

**City of Phoenix
City Council Meeting
Public Works Office
1000 S. 'B' Street
Tuesday, January 22, 2013**

CALL TO ORDER

Mayor Jeff Bellah called the regular meeting of the City Council to order on Tuesday, January 22, 2013 at 6:30 p.m. in the Public Works Office.

ROLL CALL

PRESENT: Stan Bartell, Bruce Sophie, Karen Jones, Carolyn Bartell, Terry Helfrich, William Moore, Jeff Bellah

Staff Present: Eli Naffah, City Manager/Recorder
Janette Boothe, Deputy City Recorder
Derek Bowker, Chief of Police
Steve Weber, Finance Director
Kurt Knudsen, City Attorney

PLEDGE OF ALLEGIANCE

CONSENT CALENDAR:

- 1) Approval of the Minutes of the December 5, 2012 Special City Council Executive Session
- 2) Approval of the Minutes of the December 11, 2012 Special City Council Meeting/Executive Session
- 3) Approval of the Minutes of the December 18, 2012 City Council Study Session
- 4) Approval of the Minutes of the January 7, 2013 Regular City Council Meeting/Executive Session.
- 5) Approval of the Minutes of the January 15, 2013 Special City Council Meeting/Executive Session
- 6) Appointment of a Board Member to Phoenix Urban Renewal Agency. Councilor Jones noted a minor correction on the January 15, 2013 minutes. Mayor Bellah noted a correction on the January 7, 2013 in the Attorney's report. **MOVED BY SOPHIE, SECONDED BY MOORE, TO APPROVE THE CONSENT CALENDAR AS MODIFIED.** There was no further discussion.

ROLL CALL VOTE AS FOLLOWS:

**Ayes: Sophie, C. Bartell, Moore, Jones, Helfrich, and S. Bartell
MOTION APPROVED WITH SIX AYES**

STAFF REPORTS:

1) City Attorney's Report:

- a) Attorney Knudsen had nothing to report.

2) City Manager's Report:

- a) Mr. Naffah announced the police department has approved the tentative agreement with the latest union contract negotiations.
- b) He read aloud the sympathy card from the City of Shady Cove regarding the passing of Mayor Carlos DeBritto. He added that a Memorial will be held Saturday, January 26, 2013 at 1:00 p.m. Additionally, donations can be made in his honor to the Community Kitchen.
- c) He noted the state minimum wage has increased as of January 1, 2013 to \$8.95/hr.
- d) He announced the goal setting session will be held on Wednesday, January 30, 2013, as RVCOG will be holding a session on Tuesday evening. He polled the council to confirm who will be attendance for the RVCOG meeting, so he may R.S.V.P. Further discussion followed.
- e) He reported the City Engineer was not in attendance due to an illness; however, there is nothing to report on his behalf at this time. Additionally, Mr. Naffah noted the Planning Director was absent and had nothing to report.

3) Finance Director's Report:

- a) Mr. Weber discussed the savings analysis through Seattle Northwest Bonds for refinancing the City's outstanding debt. The net present value savings is projected to be approximately \$245,000, based on refinancing the two water bonds and the City Hall USDA loan. Further discussion followed, as council's consensus was to hold a study session regarding refinancing the bonds on February 6, 2013 at 6:30 p.m.
- b) He announced the budget study session would be held February 5, 2013 at 6:30 p.m.
- c) He updated council on the appeal to the Teamster's audit of the City's health insurance going back to 2005.
- d) He distributed an Infrastructure Finance Authority finance program handout and gave a brief update on the workshop he attended on financing options for new projects. Further discussion followed.

Mayor Bellah commented on the monthly financial report and inquired whether Mr. Weber noted anything is happening that will change the City's budget projections at this point. Mr. Weber replied that there was not. Further discussion followed, as Councilor S. Bartell requested additional information for the monthly financial report, regarding more detailed information by department. Mr. Weber expressed he would prepare this information and distribute it to council via email. Councilor Sophie requested Mr. Weber address anything straying from the budgeted numbers in the summary of his monthly financial reports in the future. Further discussion followed. **MOVED BY S. BARTELL, SECONDED BY JONES, TO ACCEPT THE NOVEMBER 2012 FINANCIAL REPORT.** There was no further discussion.

ROLL CALL VOTE AS FOLLOWS:

Ayes: C. Bartell, Moore, Jones, Helfrich, S. Bartell, and Sophie

MOTION APPROVED WITH SIX AYES

CITIZEN'S COMMENTS:

- 1) Dottie Steinhoefel, owner of Brookside Townhouse apartments, came forward to explain her situation with her water bills, as her buildings have recently been annexed into the City's utility system. She expressed that her water bills were going to increase considerably, due to the calculation performed by the City for water billing. She reported that she was charged according to usage prior to being annexed into the City; however, the City charges on a base rate for each unit and she argued that her tenants could not use as much water as a family living in a house. She further argued that the City needs to change the billing system for the water rates. As discussion progressed, Mayor Bellah noted that the council is currently working with an outside agency to determine a fair water rate for the different types of consumers in the City. Additionally, he encouraged Mrs. Steinhoefel to attend the upcoming water rate study sessions regarding this matter.
- 2) Jack Steinhoefel, owner of Brookside Townhouse apartments, expressed he would like to highlight his wife's concerns regarding the charges for the water for the apartments. He added that the fees based on the number of units offer no further benefit to the customer. He further argued there is not a meter per unit, so the customer should not be charged per unit, as it is not the same amount of work as it is for individual homes, where the meters have to be read individually. He further explained that this huge increase is too large to pass on to the renters, adding that he will continued to be billed for every unit, even though many times some of the units are vacant.
- 3) Diana Nelson, Phoenix, noted that the council has conducted the most thorough, technical, and intensive performance evaluation of any position ever performed by the City and pointed out that Mr. Naffah received all the suggestions and corrections with a teachable spirit. Additionally, she is concerned with public perception if the council did not hire Mr. Naffah as City Manager, given the City's track record with managers. She further added that should council decide to hire a permanent position with someone who lives locally, the interview process should be open to the public for their input into what is expected from the City Manager.
- 4) Louis Junghans, Phoenix, expressed his concerns regarding the cedar trees at Colver Park. He noted that the branches of the trees are growing down and causing a safety hazard.

Commissioner Don Skundrick offered his condolences on behalf of the County for the loss of Mayor Carlos DeBritto.

NEW BUSINESS:

- 1) Water Commission Charter. Mayor Bellah expressed he gathered information to initiate the water commission. Further discussion followed, as council's consensus was to accept the establishment of the Phoenix Water Commission as written by Mayor Bellah. Mayor Bellah requested Mr. Naffah distribute the information provided to the Water Commission members and ask them to schedule their first meeting. He also noted a minutes keeper would need to be established and requested a recording device be made available if staff could not attend the meetings for minute taking.

- 2) Ratification of Police Department Collective Bargaining Agreement. Mayor Bellah requested Attorney Knudsen highlight the proposed changes to the union contract as revised. Attorney Knudsen briefly noted the changes and gave an explanation for each. As discussion progressed, Mayor Bellah noted that both sides had made compromises. Further discussion followed. **MOVED BY SOPHIE, SECONDED BY C. BARTELL, TO RATIFY THE PROPOSED TAs TO BECOME PART OF A NEW COLLECTIVE BARGAINING AGREEMENT WITH TEAMSTERS LOCAL 223 FOR POLICE UNIT.** Councilor S. Bartell inquired whether all of the furlough days would be in effect beginning this month and Mayor Bellah confirmed that there is a separate agreement that states that both units would commence furlough days beginning this month. Further discussion followed, as Mayor Bellah suggested that these cuts will go a long way towards not having to implement these types of cuts in the future.

ROLL CALL VOTE AS FOLLOWS:

Ayes: Moore, Jones, Helfrich, S. Bartell, Sophie, and C. Bartell

MOTION APPROVED WITH SIX AYES

Mayor Bellah called for a five minute recess at 7:49 p.m.

- 3) City Manager Contract. Mayor Bellah asked for discussion on requirements for the City Manager for Phoenix. He commented that Mr. Naffah is only available three days a week; however, he expressed that he did not want to discuss Mr. Naffah specifically, as the Council has already performed a recent evaluation. Mayor Bellah further noted that his desire was to have a City Manager concerned with the appearance of the City, specifically the beautification, along with development of the City. Additionally, he presented the Council with the question of whether it is acceptable to have a permanent City Manager that primarily resides in California. Mayor Bellah additionally noted that a fulltime manager would cost the City more. He also offered up the idea of whether the council was interested in developing someone to be a City Manager. He presented a couple scenarios to consider when deciding how to proceed further regarding the Interim City Manager contract expiring January 31, 2013. He offered his opinion as that of concern for having a City Manager that is fulltime and a part of the community. He further added that he does not have an opinion regarding whether to fill the position with someone the City is developing into a manager or hiring an experienced City Manager.

Councilor Helfrich stated that he felt the City should stay with the interim city manager for the time being, until the City has a better grasp on the budget for the upcoming year and what is affordable.

Councilor C. Bartell commented that the City has remained stationery for a longer period time than necessary and that a part time employee can only work part time and the City requires someone in the position full time. She further noted that the City needs someone with fresh ideas, who is proactive in the community and has knowledge of staff concerns.

Councilor Jones commented that the City requires a full time manager. Additionally she noted that business communication needs improvement and the manager needs to be closely tied to Urban Renewal.

Councilor S. Bartell agreed with the earlier comments and further expressed he wants the person in the City Manager position to inform council whether they are on the right track. He added this individual should be excellent with public relations and go out into the community to businesses. He noted that regarding economic development, the most prevalent issue is called “branding,” and the City needs to create an improved brand. He further added that the City Manager is the one who sets the tone for the City and stated that management style and administration are the two important factors in a manager.

Councilor Moore stated that he agreed with half of the comments made by council. He added that Council needs to accept some responsibility for the turnover rate for the City Manager position. He further added that the public’s perception is that council is to blame for having so many different managers in the past. Additionally, he stated his desire was for the position to be filled by a full time city manager that lives in the community. Adding that he felt economic development expertise would need to be a primary skill for the City Manager position.

Councilor Sophie commented that council is responsible for procedures and guidelines. He added that there are complicated economic development issues in the City that require an experienced individual. He expressed that mentoring another person would be difficult and the manager needs to be available at all times who is proactive rather than reactive. His overall opinion was to hire someone who can be in the position full time.

Mayor Bellah commented that the City Manager should be familiar with all of the jobs at the City.

Commissioner Skundrick offered his suggestions and stated that when they hired Danny Jordan, he did not have any prior experience as a city manager or a county manager, as he was a director for community corrections at the time of the interview and he has been an excellent hire. He further suggested that the council be searching for a smart and driven leader who has gumption to stand up to council if they’re going down the wrong path. He further suggested looking into department heads in the valley.

EXTENSION OF MEETING:

MOVED BY SOPHIE, SECONDED BY JONES, TO EXTEND THE MEETING UNTIL 9:30 P.M. There was no further discussion.

ROLL CALL VOTE AS FOLLOWS:

Ayes: Moore, Jones, Helfrich, S. Bartell, Sophie, and C. Bartell

MOTION APPROVED WITH SIX AYES

Further discussion followed, as Mr. Naffah expressed his thoughts regarding continuing his contract with the City. He noted that as of June 30, 2013, he will be available four days a week

and he feels four days is enough, adding that he can leave the finance director or chief of police in charge when he is not available. Additionally, he emphasized his background in economic development and suggested the City consider training Mr. Weber or Chief Bowker to eventually fill the position. He added that he feels he can do a lot for the City beginning in July 2013 and suggested the City utilize his experience and extend his contract for the time council deems appropriate. Further discussion followed.

As discussion progressed, council deliberated on whether to extend the contract for three or six months. Mayor Bellah suggested council have a three month contract, so as to take action on recruiting a fulltime City Manager on a timely basis. Council's consensus was to take immediate action regarding recruitment, but to have a contract in place that leaves enough room for the position to be filled. Further discussion followed. **MOVED BY SOPHIE, SECONDED BY S. BARTELL, TO AUTHORIZE EXECUTION OF THE SECOND ADDENDUM TO THE EMPLOYMENT AGREEMENT FOR INTERIM CITY MANAGER, WITH A CONTRACT TERM ENDING ON JULY 31, 2013.** Further discussion followed.

EXTENSION OF MEETING:

MOVED BY JONES, SECONDED BY C. BARTELL, TO EXTEND THE MEETING UNTIL 10:00 P.M. There was no further discussion.

ROLL CALL VOTE AS FOLLOWS:

Ayes: Jones, Helfrich, S. Bartell, Sophie, C. Bartell, and Moore

MOTION APPROVED WITH SIX AYES

There was no further discussion regarding the motion to extend the interim city manager contract.

ROLL CALL VOTE AS FOLLOWS:

Ayes: Helfrich, S. Bartell, Sophie, C. Bartell, Moore, and Jones

MOTION APPROVED WITH SIX AYES

Discussion followed, as council deliberated on whether any further action need to be taken regarding the approval of the right to hire and fire given to the interim city manager until the contract expires. Council determined that when the contract ending January 31, 2013 expires, so would the right to hire and fire.

The meeting adjourned at 9:35 p.m.

Respectfully submitted,

Attest:

Janette Boothe
Deputy City Recorder

Eli Naffah
City Manager/Recorder