

CANBY CITY COUNCIL

REGULAR MEETING

NOVEMBER 4, 1981

Mayor Robert A. Swayze presiding. Councilmembers present: Beryl Brown, Lee Funrue, Michael Gabrion and Gary Sowles. Absent: David Anderson and Bill Pulver.

Also present: Administrator Harold Wyman, Deputy City Attorney Roger Reif, Public Works Supervisor Bud Atwood, Treasurer Myra Weston, Secretary Marilyn Perkett, Utility Board Manager Stephan Lashbrook, Virginia Masterson, Robert Rapp, Herman Bergman, Earl Oliver, Tom Kerr, David Bury, James Renner, Ellen Burbridge, Marv Dack, Robert Westcott, Jim Brands and Steve Frederick, Herald Editor.

Mayor Swayze called the regular meeting to order at 7:32 p.m., followed by the flag salute, meditation and roll call of Council which showed a quorum present.

Mayor Swayze announced that due to weather conditions of dropping temperatures, Councilman Gabrion might be called away and therefore, a deviation of the scheduled agenda would occur.

\*\*Councilwoman Brown moved to approve as distributed the minutes of regular meeting October 21st, and special meeting October 28th. Motion seconded by Councilman Gabrion and approved 4-0 by roll call vote.

CITIZEN INPUT ON NONAGENDA ITEMS: David Bury, President of the Blinded Veterans of the State of Oregon, urged everyone to remember Veterans Day, November 11th.

ORDINANCES & RESOLUTIONS: Attorney Reif read the entire Ordinance No. 711 for first reading. \*\*Councilwoman Funrue moved that Ordinance No. 711, AN ORDINANCE AMENDING THE ZONE MAP OF THE CITY OF CANBY (APPLICATION OF HENRY FAIRBROTHER FOR ZONE CHANGE FROM R-1 TO R-1.5PUD) be posted and come up for final reading after 7:30 p.m. on December 2, 1981. Motion seconded by Councilwoman Brown. Councilman Sowles questioned the matter of a 10 foot easement. Mr. Lashbrook noted that this was not a part of the recommendation and would be considered at the PUD process. David Bury questioned the aspect of senior housing. He was reminded that this question arose before when Councilman Sowles noted that the project was "sold" as a senior housing project, however, anything that met the R-1.5 PUD criteria would be acceptable. Motion carried 4-0.

NEW BUSINESS: \*\*Councilwoman Funrue moved to approve payment of accounts payable in the amount of \$121,130.35. Seconded by Councilman Gabrion and approved 4-0 by roll call vote.

COMMUNICATIONS: The next items was a request from Marv Dack requesting the Council for another year extension of time for his development. Mayor Swayze explained that they would hear testimony from Mr. Dack, however, no decision would be made tonight since most Councilmembers were new and needed time to review the issue and also two Councilmembers were absent and the Mayor preferred a full Council decision. Stephan Lashbrook gave a brief history of the subject, it is a 15 acre area that was rezoned in 1978 from R-1 to R-2 with several conditions, one being a time restriction of December 1, 1980 and an added extension by Ordinance No. 689 to December 1, 1981, for the project to be underway or it would revert back to the

original R-1 zoning. Mr. Dack addressed the Council and presented documents to support his attempts to finance a project, however, the interest rates have made his attempts impossible. A document from the State Housing Division approving a preliminary loan application for a 44 unit low income family housing, however, financing would not be awarded until early 1982. Mr. Dack pointed out that a "family housing project" was not his number one choice, however, financially there were not many options available. Attorney Reif questioned why Mr. Dack did not request a two year extension at this time. Mr. Dack said he felt the Council wanted him to request his extensions year by year. Mayor Swayze requested the Council to review the material presented on the subject and also to consult with Mr. Lashbrook, Roger Reif or Mr. Mahoney and be ready for a decision at the regular meeting of November 18, 1981.

NEW BUSINESS: Administrator Wyman presented a request for a Special Event Winery License Application for the Nehalem Bay Wine Co., to be held at the fairgrounds at a Fun-A-Fair over the weekend. Wine tasting would be held along with the sale of bottles of wine. \*\*Councilwoman Funrue moved to approve the application of a Special Events Winery License for the Nehalem Bay Wine Company for November 6, 7 and 8, 1981, from 10:00 a.m. to 9:00 p.m. at the Canby Fairgrounds. Seconded by Councilman Sowles and approved unanimously.

UNFINISHED BUSINESS: Mayor Swayze announced that no decision would be made tonight regarding the relocation of the railroad depot, however, he requested Bob Rapp to update the Council on the progress. Mr. Rapp reported that they had gained another \$1,100 in contributions bring their total to almost \$16,000. He also explained that they had received two bids for moving the building and one bid for the renovation and were expecting one more bid from a contractor for remodeling. Mayor Swayze explained that he would like to notify the public when a plan is ready for final action of the Council.

OTHER REPORTS AS REQUIRED OR NEEDED: Administrator Wyman addressed the Council regarding tax money coming into the County and City. He projected that the City would probably be \$87,000 short of expected revenues by June 30, 1981, and to be aware for drastic action, however, "cutting" is already being practiced. Mayor Swayze requested Mr. Wyman to keep the Council informed.

Mayor Swayze requested Robert Westcott, Canby Utility Board member, to update the Council on the W.P.P.S. progress and also to explain the proposed rate increase. Mr. Westcott said, "We really do not know where we are on the mothball plan", however, by November 15th they would be closer in an understanding and by the first of January, 1982, an even closer understanding. An amendment to the participants agreement, which requires a 100% participant approval, is expected by January 1, 1982, for either mothballing or termination.

Mr. Westcott explained that CUB entered the mothball plan but would not agree to loan the requested \$200,000 to WPPS. They did sign the agreement which allowed WPPS to borrow money from the other participants, 86% of the participants authorized them to borrow money. In explaining the need of the loan WPPS requested, Mr. Westcott noted that they needed 1/3 of \$150,000,000, approximately \$60,000,000 within the next two months.

The question of why Canby is involved at all was addressed by Mr. Westcott. The board took the position that a legal and binding contract was signed in 1976,

by the Utility Board of that year. The other aspect is that if the Utility Board were to dissolve then you would need to consider the rates of an "investor owned" utility.

Mr. Westcott explained that the proposed rate increase would be a 2¢ per kilowatt hour and a 20% surcharge for mothballing, bringing the total to 2.4¢ per kilowatt which is still below what an investor owned utility rate would charge. Canby is part owner of WPPS, a little over  $\frac{1}{2}\%$ , and in distress the board chose what they felt was the best method to preserve the asset. There is the possibility of termination at the end of 20 months, however, a controlled and negotiated termination would cost approximately \$150,000,000 vs. an uncontrolled termination now for approximately \$800,000,000.

Mayor Swayze inquired as to what a homeowners electric bill would be for January, 1982, if it were \$50.00 for January, 1981. Mr. Westcott replied between \$90. and \$100, and noted that the end is not in sight since they have already received notice from Bonneville for an increase of 45% next year which would bring Canby up to about 3¢ per kilowatt.

Mayor Swayze expressed his sincere thanks and appreciation to the Canby Utility Board members for their many hours and efforts spent on the project.

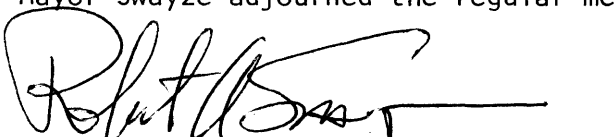
Steve Frederick asked if the mothballing wasn't a futile effort. Mr. Westcott explained that even if the mothballing failed, and the contracts can be renegotiated and come in at \$150,000,000, it is time well worth purchasing.

Mayor Swayze reminded everyone of the scheduled Public Hearing on the rate increase with the utility board members the following evening in the Council chambers.

Administrator Wyman informed the Council that it will cost the City \$9,000 per year on the 20% surcharge for all the city's electrical billing, and \$5,000 for the remainder of this fiscal year. Mr. Wyman asked the Council to consider the 5% in lieu of taxes from Canby Utility Board, are we going to take 5% of the 20% surcharge or will CUB have to raise their surcharge to make up the difference for the 5% in lieu of taxes? Mr. Westcott noted that the board had not really discussed the 5% in lieu of taxes but it would be considered. Mayor Swayze asked Mr. Westcott to meet with staff on this issue and bring a recommendation back to the Council when the facts become clearer.

Mr. Lashbrook introduced Mr. Jim Brands, Canby Utility Board Project Coordinator, to the Council at this time. Mr. Brands was welcomed by the Mayor.

Mayor Swayze adjourned the regular meeting at 8.35 p.m.

  
Robert A. Swayze, Mayor

  
Harold A. Wyman, Administrator/Recorder

November 4, 1981