



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

FEBRUARY 1, 2006 – 5:30 P.M.

PRESENT: Mayor Mike Weatherby
Steve Owen
Jim Raze
Larry Cooper
Barbara Jones
Ken Quinby

ABSENT: Darrell Cornelius

STAFF: Jan Wellman, City Administrator
Bob Cochran, Public Works Director
Laura Zentner, Finance Director
Connie Hansen, Secretary

I. CALL TO ORDER

Mayor Weatherby called the meeting to order at 5:25 p.m.

II. COMMUNITY CENTER REMODEL

Mayor Weatherby called for the staff report.

Administrator Wellman noted that there was a chart on the board and asked Director Cochran to provide a cost breakdown on the funds spent to date on the improvements to the Community Center. Director Cochran explained the following chart.

FUNDING SOURCE	03/04	04/05	05/06	06/07	TOTAL
Grants/CDBG +CIF	\$125,000	\$71,000	\$94,000	\$12,000	\$302,000
Parks SDC's	0	\$12,700	\$101,500	\$38,000	\$152,200
Water/Sewer/Storm/Streets	\$58,000	\$5,000	\$0	0	\$ 63,000
				TOTAL	\$517,200

03/04

CDBG and Community Incentive Fund Grants: Plaza development, and property acquisition: \$125,000.

Parks SDC's: none

Water/Sewer/Storm/Streets: \$58,000

04/05

CDBG Grants: Landscaping and irrigation system: \$71,000

Parks SDC's handicapped ramp and the east ramp: \$12,700

Funding from water/sewer/storm/streets: \$5,000

05/06

Grants: \$94,000 CDBG – approved and IGA signed

Parks SDC's: \$101,500 – for the remodel construction project

06/07 (Proposed)

Grants: \$12,000 CDBG

Parks SDC's: sand floors, paint inside and outside, and windows \$38,000

– funding pending approval by the City Council and HUD.

Administrator Wellman noted that the majority of the funding for the improvements to the Community Center has been through the CDBG program. CDBG has provided, with the 05/06 and 06/07 funding cycles included, \$302,000. The City expenditures, including the 05/06 and 06/07 fiscal years, have been \$152,200. However, \$63,000 of that amount was for street, water and sewer improvements that would have been spent regardless of other improvements to the Community Center. As such, those costs should not be considered part of the city expenditures for the upgrades to the Community Center.

Staff hired an asbestos testing company and they will be out this week to take 20 test samples. However, during the initial walk through, the owner of the company made an initial assessment that he did not anticipate a major problem, as most of the structure is too old for asbestos to have been used, and the partial remodel during the 1970's was done after the time when asbestos was heavily used. If any asbestos is found, it would most likely be small enough that abatement could be done at a minimal charge. The results will be received soon and if the problem is found to be extensive, then the remodel efforts will be curtailed.

Administrator Wellman stated that the grant for the remodel was submitted prior to the adoption of the new international building and fire codes. Staff had worked with the building official before submitting the grant application, but that was under the old building codes. Most of the direct expense of the remodel, at this point, is due to the requirements of the new codes. The Parks SDC's have a balance of approximately \$400,000 and the Parks Master Plan had identified \$200,000 for Community Center remodeling, while the rest is for parks development. This structure is an important keystone building for the Old Town neighborhood and the City has not put much funding towards improvements there.

Jim Raze stated that this building is a part of the history of Fairview and important to the Old Town neighborhood. There is an ongoing perception by the Old Town residents that the City pays more attention to the Village and Fairview Lake areas. It is important to make this commitment to the residents of Old Town to improve their neighborhood and help stabilize that area.

Councilor Raze noted that Councilor Cornelius could not be present for tonight's work session, but had specific concerns about this project. Councilor Raze asked that staff set up a meeting with Councilor Cornelius to provide him with the information and discussion from tonight's meeting.

Councilor Owen stated that he would like to see how much income is derived from the rental of the Community Center, and if the revenues are adequate to support the building and possibly help to pay back some of the money spent on the remodel.

Councilor Raze stated that Parks SDC's were recently spent on developing the Fairview Community Park, Lakeshore Park, and Pelfrey Park. The City gets very little revenue from those parks, and never will. However, the City must continue to maintain those parks and there is at least some income derived from the use of the Community Center. When the Council set up the Community Center it was intended to be a revenue neutral situation.

Administrator Wellman stated that this facility has generated income of \$6000 to \$14,500 every year, depending on use. The general upkeep and utilities (electric and gas) tends to run between \$4,000 and \$6,000. Once this building is completed, with a bigger assembly hall, the potential is a lot greater for income. In time, the City could recover some of the \$152,200 in expenditures that are being proposed from the Parks SDC's. Also, as the upgrades are completed, there should be a savings realized in the electric and gas bills. Councilor Owen noted it is important to know that the revenue pays for the yearly expenses.

Administrator Wellman stated that the building would be closed a big part of the last quarter of this fiscal year and the first quarter of next fiscal year during the remodeling, so the income will be very limited. The grants that were received for the landscaping and Plaza construction were through the Community Development Block Grant program (CDBG). The current grant for the remodel is also from the CDBG program and can only be used for the remodel of the building. One of the questions asked during the last meeting was what would happen if the City sold the building. Under the federal code regulations for the CDBG funds, if the property is sold before five years, the City would have to repay all of the grant funds that have been used. The City would also not be viewed favorably for future funding under CDBG. Over the past few years Fairview has received a larger portion of those grant funds, otherwise those funds would have gone to Wood Village.

Mayor Weatherby stated that the Community Center is a very important part of the community and if the City sold the property it would be detrimental in many ways. The existing situation with the Old Town community is that they perceive that the City has ignored that area of town in favor of the more upscale Village and Lake communities. It is important to upgrade the facilities in that area and the funding has already been earmarked in the Parks SDC's.

Administrator Wellman asked for Council direction on this project. The project is well into the second part of the fiscal year and has to move ahead in order to complete the funding cycle for the current year's grant of \$94,000. If Council directs staff to proceed then architect Ralph Hartmann can finalize the bid specifications and documents so that the contract can be awarded in March. Most of the work that needs to be done will be completed by June 30th, with the balance to be done in the first quarter of the next fiscal year.

Council directed staff to have a meeting with Councilor Cornelius to apprise him of the outcome of the work session. Council discussion noted that the capital expenses for parks brings in very little revenue, but there is a good possibility that the remodel will increase the revenues through use by a larger variety of groups.

Mayor Weatherby called for consensus on the remodeling project utilizing the CDBG funds and Parks SDC's. The Councilors all agreed to proceed with the remodeling project and noted that this would show that the City is supportive of improvements to the Old Town neighborhood.

III. **EXECUTIVE SESSION**

Council convened to the executive session at 6:00 p.m.

Mike Weatherby, Mayor

Jan C. Wellman, City Recorder

Date of Signing