

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

---

**MAY 16, 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 Lillard seconded the motion to approve the Consent Agenda, consisting of : an Award of Contract for Lakeshore Park Entrance and Trails; Appointment to the Solid Waste Citizens Advisory Committee; an Intergovernmental Agreement for a PGE Franchise Fee Audit; and, the Minutes of May 2, 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. COUNCIL BUSINESS**

**A. DISCUSSION -  
Revising Water, Sanitary  
Sewer, and Stormwater  
System Development  
Charges**

Jeffrey Sarvis, Public Works Director, stated that the Council would only be receiving information tonight for discussion of System Development Charges (SDCs) and that a public hearing would be held at a later date. Director Sarvis reported that the Council had adopted a Capital Improvement Plan (CIP) in May 2000. The CIP identified existing capacities and planned expansion of the water, sanitary sewer, and stormwater systems to meet future demands. Director Sarvis stated that using the adopted CIP as a basis, Ray Bartlett from Economical and Financial Analysis (EFA) provided a financial plan to construct the CIP projects. EFA reviewed the CIP project costs, timing of

projects and current SDCs. In order to construct projects identified by the CIP, an increase in SDCs was necessary. Director Sarvis commented that the last time staff had provided the Council and public with SDC information was August 2000; three issues arose from that meeting which staff could not answer at the time, but after review, the following was determined: 1) the major portion of the sanitary sewer SDC is for capacity-increasing costs related to the Gresham treatment plant expansion; 2) the City is required to Bancroft or finance SDCs but has not received such a request as of date; and, 3) development projects which were approved prior to SDC increases would not be grandfathered in at the old SDC rate.

Ray Bartlett of EFA stated that the City had not actually reviewed all of the SDC rates since 1996, but that the SDC rate had been adjusted each year since that time by the rate of inflation. Mr. Bartlett commented that the updates presented tonight would take into account the new CIP and new cost figures for improvements. Mr. Bartlett reported that the water SDC was proposed to increase by 16%, the sanitary sewer SDC would increase by 7%, and the stormwater SDC would increase by 42.8%.

Councilor Owen questioned why some cities had a Roads SDC. Mr. Bartlett responded that transportation was the fourth SDC that a City could assess, but that Fairview had not seen the need to assess that SDC as it has benefitted from the County and State who own major arterials through the City, and also benefitted from the amount of development which has occurred with improvements placed by developers. Mr. Bartlett added that staff was currently working on a Transportation Master Plan and that they may want to consider a Roads SDC in that Plan. Director Sarvis mentioned that Fairview currently funds road improvements and maintenance from State Gas Tax dollars and that a City could not use SDCs to replace roads. Councilor Lillard commented that it would not hurt to look at a new Roads SDC because Fairview lacks matching funds for grants.

Councilor Raze questioned if a Roads SDC was implemented and the subject road was a County arterial, would a developer be charged the Roads SDC. Director Sarvis responded that that was unlikely as you can not charge someone twice; the County would require improvements to their road.

Councilor Owen moved and Councilor Raze seconded the motion for staff to hold a public hearing on June 20, 2001 regarding the increase of SDC fees.

AYES: 7  
NOES: 0  
ABSTAINED: 0

**B. DISCUSSION -**

**Rate Increases for  
Sanitary Sewer and  
Stormwater**

Director Sarvis reported that the City of Fairview annually reviews its utility rates and charges for water, sanitary sewer, and stormwater services. The City retained EFA to review utility rates, who determined that a 4% increase in sanitary sewer was recommended, along with a 3% increase in stormwater fees; no rate changes are proposed for the water utility. Director Sarvis stated that the last rate increase for these utilities occurred in 1999; an increase in water rates has not occurred since 1997. Director Sarvis explained that the *Update of Utility Financial Plans* as prepared by EFA details the need for the utility rate increases. Beyond the normal operating and capital expenses, it is expected that a new Public Works Facility will be constructed sometime within the next

two to three years, and the report describes how financing of the facility could occur.

Mr. Bartlett stated that the sanitary sewer rate increase should take care of the new capacity cost of the Gresham Wastewater Treatment Facility. Councilor Owen moved and Councilor Raze seconded the motion for staff to hold a public hearing on June 20, 2001 for the rate increases for sanitary sewer and stormwater.

AYES: 7  
NOES: 0  
ABSTAINED: 0

**C. DISCUSSION -  
Increasing Park System  
Development Charge**

John Andersen, Community Development Director, reported that Council had recently adopted a new Parks and Recreation Master Plan. That Plan identified a number of improvements that need to be made to provide adequate parks and recreation services to the existing and future population of the City. Director Andersen commented that the addition of a new neighborhood park, improvements to Fairview Community Park and Park Cleone, as well as a significant commitment to creating sports fields inside the City result in a need to increase the Parks SDC from \$1,030 to \$1,313; this would be one of the higher Park SDCs in the Portland metro area. Director Andersen mentioned that if funds are not obtained from new development as it occurs, that the City would then have to seek alternative funding sources, such as general fund dollars, special park levies, or park fees.

Councilor Raze questioned if all of the park projects listed in the Council packet would take place through the issuance of new building permits. Director Andersen responded yes, and that the City had not yet identified any alternative funding resources for parks. Councilor Raze commented that he did not think it was fair to place all the cost burden on new development, as park improvements would benefit the entire City, not just new residents. Mr. Bartlett stated that the analysis did not allocate the total cost of park improvements to new development; the City will still have to come up with funds in addition to those funds generated by the proposed SDC increase. New development would simply fund its share of the cost. Mayor Vonderharr stated that the City needs to look for alternative revenue sources as even 25% of the cost for a sports field was quite a bit to expect developers to pay as they already place neighborhood parks, and a sports field would be a facility that would benefit the entire City. Mr. Bartlett mentioned that the proposed SDC fee needs to be recalculated using the latest census figures.

Councilor Raze stated that his subdivision was near completion, and that he did not have a conflict of interest as was eluded to by a television viewer. Councilor Raze commented that, ultimately, it is the consumer who pays for the SDC fees. His interest in controlling fees is not personal, but for the general public who ultimately must pay for the fees, and especially first-time homebuyers who currently have a hard time purchasing a home.

Councilor Quinby stated that he viewed the Parks Master Plan Update as a wish list, and that the City could not do everything at once. Councilor Quinby commented that it would be nice to increase SDCs to fund all of the park projects, but the proposed increase seemed to be excessive.

Councilor Jones commented that the proposed Parks SDC increase would be

heard in a public hearing, and stressed the fact that the Council needed the citizens to attend that meeting and tell the Council what they want to see in their parks.

Councilor Lillard moved and Councilor Quinby seconded the motion that staff return to Council on June 20, 2001 with three options for parks funding, along with a recalculation of the proposed SDC increase based on the new census figures, and that a public hearing be held on the issue on July 18, 2001.

AYES: 7  
NOES: 0  
ABSTAINED: 0

**A. RESOLUTION 6-2001 -  
Building Fee Increase**

Director Andersen stated that the Council had continued this item from its May 2, 2001 meeting in order to obtain additional information and to allow for further review. Director Andersen reported that the City of Fairview has not increased its building and specialty code fees for many years. While this has been beneficial to the local building industry, it has resulted in inadequate funding for local plan review and building inspection. In some cases, Fairview building fees are half of what is charged in other cities in Oregon. Since our funds are split between the State of Oregon, the City of Troutdale, and the remainder to Fairview, all of the effected agencies have been increasingly under-funded in providing their portion of the services. The increased fees are needed to assure adequate funding for local plan review and inspection services.

Director Andersen commented that the State of Oregon recently published new fees meant to provide sufficient funding for building inspection and plan review services for structural, mechanical, plumbing and electrical permits, as well as related minor permits. Those State materials have been used as the basis for the proposed fee increases. Director Andersen commented that notice had been provided to the State and they in turn will give notice to interested parties consistent with their adopted procedures. No objections have been filed as yet. Director Andersen added that the Troutdale City Administrator had sent a letter expressing their perspective on the current fee and revenue situation; while it is apparent that Troutdale appreciates our participation in their building inspection program, it is also evident that they can not continue to subsidize our inspection program.

Councilor Quinby asked if the State placed a cap on what could be charged for a permit. Director Andersen responded yes, and added that Fairview would be well within the State fee range.

Councilor Raze stated that the Troutdale Building Inspectors did a wonderful job, but he was concerned with the affordability of homes due to the increase in fees. Councilor Raze commented that some of the plans that Troutdale reviews are repeats and that perhaps some adjustments could be made to those fees. Director Andersen responded that if a building is on the same site and the plans are identical, that Troutdale has been able to reduce permit fees to some extent. Councilor Raze questioned if discussions would continue to occur with Troutdale to see if some economies could be considered. Director Andersen responded that several discussions have occurred with Troutdale prior to tonight, and they are of the opinion that they have been subsidizing Fairview's building inspection program for many years and they feel it is up to

Fairview to step up to the plate. Councilor Raze stated that he hates to reduce Park SDC fees which would bring revenue into our own City, yet increase fees to bring additional revenue to another city.

Councilor Owen asked if the proposed permit fees were the same dollar amount as what Troutdale would charge someone in their City. Director Andersen responded yes. Councilor Owen commented that when Troutdale presented their permit fees to the State that they also anticipated that Fairview would change their permit fees accordingly. Director Andersen stated that that was correct. Councilor Owen mentioned that he was somewhat embarrassed that another city had subsidized Fairview's costs.

Councilor Edwards questioned if the permit fees were not increased, where would the extra funds come from to make up the difference to Troutdale. Director Andersen responded that the funds would have to come from the General Fund to make up the difference. Councilor Raze commented that he would be supportive of the increased fees, but that he would like to see on-going discussions with Troutdale to soften the administrative fees. Councilor Lillard stated that the permit fees should be reviewed more often so that any increases are not as great as this time.

Councilor Owen moved and Councilor Lillard seconded the motion to approve Resolution 6-2001, A RESOLUTION ADOPTING NEW FEES FOR STRUCTURAL, MECHANICAL, PLUMBING, ELECTRICAL AND RELATED FEES.

AYES: 7  
NOES: 0  
ABSTAINED: 0

**I. DEPARTMENTAL REPORTS**

**A. Police**

Gilbert Jackson, Chief of Police, reported that a crime was committed in Fairview on May 15<sup>th</sup> and the investigation on that crime was coming to a close; the case will then move on to the Grand Jury. Chief Jackson stated that he had met with Metro Council the previous day regarding the Intergovernmental Agreement for police service in Blue Lake Park; Metro Council has asked for some additional internal information. Chief Jackson commented that Metro staff members had done very well in presenting the subject to the Council.

Councilor Lillard asked if there had been vandalism problems with mailboxes in Fairview. Chief Jackson responded yes, stating that someone was breaking the cluster mail boxes open and taking the mail.

**B. Public Works**

Director Sarvis reported that the City had received another stormwater grant which will be used for construction on Creekside Terrace later in the summer. Director Sarvis mentioned that, as reported in a recent news article, the City did not anticipate issuing revenue bonds for a new Public Works facility and that the City does not rent wastewater capacity from Gresham, but from Fujitsu. Director Sarvis commented that the Public Works trucks would have a new City logo placed on them later in the week.

Marilyn Holstrom, City Administrator, mentioned that Director Sarvis had been elected to the Executive Board of the National Rural Water Association.

**C. Community Development**

Director Andersen reported that the City had received a pre-application from Walgreens to place a store at 207th and Halsey. Director Andersen commented that staff was in the process of developing a long-term recreational program for the City and that a survey had been sent to all residents of Fairview, asking for their wish list. Director Andersen stated that staff was also involved in a parking study of Fairview Village, and reminded the Council that a dinner Work Session with the Planning Commission would take place on May 23, 2001, at 6:00pm.

**D. Finance**

Roy Wall, Finance Director, reported that the City had received a letter from the Tax Supervising and Conservation Commission which approved Fairview's Budget for 2001-2002; formal adoption of the Budget will take place at the June 20, 2001 Council meeting. Director Wall commented that staff had made an improvement in the mailing of utility bills – barcoding has been added to the bills which lessens the City's cost of mailing them by about \$1,000. Director Wall thanked the Public Works Department staff for modifying the drive-through area at the utility bill drop-box.

**E. Administration**

Administrator Holstrom reminded the Council that the East Metro Cities Regional Issues Forum would be held the following evening at 6:30pm. Administrator Holstrom stated that the City has a franchise agreement with a solid waste hauler and it has come to our attention that there are some discrepancies and problems in the entire solid waste system. Fairview has had a Solid Waste Intergovernmental Agreement with Gresham for about 12 years, and Gresham handles all our solid waste activities, including State regulations regarding waste reduction and recycling. The IGA has not been reviewed closely for several years, and since there were some questions to be answered now, it was a good time to review it. The City of Troutdale withdrew from the IGA with Gresham a few years ago, and Wood Village will be joining Fairview in reviewing the current IGA..

**F. Legal**

City Attorney Paul Elsner stated that their written report was before the Council.

**VI. MAYOR/COMMITTEE REPORTS AND COUNCIL CONCERNS**

Councilor Quinby reported that he had attended a Solid Waste Citizens Advisory Committee meeting where a discussion was held on the Year 12 Review; the Review was on hold until the consultant completes his review.

Councilor Lillard reminded the television audience to Email staff if they would like to be placed on the list to receive Emailed Council Agendas and Staff Reports. Councilor Lillard stated that the 242nd Avenue Connector will probably be postponed.

Councilor Edwards mentioned that he was very proud of the entire staff of the City of Fairview.

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

Mayor Vonderharr reported that he had met with the Reynolds School District to form a partnership with them and SOLV to use the open space wetlands area in Fairview for an educational tool to get students involved in the natural sciences. Mayor Vonderharr stated that he would be attending an Economic Development Summit on May 30<sup>th</sup>.

**VII. ADJOURNMENT**

Councilor Quinby moved and Councilor Owen seconded the motion to adjourn. Mayor Vonderharr adjourned the meeting at 9:12pm.

AYES: 7  
NOES: 0  
ABSTAINED: 0

---

Mayor Roger Vonderharr

---

Dated:

---

Caren C. Huson Quiniones  
City Recorder