

**MINUTES OF THE NEWBERG CITY COUNCIL
SEPTEMBER 15, 2003
7:00 P.M. MEETING
PUBLIC SAFETY BUILDING - TRAINING ROOM**

I. CALL MEETING TO ORDER

Mayor Stewart called the meeting to order at 7:00 p.m.

II. ROLL CALL

**Bob Andrews
Roger Currier
Doug Pugsley**

**Mike McBride
Bob Larson
Robert Soppe**

Others Present:

**James H. Bennett, City Manager
Terrence D. Mahr, City Attorney
Katherine Tri, Finance Director
Dan Danicic, City Engineer
Barton Brierley, City Planner
John Lindstrom, Building Official**

III. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was administered.

PUBLIC MEETING SECTION

IV. PUBLIC COMMENTS

Darlyn Adams, 131 Johanna Court, Newberg, presented the Animal Shelter Friends Report.

V. CONSENT CALENDAR

1. Proclamation declaring the month of October 2003 as Disability Employment Awareness Month.

2. **Resolution No. 2003-2467** authorizing reimbursement for expenses related to replacing the College Street interceptor as the next phase of the River Street Sewer Project and improving the existing mechanical bar screen and grit removal systems at the Wastewater Treatment Plant.

MOTION: Councilor Andrews/Currier to approve the consent calendar.(Unanimous) Motion carried.

VI. PUBLIC HEARING

1. Public hearing on amendment of Newberg's Urban Growth Boundary to include land for a public golf course. If approved, the applicant has requested P and P/SC Comprehensive Plan designations. **Ordinance No. 2003-2589** approving the amendment.
File No: UGB-7-03/CPA-21-03

City Attorney Mahr reviewed the applicable criteria for those who wish to provide testimony. They should raise issues at the Council meeting, otherwise, they may not be able to raise them at LUBA. This is a quasi-judicial hearing. The County has not heard the matter. If the Council chooses to continue the hearing and the record is closed, the Council can reopen the hearing at a later time to deliberate. They will have authority to reopen the hearing without additional notice, etc. Ex parte contact is some contact outside the hearing.

Councilor McBride said he has a potential conflict of interest due to his participation on the CPRD Board. He has heard the presentation and is familiar with the application. The contacts were made prior to the application being filed. All facts and things he discussed are in the record and he will only base his decision on the record.

Councilor Soppe is on NUAMC and indicated that he was on the NUAMC Board when NUAMC deliberated on the application and it is part of the record. He said he feels he can make a decision based on the information from testimony and the record. He also said that he has done work for CPRD in the past, but has no immediate expectations for future work. He requested some information from Don Clements at CPRD by email and he placed the emails and the responses he received in the record.

Mr. Mahr said that, if there is an objection, someone needs to raise it concerning Councilor McBride or Councilor Soppe.

Councilor Andrews said he talked with Don Clements about the golf course. He too will make his decision based on the hearing and the record.

Mayor Stewart said he has talked with citizens and Mr. Clements about the progress of the golf course project.

Mr. Barton Brierley, City Planner, presented the staff report. The north boundary is Fernwood Road, Springbrook Road on the west. Wilsonville Road is the southern most boundary of the property, zoned exclusive farm use. The properties are not in the URA. The owner of the property is CPRD. They are requesting that they be placed in the UGB to facilitate construction of an 18-hole golf course. In order to approve the application, there are a number of criteria to address:

- Need for the property to be brought into the UGB
- Insufficient land elsewhere to accommodate the use
- Economic, social, environmental and energy impacts from the project
- Public utilities can be provided to site.

CPRD has done a market study using standards from national organizations and has looked at the need within the Newberg area. There is a need for the golf course in the area.

They looked at the Newberg UGB and found that there were no appropriate parcels available. They looked at the CPRD area without impacting farm land. They found no parcels suitable for a golf course without affecting designated farm lands. The subject property has the least impact.

The golf course would promote tourism and attract businesses to the community. The environmental impacts associated with stream corridors would be protected through an overlay zone once annexed. CPRD has explored adopting the Audubon Society standards for protecting the environment on the site.

Sewer and water are available on Fernwood Road. Irrigation water may be available from either Otis Springs and/or the wastewater treatment plant.

The facility will have an impact on the transportation system. The trips are staggered, however, without the big rush hour traffic generated by other facilities. The application can be conditioned to address some of the issues: SDC charges, stream enhancements, upgrades to facilities.

Mr. Brierley said the application does meet the applicable criteria and recommends approval.

Councilor Currier addressed the charge for providing water from Otis Springs. **Mr. Brierley** said it could be a negotiated amount between the Council and CPRD.

Councilor Andrews asked if April 7, 2003 was the correct date for the posting of the notice on the site as stated in the recitals. **Mr. Brierley** said it should be August 7th. He said they had received two additional correspondences and entered them into the record:

1. Friends of Yamhill County (letter of opposition)
2. Additional information from the applicant.

Mr. John Bridges, attorney for the applicant, introduced the participants who would be making the presentation for CPRD. **Mr. Bridges** discussed the Statewide Planning Goals applicable to the project. Sometimes there is a natural tension between goals, such as Goal 3 protecting agriculture and open space and Goal 8 promoting recreation. Local governments have to balance the purpose of these goals. The application includes taking an exception to Goal 3. The application must demonstrate a number of things: need, opportunity, coordination with stake holders. Guidelines say that they should look at the State outdoor recreation plan on where to buy property and where to place facilities. There is a set of priorities:

1. Meet recreation needs of high density population centers
2. Meet recreation needs of persons without mobility
3. Minimize environmental deterioration
4. Make facilities available to the public.

Mr. Randy Lytle, 308 Pinehurst Drive, Newberg, consultant and coordinator for planning issues. He said that subsequent to the NUAMC hearing they did an additional needs analysis. It is a quantitative analysis including state and regional needs and local needs. Our region has one of the largest golf needs in Oregon. **Mr. Lytle** reviewed the population projections. In the needs analysis are letters of support from local businesses, the Chamber and other citizens.

Councilor Currier discussed statements introduced at earlier CPRD committee meetings on the golf course. "If it makes money, why not allow private enterprise allow it to build it?" and "if a golf course is developed in connection with residential development, the increased value of the surrounding properties would be more."

Don Clements, CPRD Director, 305 Lindquist Court, Newberg, addressed Councilor Currier's statements. He said the golf course project started in 1992. The minutes of the committee were from that time.

Tape 1- Side 2:

Mr. Clements discussed the golf course development and criteria for the golf course. He said that the cost of a round of golf must be low and feasible. The project before the Council has been studied for a long time. In 1992 they did not have the property they have now. It has been a long process. The plan is recognized by state and local governmental requirements as the number 1 need in the area to provide recreation for the community.

Councilor Soppe addressed affordability issues. Mr. Clements said he is looking at \$3-5 million in costs to develop the golf course. Councilor Soppe referred to figures in the appendix that show \$4-6 million for future development. Discussion was held concerning getting the price down from \$28-32 for green fees. The land cost is \$675,000 of the original cost. Mr. Robinson will discuss the costs later.

Mr. Bill Robinson has been in the golf course development business for 28 years. He owns the Florence golf course and understands the issues. He is a golf course architect. This is an 18-hole regulation course which is built to USGA specifications. The land is very suitable for this course. They plan to leave the wetlands alone and there is lots of space between the fairways for safety. It has very nice terrain and a gentle roll and is easily walkable. People on a fixed income can play and not have to rent a golf cart. It has good top soil - not a lot of rock to contend with. The natural terrain provides an ideal situation. They are looking at a bid price of \$150,000 per hole. The cost of the clubhouse and maintenance facility and equipment, etc. should be \$4.5 - \$6 million similar to Tukwila in Woodburn which accommodates around 45,000 rounds per year. Discussion was held concerning the prior architect providing funding for the course and the amount of the green fees being kept under \$35. He can say the golf course will be a tremendous asset to the city. Many businesses will benefit.

Ms. Stefanie Slyman, 1020 SW Taylor, Portland, Oregon, presented the alternative land use analysis. This is the right location for the golf course.

1. Purpose of alternative analysis is to demonstrate areas which can or cannot reasonably accommodate the use. It is the quality of land, not the quantity of land, that matters most.
2. The minimum size needed is 175 acres with other amenities. The terrain and slope are important. The site should not require substantial movement of the earth/land. Water needs to be consistent and available.
3. There is a shortage of residential and industrial land in the city. Locating within the city could impact jobs. Other areas cost substantially more to develop. The findings are contained in the analysis. There are no other sites as suitable.

Larry Anderson, Anderson Engineering, discussed the water supply. The sanitary sewer and storm water service are adequate. They hope to use the water out of the sewer plant - about 450,000 gallons a day. The project site is reasonably close to the WWTP. The system would be inexpensive to. It is okay to use the treated water as long as there is a 72-foot buffer. There is no other use that would work. It would require additional treatment of the water. The City could sell the waste water affluent and make it work. Otis Springs is not potable water. It was taken out of service in 1990's. Otis Springs has the highest yield of the city springs. They could use it and still develop part of the irrigation system. If there is a drought or a problem, the greens and tees would be watered only. The areas around the clubhouse would be watered through Otis Springs for this use if needed. The treated wastewater affluent is more reliable for delivery of water service.

Councilor Currier when talking about the affluent from sewer plant - somewhere it talks about re-filtered. **Mr. Anderson** said that the City's sewer master plan calls for eventually being able to provide level 4 treatment of the affluent. That would be needed to be used in both golf course and residential areas. **Mr. Anderson** said it is presently at level 2 (used for washing down vehicles and inexpensive to deliver like farm irrigation). It is being used at the WWTP for irrigation. They could

drop in an irrigation pump with level monitors to pipe the water to the plant. Discussion was held concerning the Oregon Gardens similar use of Level 4 water. **Mr. Anderson** said there must be signs posted "do not drink/avoid contact."

Councilor Soppe addressed the trails and their locations not being outlined. **Mr. Bridges** said it is mentioned in the text. There would be protection for the golfers and hikers. He said there is a dream that many people have for hiking trails from Champoeg to Salem.

Councilor Soppe addressed transportation issues around the Springbrook Road and Wilsonville Road intersection. **Mr. Bridges** reviewed the transportation study report - August 2003. Is it an updated version of the older one previously presented? **Councilor Currier** said the former report was in 2002. **Mr. Bridges** said it summarized the data and the time period when Fernwood Road was closed. He said that Lancaster Engineering has done 3-4 studies in the Newberg area and is very knowledgeable.

Councilor Soppe said that the intersection of Springbrook and Wilsonville Road was not adequately addressed. He said that it is an important intersection. **Mr. Bridges** said the transportation system rule identifies what they have to study and what they are not required to study and what standards to apply to the intersections to be studied. ODOT will look at this intersection for safety and capacity in two phases (what to do now and how it relates to the bypass). Discussion was held concerning re-routing Fernwood Road.

Councilor Soppe referred to the Lancaster Engineering study regarding traffic going east on Fernwood Road. **Mr. Bridges** felt that people would use the Brutscher Street connection rather than Corral Creek Road and Veritas Lane. Discussion was held on the opportunity for people to turn left onto Fernwood. Would there be an objection to limit exits to the east onto Fernwood Road? **Mr. Bridges** said he would not have any problem with that. He saw no reason to not provide alternative routes.

Councilor Currier asked if the club house would have a bar and restaurant. How does a public entity support serving alcohol? **Mr. Clements** said the City of Portland, Ashland and other cities/communities with golf courses serve alcoholic beverages at the club house. He said that a concessionaire would lease it and CPRD could enter into a contractual relationship for leasing of a bar/restaurant.

Discussion was held that the personal property tax would be assessed but the CPRD property tax would not be. CPRD has been paying taxes on the property since its purchase. It was used for a profit and they are leasing it.

Councilor Pugsley asked about the Audubon Society standard. How certain is it that this standard will be met? **Mr. Clements** said they are patterning their operation similar to that standard.

Lon Wall, 625 N. Morton, Newberg, said that if he lived in that neck of the woods, a golf course would be better as a neighbor than something else. He does not play golf, but he thinks it is a wonderful thing. He is as an opponent, however.

Are we talking a public or private endeavor here? If public, it comes under the heading of nebulous things we are slipping into. If private, how willing are we to use this process to do this?

He does not believe Goal 8 trumps other goals. Does the community need a golf course? No. There are a whole lot of things we don't need.

We are getting loose on what kind of uses we are going to provide services for. The City can do piecemeal urban renewal expansions. But he would like the Council to spend time on exactly what the City's future policy will be on UGB expansion and providing other services outside the City. Bad precedent does not make good policy. At some point, someone else will bring up exceptions made in the past, such as this, and the law goes on precedent.

Donald Alexander, 1112 N. Klimek Lane, Newberg, addressed the "need" for the project. He referred to the definitions in Websters Dictionary and Blacks Law Dictionary. Neither of these persuades him that the golf course is urgent or essential for the city. He said it is not a need and we are not going to die without having a golf course. A golf course is not a necessary duty of the community or an obligation of the community.

The City and CPRD have a tax base which is supported by taxpayers. He does not want the burden on his back. He felt Goal 3 is heavily violated. It is the basis of the Oregon land use laws. Goal 14 has not been met. It is almost a laughing stock of the two goals. Why are we bothering mentioning the goals? If the City of Newberg continues to do checkerboard UGB annexations destroying farmland, it will be like San Jose and San Francisco. The goals are here because of the foresight of Oregon's forefathers. These goals were put in place to preserve Oregon not to turn Oregon into a new California. Goal eight was designed for a high density population area Newberg is not.

Where is the discussion of the impact of the bypass? According to ODOT, Fernwood would be closed. There will not be an overpass or an underpass. The roads will not handle any of the traffic. The County does not have plans or money to improve the roads. They are taking a farm that, according to the USDA, 126 people can feed 126 people per one acre of land. The golf course will produce nothing. Recreation is not a need. It does not put food in the stomach or a roof over the head. He is averse to destroying the farm.

He conducted an interview in the two shopping centers and asked people:

1. Do you support a public golf course with tax payer money?
2. Are the fees reasonable to pay for a round of golf?
3. What about CPRD buying a farm for a golf course with your money?

The majority of the people he surveyed answered no to each of these questions.

Mr. Alexander said that he does not believe CPRD has done their homework. In the past it was voted on and it failed. He requested that the record be left open for 30 days.

Councilor Soppe said the golf course would be self-sufficient and would not be a cost to the tax payers. Does he have information that is different? **Mr. Alexander** said CPRD has a high tax base. Who is paying the consultants, who purchased the property?

Mayor Stewart said he was closing the public testimony.

Mr. Bridges said the state comprehensive study (SCORE) identifies the need in the region. The County plan identifies the need for the County. CPRD has prepared their own comprehensive plan which is contained in the materials.

Mr. Clements addressed the financial and payment obligations. CPRD has one of the lowest tax bases in the state. They are being creative and trying to do the best possible job. As far as the golf course, they have done a study and the Board members reviewed the materials. He addressed local golf courses (public ones) that have not gone under. He said he would like to talk with those public golf courses.

Councilor Currier said that CPRD is one of the largest land holders for park districts. **Mr. Clements** said that there are other districts who are larger. CPRD is a special district. Springfield, Tualatin Hills, Portland, etc. are larger.

Mr. Todd Mobley, Lancaster Engineering, reviewed the traffic report including weekday and weekend numbers. **Councilor Currier** said the numbers were from 2001. **Mr. Mobley** said it was data from a trip generation manual.

Mayor Stewart asked if the City would require a transportation study within 2 years? **Mr. Barton Brierley** said within 2 years is a good time period for calculating trip generation.

Councilor Pugsley asked about periodic review and the likelihood of considering UGB expansion during the process. **Mr. Brierley** said we have to determine what our needs are for residential, commercial and industrial lands. Some residential land is more constrained than golf course land. In this process, the City looked at a large recreational facility and the proper location of such a facility. The golf course rises to the top because of the need for this type of facility.

Councilor Soppe asked if there would be any reason for not building it? Is there any reason that the property needs to be annexed? **Mr. Brierley** said the applicant intended to apply for annexation and the facility would be in the City. Having the property within the UGB would allow the City to better service the property and needs inside the City.

Councilor Pugsley asked about the bypass route and how this would impact that decision. Does the information change the site evaluation drastically and has the applicant taken this into consideration?

Discussion was held concerning possible flooding in the area. **Mr. Bridges** said the proposed site is not in the path of the bypass and it is not within the flood plain. He said he would waive any additional time to keep the record open.

Mayor Stewart closed the public hearing. **Mr. Mahr** said the applicant has 7 days to submit written argument. If waived, the Council can deliberate. **Mr. Bridges** waived the 7-day time period.

Mayor Stewart called for a recess at 9:18 p.m. The meeting reconvened at 9:25 p.m.

Mr. Brierley said the notice date, April 7th, is the correct date (before the NUAMC hearing date). The question before the Council is whether or not the property should be placed within the UGB? Staff recommends adoption.

MOTION: Soppe/Larson to read **Ordinance No. 2003-2589** by title only and approve **Ordinance No. 2003-2589** approving an amendment of Newberg's Urban Growth Boundary to include land for a public golf course. If approved, the applicant has requested P and P/SC Comprehensive Plan designations. Mr. Mahr read the Ordinance by title only.

Councilor Currier was opposed to converting so much farm land in order to build a golf course and adopting a new park standard to justify it. He argued that the reasoning was faulty for excluding the Red Hills as a potential site for the golf course. He noted that there is a 9-hole course slated for the Springbrook Oaks site already. He reminded the Council about the previous negative vote on a golf course and said that more people have asked him about why they don't have a bowling alley than a golf course. He noted that many golf courses in the area were of poor quality.

Councilor Andrews asked what the next step would be if the Council was to approve the property for placement into the UGB? The next step would be for Yamhill County to consider the UGB amendment and if approved, the stage would be set for an application for annexation and it would be up to the citizens of Newberg to approve. If annexation failed, the property would remain in the UGB. If the County zoning allowed it, they might still be able to develop the golf.

Councilor Larson asked Mr. Clements how he planned to fund the golf course? Mr. Clements said that it would be through revenue bonds.

Councilor Soppe said that the annexation vote would be on the golf course. The prior vote was for a bond levy. At NUAMC, there were also a number of questions. His opinion is that there were a lot of loose ends that CPRD promised to address. But there were no guarantees. His feels that there is no reason to believe that they will not live up to their promise.

Councilor Currier addressed a piece of property which was previously purchased by CPRD with public funds for a personal developer with a guarantee of a donation of some land for a park. The property was annexed and the amount of land for the park was reduced. Water lines were built on County property. **Councilor McBride** said the amount of land was reduced because it was designated as a neighborhood park.

Councilor Pugsley said it is prime agricultural land and the alternatives have been addressed. However, he would like to see it go through periodic review. **City Manager Bennett** said it would be easily 3-4 years and, due to funding issues, periodic review has been delayed as in most cities. He said it is always changing. The City of McMinnville did a comprehensive review of its UGB outside the periodic review process.

Councilor Larson said that much of the City of Newberg and schools properties have been built on prime farm land. Where would we be if we did not do this?

Mayor Stewart asked the Council if they needed more time. The Council indicated that they did not.

ROLL CALL ON MOTION: (5 Yes/1 No [Currier] Motion carried.

BUSINESS MEETING SECTION

VII. CONTINUED BUSINESS

None.

VIII. NEW BUSINESS

1. **Resolution No. 2003-2465** opposing the formation of a Yamhill County Peoples Utility District.

City Manager Bennett reviewed and presented the staff report. The question of the PUD will likely be on the ballot at the March 9, 2004 election. PGE requested to speak to the Council on the formation of the PUD and ask them to adopt a resolution in opposition to formation of the district. The representatives of the PUD were informed of the request and given an opportunity to respond. They have representatives in the audience.

Karen Lee, Government Affairs, PGE, said she hoped that the Council would endorse the resolution. The PUD would condemn a number of assets owned by PGE. A similar election will be held in Multnomah County on November 4. Commissioner Naito of the Multnomah County Commission is encouraging the voters to vote no.

The biggest question is why should the Council take a position on this. It is about money. The PUD in terms of finance is risky and costly. Almost \$740,000 in property taxes is paid annually by PGE. Newberg received more than \$60,000 in franchise taxes. A PUD is another layer of government to tax the customer. The PUD's process of condemnation and the price it pays for the assets above the value will be borne by the customer. The PUD will compete with you and tap into the existing tax pool. The PUD can impose additional taxes. Senate Bill 1149 provides for energy efficiency dollars to be paid to schools. PUD's will not have to pay these fees. State agencies that fund low income developments are also competing for these tax dollars.

The PUC regulates PGE's rates and services. PGE can be fined and a PUD is not subject to regulations except for safety issues. The League of Oregon Cities and the City have the ability along with the PUC to be involved in the issues. A residential or business customer has equal standing. BPA is already over-committed for power. The new regulatory agency would be at the mercy of the market - similar to the energy crisis in California. Where are they going to get power? Discussion was held concerning PGE's expertise and response in the area.

Councilor Currier asked about a 2-mile stretch on 99W that was proposed for undergrounding to eliminate poles, etc. and make it look aesthetically beautiful. PGE walked out of the commitment. **Ms. Lee** said it could have been an issue of the transmission lines.

David Van Bossuyt, General Manager, Southern Region, PGE, he has worked for PGE for more than 22 years, in Yamhill County for the past 20 years. His wife is on school board and is the chair. He is regional manager for southern Marion, Polk and Yamhill County. He is in charge of preventive maintenance for poles and wires. He takes care of tree trimming, facilities and inspections and pole testing. They inspect 28,000 poles a year. Every two years, the crews trim trees for safety, reliability and fire. There are 12 substations that serve Yamhill County. The system has been built up over 100 years. To serve all the substations there are 130 distribution lines. There are 6 major transmission lines that serve customers.

The PUD would have to stop at the County line and could not serve any area currently served that is outside the County. They have 4-5 crews working in the area. He can draw on expertise of serving 750,000 customers. There is between \$700,000-900,000 to make Newberg schools more energy efficient. That comes from PGE and does not apply to a PUD. Discussion was held concerning the need for a PGE test station. McMinnville Water and Light has its own utility (since 1890). Western Oregon Co-op and the City of Tillamook have PUDs.

Mr. Van Bossuyt said he met with Duane Cole and Mayor Cox about the undergrounding. They worked with other utilities to do a joint trench at no cost to the City. The only pieces left in the air were on the south side of the highway. Per the PUC the City had to pay for that work and did not have the funds. Earlier, there was an effort to underground the entire thing, but it did not go through.

Councilor Pugsley discussed the ownership of PGE by Enron. What is the position of the bankruptcy court in relation to PGE and how are the customers being treated. **Mr. Van Bossuyt** said

that in Oregon Enron cannot sell off PGE assets. PGE was required to have its own bond rating. PGE is not bankrupt. Enron owned only the stock of PGE. The PUC has to approve the sale of the utility. The PUC has a large say in the whole thing.

Mike Caruso, 176 SW Hemlock Street, Dundee, has experience with collecting signatures for the PUD. Not less than 80% of the people he talked with said they were in favor of a PUD in Yamhill County.

Tape 3 - Side 1 -

Mr. Caruso said the PUD will buy power from BPA and other sources. He said he went to the School District and asked for copies of their power bills. In 2001 they totaled \$287,000 and in 2002 there was an \$89,000 increase. There was no increase with McMinnville Power and Light.

Councilor McBride asked how the PUD would be funded? **Mr. Caruso** said it would be largely from bonds. He said publicly owned utilities operate in Grant County and the Columbia River that have tremendous flexibility and work with low income families. **Councilor McBride** said that PGE also does that. **Councilor Andrews** clarified that the bonds were revenue bonds rather than tax-free bonds.

Dan Meek, 10949 SW 4th Ave, Portland, said that Enron bought PGE in 1996. **Mr. Meek** said that rate payers have paid PGE taxes of over ½ billion dollars over the last 6 years. PGE has paid only \$10 in state income taxes. They have increased overall rates by 40%. He compared PUD rates with PGE. PGE residential rates are subsidized by BPA. All current PUD's have purchased power from PGE. The entire process of splitting off and isolating Cascade Locks cost less than \$100,000. PGE has the highest rate of any utility in Oregon except for Western Co-op. In bankruptcy PGE and Enron can sell out from under state regulations. In Montana, Montana Power sold their assets while in bankruptcy. Montana Power sold its power dams to Pennsylvania Power and Light. Electricity prices doubled and redoubled and the lumber mills and mining companies were not able to afford the power. **Mr. Meek** discussed PGE's financial instability.

Matt Wingard, Oregonians for Jobs and Power, said that they asked ECONorthwest to issue a report addressing risks of government acquisition of PGE and they determined that ratepayers would not benefit from a PUD. Ratepayers would lose protection from PUC. PUD is an anti-business message during hard economic times. The city would lose franchise fees. PGE cannot be compared to smaller municipal utilities like McMinnville. PGE has extensive customer base. Enron no longer exists and creditors have taken possession. They are trying to make PGE a private stand-alone company. In November the voters may vote against the PUD. There is no power generation within the Yamhill County area, except some hydro in Clackamas County.

Robin Bee, Oregon Public Power Coalition, during the recent major power outage on the East coast, a majority of the public power industries did not go out, except in New York. One of the bankruptcy plans is to sell the assets of. The letter from Sheridan to the Oregon Office of Energy

was a sample letter sent to all the cities. The letter and resolution are not consistent for each specific city.

Frank Nelson, 543 Willamette Court, McMinnville, said he knows that in his 34 years in McMinnville, McMinnville Water and Light has the lowest rates existing in the state. Discussion was held concerning business locating in McMinnville because of cheap power. Discussion was held concerning PGE stockholders and rate payers. PGE is organized to get highest returns for its stock owners. Mac Water and Light is interested in the lowest possible rates for residents and businesses. If you want a community to attract businesses and people to live there, consider a publicly owned utility that establishes the rates and service. He urged the Council to vote against the resolution and see what the community wants.

Councilor Andrews asked how the rates are determined. **Mr. Nelson** said it is a 5-member board that is environmentally and fiscally responsible. Citizens govern the rates and the service.

Mayor Stewart said he received two phone calls not in favor of the PUD. Other Council members said they too had received phone calls not in favor of the PUD. Discussion was held concerning the rates nationally in 2002.

Mr. Meek said that on the West coast, there was an energy crisis. There were high rate increases. None higher than PGE. He said that additional rate increases were sure to follow. Discussion was held concerning employees and collective bargaining agreements and whether existing workers have to be offered employment.

Jill Weber, PGE employee and resident of Newberg, said that she is a union member and most everyone she talked with did not know about the PUD issue on the ballot. Discussion was held concerning the number of employees that are not in favor of the PUD. 59 employees live in Yamhill County. She personally talked to about 30 of them.

MOTION: Larson/McBride to approve **Resolution No. 2003-2465** opposing the formation of a Yamhill County Peoples Utility District.

Councilor Soppe said that nothing he has heard convinces him that it is the City's place to issue an opinion. He cannot be in favor of it.

Councilor Andrews said he does not think it is in their province to discuss. He said it will be the voters who decide. It is not the Council's place to take a vote to approve or disapprove.

Councilor McBride said we should not vote on this type of issue and just allow the voters to decide.

Councilor Currier said we need to be proponents for the right of the people. In this case, let the vote take it one way or the other. He is not sure what he is going to do. PGE people are being paid and the opponents are not being paid. He said we should stay out of the business.

Councilor Pugsley said that at times we do have to weigh in on a decision. He said the Council is occasionally called upon to make a decision.

Councilor Larson said that we are obligated to pass the word on to report back to our constituents. At the time to vote on this, the people should be educated.

Councilor Currier called for the question.

ROLL CALL ON MOTION: 3 Yes [Larson, McBride, Pugsley]/3 No [Andrews, Currier, Soppe]. Mayor Stewart voted Yes. Motion carried.

Mr. Bennett said there is a public hearing scheduled for September 25th at the Oregon Office of Energy.

2. **Resolution No. 2003-2464** authorizing staff to make formal application to the Oregon State Building Codes Division to establish an electrical inspection program in the Building Division.

John Lindstrom, Building Official, presented the staff report. Revenues have increased due to increased development. Discussion was held concerning plan reviews. He said that he and Kathy Tri, Finance Director, reviewed the estimated costs. The additional staff would be revenue neutral. Electrical is its own fund. **Councilor McBride** said he did not want to add more overhead. Mr. Lindstrom said that the new inspector will be cross-trained to perform other inspections.

Councilor Soppe said it will be part of a dedicated building fund and, if revenues come up short, electrical permit fees can be subsidized by other building permit revenues. Discussion was held concerning the projected revenues from the electrical program presented to the Council. Mr. Lindstrom said he would make the appropriate corrections to the projected revenues.

MOTION: Andrews/Soppe to approve **Resolution No. 2003-2464** authorizing staff to make formal application to the Oregon State Building Codes Division to establish an electrical inspection program in the Building Division. (Unanimous). Motion carried.

3. **Ordinance No. 2003-2591** amending the Newberg Municipal Code to add a new Section to Chapter 32 (Departments, Boards and Commissions) formally establishing the existence of the Newberg Police Department and enumerating the authority and responsibilities of the Chief of Police and the officers assigned to the Department.

City Manager Bennett presented the staff report. The document formally establishes the authority of the Police Department and the duties of the Chief of Police.

Councilor Andrews asked for clarification on the roles of the Chief of Police, the City Manager and the City Council in the hiring of department personnel. The City Council authorizes positions and funding for positions within the budget. The Chief of Police recruits and recommends candidates for the department. The City Manager hires all personnel.

MOTION: Larson/Currier to read **Ordinance No. 2003-2591** by title only and approve **Ordinance No. 2003-2591** amending the Newberg Municipal Code to add a new Section to Chapter 32 (Departments, Boards and Commissions) formally establishing the existence of the Newberg Police Department and enumerating the authority and responsibilities of the Chief of Police and the officers assigned to the Department. City Attorney Mahr read the Ordinance by title only. (Unanimous) Motion carried.

IX. EXECUTIVE SESSION

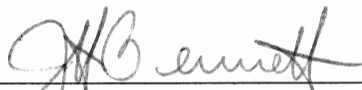
1. *Executive Session Pursuant to ORS 192.660(1)(I) Relating to Review of Municipal Judges.*
2. *Executive Session Pursuant to ORS 192.660(1)(D) Relating to Labor Negotiations.*

An executive session was held concerning the above matters during the Council's work session.

X. ADJOURNMENT

MOTION: Currier/Pugsley to adjourn at 11:20 p.m. Motion carried.

ADOPTED by the Newberg City Council this 2nd day of November 2003.



James H. Bennett, City Recorder

ATTEST by the Mayor this 20 day of November 2003.



Bob Stewart, Mayor