



<i>MAYOR TED TOSTERUD</i>	
<i>COUNCIL PRESIDENT MIKE WEATHERBY</i>	<i>COUNCILOR LISA BARTON MULLINS</i>
<i>COUNCILOR CATHI FORSYTHE</i>	<i>COUNCILOR NATALIE VORUZ</i>
<i>COUNCILOR KEITH KUDRNA</i>	<i>COUNCILOR BRIAN COOPER</i>

FAIRVIEW CITY COUNCIL AGENDA

Fairview City Hall-Council Chambers
1300 NE Village Street, Fairview, Oregon

WEDNESDAY, JULY 25, 2018

SPECIAL SESSION

- | | | |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| 1. | CALL TO ORDER
ROLL CALL
PLEDGE OF ALLEGIANCE | 7:00 PM |
| 2. | COUNCIL BUSINESS | (A) |
| | a. Authorize the City Administrator to obtain a Guaranteed Maximum Price of up to \$3 Million for construction of a new Public Works facility: Resolution 45-2018 (Nolan Young, City Administrator) (CP2 – CP5) | (A) |
| | b. Direct City Staff on the financing method to be utilized for construction of a new Public Works facility. (Nolan Young, City Administrator) (CP2 – CP5) | (A) |
| 3. | ADJOURNMENT | (A) |

Ted Tosterud, Mayor

July 20, 2018

Date

(A) Action requested (I) Information only

NEXT COUNCIL MEETING IS AUGUST 1, 2018

City Council regular meetings are broadcast live on Comcast Cable Channel 30 or Frontier Channel 38. Replays are shown on Sunday at 4:00 PM and Monday at 2:00 PM following the original broadcast date. Meetings are also available for viewing the Monday following the meeting through MetroEast Community Media at metroeast.peg.tv. Go to the Playlist tab and select Municipal Meetings. Further information is available on our web page at www.fairvieworegon.gov or by calling 503.665.7929. The meeting location is wheelchair accessible. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting to 503.665.7929.



AGENDA STAFF REPORT

MEETING DATE	AGENDA ITEM #	REFERENCE NUMBER
July 25, 2018 Special Meeting	2. a.	2018-65

TO: Mayor and City Council
FROM: Nolan K. Young, City Administrator
DATE: July 20, 2018

ISSUE: Shall the City Council increase the target Guaranteed Maximum Price (GMP) for the Public Works shop facility from \$2.5 million to \$3 million and reconsider the method of financing for the project.

RELATED COUNCIL GOALS:

*Goal #4: Maintain and enhance the City's public infrastructure in a cost efficient manner.
Objective B: Pursue a plan to design, fund and build a new Public Works shop facility.*

PREVIOUS AGENDA STAFF REPORTS:

July 18, 2018
February 21, 2018
November 15, 2017
October 4, 2017
July 19, 2017
June 7, 2017

BACKGROUND:

At the City Council Work Session on July 18, 2018, the Council discussed the desired GMP for the new Public Works facility and how the project would be financed. It was the consensus of the Council that we would hold a special City Council meeting on July 25, 2018 at 7 PM to consider placing a General Obligation bond before the citizens of Fairview. City Attorney Heather Martin was to prepare a draft ballot title and explanation statement.

After discussion with Mayor Tosterud, it was decided that we would place two items on the special meeting agenda:

- 1) A resolution establishing a \$3 million desired GMP for the project; and
- 2) A motion to either:
 - a) Delay action on a financing plan until after the contractor's GMP is presented to Council at the September 19, 2018 City Council meeting and we have completed a public information and discussion process to help guide the Council; or

b) Direct the City Attorney to prepare ballot information for consideration at the August 1, 2018 City Council meeting.

It is currently our intent to present a proposed public process to Council at the September 19, 2018 meeting. The proposed process will outline how information will be distributed and when public discussion will be held on the Public Works facility. We anticipate this public process would take about two months and that we could bring the issue of financing for the project before City Council at the second meeting in November 2018.

RECOMMENDED ACTION:

1. Adopt resolution 45–2018, approving a maximum expenditure of \$3 million for the Public Works facility.
2. Direct staff to delay action on a financing plan until after the contractor had presented a Guaranteed Maximum Price at the September 19, 2018 City Council meeting and we have completed a public information and discussion process to help guide the Council in determining how to finance the project.

ALTERNATIVE ACTIONS:

1. Leave the approved maximum expenditure for this project at \$2.5 million
2. Direct the City Attorney to prepare the necessary documents for placing either a \$3 million or \$2.5 million General Obligation (GO) Bond, for the Public Works facility, on the November 2018 election ballot for consideration by the Council on August 1, 2018.

BUDGET IMPLICATIONS:

Attached is the financing information that was handed out at the July 18, 2018 Council meeting on the proposed options.

\$2.5 Million Financing Options Summary

	10 Year	15 Year	20 Year	25 Year
Utility Fee				
Monthly Cost per Customer	\$ 6.70	\$ 4.84	\$ 3.98	\$ 3.65
Annual Cost per Customer	\$ 80.40	\$ 58.08	\$ 47.76	\$ 43.80
Total Cost per Customer	\$ 804	\$ 871	\$ 955	\$ 1,095
Total Interest	\$ 485,433	\$ 793,410	\$ 1,141,472	\$ 1,827,418
GO Bond				
Monthly Cost per \$300,000 AV Home	\$ 9.25	\$ 6.75	\$ 5.50	N/A
Annual Cost per \$300,000 AV Home	\$ 111.00	\$ 81.00	\$ 66.00	N/A
Total Cost for Citizen with \$300,000 AV Home	\$ 1,110	\$ 1,215	\$ 1,320	N/A
Total Interest	\$ 613,684	\$ 1,074,184	\$ 1,667,109	N/A

\$3.0 Million Financing Options Summary

	10 Year	15 Year	20 Year	25 Year
Utility Fee				
Monthly Cost per Customer	\$ 8.04	\$ 5.81	\$ 4.78	\$ 4.36
Annual Cost per Customer	\$ 96.48	\$ 69.72	\$ 57.36	\$ 52.32
Total Cost per Customer	\$ 965	\$ 1,046	\$ 1,147	\$ 1,308
Total Interest	\$ 582,691	\$ 951,773	\$ 1,369,196	\$ 2,183,519
GO Bond				
Monthly Cost per \$300,000 AV Home	\$ 11.25	\$ 8.00	\$ 6.50	N/A
Annual Cost per \$300,000 AV Home	\$ 135.00	\$ 96.00	\$ 78.00	N/A
Total Cost for Citizen with \$300,000 AV Home	\$ 1,350	\$ 1,440	\$ 1,560	N/A
Total Interest	\$ 734,476	\$ 1,287,463	\$ 1,998,432	N/A



RESOLUTION
(45 - 2018)

A RESOLUTION AUTHORIZING STAFF TO PROCEED WITH THE DESIGN OF A PUBLIC WORKS SHOP FACILITY WITH A GUARANTEED MAXIMUM PRICE NOT TO EXCEED \$3 MILLION

WHEREAS, the City is planning to construct a new Public Works shop facility; and

WHEREAS, City Council has awarded a design - build contract to P&C Construction to design a new Public Works facility with a Guaranteed Maximum Price not to exceed \$2.5 million; and

WHEREAS, City Council has determined it is necessary to increase the desired maximum expenditure to \$3 million in order to design and construct a facility that includes all of the desired elements.

NOW, THEREFORE, BE IT RESOLVED BY THE FAIRVIEW CITY COUNCIL AS FOLLOWS:

Section 1 Staff is directed to bring back to the City Council a Public Works facility design with a Guaranteed Maximum Price not to exceed \$3 million.

Resolution adopted by the City Council of the City of Fairview, this 25th day of July, 2018.

Mayor, City of Fairview
Ted Tosterud

ATTEST

City Recorder, City of Fairview
Devree Leymaster

Date