

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

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**June 1, 2005 -- 7:00pm**

- I. CALL TO ORDER/  
ROLL CALL** Mayor Weatherby called the meeting to order at 7:00pm.
- PRESENT: Mayor Mike Weatherby  
Councilor Darrell Cornelius  
Councilor Barbara Jones  
Councilor Steve Owen  
Councilor James Raze  
Councilor Ken Quinby  
Councilor Jim Trees
- STAFF PRESENT: Jan Wellman, City Administrator  
Laura Zentner, Finance Director  
Caren Huson, City Recorder
- II. PLEDGE OF ALLEGIANCE** Mayor Weatherby led the Pledge of Allegiance.
- III. CITIZEN  
COMMUNICATIONS** Mayor Weatherby called for persons wishing to speak on non-agenda items. As there was no response, the session continued.
- IV. CONSENT AGENDA** Councilor Owen moved and Councilor Jones seconded the motion to approve the Consent Agenda, consisting of RESOLUTION 13-2005, State Shared Revenues, and the Minutes of May 18, 2005..
- AYES: 7  
NOES: 0  
ABSTAINED: 0
- V. PUBLIC HEARINGS**
- A. ORDINANCE 7-2005  
Increasing PGE  
Franchise Fee** Jan Wellman, City Administrator, reported that Council had approved the first reading of Ordinance 7-2005 at their May 18<sup>th</sup> meeting. Administrator Wellman explained that the City has been considering whether to increase the franchise fee being charged to PGE. The City currently charges 3.5% for the use of its rights of way. Pursuant to state law, ORS 221.450, the City is authorized to levy an additional privilege tax for use of its rights of way up to an additional 1.5%, for a total of 5%. Pursuant to Oregon Administrative Rule, OAR 860.022-

0040(6), PGE will pass the cost of this additional tax on to Fairview residents, and will separately state the amount on customer bills. Administrator Wellman stated that staff was asking Council to consider increasing the compensation due from PGE for operating within the City of Fairview. The 1.5% increase is estimated to generate an additional \$60,000 per year and is proposed to become effective July 1, 2005. The additional revenues generated by this privilege tax will be dedicated to Public Safety expenditures. Administrator Wellman mentioned that at the previous Council meeting, there had been some discussion on increased revenues in the City and that this franchise increase may not be necessary to implement at this time. It is correct that the City has \$800,000 in additional revenues projected for 2005/06, but that includes the proposed PGE increase and also the additional money due from Troutdale as part of our Building Inspection contract. \$200,000 is the City's ending fund balance for 2004/2005. For fiscal year 2005/2006, the City will see an increase of \$126,000 for fire services, \$343,000 increase in personnel costs, \$33,000 from the General Fund for City Hall debt, an increase in health insurance costs in January 2006, and unexpected capital expenditures. In fiscal year 2004/2005, the City had a total of \$156,000 in unanticipated expenditures that were not known when the budget was put together. Administrator Wellman stated that Council had mentioned that we could delay the implementation of the increase, but he would recommend implementing the increase in July 2005 so that the City may build up its reserves as in 2006/2007 we will slip into the red. We will need to look at every increase in revenues that we can find and also reduce expenditures.

Councilor Trees asked if Administrator Wellman was speaking of expenditures for fiscal year 2005/2006. Administrator Wellman responded yes. Councilor Trees commented that it sounds as if administration was making changes to the budget that the Budget Committee had approved. Administrator Wellman responded that that was not correct; no changes would be made to the budget. Councilor Trees questioned if the increase in franchise fees would go into the General Fund. Administrator Wellman responded yes, but that it would be applied to Public Safety. Councilor Trees stated that he still felt that the proposed franchise increase could be tabled until a later date to see if the City has budgetary problems in 2005/06.

Councilor Raze commented that the City does have \$200,000 in reserves, but that was our rainy day fund and basically amounted to \$25.00 per citizen. To say we do not need to go with this increase in revenue would be negligent on the Council's part; it is needed and it is not a large sum for any one individual, but collectively it does assist in public safety costs.

Mayor Weatherby opened the public hearing.

Gina Santacroce, 21978 NE Chinook Way, Fairview, stated that she had watched the last Council meeting on TV and that she was opposed to the increase until citizens receive further information. Ms. Santacroce commented that she has not received anything in the mail regarding this proposal and has not seen any budgetary concerns in City literature. Ms. Santacroce asked how the \$60,000 would be used for public safety and added that 1.5% of an electric bill can be a huge amount to those on fixed incomes. Ms. Santacroce stated that she thought it would be appropriate to table this item until a later date so that the citizens can receive more information on the topic. Mayor Weatherby mentioned that the Budget Committee had discussed the proposed franchise fee in length.

Administrator Wellman stated that in fiscal year 2005/2006, the amount generated by the proposed franchise increase would be earmarked exclusively to the increase in fire services; if a Fire District is ever formed, the 1.5% would be earmarked for police services.

Receiving no further testimony, Mayor Weatherby closed the public hearing.

Councilor Owen moved and Councilor Raze seconded the motion to read Ordinance 7-2005 by title only.

Councilor Cornelius commented that the Council did vote on a first reading at their last meeting and that it was nice to know that folks were watching Council meetings on TV. Councilor Cornelius stated that this was an important issue and that he voted against approving the first reading of the Ordinance at the last Council meeting and that he intends to vote against it again tonight as it is simply a sales tax on electricity.

Councilor Trees mentioned that he also would be voting against the proposed franchise increase as he does not feel it is necessary at this time. Councilor Trees stated that he was an avid supporter of public safety, but the City currently has a budget for those costs and have met those needs.

Councilor Trees moved and Councilor Cornelius seconded the motion to table the proposed PGE franchise increase until the Budget Committee meets on the 2006/2007 budget.

Councilor Owen thanked the citizens who took the time to testify tonight and added that the Budget Committee did hold three public hearings in April and this topic was discussed at each of those meetings. The Budget Committee meetings had been advertised and

more time was spent by the Committee on this topic than any other. An informal consensus was taken at the Budget Committee with 9 in favor of the franchise increase and 5 opposed.

Councilor Quinby commented that the Council understands the issues of fixed incomes, but the City was also on a fixed income. Everyone wants a fire truck to arrive in an emergency, and it will cost the City more than in the past for this service and it is extra money that the City does not have. If we wait until the last minute, we will have to borrow money and then pay interest on it. Councilor Quinby stated that he did not think tabling the item was a good idea. He hates franchise fees, but somehow the City has to come up with the money to pay for fire services and \$60,000 from the proposed franchise fee increase would help.

Mayor Weatherby stated that he had closed the public hearing but would allow an additional citizen to speak with Council consensus.

Michael Braeback, 2645 NE 205<sup>th</sup>, Fairview, in referencing the Enron issue, asked why Fairview citizens would pay any more money to PGE only to have it go to Texas. Mr. Braeback commented that he would think common sense would tell us that PGE has already stolen millions from Oregon so why would we want to send them any more. Councilor Quinby responded that the City will collect the funds from PGE to pay for fire services.

Councilor Jones called for the vote on the original motion to read Ordinance 7-2005 by title only.

AYES: 7  
NOES: 0  
ABSTAINED: 0

Caren Huson, City Recorder, read Ordinance 7-2005 by title only.

Mayor Weatherby called for the vote on the motion to table the item.

AYES: 2 (Cornelius, Trees)  
NOES: 5  
ABSTAINED: 0

The motion failed.

Councilor Owen moved and Councilor Jones seconded the motion to adopt Ordinance 7-2005, AN ORDINANCE INCREASING THE COMPENSATION FOR USE OF CITY RIGHTS OF WAY PURSUANT TO A NON-EXCLUSIVE ELECTRIC UTILITY FRANCHISE ISSUED TO PORTLAND GENERAL ELECTRIC

COMPANY.

Mayor Weatherby commented that he was retired and on a fixed income. To be specific about public safety issue, whether or not we form our own fire district, we are behest to Gresham to provide fire services and on July 1<sup>st</sup>, we must pay what they quote us. If the fire issue is taken care of, the City still has the issue of paying our police officers. Currently one is partially paid by the school district; what if the school district does not renew that contract? Do we just pay that officer for part-time work?

AYES: 5  
NOES: 2 (Cornelius, Trees)  
ABSTAINED: 0

**B. BUDGET ADOPTION  
Fiscal Year 2005-06**

Laura Zentner, Finance Director, reported that on April 18, 2005, the Fairview Budget Committee approved a fiscal year 2005-06 budget for consideration by the Fairview City Council. The approved budget was submitted to the Tax Supervisory and Conservation Committee for comment and certification. Director Zentner commented that the budget may be adjusted within 10% by the Council, and added that three line items needed to be adjusted with the adoption of the budget: 1) fire contract expenditure line item increased by \$14,000; 2) office equipment in administration budget increased by \$5,500 in Materials & Services; and, 3) building equipment line item in police budget by increased by \$3,500 for the electronic security gate replacement. Director Zentner stated that all three increases have been incorporated into the proposed resolution. Councilor Raze asked where the additional funds would come from for the three line item increases. Director Zentner responded that the funds would come from the money owed Fairview by the City of Troutdale for building inspection services.

Administrator Wellman clarified that the change in City health insurance plans only saved the City about \$35,000.

Councilor Quinby commented that citizens in the audience claimed they were not aware of issues facing the City, yet for years the City has tried to get citizens to attend and participate in Council meetings.

The City offers an Email program where they will send Council Agendas and staff reports to individuals. Councilor Quinby mentioned that the City is not trying to keep secrets from its citizens; we advertise public hearings in The Outlook and post them around town, along with on the City's website.

Councilor Raze stated that the Budget Committee met over three evenings and worked the budget over very hard and did a very good job.

Mayor Weatherby opened the public hearing.

Sharon Fox Hames, 1470 NE Park Lane, Fairview, stated that she would like to be added to the Email distribution list.

Gina Santacroce stated that she would also like to be on the Email list, but regarding Councilor Quinby's comments, she found them condescending and not helpful as everyone has busy lives. She thought it would behoove Councilor Quinby to encourage people to attend instead of telling them his personal views in a frustrating way.

Receiving no further testimony, Mayor Weatherby closed the public hearing.

Councilor Owen moved and Councilor Raze seconded the motion to approve Resolution 12-2005, A RESOLUTION ADOPTING BUDGET, MAKING APPROPRIATIONS, LEVYING TAXES AND CATEGORIZING THE LEVY.

Councilor Trees mentioned that the Budget document states that the Village Street issue has been resolved, but he wanted it noted that it has not been resolved.

Councilor Cornelius stated that he would be voting in favor of the Budget, but that he was only doing so because the City needs a budget to operate. Last year, the City pared \$150,000 off the proposed budget because we thought we were going to be under financial stress; however, Fairview is not broke, we have money and will operate and provide all services that the citizens expect to receive. Councilor Cornelius commented that the City has \$750,000 in extra revenue for fiscal year 2005-06 and all cuts made in 2004-05 were restored.

Councilor Jones thanked the Budget Committee members for spending three long nights working on the budget, with some of that time being pretty contentious. Everyone did an excellent job.

Councilor Raze commented that he believed that sending the message that the City has plenty of money was not true; every dollar in the budget is accounted for. Council forgets to talk about the City's increased expenses. It would be fiscally irresponsible of Council to not bring in the dollars that are needed to serve the citizens of Fairview. Councilor Cornelius stated that his point was that the City has funds to provide all the services that citizens expect, which means we have plenty of money; we have revenues and expenditures and they are required to balance per state law.

Councilor Owen called for the vote.

AYES: 7  
NOES: 0  
ABSTAINED: 0

**VI. CITY ADMINISTRATOR REPORT**

Administrator Wellman reported that in regards to the Sandy Boulevard/223rd Avenue intersection improvements that the traffic light and lane improvements are on schedule and should be completed this summer. There will also be some widening of 223rd Avenue for street improvements. Administrator Wellman added that the railroad overpass replacement on 223rd Avenue is now scheduled to occur during the early part of 2007; the single track will be replaced by a bridge that will contain two tracks.

Administrator Wellman stated that the Fire Committee was in the final stages of negotiations with Gresham, and that basically the three cities have two options: continue our existing contract with Gresham or look at forming our own fire district. The City of Gresham's latest proposal looks promising: a two-year ramp-up of the fire contract, then leveling off, with annual increases thereafter at a minimum acceptable level, no more than a 3% increase per year.

Administrator Wellman reported that he and Police Chief Johnson had met with representatives of the Sheriff's Office regarding records management and shortshift back-up; the City would like to negotiate with the County on those two issues.

Administrator Wellman mentioned that he had attended a meeting at the Lake House at Blue Lake Park regarding a monument that is being proposed for the northwest portion of the Park right next to the lake which will be a tribute to the tribe of Indians who lived at that Park at the time of Lewis & Clark. Metro's Cultural Committee was involved, along with descendants of the Grand Ronde tribe.

Administrator Wellman reminded the Council of two upcoming events: the June 4th "Mayor and Council Meet and Greet" at the Lodges at Lake Salish (9:00am), and the Bonito Jenkins Plaza dedication to be held the same day at 11:00am.

Administrator Wellman reported that staff was completing the planning for the new telephone system for City Hall and were preparing bid documents for distribution the following week.

**VII. MAYOR/COMMITTEE**

Councilor Owen thanked staff for the budget document compilation

**REPORTS AND COUNCIL CONCERNS**

and announced that he was officially resigning from the Joint Policy Advisory Committee on Transportation (JPACT). Mayor Weatherby indicated that the appointment to JPACT should be added to the East Metro Cities Regional Issues Forum Agenda, stating that he would like to retain a Fairview Council member on JPACT.

Councilor Raze mentioned that he would like to see the County open up more jail beds instead of patrolling school areas in Fairview as we have our own Police patrolling those same areas.

Councilor Quinby reported that he had attended a meeting earlier in the afternoon regarding Arata Road and the placement of a median on 223<sup>rd</sup> Avenue. A public hearing will be held on that topic at Fairview City Council on June 15<sup>th</sup>.

Councilors Cornelius, Jones and Trees had no reports or concerns.

Mayor Weatherby commented that the meeting with the County regarding records management and shortshift back-up led to the Sheriff's Office suggesting a super law enforcement group in East County. Mayor Weatherby reported that he had attended a meeting with Mayors of the region, hosted by Metro, so that Metro could receive feedback on their services.

**VIII. ADJOURNMENT**

Councilor Owen moved and Councilor Quinby seconded the motion to adjourn. Mayor Weatherby adjourned the meeting at 8:17pm.

AYES: 7  
NOES: 0  
ABSTAINED: 0

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Mayor Mike Weatherby

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Dated:

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Caren C. Huson Quiniones

City Recorder