

**City of Phoenix**  
**City Council Meeting/Executive Session**  
**Public Works Office**  
**1000 S. 'B' Street**  
**Monday, February 4, 2013**

**CALL TO ORDER**

Mayor Jeff Bellah called the Executive Session of the City Council to order on Monday, February 4, 2013 at 6:15 p.m. in the Public Works Office.

**ROLL CALL**

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

**ABSENT:** William Moore

**Staff Present:** Eli Naffah, City Manager/Recorder  
Kurt Knudsen, City Attorney

Called under ORS 192.660 (2)(i) to review and evaluate the employment-related performance of the chief executive officer of any public body, a public officer, employee or staff member who does not request an open hearing.

Discussion followed and no decisions were made. Executive Session recessed at 6:40 p.m.

**CALL TO ORDER**

Mayor Jeff Bellah called the regular meeting of the City Council to order on Monday, February 4, 2013 at 6:45 p.m. in the Public Works Office.

**ROLL CALL**

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

**ABSENT:** William Moore

**Staff Present:** Eli Naffah, City Manager/Recorder  
Janette Boothe, Deputy City Recorder  
Derek Bowker, Chief of Police  
Steve Weber, Finance Director  
Dale Schulze, Planning Director  
Jeff Ballard, City Engineer  
Kurt Knudsen, City Attorney

## **PLEDGE OF ALLEGIANCE**

### **PRESENTATIONS:**

Urban Renewal Quarterly Update by Marla Cates. Marla Cates, Phoenix Urban Renewal Executive Director, began her presentation by briefly describing Urban Renewal's background and explained the Board of Directors meets every second Monday of each month. Ms. Cates distributed a handout of the IGA and expressed the agreement provides a detailed description of the relationship between the City and urban renewal. She discussed upcoming projects and took questions from council. Additionally, Ms. Cates noted the Fern Valley Interchange Project is causing Urban Renewal to lose some land. To make up for the loss, she is reviewing land just outside of the Urban Renewal boundary. Ms. Cates plans to hold a study session with City Council once she has gathered information regarding where Urban Renewal would like to expand its boundary. Further discussion followed regarding Urban Renewal's plans.

### **CONSENT CALENDAR:**

- 1) Approval of the Minutes of the January 22, 2013 Regular City Council Meeting.
- 2) Reappointment of Dorothy Cotton and Peg Stewart to Budget Committee. Mayor Bellah requested the reappointment be removed from the consent calendar. **MOVED BY JONES, SECONDED BY C. BARTELL, TO APPROVE THE MINUTES OF JANUARY 22, 2013.** There was no further discussion.

### **ROLL CALL VOTE AS FOLLOWS:**

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

**MOTION APPROVED WITH FIVE AYES**

Mayor Bellah requested Dorothy Cotton to come forward. Council's consensus was to appointment her for a three year term. Further discussion followed regarding Peg Stewart's appointment, as she conveyed to Mr. Naffah she would only be available for one year. As council discussed whether to reappoint Ms. Stewart, Mayor Bellah suggested he be afforded the opportunity to communicate with the remaining budget committee members to ensure there is only one available position and revisit the option of reappointment at the upcoming council meeting. Further discussion followed, regarding other open positions.

### **STAFF REPORTS:**

- 1) City Attorney's Report:
  - a) Attorney Knudsen reported there is no change in status in either of the current litigation cases.
- 2) City Engineer's Report:
  - a) Mr. Ballard reported a speed study has been requested for Highway 99 that he predicts will be completed within the next couple of months. Further discussion followed.
  - b) He reported public work's staff will be short until at least March, as one staff member is out due to knee surgery.
  - c) He expressed he is finalizing the information for the capital improvement plan.
  - d) He announced there will be a water conservation meeting the following week. He added that much of the City will undergo a leak detection process as part of the grant. Additionally, the

process requires valve cleanup, which involves approximately 1,000 valves that need to be cleaned within a two month time frame. Further discussion followed regarding staffing for cleaning the valves throughout the City.

3) Finance Director's Report:

a) Mr. Weber reported Oregon Teamsters Employer's Trust denied the City's appeal for the missing contribution for the interim managers in 2007 and 2008. The amount including interest is over \$12,000. Further discussion followed, as council discussed how to proceed.

b) He updated council on the America's Best Inn's payment plan, as the January's payment in arrearages has not been collected as of yet. Further discussion followed.

c) He requested council's suggestion as to whether to reschedule the following night's study session, as he was unable to prepare the materials for budget review due to a family emergency. Council's consensus was to reschedule the meeting for February 13, 2013 at 6:30 p.m.

Councilor S. Bartell expressed his concern for Duane Dungannon and asked if the situation had been resolved. Mr. Weber replied that the last communication between the City and Mr. Dungannon was Mr. Naffah's conversation with Mr. Dungannon offering a 20% reduction in the outstanding water account balance. Councilor S. Bartell expressed that the City had let a water customer run up a water bill without shutting off the water, and when the customer moved, the owner was held responsible for the tenant's water bill that was not paid by the tenant. Further discussion followed, as council debated possible changes to the ordinance. Mr. Naffah suggested revisiting the ordinance, as the homeowner is not planning to sell the property at this time, which would create a lien on his property according to the current ordinance. He further explained that if council chooses to modify the ordinance the issue may be resolved for Mr. Dungannon.

4) Police Department's/Public Safety Report:

a) Chief Bowker reported Officer J. Bailey will be out for medical reasons for up to six weeks.

b) He announced there is a fundraiser for Shriners at the Medford Armory, February 15, 2013. Additionally, there is a Down syndrome fundraiser called Cops and Rodders Hot Rod Show coming soon, he will update further when he has more details.

5) Planner's Report:

a) Mr. Schulze gave an update on the progress made thus far regarding creating a sign in honor of Carlos DeBritto for the Band Shell at Blue Heron Park. Further discussion followed, as Mr. Schulze requested council's direction regarding the sign specifications.

b) He reported he went to the Fern Valley Interchange project's website. He confirmed Councilor Jones' notation that the expected bid opening date is October 31, 2013. He added that the project cost is now estimated at \$69,624,000.

c) He announced that a building permit has been requested for a single family residential project.

6) City Manager's Report:

a) Mr. Naffah announced the upcoming LOC training session will be held on March 1, 2013 and inquired whether anyone would like him to R.S.V.P. for them. Mayor Bellah requested Mr. Naffah forward the email again, so that council may respond if they are able to attend.

b) He announced that the new issue of the Chamber of Commerce newsletter features a story on former Mayor Carlos DeBritto.

**CITIZEN'S COMMENTS:**

- 1) Dottie Steinhoefel, owner of Brookside Townhouse apartments, commented that the water rates in the City of Phoenix are crazy. She further stated customers who consume large amounts of water pay a little water bill, while customers consuming small amounts of water are being charged a large water bill. She also stated the difference in the amount of the water bills, now that the apartment complex has been annexed into the City of Phoenix's water district. She requested Council to look into water rate fairness.

Mayor Bellah reminded Mrs. Steinhoefel that the City is currently performing a water rate study and the water rates will be considered based on the recommendation of the study; however, the water rate study will not be complete until early March.

- 2) Jack Steinhoefel, owner of Brookside Townhouse apartments, questioned the meter charges and questioned whether the City is losing possible revenue due to the high rates for apartment complexes, as he feels that may be a deterrent for future apartment complexes.

Mayor Bellah offered Mr. Steinhoefel the opportunity to email his questions to Mr. Naffah and informed him that Mr. Naffah could then forward his questions onto the company performing the water rate study.

- 3) Steve Schulman, Phoenix, commented that he wanted to leave council with a question as to why vegetables and dead people are more important for water than the elderly and people of low income.
- 4) Mike Stitt, Phoenix, commented he is in agreement with Dottie Steinhoefel regarding fairness of the water rate structure and added that if the City wants to charge the base rate for each apartment, then a meter should be added for each apartment to read each meter individually.
- 5) Chris Luz, Phoenix, spoke regarding the Stedman house, stating that the owners should be allowed to do what they would like with the property.

**NEW BUSINESS:**

- 1) Stedman Historic House Demolition. Mayor Bellah briefly explained the issue being raised by the property owners of the Stedman historic house. Mr. Schulze came forward to express the Planning Commission's findings and recommendation, as outlined in the agenda bill for this item. During Mr. Schulze's presentation he pointed out that the Phoenix Historical Society was in agreement with allowing the demolishment of the house; however, at this time the Phoenix Historical Society would like to recant their prior recommendation due to George Kramer's investigation.

**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: C. Bartell, Jones, Helfrich, S. Bartell, and Sophie**

**MOTION APPROVED WITH FIVE AYES**

George Kramer, Historic Preservation Consultant of Kramer & Company, came forward to express his concerns, as he completed his own investigation regarding whether to demolish the Stedman house. He further expressed that he contacted Jay Treiger who performed the investigation for the City and discovered there had been an unfortunate miscommunication regarding Mr. Treiger's findings. He further explained that the basis for the Phoenix Historical Society's conclusion was Mr. Treiger's memo, which was misunderstood to mean that the building has serious structural problems that could not be addressed feasibly; however, the problems with the house could be economically addressed and Mr. Kramer encouraged council to delay the decision until the owners of the property could be properly advised of the possibilities for historic preservation of the house. Further discussion followed, as the possibility of Urban Renewal involvement with the property was discussed. **MOVED BY SOPHIE, SECONDED BY JONES, TO TABLE THIS DECISION FOR NINETY DAYS.** There was no further discussion.

**ROLL CALL VOTE AS FOLLOWS:**

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

**MOTION APPROVED WITH FIVE AYES**

- 2) Request to Hold a Bike Race. Mayor Bellah announced that the City received a letter of request to hold the annual bike race that has taken place for the past 12 years. Council's consensus was to grant permission to hold the bike race and to have access to the restrooms at Colver Park.
- 3) Finalize Goals for Water Rate Study. Mr. Naffah explained he spoke to RosAnna Noval and she had requested an itemized list of the top goals for the water rate development. Further discussion followed, as council reviewed the example of goals provided by Ms. Noval.

**EXTENSION OF MEETING:**

**MOVED BY JONES, SECONDED BY SOPHIE, 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, and C. Bartell**

**MOTION APPROVED WITH FIVE AYES**

As further discussion followed, Council's consensus was to identify three key goals, as follows: Planning, Stability, and Simplicity. Additionally, the key concepts would be adequacy, equity, maintainability, resource efficiency, and minimize impacts. Discussion

followed regarding meter sizes and whether to charge different rates according to meter size. Further discussion followed.

- 4) Review Updated Issue Tracking Log. Mr. Naffah evaluated the updated action log line by line. Council suggested changes to the items on the list, as each of the items were addressed. As discussion progressed, Councilor S. Bartell requested the action log be posted for updating purposes before the meetings in the future, so that updating could take place via email before the review at the council meetings to prevent the lengthy discussion of the action log. Further discussion followed.

Mayor Bellah announced the action log review would need to be resumed at the following meeting, due to time constraints.

Councilor C. Bartell requested clarification regarding the street user fees letter that was sent out. She inquired when the new rate would be implemented. Mr. Weber replied that the month of February was given for customers to have adequate time to contact the City if there were corrections that need to be made to the City's information. The month of March would allow staff to implement the changes into the software system, and the new rate is going to appear on the utility bill that is sent out at the end of March.

Mr. Naffah noted that Jan DeBritto had contacted him regarding production of the Phoenix Times and conveyed she would like to send out a final newsletter; however, she requested any additions to the newsletter be provided in print.

Mayor Bellah reported the executive session was regarding an evaluation of employee Mike Webber. He added that Mr. Webber was given a ninety day layoff notice; however, the City came to an amicable agreement that benefited both parties, and as a result, Mike Webber's employment for the City ended January 31, 2013. Councilor Sophie added that the settlement saves the City approximately \$2,000. Attorney Knudsen added that the settlement results in relinquishing the right for recall to the layoff position.

The meeting adjourned at 10:00 p.m.

Respectfully submitted,

Attest:

Janette Boothe  
Deputy City Recorder

Eli Naffah  
City Manager/Recorder