disagreed with Councilor Owen as what he was proposing would benefit one property owner over all others. If Council makes allowances this time, they will be setting a precedence. Councilor Lillard agreed with Councilor Jones; it seems as though Mr. Grant has had considerable time to pay his fees, and he was the only developer present with concerns about the proposed fees.

Councilor Raze stated that he would be abstaining from any vote on this subject, as if a motion was made to extend the fee increase 30 days that it could have a benefit to him and his development project.

Councilor Owen moved and Councilor Quinby seconded the motion to approve Resolution 13,2001, with the effective date of the fee increase to be August 1, 2001.

AYES: 2 (Owen, Quinby)  
NOES: 4 (Lillard, Edwards, Jones, Vonderharr)  
ABSTAINED: 1 (Raze)

Motion failed.

Councilor Jones moved and Councilor Lillard seconded the motion to approve Resolution 13-2001, A RESOLUTION REVISING SANITARY SEWER, WATER AND STORMWATER SYSTEM DEVELOPMENT CHARGES, as written, with the effective date for the fee increase to be July 1, 2001.

AYES: 4 (Lillard, Edwards, Jones, Vonderharr)  
NOES: 2 (Owen, Quinby)  
ABSTAINED: 1 (Raze)

Councilor Edwards moved and Councilor Jones seconded the motion

to approve Resolution 14-2001, A RESOLUTION ESTABLISHING A STANDBY FIRE SERVICE SYSTEM DEVELOPMENT CHARGE.

AYES: 5  
NOES: 2 (Owen, Quinby)  
ABSTAINED: 0

V. COUNCIL BUSINESS

F. DISCUSSION -  
Increasing  
Park System  
Development  
Charges

John Andersen, Director of Community Development, reported that the City recently adopted a new Parks and Recreation Master Plan. That Plan identified a number of improvements that need to be made to provide adequate park and recreation services to the existing and future population of the City.

Director Andersen stated that the addition of a new neighborhood park, additional improvements to Fairview Community Park, Fairview Community Center, and Park Cleone, as well as a significant commitment to creating sports fields inside the City, result in a need to increase the Parks System Development Charge (SDC) currently at \$1,037 with an automatic annual increase of 5%.

Director Andersen reported that the Council had requested that staff return with several alternatives for consideration; four options were provided: 1) use the capital improvements schedule contained in the Parks Master Plan but change the calculations to base them upon the new population counts from the 2000 Census - the result is a Parks SDC of \$1,226 with no annual increase; 2) retain all the proposed improvements except for the City match to the sports fields - result is a Parks SDC of \$1,092; 3) retain all of the anticipated improvements except to reduce the City funds available for sports field construction - result is a Parks SDC of \$1,033; or 4) retain the current Parks SDC of \$1,037 with an annual automatic increase of 5% - the result in reduced revenue would cause some smaller funding availability, which would have to be spread across the anticipated projects.

Councilor Jones asked if the City had looked into private organizations who sponsor sports fields and special projects.. Director Andersen responded that the City currently uses a variety of organizations to work on the Salish Ponds Wetland Park.

Councilor Lillard questioned which option staff would prefer. Director Andersen responded that staff was recommending Option 4 (no increase in the Parks SDC). Councilor Lillard asked if the current fee would be adequate for the time being. Director Andersen responded that he preferred the \$1,200 SDC fee to take care of all of the park projects listed in the Master Plan; however, if the current fee is maintained, then less funds would be received and staff would simply have to do less towards the Master Plan.

Councilor Raze commented that he supported Option 4. If the City really wants to obtain a sports field, staff would need to start looking into a levy or private sponsorship as a sports field would benefit the entire community, not just someone building a new house in the City. Mayor Vonderharr agreed that the Parks SDC should remain as is.

Councilor Edwards stated that parks benefit everyone in the City and they should all be assessed equally for those public spaces; new development should not have to take on the burden of paying for community areas.

Councilor Jones stated that she felt Option 4 was the best choice, but thought that there must be other ways to generate revenue rather than a levy which would increase taxes to the homeowner. Director Andersen responded that other cities have obtained sports fields from private sponsorship.

Councilor Lillard commented that she did not think a 5% increase was too much to ask as that percentage increase could be applied to a sports field. New residents coming into the City have the benefit of existing parks, and she did not see where a 5% increase would be out of line; the City's argument to increase revenues has always been that every little bit helps.

Mayor Vonderharr asked Council for a vote as to retaining the current Parks SDC fee.

AYES: 6  
NOES: 1 (Lillard)  
ABSTAINED: 0

## DEPARTMENTAL REPORTS

### A. Police

Gilbert Jackson, Chief of Police, reported that as of July 2, 2001, the City will add another police officer, Joshua Day. Chief Jackson stated that the City of Fairview would be loaning an empty office in the Police Department to the Oregon State Police who will use the office as an interim passage point for their cars; they will completely furnish their own office. Councilor Quinby stated that perhaps in return they could cite some of their offenders in Fairview's Municipal Court.

### B. Public Works

Director Sarvis stated that Public Works had distributed a memo to the Council on June 8<sup>th</sup> regarding a conservation media campaign and stated that staff would appreciate any Council comments on the material.

### C. Community Development

Director Andersen reported that there has been more interest in commercial development lately, with proposals for a Walgreens on 207<sup>th</sup> and Halsey, and a cement plant on the Columbia River. Director Andersen stated that the Parks Advisory Committee had been working on opening the Community Center, and that they will have a list of proposed fees and regulations. A variety of users have indicated their interest in the Community Center, and it is hoped that a grant will allow performances to be conducted at the facility. Director Andersen commented that he has been working with Metro on the Blue Lake Park Master Plan and that he had recommended the improvements indicated in the plan; there was no consensus from the committee regarding the proposed lodge. Director Andersen reported that he had attended a meeting earlier in the day regarding bus shelters and two will be recommended for Fairview.

Councilor Owen asked for an update on the meeting with the Drainage District regarding Fairview Lake. Director Andersen responded that a discussion was held toward doing an analysis of how the Drainage District should best manage their resources; Council will hear a presentation from the Drainage District on July 18<sup>th</sup>.

### D. Finance

Roy Wall, Finance Director, reported that the PGE audit was going very well and was on schedule. Director Wall stated that a "budget in brief" would be placed on the City's website.

## E. Administration

Marilyn Holstrom, City Administrator, reported that the cities of Fairview and Wood Village, along with the Multnomah County Sheriff's Department, had been invited to a meeting at Troutdale regarding police consolidation. This meeting was in response to a report from the Troutdale Citizens Public Safety Advisory Committee.

Mayor Vonderharr reported, that in regards to police consolidation, it would not fiscally benefit the cities, but we left it open as things do evolve and change and maybe sometime in the future we would consider consolidation, but it would be in a district format and not simply contracts with other jurisdictions for services.

Administrator Holstrom stated that a City Street Faire was scheduled for the following week, but Council direction was needed as to whether or not the City should go forward with it. Phone messages and FAXes had been received from residents in the area who were opposed to the Street Faire.

Mayor Vonderharr commented that the purpose of a Street Faire was a communication opportunity for citizens, but if they were adamantly against it, the City does not want to force it upon them. Mayor Vonderharr thought that perhaps the Street Faire should be postponed until such time as he speaks to the president of the Homeowners Association, which he plans to do with each Association. Councilor Edwards stated that since more than a couple people had voiced their opposition to it, that he would not feel comfortable holding the Street Faire. Council consensus was to cancel the Street Faire.

## F. Legal

Ms. Beery indicated that their written report was before the Council.

## VII. MAYOR/COMMITTEE REPORTS AND COUNCIL CONCERNS

Councilor Quinby reported that he had attended the Solid Waste Citizens Advisory Committee on June 11<sup>th</sup>; the agenda contained the annual rate review, with a very slight increase in residential rates to occur, and a decrease in drop box fees. In addition, recycling will be encouraged more.

Councilor Lillard thanked Councilor Edwards and Mayor Vonderharr for attending the Metro meeting which discussed the East Multnomah County Transportation Committee process.

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

Mayor Vonderharr stated that he had testified at Metro regarding federal transportation dollars which are distributed by Metro to various jurisdictions, adding that Fairview has been fighting for railroad overpass expansion on 223rd Avenue for years. Mayor Vonderharr commented that the statisticians use formulas that do not take reality into consideration.

Mayor Vonderharr commented that he has personally been working on pursuing economic development for the Town Center, and that tomorrow he would meet with Gresham regarding common transportation issues. Mayor Vonderharr stated that he would be on vacation until July 23<sup>rd</sup>, and that Council President Owen would attend any meetings in his place.

Bonita Jenkins of the Fairview-Rockwood-Wilkes Historical Society announced that they would hold a large yard sale to benefit the Heslin House on June 23<sup>rd</sup> and asked everyone to attend and support

the cause.

VIII. EXECUTIVE SESSION  
ORS 192.660(1)(e)  
Real Property Transactions  
ORS 192.660(1)(f)  
Records Exempt from  
Disclosure

At 10:15pm, Councilor Owen moved and Councilor Raze seconded the motion to adjourn out of the Regular Session and into Executive Session per ORS 192.660(1)(e) and ORS 192.660(1)(f).

AYES: 7  
NOES: 0  
ABSTAINED: 0

At 11:30pm, Councilor Owen moved and Councilor Quinby seconded the motion to adjourn out of Executive Session and back into Regular Session.

AYES: 7  
NOES: 0  
ABSTAINED: 0

IX. ADJOURNMENT

Councilor Owen moved and Councilor Quinby seconded the motion to adjourn. Mayor Vonderharr adjourned the meeting at 11:31pm.

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