

CANBY CITY COUNCIL

REGULAR MEETING

APRIL 6, 1983

Mayor Michael L. Gabrion presiding. Councilmembers present: David Anderson, Scott Taylor, Nancy Kopelk, Bill Pulver, Gene Clift and Gary Sowles.

Also present: Administrator Doug Zenor, City Attorney Wade Bettis, Public Works Director Bud Atwood, Police Chief Jerry Giger, Deputy Recorder Marilyn Perkett, Myra Weston, Former Mayor Robert Swayze, Former Councilwomen Beryl Brown and Lee Funrue, Ginny & Lee Shirley, Kay Lewelling, Gil Stenger, Patti Holmes, Todd Hall, CTA Manager Larry Cole, CATV Consultant Les Page, C.A. Roth, Jerry Parker, Dean Way, Dean Tatom, Attorney Roger Reif, Al Moore, Jim Renner, David Bury, Gary Pope, Stephan & Brenda Lashbrook, Larry Housen, Jeanne Eyman, Betsy Ross, Steve Frederick, Bob Westcott, Bob Rapp and Earl Oliver.

Mayor Gabrion called the regular meeting to order at 7:30 p.m. followed by the flag salute and meditation.

Roll call of Council showed a quorum present.

**Councilman Clift moved to approve as distributed the minutes of regular meeting March 16, 1983, seconded by Councilman Pulver. Councilwoman Kopelk amended the motion to correct page 2, last paragraph, in the motion regarding acquisition of street right-of-ways, strike out the words "ON S. ELM STREET". Motion was accepted by the makers as amended and approved 6-0.

CITIZEN INPUT ON NON-AGENDA ITEMS: Mayor Gabrion announced that former Mayor Swayze and Councilwomen Funrue and Brown were in the audience. Lee Funrue was called forward and presented an award certificate and silk carnation in appreciation for her service to the City from January, 1981 to September, 1982. Beryl Brown was presented a silver candy dish, inscribed with her years of service to the City, 1979 through 1982. Former Mayor Swayze came forward and was first presented an award plaque in the shape of a "pumpkin" with his "famous pumpkin picture" on it, however, he was also presented an award plaque for his service as Councilman, 1977-1980, and Mayor, 1981-1982.

Jeannie Eyman, presented a check to the City, from Columbia Basin Swim League, in the amount of \$200.00 for pool use during the annual March Swim Meet. Also, a letter from the Canby Gators was given to the Mayor thanking the City for support.

Al Moore, from the Save the Depot Committee, addressed the Council and noted that their progress is moving along on schedule.

Mayor Gabrion recessed the regular session at 7:41 p.m. to go into Public Hearing on Canby Telephone Association's franchise bid for Cable Television.

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PUBLIC HEARING ON CATV FRANCHISE AWARD

STAFF SUMMARY: Les Page, CATV Consultant, briefly outlined the CTA proposal and noted, "it's one of the better proposals I've seen".

Mr. Page noted some of the hi-lights of the CTA proposal: 61 channel by-directional system, however, through negotiations have settled for a 52-54 channel system with 35 to be initially implemented; 7 channels to be designated for access; excellent performance specifications; offer of a 5% franchise fee; 3 tier service (however, Mr. Page recommends a one tier service with additional pay services) starting at an \$8.95 rate fee, which is below the state average rate; initial rates to be effective for 3 years; service within 8 months of franchise award; hub design; free parental control devices; free service for schools and government entities with 3 drops each; and no interference with HAM station operators.

APPLICANT: Larry Cole, Canby Telephone Association Manager, addressed the hearing body explaining that 1/3 of their 1982 revenues originated from non-regulated activities such as burglar and fire alarms and sales of telephone equipment. In 1983, they estimate 50% of their revenues to be generated from non-regulated activities. Other advantages he expressed were as follows: an approximate income of \$650,000, net, over the next 15 years from rental space and equipment and management contracts between Canby Telephone Assoc. and Canby Cable Vision; provide telephone service over cable (due to a possible 300-500% increase in local phone rates in the next 5 years, so therefore, looking to by-pass this by use of cable facility); service to rural area; and use of projected revenues to, over the next ten years, rebuild a 1-1 1/2 million dollar telephone facility.

PROPOSERS: None was voiced.

OPPOSERS: Robert Westcott, 835 N. Elm St., addressed the Council, explaining that he really was not an opponent of CTA, and realized they were very dependable, hard working and have the best interests of the community, however, he did have a great concern regarding cross-collateralization between utilities. He pointed out that using the existing CTA as collateral to borrow the 3 1/2 million dollars on a 35 year term was a possible risk. Mr. Westcott cited an article in the Wall Street Journal noting that in the fall a 5 channel movie, sports and pay-per view programming will be available for rooftop antennas, a form of direct broadcast satellite. He felt if CTA lost the co-op telephone system, through a risk of the cable system, it would not be from poor management but from technology.

REBUTTAL: Roger Reif, Attorney, 273 N. Grant St., addressed the hearing body as a citizen and on behalf of CTA. Mr. Reif made the following points: 1) Canby Cable Vision would provide services at a lower cost and no other companies chose to submit a bid against them; 2) look at possibility of the co-op as managing the cable system, pointing out REA has loaned 6.7 billion dollars in loans presently to private or cooperative agencies to support CATV and none are in default, also, in Oregon there are 4 cooperative telephone agencies with cable franchises and 3 pending, also 10% of the cable system in the United States are co-op telephone agencies;

3) in regard to WPPSS, we should not look at possibilities but at the probabilities, in the WPPSS project they didn't have the control management we have now and much of the planning and engineering for the system has already been completed; 4) the cable system will be a subsidiary of Canby Telephone, a separate entity, and project making a positive cash flow the first year; and 5) CTA should be awarded the franchise in the best interest of the community, many local residents will be working there, it would be an investment in the community. Mr. Reif noted that technology is not only changing in the CATV field but in the telephone company also and we should view the telephone company as a communication company.

Robert Westcott, pointed out a parallel to the WPPSS project to the CTA, they both had already spent money and rushed into the project. Also, in 1976, WPPSS was not an infant in the industry, they had a proven track-record in nuclear and still went wrong. Mr. Westcott felt the City should have changed the RFP from total underground construction and other companies would have bid. He also suggested looking into investors or requesting CTA to change the financing.

Al Moore, addressed the Council expressing his concern due to the rapid technology changes if the risk might be greater to lose our telephone system through the collateralization aspect.

Mayor Gabrion closed the Public hearing at 8:31 p.m. and reconvened the regular session.

Councilman Taylor questioned the risk possibility should the cable company have financial difficulty. Roger Reif felt the risk was not realistic but a possibility. Larry Cole noted that in 1977 they started this project and were 192nd in line and were second to get their 3½ million dollar loan at 5%. He also pointed out that the Canby Cable Company has to be a non-profit organization and therefore the profit will go back to the people. Mr. Page felt their proposal was a good one and felt it rare to expect a positive cash flow the first year, however, the 35 years to pay off the loan did bother him. Mr. Cole explained there was no payoff penalty on the loan and felt it would be paid off long before the 35 years. Councilwoman Kopelk questioned what will happen in the near future since the technology state of the art is moving so fast, what happens if this is obsolete and how many subscribers do they expect. Mr. Page noted that they expect between 1500 and 2000 subscribers and noted that we could get a lot of buyers for this franchise, this means they have confidence in the future and in a small City the market being over estimated is less likely. Wade Bettis commented that any franchise, even private, could produce a risk. Chuck Roth, Consultant to CTA, explained that industry wide there are many big companies putting money into the cable industry in a "huge" way and if they thought it would be "out" in five years, they're in deep trouble, he noted that in the foreseeable future, ten years, there is nothing to replace cable television. Bob Swayze said it is a proven fact that Canby Telephone has kept up with technology in their field, however, he does share some of Mr. Westcott's concerns but felt even in the worst case, "it is not near as bad as we're trying to make it appear". Mayor Gabrion

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explained that an Ordinance for franchise award and two Resolutions, one controlling the rates and the other establishing the rules and regulations for operations would be presented at the April 20, 1983 regular meeting. Mr. Zenor explained that the committee has spent a lot of time on this issue and he would be happy to share the information with anyone who wishes to stop by his office.

ORDINANCES & RESOLUTIONS: Attorney Bettis read by title only for first reading Ordinance No. 730. **Councilman Taylor moved that ORDINANCE NO. 730, AN ORDINANCE DECLARING THE CITY'S ELECTION TO RECEIVE STATE REVENUE FOR 1983-84 FISCAL YEAR, come up for final action after 7:30 p.m. on Wednesday, April 20, 1983, and proper postings be made. Seconded by Councilman Anderson and approved unanimously.

Resolution No. 333, was presented by Attorney Bettis for Council action. **Councilman Sowles moved that RESOLUTION NO. 333, A RESOLUTION CALLING AND MAKING PROVISIONS FOR AN ELECTION TO ENACT AN AMENDMENT TO THE CANBY CITY CHARTER PROVIDING FOR A NAME CHANGE FOR THE CANBY ELECTRIC BOARD be approved and become part of the laws of the City of Canby. Motion seconded by Councilman Clift and carried 5-1, with Councilman Taylor voting nay.

Attorney Bettis read by title only Resolution No. 334, for Council consideration. **Councilman Pulver moved that RESOLUTION NO. 334, A RESOLUTION AUTHORIZING TRANSFER OF FUNDS IN BUDGET LINE ITEMS TO BALANCE YEAR END ACCOUNTS be approved and become part of the laws of the City of Canby. Seconded by Councilwoman Kopelk and approved 6-0.

Resolution No. 335, A Resolution Authorizing The City of Canby and City Administrator, R. Douglas Zenor, to Participate in the International City Management Association Retirement Corporation, was presented to the Council for action. Mr. Zenor explained the criteria for the proposed Resolution, it gives the Administrator professional mobility and a continuity of retirement funds. Council concern was to have a clause or some sort of recording action that noted that the proposed ICMA retirement plan would be equal as, and not to exceed, the retirement plan percentage that other City employees receive, excluding the Police Department. Council concurred . delaying action on the proposed Resolution until the above mentioned wording could be incorporated into the document.

Mayor Gabrion recessed the regular meeting at 9:10 p.m. and reconvened the regular session at 9:17 p.m.

At this time in the meeting, Mayor Gabrion read a Proclamation declaring the Elections results of the budget election on March 30, 1983.

COMMUNICATIONS: A letter from Mayor Gabrion was included in the packet, expressing his thanks to the budget committee, Council and City staff for efforts put forth during the recent budget process and election.

NEW BUSINESS: **Councilman Sowles moved to pay various bills for the City in the amount of \$60,514.34, seconded by Councilman Pulver and approved 6-0 by roll call ballot.

An application for a Special Event Liquor License was presented, applicants Lyle Grove and Canby Bowl, for the annual Three Man Bowling Tournament at Canby Bowl. Both the Police and Fire Departments had approved the application. **Councilman Clift moved to approve the application from Lyle Grove and Canby Bowl for a Special Event Liquor License for the Canby Bowl on April 30; May 1, 7, 8, 14, 15, 21, 22; and June 4, 5, 11, 12, 1983, from 7:00 a.m. to 2:30 a.m. Motion seconded by Councilwoman Kopelk and approved 6-0.

The next item of business was a request from Bud Atwood, Public Works Superintendent, for highwater alarms for sewer lift stations. Mr. Zenor explained that he had just received information that day, when the television cable is installed the City might be able to benefit by having these alarms put in through the cable. He requested to do an analysis for this project and noted it may cost the City very little. **Councilman Pulver moved to authorize the City Administrator to pursue the possibility of installing the sewer lift station alarms during the construction of the Cable Television project at less cost, however, if this is not feasible, to authorize the request as set forth in the memo of March 24, 1983. Seconded by Councilman Clift and approved 6-0.

A request from Chief Giger was considered for permission to purchase two police vehicles from the Oregon State Bid process. Chief Giger explained that they had a choice between a Ford LTD, Chevy Malibu and the Chevy Impala. The Impala had, what the Police Department considered, better specifications and the difference in price was \$267.00. **Councilman Anderson moved to authorize purchase of two (2) Chevrolet Impalas on the current State of Oregon Bid, at an approximate cost of \$8,001.50 each from the 1983-84 budget. Motion seconded by Councilwoman Kopelk and approved 6-0 by roll call vote.

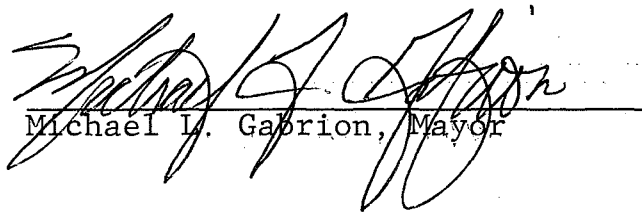
UNFINISHED BUSINESS: Attorney Bettis presented three documents for authorization for recording, resultant from a previous minor land partition, applicant Marie Bonner. **Councilman Pulver moved to accept for recording the following documents: Easement, for ingress and egress for utility purposes; Deed, for 10 foot strip for street purposes; and Consent to Local Improvements and Waiver of Remonstrances, for future development. Seconded by Councilman Clift and carried 6-0. Bob Westcott questioned if conditions that are set forth by the Planning Commission are followed through, he pointed out a condition of the Carriage Court for a cedar fence which was not erected. Mr. Atwood said they try to always check on conditions and will check it out.

Mr. Zenor requested direction from Council on the proposed resolution for his ICMA retirement. Council, once again, discussed the issue and felt an addition to the resolution would clarify the matter. **Councilman Pulver moved to approve RESOLUTION NO. 335, A RESOLUTION AUTHORIZING THE CITY OF CANBY AND CITY ADMINISTRATOR, R. DOUGLAS ZENOR, TO PARTICIPATE IN THE INTERNATIONAL CITY MANAGEMENT ASSOCIATION RETIREMENT CORPORATION, however, incorporate a change into the resolution as follows: the amount of retirement will not exceed the benefit amount of other non-uniform City employees. Seconded by Councilman Clift and approved unanimously.

Mayor Gabrion reminded Council that Chip Phelps seat in the City Budget Committee was expired, however Mr. Phelps offered to serve another term. **Councilman Pulver moved to appoint Chip Phelps to a three year term on the City Budget Committee, expiring March, 1983, Motion seconded by Councilman Anderson and carried 6-0.

Mayor Gabrion informed the Council there would be no scheduled workshop sessions for the month of April,

Mayor Gabrion adjourned the regular session at 9:54 p.m.


Michael L. Gabrion, Mayor


Marilyn K. Perkett, Deputy Recorder

NOTICE
OF MEASURE ELECTION
CANBY

Notice is hereby given that on Tuesday, March 29, 1983, an election will be held in the City of Canby, Clackamas County, Oregon. The polls will be open from 8:00 a.m. to 8:00 p.m. The following question shall be submitted to the qualified voters thereof:

CAPTION: One year special levy.

QUESTION: Shall the City of Canby approve \$675,184 property tax levy outside the tax base?

PURPOSE: This approves the City of Canby to levy \$675,184 tax outside the tax base stated in Oregon law. The tax will be used to pay for City services. City services include police, fire protection, library, parks and recreation, swim pool, streets and other City services. The City has a tax base of \$178,315 which is not enough to meet the City's needs. Canby is a full service government serving 7,670 people. City services are paid by local and state sources but the City services need tax funds. If this measure is approved, \$675,184 of the taxes levied in the 1983-84 fiscal year will be financed partially by the State of Oregon.

Marilyn K. Perkett
Deputy City Recorder

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