

**City of Phoenix
City Council Meeting
Public Works Office
1000 S. "B" Street
Monday, July 1, 2013**

CALL TO ORDER

Mayor Jeff Bellah called the regular meeting of the City Council to order on Monday, July 1, 2013 at 6:30 p.m. in the Public Works Office.

ROLL CALL

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

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

MAYOR'S COMMENTS:

Mayor Bellah asked for a moment of silence for the 20 firefighters killed in Arizona.

Mayor Bellah reported there were two Executive Sessions held the prior week. He further reported one of the sessions was held regarding the initial stance on the collective bargaining team. He further noted Council will need to meet in Executive Session at least once more, before meeting with the Teamsters Union representative, to discuss the financial parameters for negotiations with both bargaining units. He added that the bargaining team will try to schedule a meeting prior to the end of the month.

He announced there is the 88th annual conference held by League of Oregon Cities July 26th - 28th for any council member who would like to attend.

He reported there is an Oregon Mayor's conference held the third week of this month in Corvallis; however, he is not sure he will be able to attend.

He announced a Welcoming and Going Away Party for the City Managers scheduled for July 30, 2013. The public, committee members, and staff are invited to attend this event to be held at Si Casa Flores from 5-7 p.m.

He reminded everyone of the band shell dedication and community dinner to be held July 25, 2013 at Blue Heron Park. The dinner is scheduled from 5-7 p.m. and the dedication ceremony will immediately follow.

CONSENT CALENDAR:

1) Approval of the Minutes of the June 4, 2013 Regular City Council Meeting. **MOVED BY LUZ, SECONDED BY HELFRICH, TO APPROVE THE CONSENT CALENDAR.** There was no further discussion.

ROLL CALL VOTE AS FOLLOWS:

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

UNFINISHED BUSINESS:

Transient Occupancy Tax Scenarios. Mayor Bellah moved this item up and asked for public comment, immediately following Mayor Bellah's description of proposed changes to the transient occupancy tax ordinance detailed in his agenda report.

PUBLIC COMMENT:

Kim Parducci, Holiday RV Park. Ms. Parducci expressed she was speaking on behalf of the owner of the Holiday RV Park. She spoke in opposition to taxing RV parks with a transient tax, as they felt this would be detrimental to the business. She further noted that some of the statistics given in the agenda report were inaccurate; stating revenue proposed for this tax was potentially much lower than \$40,000 to \$60,000, as she estimates the prospective revenue to be approximately \$10,000. Ms. Parducci additionally expressed the potential impact to the park with the construction of the Fern Valley Interchange. Further discussion followed, as she expressed much of the occupancy is longer than 28 days and transients are estimated at 10-15 sites a night that are short-term occupants.

Councilor Helfrich asked for accurate percentages regarding the occupancy types. Councilor Luz offered information from the prior quarterly report. Joyce Parducci, the owner of the RV park, gave more accurate information for the prior year and described the operational expenses for the RV park. She further estimated an average occupancy level of approximately 70% annually.

Mayor Bellah expressed the City is looking at revenue sources for charging transients for resources that residents pay for, adding that the City may look into charging individual base amounts for water to the longer term occupants of RV parks, much like the mobile home parks are charged. He added that another option would be to charge a flat fee for occupants at RV parks that are staying longer than 28 days. Further discussion followed, as Councilor Luz noted that he disagrees with the idea that the transient tax would be a large impact to the RV park, rather, the large impact would come from charging the long-term occupants, as the large portion

of occupants are long-term. Councilor C. Bartell noted the wording in the transient tax expansion uses “conjecture” regarding the impact of the construction on the businesses, and she feels the large impact that will be felt by the businesses in Phoenix is not conjecture. She further expressed she would like to see this tax implemented after the construction is complete. Councilor Helfrich noted that the time is now, as the City is need of revenue. Councilor Jones agrees with exhausting all other revenue sources for the City before charging a surcharge for the citizens or raising water rates. Mayor Bellah mentioned the City has very limited ways to raise revenue as he explained the City is not trying to charge the business; rather, the City is simply attempting to collect revenue from transients to assist in paying for the resources they use when in the City of Phoenix. Mayor Bellah called for a vote on whether to draft a revised ordinance on transient tax to include RV parks. **MOVED BY JONES, SECONDED BY S. BARTELL, TO ADOPT OPTION 1, TO INCLUDE RV PARKS FOR SHORT TERM STAYS IN THE CURRENT ORDINANCE FOR TRANSIENT TAX COLLECTIONS. IF APPROVED, STAFF IS DIRECTED TO PRESENT A REVISED TRANSIENT TAX ORDINANCE FOR FIRST READING AT THE CITY COUNCIL MEETING ON JULY 15, 2013.** Councilor Sophie commented the City can reduce the taxes or other charges to the businesses, if Council is aware of the negative impact to the businesses during construction.

ROLL CALL VOTE AS FOLLOWS:

Ayes: Sophie, Jones, Chris Luz, and Helfrich

Nays: C. Bartell and S. Bartell

MOTION APPROVED WITH FOUR AYES

Council requested Attorney Knudsen to draft a revised ordinance as soon as possible for review before the agenda packets are prepared for the next meeting.

STAFF REPORTS:

1) City Attorney’s Report:

- a) Attorney Knudsen gave a brief update on the RVS decision and La-Z-Boy. Attorney Knudsen reported that La-Z-Boy has agreed to mediation. Further discussion followed, as Councilor Jones inquired whether Attorney Knudsen had prepared an itemized list of fees charged to the City to support the idea that the City has been making an effort to recover the funds charged to La-Z-Boy. He answered he had not and that he would prepare this list.

2) City Engineer’s Report:

- a) Mr. Ballard reported he had a meeting with the Rotary Club regarding the Blue Heron Park. He further expressed the Rotary Club is interested in assisting the City to complete the project at Blue Heron Park. He reported he recommended the Club contact the Parks Commission to present their ideas for the funds available to ensure that it is consistent with the Parks Commission’s revised master plan for Blue Heron Park. Further discussion followed.
- b) He reported a water leak at 4th and Main Street that was repaired in the prior week, adding this site will most likely require additional work, as the pipes are poor condition.
- c) He commented RH2 is still in the process of attempting to get the Talent meter tested. He added Medford Water Commission is going to contact the manufacturer of their water

meter to alleviate the issue of the 13.5% inaccurate reading of water consumption charged to the City of Phoenix. Further discussion followed.

- d) He announced the advertisement for the Public Works Superintendent position will be in the Mail Tribune the following day.
- e) Mr. Ballard noted the preliminary start date for Tyler Crawford's project is July 18th. As discussion followed, Mr. Naffah suggested Mr. Ballard inquire about the additional funds required to complete the project. Further discussion followed, as Councilor Jones inquired about the preparations for the dedication ceremony to be held July 25th.

3) Finance Director's Report:

- a) Mr. Weber reported he has been in contact with Rural Development to establish a payoff amount for the loan. He added that once the amount has been verified, the City will pay off the balance of the loan in full.
- b) He distributed a check register report for council review.
- c) He requested council to bring their budget binders to City Hall to be updated with the final approved budget worksheets.
- d) He gave an update on the motel that is behind in paying the tax payments. Further discussion followed, as Council requested staff to prepare a letter requesting the motel to pay on a monthly basis, rather than quarterly.
- e) Councilor Jones requested an update on Dun Rovn RV Park and inquired how far their account is behind. Mr. Weber reported that their water account is approximately a year behind in payment. Mr. Naffah added that he and Attorney Knudsen are preparing a lien against the business for the amount in arrears.
- f) Councilor S. Bartell inquired about the estimated loss of revenue, should the City allow Urban Renewal to expand their proposed boundaries. Mr. Weber replied that he would research the figures and report at an upcoming meeting. Mr. Naffah responded that Elaine Howard showed us the figures he is inquiring about and they were based on updated figures from the assessor's office. He further added that if council would like, he can direct staff to research this further; however, that would be additional cost to the City for work that has been prepared already. Councilor S. Bartell commented that if the figures were fairly accurate, then he is comfortable with the information already given by Ms. Howard. Mr. Naffah added that ultimately, the figures will depend on the exact boundary expansion the City and Urban Renewal decides on, as there are a few options proposed. Mayor Bellah added that he understood from the meeting in the prior week that the City is not moving forward with the proposed expansion any time soon. Further discussion followed, as Mayor Bellah requested the item of discussion of the City Center Plan be on the next agenda for the City Council meeting.

4) Planner's Report:

- a) Mr. Schulze reported the assistant planner is has returned to work, primarily working on business license renewals.
- b) He reported a new business is going in the building that was previously the Mediterranean Pizza place, as well as where the Old Farmhouse Restaurant previously occupied.
- c) He reported there are still some businesses that are contacting him regarding the impact of the Fern Valley Interchange. He added that one of the major impacts is parking.

- d) Mayor Bellah inquired about The Greenery. Mr. Naffah responded that a letter will go out on Wednesday, as the City has not heard from the business regarding the business license. The letter will address the denial of a business license for lack of response.
- e) He reported that this will be the first quarterly report to the school district for the construction excise tax.
- f) He commented he started to research parking in the surrounding cities to assist in deciding how to move forward with alleviating the parking issue in the City.
- g) He gave an update on the information handout on permits and fees that the planning department is constructing.

5) Police Department's/Public Safety Report:

- a) Mr. Naffah reported the Chief is out on vacation. He further reported that the air conditioning went out at the police department.
- b) He reported he assisted with a code enforcement issue that was resolved earlier in the day.

6) City Manager's Report:

- a) Mr. Naffah announced he had made the submission of a city photo to the LOC for possible input in the upcoming calendar. Further discussion followed.
- b) He reported he will be attending a conference for City Managers the following week and will report back to the new city manager with materials as well. Additionally, he added that he will be attending as a member in transition and there will be no cost to the City for his attendance.

NEW BUSINESS:

- 1) Agreement for New City Manager. Mayor Bellah asked that a copy be distributed to the citizens in the audience. He further noted there are some minor changes to the original contract drafted by the City requested by Steve Dahl. He reviewed the changes and called for the question. **MOVED BY SOPHIE, SECONDED BY C. BARTELL, TO AUTHORIZE THE MAYOR TO SIGN THE CITY OF PHOENIX EMPLOYMENT AGREEMENT WITH STEVE DAHL FOR THE POSITION OF CITY MANAGER.** There was no further discussion.

ROLL CALL VOTE AS FOLLOWS:

Ayes: Sophie, C. Bartell, Jones, S. Bartell, Chris Luz, and Helfrich

MOTION APPROVED WITH SIX AYES

- 2) Collective Bargaining Team. Mayor Bellah noted the prior Executive Session was in part to discuss the City's negotiating team for the collective bargaining union negotiations. **MOVED BY LUZ, SECONDED BY JONES, TO APPROVE THE MAYOR, COUNCIL PRESIDENT, AND CITY MANAGER AS THE MEMBERS OF THE CITY'S NEGOTIATING TEAM.**

ROLL CALL VOTE AS FOLLOWS:

Ayes: Sophie, C. Bartell, Jones, S. Bartell, Chris Luz, and Helfrich

MOTION APPROVED WITH SIX AYES

- 3) Authorization to Hire Mechell Frazier as the Utility Clerk. Mayor Bellah explained that Mechell Frazier has been employed at the City through a temporary agency and the City has requested she be placed in a permanent fulltime position as part of City staff. Seventy-five percent of the salary will be charged to the Water fund and the remaining amount will be charged to the General fund. **MOVED BY SOPHIE, SECONDED BY C. BARTELL, TO AUTHORIZE THE INTERIM CITY MANAGER TO HIRE MECHELL FRAZIER FOR THE POSITION OF THE UTILITY CLERK EFFECTIVE JULY 1, 2013.** Councilor C. Bartell inquired about the step Ms. Frazier was proposed to start on. Mr. Weber replied that she would start on step 1. Councilor C. Bartell inquired about the line item in the budget and the title that is used. Further discussion followed, as Mayor Bellah inquired whether she is able to quickly learn and adapt as needed for added administrative duties and received a favorable response from staff. As discussion progressed, the question regarding the title was addressed, as the utility clerk should not be placed as a line item in the budget in the General fund. Council agreed the title should be administrative clerk. Additional discussion followed regarding the percentages charged for each of the funds.

ROLL CALL VOTE AS FOLLOWS:

Ayes: Sophie, C. Bartell, Jones, S. Bartell, Chris Luz, and Helfrich

MOTION APPROVED WITH SIX AYES

UNFINISHED BUSINESS (continued):

Prioritize and Choose Dates for Future Study Sessions. Mayor Bellah distributed a list of study sessions. Further discussion followed, as Council scheduled discussing Urban Renewal's administrative overhead as a high priority item for the month of August. As discussion progressed, Mayor Bellah commented the water rate recommendation will be coming from the water commission early September. Discussion turned towards application for grants, as council decided to hold a study session on the topic. Further topics were discussed, as Council debated the priority of each.

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: Chris Luz, Helfrich, Sophie, C. Bartell, Jones, and S. Bartell

MOTION APPROVED WITH SIX AYES

NEW BUSINESS (continued):

- 4) Discuss Options for City Logo. Mayor Bellah suggested having a logo that the City can start promoting that will assist in identifying the City. He added that the advantage of having a phoenix as part of the logo, is that it would be similar to other signs within the City currently, such as the library. Further discussion followed, as Council agreed they would like to have a logo that signifies Phoenix; however, not all Council felt that the phoenix bird fulfills this significance. Further discussion followed, as Council's consensus was to put the City's current logo and the other suggestions on the website for citizen's input.

COUNCIL ITEMS, COMMENTS/REPORTS:

- 1) Councilor Jones announced the band shell will be painted on July 13, 2013 at 2:00 p.m., requesting any volunteers.
- 2) Councilor Jones announced the 2nd pick up of donations from Ray's will be held Saturday, June 20, 2013.
- 3) Councilor Sophie gave an update on the 99 Corridor Study.
- 4) Councilor S. Bartell commented on the quality of some of the band shell construction.
- 5) Mayor Bellah commented the Cities Water Coalition discussed formalizing the water coalition.
- 6) Mayor Bellah expressed his gratitude for the Council to work through a contentious issue earlier in the meeting without getting overly upset.

The meeting adjourned at 9:26 p.m.

Respectfully submitted,

Attest:

Janette Boothe
Deputy City Recorder

Eli Naffah
City Manager/Recorder