

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

May 19, 2004 -- 5:30pm

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

Mayor Weatherby called the meeting to order at 5:30pm.

PRESENT: Mayor Mike Weatherby
Councilor Darrell Cornelius
Councilor Sherry Lillard (arrived 6:00pm)
Councilor James Raze
Councilor Larry Cooper
Councilor Jim Trees

ABSENT: Councilor Steve Owen

STAFF PRESENT: Mary Jo Briggs, City Administrator
Bob Cochran, Public Works Director
Laura Zentner, Finance Director
Caren Huson, City Recorder

**II. WATER BOND
REFINANCING**

Laura Zentner, Finance Director, reported that in October 1994, the City issued \$1.7 million in revenue bonds to construct improvements to the City water system, with the interest rate being between 5.5 and 6.375 percent. Currently, the City owes \$1.3 million. Director Zentner stated that interest rates have decreased significantly and that it was wise to look at refinancing the debt. Director Zentner introduced Kieu-Oanh Nguyen of Western Financial Group.

Ms. Nguyen distributed several handouts to the Council which contained information on refinancing the water revenue bonds.

Councilor Cooper asked if the figures presented were net of fees. Ms. Nguyen responded yes; Council would need to adopt a resolution to authorize the refinancing, and it would be prudent to move as quickly as possible on the refinancing.

Mayor Weatherby questioned at what point the interest rate would be locked in. Ms. Nguyen responded that interest would be locked in on the sale date of the bonds; currently, they were contemplating a fixed rate issue. Ms. Nguyen added that the City has a master resolution regarding covenants of water revenue bonds; she had spoken to Harvey Roger who worked on the original 1994 financing and they

both feel it would be wise to update the resolution.

Councilor Cornelius asked if Ms. Nguyen would represent the City on the matter. Ms. Nguyen responded yes, based upon a signed contract. Councilor Cornelius questioned if there was any reason why the City would not want to refinance the water revenue bonds. Ms. Nguyen responded that the Council could wait until they could save more on interest, but the market is anticipated to rise. Councilor Cornelius clarified that Ms. Nguyen would watch out for the City throughout the entire process. Ms. Nguyen responded yes.

Councilor Raze asked if the bonds would be tax exempt. Ms. Nguyen responded yes, from state, federal, and Multnomah County tax. Councilor Raze questioned what would happen if only half the bonds sold. Ms. Nguyen responded that she would tell the underwriters that bids would only be accepted on all the bonds.

Councilor Cooper questioned what the shelf life would be of the City's documents if they decided not to refinance in June due to interest rates. Ms. Nguyen responded that information only needs to be updated after an audit is performed on the City.

Councilor Trees asked if someone was interested in buying the bonds, but not at a good rate, would the City still have incurred Ms. Nguyen's expenses. Ms. Nguyen responded that she did not believe the City would be billed for services unless the bonds are sold. However, the City would be responsible for the cost of printing and distribution of the paperwork.

Councilor Raze stated that time was of the essence and that the City needed to move forward with this project quickly as interest rates would be rising. Council consensus was to move forward with the process.

**III. EXECUTIVE SESSION
Per ORS 192.660(2)(I)
City Administrator Interim**

At 5:55pm, Mayor Weatherby adjourned the Council into Executive Session per ORS 192.660(2)(I), City Administrator Interim Position.

AYES: 6
NOES: 0
ABSTAINED: 0

**IV. CITY ADMINISTRATOR
RECRUITMENT**

At 6:25pm, Councilor Lillard moved and Councilor Raze seconded the motion to adjourn out of Executive Session and back into Council Work Session.

AYES: 6
NOES: 0
ABSTAINED: 0

Councilor Owen participated in this portion of the Work Session via tele-conferencing.

Mary Jo Briggs, City Administrator, asked for Council discussion regarding the recruitment for City Administrator.

Director Zentner reported that there were basically four ways the Council could recruit for City Administrator: in-house; through the League of Oregon Cities which has a base amount of \$5,200; or, through an Executive Search Firm which would start at \$7,500 plus expenses.

Councilor Lillard requested that the League of Oregon Cities be asked if they guarantee a certain number of applications being received, or if not, will they recruit again if the Council does not like the first list of candidates. Councilor Lillard questioned what Executive Search Firms would do differently than the League of Oregon Cities. Director Zentner responded that Executive Search Firms usually provide more background checks. Administrator Briggs added that an Executive Search Firm will usually guarantee that an applicant will stay a minimum of two years, and that they perform personal interviews of the candidates before their name is submitted to Council.

Councilor Raze commented that in 2001, the League of Oregon Cities was used for the City Administrator recruitment and that the process was good; the City could interview as many applicants as they want.

Council consensus was for the City to contract with the League of Oregon Cities for the City Administrator recruitment.

Councilor Owen suggested that the League be invited to attend the Council's Work Session on June 2nd, and he felt the City Administrator's salary should be 15% higher than the highest paid Department Director. Council indicated that discussion would have to occur later on the salary range to be advertised.

V. ADJOURNMENT

Councilor Lillard moved and Councilor Raze seconded the motion to adjourn. Mayor Weatherby adjourned the meeting at 6:50pm.

AYES: 7
NOES: 0
ABSTAINED: 0

Mayor Mike Weatherby

Dated:

Caren C. Huson Quiniones
City Recorder