



<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

MONDAY, OCTOBER 15, 2018

SPECIAL REGULAR SESSION

- 1. CALL TO ORDER 6:00 PM
ROLL CALL

- 2. COUNCIL BUSINESS (A)
 - a. Amend FMC to add Chapter 13.13 Establishing a Public Works Facility Fee:
Ordinance 9-2018
1st Reading & Staff Report
(Nolan Young, City Administrator)

- 3. ADJOURNMENT (A)

Ted Tosterud, Mayor

October 12, 2018
Date

(A) Action requested (I) Information only

NEXT COUNCIL MEETING IS OCTOBER 17, 2018

COUNCIL EXECUTIVE SESSION – IF NECESSARY – END OF MEETING

PARK VIEW CONFERENCE ROOM

ORS 192.660(2)(d) - Labor Negotiations, ORS 192.660(2)(e) - Real Property Transactions,
ORS 192.660(2)(f) - Exempt Public Record and ORS 192.660(2)(h) - Legal Counsel

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
October 15, 2018	2.a.	2018-82

TO: Mayor and City Council
FROM: Lesa Folger, Finance Director
THRU: Nolan K. Young, City Administrator
DATE: October 11, 2018

ISSUE:

Proposed public works facility fee for payment of debt service associated with the Full Faith and Credit borrowing used to fund the Public Works shop facility project.

RELATED COUNCIL GOALS:

Goal #4 – Maintain and enhance the City’s public infrastructure in a cost efficient manner.
Objective B – Pursue plan to design, fund, and build a new PW shop facility.

PREVIOUS AGENDA STAFF REPORTS:

September 19, 2018
July 25, 2018
July 18, 2018
March 7, 2018
February 21, 2018
October 4, 2017
July 19, 2017

BACKGROUND:

On October 3, 2018, Council passed Resolution 54-2018, authorizing, in part, the City to secure Full Faith and Credit financing not to exceed \$3,200,000 to fund the Public Works shop facility project design and construction (not to exceed \$3,103,000) as well as the cost of debt issuance (not to exceed \$97,000).

In order to pay the debt service on the Full Faith and Credit financing, Council determined a Public Works facility fee should be established. A General Obligation Bond was also considered. Public meetings were held on August 30, 2018 at 6:30 pm at City Hall and September 13, 2018 at 6:30 pm at the Community Center. An informal poll at each of these meetings indicated overwhelming support for a utility fee vs. taking the issue to the voters and potentially issuing a General Obligation (GO) Bond.

The utility fee received overwhelming support as it would result in an overall savings for most customers. Additionally, utilizing a utility fee results in significant interest savings over the debt term as compared to utilizing a GO Bond with repayment through a tax assessment. Finally, a Utility Fee is more equitable as it splits the cost amongst all utility users, while the GO Bond funding and corresponding tax assessment would exclude those users who reside on Interlachen Lane in unincorporated Multnomah County.

Financing is scheduled to be obtained on November 8, 2018. A utility fee could be implemented in December. Customers would be reminded that the fee would become effective with the December 1, 2018 billing by notification sent with their November 1, 2018 utility bill.

Adoption of Ordinance 9-2018 adds Chapter 13.13 – “Public Works Facility Fee” to the Fairview Municipal Code. Chapter 13.13 would remain in effect until the debt associated with the project is repaid, then will need to be repealed for the fee collection to stop.

RECOMMENDED ACTION:

Continue to second reading of Ordinance 9-2018 with public hearing on October 17, 2018

ALTERNATIVE ACTIONS:

1. Decline to approve Ordinance 9-2018
2. Amend Ordinance 9-2018

BUDGET IMPLICATIONS:

Approval of Ordinance 9-2018 would provide funding for the primary purpose of paying the annual debt service on the Full Faith and Credit financing associated with the Public Works shop project. Current figures estimate the fee will result in approximately \$242,000 in annual revenue. Average annual debt service is anticipated to be around \$235,000.



ORDINANCE
(9-2018)

**AN ORDINANCE OF THE FAIRVIEW CITY COUNCIL AMENDING THE
FAIRVIEW MUNICIPAL CODE TO ADD CHAPTER 13.13 ESTABLISHING A
PUBLIC WORKS FACILITY FEE**

WHEREAS, public works services benefit all city utility users; and

WHEREAS, the current public works facility does not meet modern building code standards, including but not limited to seismic requirements, and this building would be critical during any natural disaster; and

WHEREAS, the current facility also does not have the capacity to meet all the public works needs of a city the size of Fairview and with the number of users of the city's utilities; and

WHEREAS, the Council believes that a new facility will better meet the needs of city utility customers and will also eliminate the liability associated with the current public works facility; and

WHEREAS, the City will obtain full faith and credit financing to fund the new public works facility; and

WHEREAS, the City must determine how it will pay the debt service on the chosen financing mechanism; and

WHEREAS, the Council believes it is in the best interest of the residents, businesses, and customers of the City of Fairview to establish a public works facility fee for the primary purpose of paying the debt service.

NOW, THEREFORE, THE CITY OF FAIRVIEW ORDAINS AS FOLLOWS:

Section 1 Chapter 13.13 is hereby adopted as set forth in substantially the same form as the attached Exhibit A.

Section 2 The ordinance is and shall be effective thirty (30) days from its passage.

Ordinance adopted by the City Council of the City of Fairview, this 17th day of October, 2018.

Mayor, City of Fairview
Ted Tosterud

ATTEST

City Recorder, City of Fairview
Devree Leymaster

Date

Exhibit A

Chapter 13.13 – Public Works Facility Fee

Sections:

13.13.010	Purpose.
13.13.020	Definitions.
13.13.030	Establishment of fee.
13.13.040	Amount of fee.
13.13.050	Billing.
13.13.060	Payment due date.
13.13.070	Adjustment and administration of accounts.
13.13.080	Delinquency.

13.13.010 Purpose

The purpose of the public works facility fee is to provide a funding mechanism to pay for the benefits conferred on residents, customers, and businesses in the provision of City public works and utility services through a new public works facility and maintenance of the public works facility. The new public works facility will meet state and local building standards and will allow the City to better serve its customers.

13.13.020 Definitions.

As used in this chapter, the following definitions apply:

A. “City utility service” means water, sanitary sewer, and/or storm water services provided by the City.

B. “Non-residential unit” means a premise or a portion of a premise which is not used primarily for personal domestic accommodation and includes but is not limited to governmental, nonprofit, business, food cart, commercial, and industrial enterprises. Each separate business entity located on a premises shall be considered a separate non-residential unit for these purposes. Portions of premises primarily used for transient lodging and subject to FMC 3.05 (Hotel/Motel Tax) shall be considered a non-residential unit when occupancy is 30 days or less.

C. “Premise” means a parcel or portion of real property which is receiving City utility service.

D. “Residential unit” means a premise or a portion of a premise used for personal, domestic accommodation which provides complete living facilities for one or more persons. An accessory or ancillary residential dwelling unit on a premise may be considered as a separate residential unit. In premises with two or more apartments, condominiums, mobile homes, or other residential units, each residential unit shall be considered as a separate residential unit. Portions of premises primarily used for transient lodging and subject to FMC 3.05 (Hotel/Motel Tax) shall be considered a residential unit when occupancy is more than 30 days.

E. “Vacancy rate” means 3.81%, which is the average Troutdale/Fairview/Wood Village/Gresham area vacancy rate as reported by the Metro Multifamily Housing Association Apartment Report, Spring

13.13.030 Establishment of fee.

Effective November 16, 2018 there is hereby created a public works facility fee for the purposes set forth in this chapter. The full monthly fee will be charged on the December 2018 billing or January 2019 billing, depending on the billing cycle associated with each account. Accounts will be prorated for the initial billing only if the occupant has changed during the billing cycle. All public works facility fee revenues imposed by and collected under this chapter shall be deposited in the public works facility fee fund. An amount sufficient to pay the debt service on outstanding debt payable from the public works facility fee shall be paid from a debt service account within the fund.

13.13.040 Amount of fee.

- A. The public works facility fee shall be assessed to each residential and non-residential unit receiving City utility services at \$4.82 per unit, per month.
 - 1. The public works facility fee for a premise or portion of a premise with four or more attached residential units shall be reduced by the vacancy rate.
 - 2. Determination of the number of residential units in a premises subject to hotel/motel tax under FMC 3.05 will be based on the average percentage of revenue reported to the City in each category over the four most recent quarters for which returns have been received by November 16, 2018. The percentage of revenue attributable to residential units will then be multiplied by the total units available, adjusted for the vacancy rate. Should a new entity form that is subject to FMC 3.05 (Hotel/Motel Tax), quarterly returns will be averaged cumulatively until four have been received.
- B. The public works facility fee shall be prorated based on utility billing cycles and, for utility accounts that are opened or closed during the periods the public works facility fee is in effect, based on the date the utility account is opened or closed.
- C. Premises owned or operated by the City of Fairview are exempt from the public works facility fee.

13.13.050 Billing.

A. The party responsible for paying City utility service bills has the obligation to pay the public works facility fee.

B. The City shall collect the public works facility fee by adding a line item to the utility bill of each customer of the City. The City will bill the public works facility fee every month or every other month, consistent with normal utility billing cycles.

C. If a premise has more than one utility account, the public works facility fee for the premise shall be calculated based on the total number of residential units or non-residential units on the premise. The residential and non-residential units may be combined into one account or allocated to each account based on the method used to bill other utility fees.

D. Charges for water, sanitary sewer, and storm water, fire suppression fee, and the public works facility fee may be billed on the same utility bill. Payment shall first be applied to the public works

facility fee.

E. Creation of a utility account is the basis for imposing the public works facility fee. The public works facility fee does not in any way create an obligation of the real property. Rather, the obligation to pay the public works facility fee is a personal obligation of the customer responsible for payment of the utility account. No lien will attach to the premises at which the account is located because of the nonpayment of the fee.

13.13.060 Payment due date.

The public works facility fee shall be bound by the same due dates as water, sanitary sewer, and storm water charges and fire suppression fees. Penalties will also be assessed on the same schedule as these charges.

13.13.070 Adjustment and administration of accounts.

A. Customers who believe their public works facility fee, as applied to their premise, is not within the intent of this chapter may request, in writing, a review of their public works facility fee by the Finance Director. The Finance Director may initiate the review of a customer's public works facility fee. Similarly, if the City feels that the public works facility fee, as it applies to a particular premise, is not within the intent of this chapter, it may be reviewed by the Finance Director.

1. If a customer's charge is reduced as a result of this review, the corrected public works facility fee shall begin with the next billing and a credit or refund shall be made retroactively, not to exceed one year from the last billing.

2. If a customer's charge is increased as a result of this review, the corrected public works facility fee shall begin with the next billing and the customer may be billed for the increase retroactively, not to exceed one year from the last billing.

B. If an existing customer has not been billed for the public works facility fee, the fee shall begin with the next billing and the customer may be billed retroactively, not to exceed one year.

C. Customers not satisfied with the results of the review by the Finance Director may protest the decision to the City Administrator.

D. The Finance Director may write off closed accounts and retroactive bills if in the best interest of the City and may write off refunds, unless the customer requested otherwise, if the cost of making the refund would exceed the amount of the refund.

E. The Finance Director shall be responsible for the administration of this chapter and for the collection of fees hereunder.

13.13.080 Delinquency.

A. A public works facility fee is considered delinquent based on the same criteria as water, sanitary sewer, and storm water charges and fire suppression fees.

B. If a customer's utility account for the public works facility fee is delinquent, the City may discontinue all water services billed on that account. The City may refuse to restore water service to the premises until the delinquent charges and other costs incurred are paid.

C. Notwithstanding any provision herein to the contrary, the City may institute any legal proceedings to enforce the provisions of this chapter, including but not limited to injunctive relief and collection of charges owing. The City's enforcement rights shall be cumulative. If the City commences any legal proceedings to enforce the provisions of this chapter and the City prevails, the City is entitled to all fees and costs it incurred, as well as any sum that a court, including any appellate court, may deem reasonable as attorneys' fees.

D. The council may set by resolution fees for extra services required in collecting delinquent customer accounts for the public works facility fee.