



## **Fellow Citizens of Phoenix,**

I have been your Mayor for just over 10 months now. This has been a rewarding experience in that it has allowed me the opportunity to discover what “makes our city tick”. I spend lots of time talking to citizens and our employees at City Hall. I interact frequently with the City Council which is comprised of Councilors Bruce Sophie, Stan Bartell, Karen Jones, Terry Helfrich, Chris Luz, and Carolyn Bartell. I rely on regular communications with our Parks, Water and Planning Commissions and participate actively with Urban Renewal, the Medford Water Commission, League of Oregon Cities, Rogue Valley Council of Governments, Mayors from other cities, and those from state agencies and private business. I believe I have come to a pretty rich understanding of our strengths and weaknesses and how we can best improve for the future. I want to recap for you, the citizens of this fair city, some of the accomplishments I believe we have made in the recent past. When you consider these achievements along with the opportunities we have in coming years, I think you will agree the future for Phoenix looks bright.

### **RECENT ACCOMPLISHMENTS:**

#### **1. City Budget Turn-a-round:**

When I joined the City Council in 2011, the city was facing dire budget projections. The tax revenues were down considerably due to the decline of city property values in the recession; the city was spending the remainder of a \$350,000 loan that should have been paid off in the past. The carry-over funds that sustains the city budget from July to November each year were rapidly dwindling as were contingency funds to meet unplanned emergencies. The City Council had even started talking about the need for additional resources from surcharges or fees.

I am pleased today to be able to tell you that because of the actions of the Council, the city Budget Committee, our employees and managers; the city is in a much better financial position. Through reductions in spending on equipment and supplies; utilizing leases rather than purchases; and, by the department heads and employee union’s willingness to help through short term unpaid furloughs of up to 1 day per month for a year, we were able to significantly alter our financial outlook. We were able to pay off the \$350,000 loan in just over 2 years, build up our contingency funds, increase carry over amounts, and once again become a city that is operating within balanced budgets. Tax receipts will start increasing again this year as our home and business values increase, and we are working hard to identify other revenue streams for the future such as with the recently implemented transient tax on RV Parks. This doesn’t mean we won’t struggle in the future but we are now stable and one of the only cities I have found that does not currently have to ask the citizens to support our services through increased safety levees, utility fees and/or public surcharges. Believe me, this is a significant accomplishment with the property tax limitations placed on cities by Measures 5 and 50.

#### **2. Successful Recruitment and Hiring of Key Staff:**

In the past 10 years, Phoenix has had several City Managers with the most recent being an Interim City Manager who lived in California while working for us part-time. I am happy to report we now have a City Manager who we are confident will take us into the future in terms of revitalizing our business environment. This will happen by taking advantage of the growth opportunities that will be available due to the high volume I-5 Interchange that will begin construction in early 2014, the Urban Renewal effort to eliminate blight on our Main Street, and potential boundary expansions to the north and east of the city as approved in the Regional Plan approved by the state this year.

In addition to the City Manager position, we also have recruited a Public Works Superintendent recently. This position will allow us to focus on the development and marketing of capital improvement and street/water system needs for possible funding through grants and other state and federal resources. In

addition to our outstanding Police Chief and Financial Manager, we have significantly strengthened our management team. Our Planner retired last week and we look forward to recruiting a new Planner to help expand our Urban Growth Boundaries in the coming years. This growth will continue to enhance the property tax revenues for the city and allow for an even more solid financial situation in the future.

3. **Utilizing Previous Housing Grants A Second Time:** As I announced in the last newsletter the City was the first in the Rogue Valley to implement a plan to turn over dollars returned from past housing loans to our local food banks rather than returning to the state. This allowed us to directly provide \$69,000 in food we purchased to the local food banks for use by the citizens of Phoenix most in need of assistance. Additionally, the City signed an Agreement with the Rogue Valley Housing Authority to help ensure that our citizens will be able to apply for further home assistance as funds after home sales are returned in the future from the old grant.
  
4. **City Park Enhancements:** I am amazed with the quality of our 3 city parks by the library (Otto Caster Park), on the SW part of town (Colver Road Park) and by the Bear Creek Greenway (Blue Heron Park). With only a small budget, volunteer help and grants from the Ford Foundation and Rotary, our outstanding public works employees have kept these parks as nice as any you will find with state of the art playgrounds for the kids. During the past year through the efforts of many volunteers, money from the city and a grant from the Ford Foundation we were able to finish the Carlos DeBritto Band Shell at Blue Heron Park. The land around this structure is fully covered by sprinklers. **Tyler Crawford**, a local Eagle Scout from Phoenix High School played a vital role in raising funds, securing top soil/grass seed and planting grass at the site. By spring, we will have an outstanding concert venue used by a multitude of organizations and performance groups. I would encourage you to go take a look at the parks and Band Shell. We can't complete this type of project without lots of personal and business donations of time and money.



Through this brief summary, I hope you can join me in appreciating what we have accomplished as a city in a short time. You can be a positive influence in your neighborhood and city to help us move forward at an even faster pace!

### **I-5 INTERCHANGE PROGRESS**



This project continues to progress as I am sure you have observed with the demolition across from Rays Food Center and the street work on Bolz Road and Fern Valley Road. Believe me, this is only the start of what will be a long project that will hopefully be finished by early 2016. While there will be inconveniences with completing such a large and complex project, I am confident that the Oregon Department of Transportation and the City of Phoenix will work closely together to minimize hardships to those of us who live here. I believe the rewards will be significant when this project is finished as it will give Phoenix a high capacity interchange that will be a strong attraction for both

residential and business growth in the future. I am attaching a link to a video ODOT has produced that will demonstrate how this interchange will operate when completed. Just click on the following link:

<http://www.youtube.com/watch?v=b01H54zLV0s>

**BARGAINING UNIT NEGOTIATIONS:** I am pleased to report that we have completed labor negotiations with both the General Unit and the Police Unit. As I mentioned, the employees in these units were crucial to us

being able to get Phoenix back on a stable financial path for the future. Now, we have agreements for a 3 year contract with both units that will provide cost of living adjustments while helping the city contain healthcare benefit costs for the future. Our employees are a valuable resource so it is important we provide fair and equitable contracts while protecting the long term interests and financial viability of the city.

### **URBAN RENEWAL**

The Phoenix Urban Renewal (UR) Plan was adopted in 2005 with a primary mission of eliminating blight in a specific district that includes most of Main Street in downtown Phoenix. As part of that mission they were assigned the following goals: Encourage private development; improve parks; improve transportation; improve utilities; implement the City Center Plan; develop a city center park; rehabilitate existing buildings in the UR district; establish a gateway to the city; implement a streetscape plan; and, assist in developing public facilities including City Hall. The primary focus of the agency at this time is to complete what was defined in 2002 as the City Center Plan. This calls for the complete revamping of the area between 4<sup>th</sup> Street and Oak and between Main Street and northbound Hwy 99 which is also called Bear Creek Drive. Progress is underway with this plan and can be seen in detail at the following link: [http://phoenixura.com/City\\_Center\\_Plan.html](http://phoenixura.com/City_Center_Plan.html)

In 2010 the City Council approved establishing UR as a separate agency to be comprised of at least 3 board members. An Executive Director was contracted and a board appointed by the Council that includes 2 councilors and 5 citizen/business members. While maintaining separate finances and being largely independent, the UR Agency needs City Council approval to appoint board members, purchase some properties, expand or change the land included in its district, issue bonds or otherwise amend the original plan. This makes it imperative that the Council and Urban Renewal Board maintain close communications and share the same vision for the work to be done.

A newspaper article stated that the agency and council disagreed on whether to purchase property next to City Hall to move a 1890s era house from 2<sup>nd</sup> street outside of the UR boundary to next to City Hall to rehabilitate it. The cost was estimated to be around \$325,000 to purchase the land, move the house, restore it, and add a 600 foot conference room. While true that Council did not approve this, it was the house moving/rehab portion that was at issue as they were in favor of purchasing the property. Council had a difference in opinion regarding the cost of the move and whether using the house as an office for UR and its two part time employees was an efficient use of the funding needed to move, rehabilitate and expand the building.

The City Council members are the ELECTED officials and serves as the Governing Body for the City of Phoenix. In that role, they are ultimately responsible for the results produced by the UR Agency and the guardian of the public's tax dollars. With the ability to borrow approximately \$14.7 million dollars to be paid for by future tax dollars collected, it is the responsibility of both the agency and council to ensure that Phoenix benefits as much as possible with as little risk as possible. The City Council is responsible to the public to ensure the accountability of the UR effort. While there will be differences of opinion, rest assured that all of us on both bodies involved want to do the best we can for Phoenix.

**Communications:** In addition to newsletters, we are close to fulfilling our pledge to completely redesign the city website with capabilities for surveys, feedback and frequent communications with the public. It should be going live within the next month or so. Additionally, I continue to be available from 1-3pm each Tuesday and Thursday in City Hall to meet with anyone in Phoenix who wants to discuss ideas, issues, compliments or complaints. I enjoy meeting with people and am often able to help. If those hours do not work for you, please contact me by phone at **(541) 535-1955 ext. 305**, or email at [jbella@phoenixoregon.gov](mailto:jbella@phoenixoregon.gov), and we can arrange a time that meets your schedule.



**Passage of Oregon HB 3460 Authorizing Medical Marijuana Facilities:** On August 14, 2013 Governor Kitzhaber signed HB3460 into law despite large numbers of requests to Veto the bill. This bill will allow for the establishment of storefront dispensaries under the regulation of the Oregon Health Authority to dispense marijuana to registered cardholders only. While the Authority is still writing the rules that will be used to oversee the dispensaries authorized in the bill, there is nothing in the law that prevents organizations from applying for local permission to begin their establishments at this time. In Phoenix, we have already had a non-profit organization apply for a business license and we have talked to them several times. As you may have seen in the Mail Tribune, Medford has denied the operation of such facilities in their city and at least one business has filed an appeal with possible legal actions pending for the future. This is a difficult issue since it is new without a lot of precedence for local governments to rely on. The law states that these operations must be in an area zoned for commercial or industrial use and not be within 1000 feet of another such facility or a school. Even that reference does not have solid definitions of how measurements should be conducted. Until the Authority regulations are established and initial definitional aspects are examined by the courts there may not be much assistance for local municipalities to rely on for guidance.



The Phoenix City Council and the organization applying for the license to operate have agreed to proceed cautiously and to try and gauge the level of public acceptance and / or disapproval prior to making a decision. The business would like to have opportunities to help educate the public on the safety, value and contribution of these dispensaries so we have discussed methods that they might accomplish that with no decisions yet being made. As you may have read, the right to “home rule” is what Medford is stating in addition to their argument that their local ordinance stipulates that no business may operate if in violation of federal law as this is. The attorneys for the Oregon Legislature have written an opinion stating otherwise, so the courts may have to decide ultimately. .

We would like to know your opinion on this issue. While there is mounting evidence that people with some medical conditions may benefit from medical marijuana, how do you feel about this for Phoenix? We have had a few cardholders that have been growing plants outside with mixed acceptance on a small scale. What are your feelings about a “storefront” operation in the main street commercial area of Phoenix dispensing to registered cardholders while regulated by the state? Are you for it, against, or do you simply want to know more before stating an opinion. Please let us know at City Hall by phone, email or note. My email address is [jbella@phoenixoregon.gov](mailto:jbella@phoenixoregon.gov) , and my phone number is (541) 535-1955 ext. 305. We will also post this on our city website so you can find out more. After we receive the responses we will decide whether to have a town hall meeting and/or utilize other forms of follow-up communications.

**Water Study:** The Phoenix Water Commission recently completed their work in reviewing the latest cost of service study. Their summary conclusion was that the long term practice of charging all Phoenix water users in homes, businesses, manufactured home parks and apartments the same base rate is appropriate and has stabilized the fund. They recommended that these rates stay the same but did recommend usage rates be increased for the future for those using more than 5000 gallons per month. Council is currently considering their recommendations. The primary concern is that we maintain our water system as financially sound, while ensuring we have funds to deal with expensive concrete pipe replacements in the future without having to rely on additional bond issues. As you may have seen in the newspaper and on TV, I have been trying to best represent you with the Medford Water Commission to ensure we are receiving the best possible service at the lowest possible cost. I will keep you up to date on further developments on that front in future newsletters.

*Jeff Bellah*  
Mayor, City of Phoenix