

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

November 3, 2004 -- 6:00pm

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

Mayor Weatherby called the meeting to order at 6:00pm.

PRESENT: Mayor Mike Weatherby
Councilor Darrell Cornelius
Councilor James Raze
Councilor Larry Cooper
Councilor Jim Trees

ABSENT: Councilor Steve Owen
Councilor Sherry Lillard

STAFF PRESENT: Bob Cochran, Interim City Administrator
Laura Zentner, Finance Director
Caren Huson, City Recorder

**II. DISCUSSION
Utility Rates**

Laura Zentner, Finance Director, introduced Financial Advisor Ray Bartlett. Mr. Bartlett summarized the proposed utility rate increases and provided a comparison of utility costs in various jurisdictions. Mr. Bartlett stated that a 3% increase in stormwater rates was proposed.

Mayor Weatherby questioned why the stormwater rate was higher in Fairview than other cities. Mr. Bartlett responded that Fairview had decided years ago to set up the utility and charge rates which would cover the cost of operating the utility and pay for the cost of capital improvement projects, adding that Fairview has the only stormwater fund that is fully funded. Councilor Cornelius asked why Fairview had the only fully funded stormwater utility. Mr. Bartlett responded that years ago the stormwater system was in bad shape with major flooding occurring in Fairview; the General Fund was too weak to take care of the program. The City decided to set up the stormwater utility fund and, after five years or so of accumulating funds, then corrected the flooding problem. The City also realized that money would be needed to operate and improve the stormwater system.

Councilor Trees mentioned that the citizens he speaks to are more concerned with the City's water quality than stormwater issues. Mayor Weatherby questioned what it would cost to have Fairview's water taste decent. Bob Cochran, Public Works Director, responded

that the cost would be about \$1.5 million.

Mr. Bartlett commented that to avoid rate increases in stormwater the City would have to eliminate some capital projects; in the sewer and water funds the City does not have that leeway as those utilities must cover costs and debts in those funds.

Councilor Cornelius questioned how development on the Townsend Farms property would affect Fairview rates. Director Cochran responded that the stormwater fees from that development will help maintain cost. Councilor Cornelius mentioned that even though the proposed utility rate increases are not significant, citizens will have to deal with the future of public safety costs and they will feel there is just so much they can take. Councilor Raze commented that it would be easier for the citizens to swallow the increase in water rates if a guarantee could be tied to it that the water would taste better.

Mayor Weatherby asked if the City charges Interlachen a higher rate for sewer than for Fairview residents. Director Cochran responded that Interlachen is billed at the same rate as Fairview residents. Mayor Weatherby questioned whether or not the City could charge them more. Director Cochran responded that he was not sure as he believes a contract was in place and simply transferred to Fairview from Gresham. Mayor Weatherby suggested that the contract be reviewed and determine whether or not there were limitations on the City charging a higher rate. Councilor Raze commented that Fairview's relationship with Interlachen was finally improving, so to charge them a higher sewer charge may set us back. Director Cochran stated that there were 134 units in Interlachen so increasing costs to them will not have a significant effect on Fairview.

Councilor Trees suggested that if Well #8 is the only well with a taste problem, that perhaps we should just shut it down and use the other wells until the water taste is corrected. Director Cochran stated that Well #8 provides half the water to Fairview.

Mr. Bartlett referred the Council to the last page of their packet which contained a financial forecast for each of the utility funds. Councilor Raze stated that there was a time when the City did not review utility rates every other year, so when they finally did, increases were significant and really hurt.

Director Zentner reported that staff would bring back the utility rate resolutions before the Council at their November 17th meeting.

III. ADJOURNMENT

Mayor Weatherby adjourned the meeting at 6:38pm.

AYES: 5
NOES: 0

ABSTAINED: 0

Mayor Mike Weatherby

Dated:

Caren C. Huson Quiniones
City Recorder