

**CITY OF PHOENIX
EXECUTIVE SESSION/CITY COUNCIL MEETING
PUBLIC WORKS OFFICE
1000 S. "B" STREET
MONDAY, OCTOBER 17, 2016
6:00 P.M.**

1) Call to order/Roll call

6:00 p.m. Executive Session: To discuss labor negotiations.

The City Council of Phoenix will now meet in executive session for the purpose of considering the employment of a public officer, employee, staff member or individual agent. The executive session is held pursuant to ORS 192.660 (2)(a), which allows the City Council to meet in executive session to consider the employment of a public officer, employee, staff member or individual agent.

Representatives of the news media, designated staff and specified persons shall be allowed to attend the executive session. All other members of the audience are asked to leave the room. Representatives of the news media are specifically directed not to report on any of the deliberations during the executive session, except to state the general subject of the session as previously announced. No decision may be made in executive session. At the end of the executive session, we will return to open session and welcome the audience back into the room.

Executive Session adjourns

Executive Session: To discuss negotiations regarding sale of real property.

The City Council of Phoenix will now meet in executive session for the purpose of conducting deliberations with persons designated by the governing body to negotiate real property transactions. The executive session is held pursuant to ORS 192.660 (2)(e), which allows the City Council to conduct deliberations with persons designated by the governing body to negotiate real property transactions.

Representatives of the news media, designated staff and specified persons shall be allowed to attend the executive session. All other members of the audience are asked to leave the room. Representatives of the news media are specifically directed not to report on any of the deliberations during the executive session, except to state the general subject of the session as previously announced. No decision may be made in executive session. At the end of the executive session, we will return to open session and welcome the audience back into the room.

Executive Session adjourns and reconvenes into open meeting

DOORS WILL OPEN TO THE PUBLIC AT 6:30 P.M.

- 2) Pledge of Allegiance**
- 3) Mayor's Comments**
- 4) Swearing in of Police Reserve Officers**

5) Citizen's Comments:

The purpose of citizen comment is to allow citizens to present information or raise an issue regarding items not on the agenda. A time limit of three minutes per individual shall apply unless the Presiding Officer extends time (*Persons wishing to address Council on any matter are encouraged to do so. Please sign up, and if applicable, indicate the agenda item you want to discuss. When your name is called, step up to the podium, state your name and address for the record. In accordance with state law, copies of the complete recording of this meeting will be available at City Hall. If you are hearing impaired and need accommodation, please give 48 hours prior notice to City Hall*).

6) Updates/Reports/Appointments:

- a) Acknowledgement of HS Principal & Staff Contribution to Parade
- b) PHURA
- c) Parks and Greenway Commission
- d) First Quarter Financial Report for FY 2016-2017.....p.1

7) Presentations:

8) Consent Calendar:

- a) Approval of Minutes from September 16, 2016 Special City Council Meeting/
Executive Session..... p.4
- b) Approval of Minutes from October 3, 2016 Regular City Council Meeting p.5

9) Unfinished Business:

- a) Review and Approve Offer to Hire City Managerp.11
- b) Strategic Goal Setting.....p.12

10)New Business:

- a) Discuss Lease of City Owned Property to Jackson County Fire District 5 p.13
- b) Chamber of Commerce Request for Funds for Computer and Signage p.19
- c) Discussion of Delinquent Transient Room Tax p.20
- d) Discussion of Lead and Copper Testing Results p.21
- e) Review Sale of PHURA Owned Property p.26
- f) Discussion of an Action Plan Regarding Evaluation of Main Street and Bear Creek
Traffic Flow

11)Questions for Staff:

- a) Attorney's Report
- b) City Manager's Report

12)Council items, comments/reports:

Any councilor may bring before the Council any business not on the agenda the councilor feels should be deliberated upon by Council, but the Council may decline formal action on such matters or defer them to a subsequent meeting.

13)Continuation

14)Five Minute Recess

Executive Session: 8:00 p.m.

Executive Session: To discuss labor negotiations.

The City Council of Phoenix will now meet in executive session for the purpose of conducting deliberations with persons designated by the governing body to carry on labor negotiations. The executive session is held pursuant to ORS 192.660 (2)(d), which allows the City Council to conduct deliberations with persons designated by the governing body to carry on labor negotiations.

Representatives of the news media may not attend this executive session.

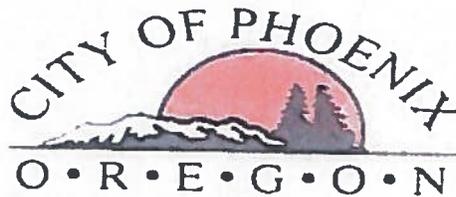
Executive Session adjourns

15)Reconvene Open Meeting

16)Adjournment

Next City of Phoenix Scheduled Meetings:
All meetings are at 6:30 unless otherwise noted.

October 24, 2016	Planning Commission Meeting
November 2, 2016	Phoenix Urban Renewal Board Meeting
November 7, 2016	City Council Meeting
November 9, 2016	Phoenix Urban Renewal Board Meeting
November 14, 2016	Planning Commission Meeting
November 21, 2016	City Council Meeting
November 28, 2016	Planning Commission Meeting
December 5, 2016	City Council Meeting
December 12, 2016	Planning Commission Meeting
December 14, 2016	Phoenix Urban Renewal Board Meeting
December 19, 2016	City Council Meeting
December 27, 2016	Planning Commission Meeting



To: Mayor and Council
 From: Janette Boothe, Finance Director
 Date: October 12, 2016
 Subject: September 2016 Financial Statements

Background:

The September 2016 financial statements reflect the first 3 months of the fiscal year. Following a review of the first quarter of the fiscal year, I am pleased to report that revenues are coming in as expected and that expenditures are in line with the period.

<u>General Fund</u>	<u>Year-to-Date</u>	<u>Budget</u>	<u>% of Budget</u>	<u>Prior Year</u>
Revenues	\$ 154,975	\$ 1,878,540	8%	\$ 167,855
Expenditures				
Executive	\$ 19,425	\$ 92,565	21%	\$ 24,244
Admin	\$ 24,641	\$ 133,985	18%	\$ 29,641
Police	\$ 303,622	\$ 1,188,885	26%	\$ 295,646
Planning	\$ 31,943	\$ 185,130	17%	\$ 31,464
Building	\$ 14,862	\$ 122,075	12%	\$ 21,859
Parks	\$ 21,615	\$ 106,435	20%	\$ 26,931
Interdepartment	\$ 12,521	\$ 45,335	28%	\$ 14,981
Transfers	\$ -	\$ 2,485	0%	\$ -
Contingency		\$ 100,000	0%	\$ -
Total Expenditures	\$ 428,629	\$ 1,976,895	22%	\$ 444,766
Revenues over/(under)				
Expenditures	\$ (273,654)	\$ (98,355)		\$ (276,911)

General Fund: Fiscal year to date, expenditures exceeded revenues by \$270,812 (\$428,629 vs.\$157,817); which is typical for this time of year as we wait for property tax revenues to start coming in. Revenues are at 8.25% for the year. Revenue is approximately \$13,000 lower than the prior year, due primarily to the significant decrease in citations compared to last year. Total general fund expenditures are at 21.68% for the month; which is good given payment has already been made for annual dues as well as our general liability and property insurance premiums. Overall, the General Fund is in a slightly better position compared to the first quarter last year.

<u>Street Fund</u>	<u>Year-to-Date</u>	<u>Budget</u>	<u>% of Budget</u>	<u>Prior Year</u>
Revenues	\$ 120,765	\$ 598,025	20%	\$ 155,029
Expenditures				
Operating				
Personal Services	\$ 26,084	\$ 213,095	12%	\$ 39,545
Materials & Supplies	\$ 44,898	\$ 254,150	18%	\$ 78,688
Capital Outlay	\$ -	\$ -	0%	\$ 10,837
Non-Operating				
Transfers	\$ -	\$ 42,915	0%	\$ -
Contingency	\$ -	\$ 75,000	0%	\$ -
Total Expenditures	\$ 70,982	\$ 585,160	12%	\$ 129,070
Revenues over/(under)				
Expenditures	\$ 49,783	\$ 12,865		\$ 25,959

Street Fund: Revenues overall show slightly below the 25.00% expected for the time period. There are 2 main factors contributing to revenue variances in the first quarter. Revenues are considerably less than the prior year at this time; however, the City received back dated franchise fees (\$56,373) in a lump sum in the first quarter of last year. Total street fund expenditures are at 13.91% for the quarter. These factors contribute to the revenues exceeding expenditures year to date by \$49,783 (\$120,765 vs. \$70,982). Operating Expenditures are lower this year compared to last year due to the crack sealing project on Main Street and Bear Creek Drive, consultant fees for review of the chip seal project the City experienced in the prior year in materials and supplies. Additionally, Personal Services is lower primarily due to the vacant Public Works Director position.

<u>Water Fund</u>	<u>Year-to-Date</u>	<u>Budget</u>	<u>% of Budget</u>	<u>Prior Year</u>
Revenues	\$ 444,062	\$ 1,298,615	34%	\$ 394,417
Expenditures				
Operating				
Personal Services	\$ 84,908	\$ 423,240	20%	\$ 109,720
Materials & Supplies	\$ 195,172	\$ 553,320	35%	\$ 154,484
Capital Outlay	\$ -	\$ -	0%	\$ 10,837
Debt Service	\$ 10,642	\$ 130,795	8%	\$ 10,643
Non-Operating				
Transfers	\$ -	\$ 183,296	0%	\$ -
Contingency	\$ -	\$ 100,000	0%	\$ -
Total Expenditures	\$ 290,722	\$ 1,390,651	21%	\$ 285,684
Revenues over/(under)				
Expenditures	\$ 153,340	\$ (92,036)		\$ 108,733

Water Fund: Revenues overall show above the 25.00% expected for the time period. Primarily attributing to the increase over prior year at this point is the \$40,000 the City received from Talent for the settlement regarding water loss. Personal Services overall decreased compared to prior year, as in the Street fund, this decrease is primarily attributed to the vacant position of the Public Works Director. Materials and Services expenditures are above the levels expected for the time period, due to paying our general liability and property insurance premiums, as well as the annual maintenance charges for the Lost Creek Reservoir. Another expenditure line item higher in the current year compared to prior year is Water Transmission costs (\$61,522 vs. \$22,556) which are caused by timing of invoices; last year payments reflected did not include TAP invoices for July and August whereas the current year includes both. Overall, revenues exceed expenditures for the year by \$153,340 (\$444,062 vs. \$290,722).

City of Phoenix
Special City Council Executive Session/Meeting
Urban Renewal Office
157 S. Main St
Friday, September 16, 2016

DRAFT

CALL TO ORDER

Mayor Jeff Bellah called the special meeting of the City Council to order on Friday, September 16, 2016 at 12:30 p.m. in the Urban Renewal Office.

ROLL CALL

PRESENT: Stan Bartell, Bruce Sophie, Carolyn Bartell, Terry Helfrich, Chris Luz, Jeff Bellah
ABSENT: Jim Snyder

Mayor Bellah convened into executive session at 12:30 p.m. under ORS 192.660 (2)(a), which allows the City Council to meet in executive session to consider the employment of a public officer, employee, staff member or individual agent.

Discussion followed and no decisions were made. Mayor Bellah closed the executive session and convened into a general session at 1:30 p.m. Following the executive session, Mayor Bellah gave an overview of what was discussed and no action was planned.

The meeting adjourned at 1:15 p.m.

Respectfully submitted,

Attest:

Sarah Lind
Executive Assistant

Janette Boothe
Finance Director/City Recorder

**City of Phoenix
City Council Meeting
Public Works Office
1000 S. "B" Street
Monday, October 3, 2016**

DRAFT

CALL TO ORDER

Mayor Jeff Bellah called the special meeting of the City Council to order on Monday, October 3, 2016 at 6:30 p.m. in the Public Works Office.

ROLL CALL

PRESENT: Stan Bartell, Bruce Sophie, Carolyn Bartell, Terry Helfrich, Chris Luz, Jim Snyder, Jeff Bellah

Staff Present: Janette Boothe, Finance Director/City Recorder

Mayor Bellah convened into executive session at 6:00 p.m. under ORS 192.660 (2)(a), which allows the City Council to meet in executive session to consider the employment of a public officer, employee, staff member or individual agent.

Discussion followed and no decisions were made. Mayor Bellah closed the executive session and convened into a general session at 6:29 p.m. Following the executive session, Mayor Bellah gave an overview of what was discussed.

CALL TO ORDER

Mayor Jeff Bellah called the regular meeting of the City Council to order on Monday, October 3, 2016 at 6:30 p.m. in the Public Works Office.

ROLL CALL

PRESENT: Bruce Sophie, Carolyn Bartell, Terry Helfrich, Chris Luz, Jim Snyder, Jeff Bellah

ABSENT: Stan Bartell

Staff Present: Matt Brinkley, Interim City Manager
Janette Boothe, Finance Director/City Recorder
Derek Bowker, Chief of Police
J. Ryan Kirchoff, City Attorney

PLEDGE OF ALLEGIANCE

SWEARING IN OF POLICE OFFICERS:

William Dekruger was sworn in by Chief Bowker. He was hired on as a reserve officer prior to being hired as a regular officer by the police department. At the next City Council meeting three more officers will be sworn in.

MAYOR'S COMMENTS:

Mayor Bellah noted that Council is going through a process of hiring a new City Manager. Further discussion on the details of the process will take place later in the meeting at the appropriate agenda item.

UPDATES/REPORTS:

- 1) **PHURA** – Al Muelhoefer announced the Home Power building is now fully rented out which will make it more appealing to potential buyers. Suite C, the last to be rented, is officially rented to a yoga instructor. PHURA is working toward selling the building. They will have a second meeting with Kistler, Small, and White for the plaza building on Monday, October 10, 2016. The first meeting took place on September 15, 2016. The real estate agent Jeff Rodgers will take over all the properties by October 29, 2016. PHURA is in discussion with some potential buyers for some of the properties. Mayor Bellah requested PHURA work towards a standardized agreement for the sale of any of their properties to a potential buyer. This would encourage continuity between purchasing and development agreements while allowing necessary adjustments to take place. Further discussion followed.
- 2) **Parks** – Councilor C. Bartell gave an update on the Parks Master Plan. There will be a joint meeting on October 10, 2016 with Council, Planning Commission, and Parks Committee to discuss the updated version and suggest any final changes. C. Bartell said the recent Homecoming Parade was a success with the help of staff, public, police, and many others. There was a lot of community involvement and representation from local schools. Councilor Luz publicly thanked Councilor C. Bartell for her effort and contribution to the success of the event. Mayor Bellah suggested bringing the new high school principal to a City Council meeting for recognition of his part in the parade. Further discussion followed.
- 3) **Strategic Planning** – Mr. Brinkley suggested Council aim to accomplish a couple of their objectives by the meeting on October 17, 2016. Strategic Planning is a website based form that compiles goals and tracks progress towards completion. It is accessible to all of Council and the City Manager so anybody can edit and add to it. Mr. Brinkley requested Council make sure the goals and tasks presented in Strategic Planning are accurate and if they have any recommendations for changes to email them to him. Strategic Planning may replace the Issue Tracking Log. Councilor Sophie asked if it is a subscription based service. Mr. Brinkley replied it is, but has more potential to be a good way track Council's goals and accomplishments compared to an excel spreadsheet for the Tracking Log. Further discussion followed.

- 4) Appoint Krista Peterson and Marcia Monceaux to Planning Commission – Krista Peterson will start on January 1, 2017 after she completes her participation on the Citizen Advisory Committee (CAC) which will be done in December of 2016. Her term on Planning Commission will then run through December 31, 2020. Marcia Monceaux will begin her term on Planning Commission October 24, 2016 and run through October 23, 2020. The Planning Director recommends both Ms. Monceaux and Ms. Peterson for the Planning Commission. **MOVED BY LUZ, SECONDED BY C. BARTELL, TO APPOINT KRISTA PETERSON AND MARCIA MONCEAUX TO THE PLANNING COMMISSION.**

ROLL CALL VOTE AS FOLLOWS:

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

PRESENTATIONS

- 1) Chamber of Commerce Request for Funds – Mayor Bellah inquired to Council whether they want to be on the banner for at the bottom of the Calendar for \$1,000. In addition, there is a cost of \$440 to include City events such as meetings on the calendar. He suggested trying it this year to see what the product is. Ms. Wagy clarified that calendars get sent out to all households. Councilor Sophie inquired as to where the funds will come from. The Chamber of Commerce has a set amount of money for the year in the Tourist Usage Fund. **MOVED BY SOPHIE, SECONDED BY C. BARTELL, TO APPROVE \$1,440 FOR THE CHAMBER TO INSERT EVENTS IN THE CALENDAR.**

ROLL CALL VOTE AS FOLLOWS:

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

Further discussion followed regarding funding for a computer for the Chamber of Commerce. Council opted to discuss this topic at the next meeting. Councilor Sophie requested clarification on the amount of funds remaining that are designated for the Chamber of Commerce. At the next meeting, the Finance Director will provide clarification on the amount of funds which remain this year for the Chamber.

UNFINISHED BUSINESS:

These items were moved up in the agenda for discussion.

- 1) Update on Status of City Manager Update – In the past month, Council has conducted executive sessions in the hopes of completing the search for a City Manager. There are two finalists: Jamie McCleod and Ryan Kirchoff. The Mayor and Council would like for staff and the public to do meet and greets with the candidates. Mayor Bellah clarified that neither group would be picking the City Manager, but that Council would welcome input and feedback. A date for a town hall meeting was set as Tuesday, October 11, 2016 from 6:00-7:30 at the Public Works office. Staff will set up a time to do a rotation of the candidates between the Police, Public Works, and Administrative offices.

- 2) Discussion of Real Estate Agreement Between the City of Phoenix and Fire District 5 to Purchase the Property at 116 W 2nd St. – Fire District 5 has opted to do a lease contract instead of purchasing the building at 116 W 2nd St. There was a clause in the initial contract drafted by the attorney for Fire District 5 regarding insurance claims in case of a fire at the location. The clause stated Fire District 5 would be able to use the insurance money to rebuild a structure either there or at another location. The attorney for the City did not think this was the best direction to go. Instead, an agreement will be drafted for a lease of the property. In addition, Fire District 5 will be responsible for the maintenance of the property. Council voted to have the attorneys start working on a lease agreement.

ROLL CALL VOTE AS FOLLOWS:

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

CONSENT CALENDAR:

- 1) Approval of Minutes from September 19, 2016 Regular City Council Meeting
MOVED BY SOPHIE, SECONDED BY LUZ, TO APPROVE THE CONSENT CALENDAR. There was no further discussion.

ROLL CALL VOTE AS FOLLOWS:

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

PUBLIC COMMENTS:

Ike Eisenhauer, Phoenix, wanted to talk to Council about a sign along the road toward where he lives which says “Dead End.” He noted it would be better if it said “No Outlet” or another similar phrase. This is in part because truck drivers continue to use the area even though there is no turnaround for them. In addition, the residents of Bear Lake Mobile Home Estates do not want to see a sign that says “Dead End” every time they drive home.

Sarah Westover, Phoenix, announced that Wednesday at 6:30 at the library there will be a public forum with Peter Buckley and Pam Marsh for those interested in state and local issues. She also brought up the water testing that has been taking place lately. Mr. Brinkley noted the results of the water testing have been coming in and so far the tests have come back clear. Further discussion followed.

NEW BUSINESS:

- 1) Discussion of Policy for City Council Delegation of Authority to Leadership Team – Every Tuesday and Thursday the Mayor, Council President, and Council Vice President meet at City Hall to discuss issues that may have come up between Council meetings, what they would like to see on upcoming agendas, and what supporting documents may be needed. This item simply clarifies that the Leadership Team can guide staff in between Council meetings. **MOVED BY LUZ, SECONDED BY HELFRICH, TO APPROVE THE DELEGATION OF AUTHORITY TO THE LEADERSHIP TEAM DURING MEETINGS WITH THE CITY MANAGER.**

ROLL CALL VOTE AS FOLLOWS:

Ayes: Sophie, C. Bartell, S. Bartell, Luz, Helfrich, and Snyder

MOTION APPROVED WITH SIX AYES

- 2) Review and Approve Updated Organizational Chart – The organizational chart accurately represents the current staff organization. A few changes have been made since the prior chart: the position of Administrative Coordinator has been added, the Finance Director and City Recorder positions have been combined, and it is worth noting that the responsibilities of human resources are distributed between the City Manager and Finance Director/City Recorder. **MOVED BY SOPHIE, SECONDED BY C. BARTELL, TO APPROVE THE UPDATED ORGANIZATIONAL CHART.**

ROLL CALL VOTE AS FOLLOWS:

Ayes: Sophie, C. Bartell, S. Bartell, Luz, Helfrich, and Snyder

MOTION APPROVED WITH SIX AYES

- 3) Administrative Coordinator Hire – The Administrative Coordinator has a variety of responsibilities including but not limited to attending City Council meetings, writing minutes for City Council and Planning Commission meetings, payroll, accounts payable, and arranging banner installations with local businesses. The position has been posted within the City and no other applicants have come forth. Further discussion followed. Mr. Brinkley strongly recommended Sarah Lind for the position of Administrative Coordinator. In May, Ms. Lind began working for the City as a temporary employee, gradually taking on more responsibilities, including minutes and accounts payable. She will continue to be trained on payroll and assist staff as needed. **MOVED BY SOPHIE, SECONDED BY LUZ, TO APPROVE THE DESCRIPTION FOR THE POSITION OF ADMINISTRATIVE COORDINATOR AND OFFER EMPLOYMENT TO SARAH LIND FOR THE POSITION OF ADMINISTRATIVE COORDINATOR FOR THE CITY OF PHOENIX.**

ROLL CALL VOTE AS FOLLOWS:

Ayes: Sophie, C. Bartell, S. Bartell, Luz, Helfrich, and Snyder

MOTION APPROVED WITH SIX AYES

STAFF REPORTS:

- 1) City Attorney's Report: The Attorney had nothing to report outside of Fire District 5 choosing to go with a lease agreement for the property at 116 W 2nd instead of a sale agreement.
- 2) City Manager's Report: Mr. Brinkley noted that Rite Aid is scheduled to begin construction on October 17, 2016.

COUNCIL ITEMS, COMMENTS/REPORTS:

Councilor Helfrich noted he is glad to have the Fern Valley Interchange near completion. Councilor Sophie brought up a patch of road near Petro on the other side of the interchange has not been updated while the area around it has.

The meeting adjourned at 8:00 P.M.

Respectfully submitted,

Attest:

Sarah Lind
Executive Assistant

Janette Boothe
Finance Director/City Recorder

AGENDA BILL

AGENDA ITEM: 9 A

AGENDA TITLE: **Review and Approve Offer to Hire City Manager**

DATE: October 17, 2016

ACTION REQUIRED:

ORDINANCE: _____

RESOLUTION: _____

MOTION: XX

INFORMATION: _____

EXPLANATION: At the regular City Council meeting on September 19, 2016, Council stated that they would reopen the search for a City Manager with the hopes of filling the position before November elections. On Thursday, September 29, 2016, City Council held an executive session to review and interview an applicant for the position of City Manager. After the executive session, council opened up the meeting to the public and gave an overview of what was discussed. At the regular City Council Meeting on September 29, Council discussed the previous executive session. Since then, the two final candidates for the position of City Manager have met with City staff, members of the public, and Councilors. The council will review and approve an offer to hire a City Manager from one of the two final candidates.

FISCAL IMPACT:

ALTERNATIVES:

STAFF RECOMMENDATION: Staff recommends council review and approve an offer to hire a City Manager.

MOTION: **“I MOVE TO REVIEW AND APPROVE AN OFFER TO HIRE A CITY MANAGER”**

PREPARED BY: Sarah Lind **REVIEWED BY:** _____

AGENDA BILL

AGENDA ITEM: 9 B

AGENDA TITLE: Strategic Goal Setting

DATE: October 17, 2016

ACTION REQUIRED:

ORDINANCE: _____

RESOLUTION: _____

MOTION: _____

INFORMATION: XX

EXPLANATION: At the City Council meeting on October 3, 2016, Mr. Brinkley gave a presentation which outlined a program that would allow council to track and organize their goals and progress more easily. The program may replace the Issue Tracking Log. Strategic Planning is a subscription service and website based form that compiles goals and tracks progress towards completion. It is accessible to all of Council and the City Manager for the purposes of editing and adding goals.

FISCAL IMPACT:

ALTERNATIVES: Council may choose to not utilize the Strategic Goal Setting/Planning web based format and instead continue with the Excel spreadsheet format for the Issue Tracking Log.

STAFF RECOMMENDATION: Staff recommends Council schedule a study session to further discuss and finalize goals and tasks after the election.

MOTION: “.”

PREPARED BY: Sarah Lind **REVIEWED BY:** _____

AGENDA BILL

AGENDA ITEM: 10 A

AGENDA TITLE: Discuss Lease of City Owned Property to Jackson County Fire District 5

DATE: October 17, 2016

ACTION REQUIRED:

ORDINANCE: _____

RESOLUTION: _____

MOTION: _____

INFORMATION: XX

EXPLANATION: The City and Fire District 5 were unable to come to terms on a purchase and sale agreement. Instead, at the City Council meeting on October 3, 2016, it was discussed that Fire District 5 has opted to renew their lease contract instead of purchasing the building at 116 W 2nd St. Attached is the initial lease contract between the City and Fire District 5 from 2007. The City Attorney has received a copy of the original lease for review. Staff is seeking direction from Council regarding the next step in renewing a lease agreement with Fire District 5 for the use of the property at 116 W 2nd St.

FISCAL IMPACT: The 2007 lease agreement states “the District shall pay the City of Phoenix two dollars (\$2.00) for the October 1, 2007 through June 30, 2008 period and, if the Agreement is renewed, a like amount shall be due and payable upon July 1, 2008 and on July 1 of each year thereafter so long as the Agreement is in effect.”

ALTERNATIVES:

STAFF RECOMMENDATION:

MOTION: “.”

PREPARED BY: Sarah Lind **REVIEWED BY:** _____

[EXHIBIT "D"]

LEASE AGREEMENT

This Lease Agreement ("Lease") is made and entered into by and between the parties, the City of Phoenix and Jackson County Fire District 5 ("District").

WITNESSETH

WHEREAS, the parties have entered into a Fire Protection and Emergency Medical Services Agreement ("Agreement") whereby the District will be providing Fire and EMS service to the City of Phoenix beginning October 1, 2007; and

WHEREAS, the parties acknowledge that it is in the best interests of both parties that the District lease the Phoenix Fire Station and Fire Dormitory (collectively the "Premises") from the City during the term of the Agreement.

NOW THEREFORE, it is agreed as follows:

1. Description of Premises. The City of Phoenix agrees to lease to the District the buildings at 116 and 118 West Second Street, Phoenix, Oregon, otherwise known as the Phoenix Fire Station and Fire Dormitory, respectively. The leased premises shall include the buildings and the land upon which they are situated.

2. Term. The term of this lease shall run concurrently with the term of the Agreement and any renewal terms thereof and shall automatically self-renew following annexation of the territory of the City of Phoenix into Fire District 5, in five (5) year increments thereafter, unless terminated as herein provided that either party may terminate this lease at any time for any reason upon not less than six (6) months' notice to the other party. The District agrees to surrender the leased premises upon expiration of this lease in the same or better condition as existed upon entry, subject only to any deficiencies that may exist due to any decisions by the City to forego the repairs and maintenance it is responsible for under the terms of the Agreement.

3. Consideration. The District shall pay the City of Phoenix TWO DOLLARS (\$2.00) for the October 1, 2007 through June 30, 2008 period and, if the Agreement is renewed, a like amount shall be due and payable upon July 1, 2008 and on July 1 of each year thereafter so long as the Agreement is in effect. As additional consideration, The District agrees to perform routine maintenance of the leased premises as provided in the Agreement.

4. Utilities. The cost for operating and maintaining all utilities on the leased premises will be paid by the District, including, but not limited to charges for metered electricity, gas, cable, water and telephone, refuse disposal, janitorial and routine maintenance as provided in the Agreement.

5. Assignment Prohibited. No part of the Premises may be assigned, mortgaged, or subleased, nor may a right of use of any portion of the Building be conferred on any third party by any other means, without the prior written consent of Landlord, which may be withheld at Landlord's sole

discretion. Any such assignment, mortgage, or sublease without Landlord's prior written consent shall be void *ab initio*.

6. Use. The Premises shall be used solely as a fire station in support of fire protection and other emergency services to be provided by District to the City of Phoenix under the Agreement, and for no other purpose.

7. Improvements.

7.1 **Material Improvements Require Permission from City**. District shall make no "Material Improvements" to the Premises without first obtaining City's written consent, which shall not be unreasonably withheld. A "Material Improvement" is any installation, alteration, addition, or other change to the Premises (including installation of a Fixture or Trade Fixture) that involves "structural work" to the Premises (as that term is commonly understood in the construction industry) or exceeds one thousand dollars (\$1,000.00) in total project cost. "Fixture" and "Trade Fixture" shall have the meanings provided by Oregon law.

7.2 **General Requirements for All Improvements**. All improvements of any kind to the Premises (whether Material Improvements or not) and all work performed by District pursuant to this Lease shall be made in a professional manner, and shall be in compliance with applicable laws, including, without limitation, applicable building codes, ADA and other legal requirements related to applicable accessibility, zoning, and use permits. All Material Improvements shall be made by licensed contractors and subcontractors in accordance with good practice and the requirements of this Lease.

7.3 **Restoration of Premises to Original Condition if No Consent Given by City**. City, at its option, may require District, at District's sole expense, to remove Material Improvements made by District and restore the Premises to its original condition (the condition prior to installation of the Material Improvements) if (i) the Material Improvements have not been previously approved by City pursuant to Section 7.1 or (ii) the Material Improvements were installed in violation of Section 7.2 or any other provision of this Lease or requirement of law. All work performed pursuant to this Section 7.3 shall be performed as soon as practicable prior to the end of the Term and shall meet the requirements of Section 7.2.

7.4 **Ownership And Removal of Fixtures And Trade Fixtures**

7.4.1 **Trade Fixtures**. City acknowledges and agrees that all improvements, fixtures (including Trade Fixtures), furniture, equipment and other property of District located from time to time on the Premises are and shall remain the property of District, subject to lawful claims and liens. District may remove all such property from the Premises and shall repair all damage resulting from removal and restore the Premises as may be required by Section 7.3.

8. Insurance. Each party shall request a waiver of subrogation from its insurance carrier.

8.1 **Property Insurance**. The City shall insure said property against fire, theft and other casualty, naming the District as an additional named insured on its liability policies as set forth in the Agreement.

8.2 Commercial General Liability Insurance. District, at its sole expense, shall maintain at all times during the Term of this Lease commercial general liability insurance in respect of the Premises and the conduct or operation of its business, with City as additional insured, with a combined single limit of not less than Two Million Dollars (\$2,000,000.00). Such policies shall contain such endorsements and deductibles customarily carried by District and reasonably acceptable to City. The policies shall cover bodily injury and property damage claims arising out of District's negligent activities on the Premises. City shall be named as an additional insured on such policy. The insurance shall include an endorsement covering District's contractual obligation for indemnification set forth in this Lease.

9. Indemnity

9.1 District Indemnification of City. District is in control of the Premises. District shall indemnify, reimburse, and hold City (including its elected officials, officers, employees, agents, and volunteers) harmless, and at City's election, defend City (including its elected officials, officers, employees, agents, and volunteers) for, from and against any and all causes of action, obligations, damages, penalties, subrogations, loss, claims, costs, charges, and expenses or other liabilities (including reasonable attorney fees) that may be imposed on or incurred by or asserted against City (including its elected officials, officers, employees, agents, and volunteers) (whether rightfully or wrongfully filed) arising out of or in any way connected with:

9.1.1 Any use of the Premises or any activity conducted by, for or through District (including elected officials, officers, employees, agents, and volunteers) on, near or in conjunction with the Premises (other than to the extent resulting from the negligent, reckless, or intentional acts or omission of City, its elected officials, officers, employees, agents, and volunteers);

9.1.2 Any condition of the Premises and any maintenance (except to the extent that City (including its elected officials, officers, employees, agents, and volunteers) is responsible for providing such maintenance), management, or operation of the Premises to the extent caused or performed by District (including its elected officials, officers, employees, agents, and volunteers, agents, licensees or invitees);

9.1.3 Any failure on the part of District (including its elected officials, officers, employees, agents, and volunteers) to perform or comply with any of the provisions contained in this Lease; and

9.1.4 Any and all federal, state, and local taxes, charges, fees, or contributions required to be paid with respect to District's officers, employees, agents, and volunteers engaged in the performance of services at the Premises (including, without limitation, social security, unemployment insurance, and payroll tax withholding).

9.2 City Indemnification of District. City shall indemnify, reimburse, and hold District (including its elected officials, officers, employees, agents, and volunteers) harmless, and at District's election, defend District (including its elected officials, officers, employees, agents, and volunteers) for, from and against any and all causes of action, obligations, damages, penalties, subrogations, loss, claims, costs, charges, and expenses or other liabilities (including reasonable attorney fees) that may be imposed on or incurred by or asserted against District (including its elected officials, officers, employees, agents, and volunteers) (whether rightfully or wrongfully filed) arising out of or in any way connected with:

9.2.1 Any use of the Premises or any activity conducted by, for or through City (including its elected officials, officers, employees, agents, and volunteers) on, near or in conjunction with the Premises (other than the negligent acts or willful misconduct of District, its elected officials, officers, employees, agents, and volunteers);

9.2.2 Any condition of the Premises and any maintenance (except to the extent that District, including its elected officials, officers, employees, agents, and volunteers are responsible for providing such maintenance), management, or operation of the Premises to the extent caused or performed by City (including its elected officials, officers, employees, agents, and volunteers, agents, licensees or invitees);

9.2.3 Any failure on the part of City (including its elected officials, officers, employees, agents, and volunteers) to perform or comply with any of the provisions contained in this Lease.

10. Destruction. The City of Phoenix shall be under no obligation to restore the leased premises in the event of partial or total destruction.

11. Disputes. In the event of any disputes over the terms of this lease, the City of Phoenix Administrator and the District Fire Chief will meet and attempt to resolve any differences. If they cannot reach agreement, then the City Council and the District Board of Directors will consider the matter and use reasonable efforts to reach a good faith resolution of the matter between them. The parties agree that if any dispute regarding this agreement is still not resolvable, the dispute shall be resolved by arbitration. The arbitration shall be administered by the Arbitration Service of Portland unless the parties consent to another arbitration service. The parties shall select one (1) arbitrator, who shall possess a minimum of ten (10) years of relevant experience in the matter to be arbitrated or such alternate qualifications that are mutually agreeable to the parties. In the event the parties are unable to agree to a single arbitrator, each party shall select its own arbitrator, and the two (2) arbitrators shall select a third, all of whom shall possess the qualifications required herein. The parties shall split the fee of the single arbitrator or the arbitrator selected by the parties' arbitrators. Each party shall be solely responsible for the fees of any arbitrator selected solely by the party itself. All arbitration shall be conducted in Jackson County, Oregon, in accordance with the following provisions:

(a) Except as otherwise provided herein, the arbitration shall be conducted in accordance with the rules of the Arbitration Service of Portland.

(b) Arbitration proceedings under this Agreement may be consolidated with arbitration proceedings pending between the parties if the arbitration proceedings arise out of the same transaction or relate to the same subject matter. Consolidation will be by order of the arbitrator in any of the pending cases or, if the arbitrator fails to make such an order, the parties may apply to any court of competent jurisdiction for such an order.

(c) Notwithstanding the requirements herein for arbitration, a party may seek from a court any interim or provisional relief that may be necessary to protect the rights or property of that party pending the establishment of the arbitration (or pending the arbitrator's determination of the merits of the dispute, controversy, or claim).

(d) The arbitrator shall have authority to issue preliminary and other equitable relief unless such relief has been validly requested in a court of competent jurisdiction and is otherwise allowable under this Agreement.

(e) Discovery proceedings of the type provided by the Oregon Rules of Civil Procedure shall be permitted both in advance of and during recesses of the arbitration hearings. Any dispute relating to such discovery shall be resolved by the arbitrator.

(f) The arbitrator shall have the discretion to order a prehearing exchange of information by the parties and an exchange of summaries of testimony of proposed witnesses.

(g) The arbitrator shall have the authority to award any remedy or relief that an Oregon court could order or grant, including, without limitation, specific performance of any obligation created under this Agreement, the issuance of an injunction, or the imposition of sanctions for abuse or frustration of the arbitration process, except that the arbitrator shall not have authority to award punitive damages or any other amount for the purpose of imposing a penalty as opposed to compensating for actual damage suffered or loss incurred.

(h) The award shall be in writing, shall be signed by the arbitrator, and shall include a statement regarding the disposition of any claim. The arbitration proceeding and all documents, orders, determinations and award thereof shall be kept confidential to the fullest extent permitted by law.

12. Amendments. The provisions of this agreement may be modified, extended, or amended at any time through the mutual written consent of both parties.

13. Nonwaiver. Failure of either party at any time to require performance of any provision of this Agreement shall not limit the party's right to enforce the provision (except to the extent expressly set forth in a writing signed by such party), nor shall any waiver of any breach of any provision constitute a waiver of any succeeding breach of that provision or a waiver of that provision itself.

IN WITNESS WHEREOF the parties, by the signatures of their authorized representatives, have executed this Lease effective October 1, 2007.

City of Phoenix

Carlo J. Scott
Mayor

Date: 9-27-07

Jackson County Fire District 5

Robert M. Miller
Chairperson, Board of Directors

Date: Sept 26 2007

ATTEST:

Betty S. Smith
City Recorder

AGENDA BILL

AGENDA ITEM: 10 B

AGENDA TITLE: Chamber of Commerce Request for Funds for Computer and Signage

DATE: October 17, 2016

ACTION REQUIRED:

ORDINANCE: _____

RESOLUTION: _____

MOTION: XX _____

INFORMATION: _____

EXPLANATION: The Phoenix Chamber of Commerce is requesting funds for a computer and signage. The total amount they are requesting is \$650: \$500 for a computer and \$150 for vinyl lettering to be placed on the event canopy. Currently, the Chamber of Commerce does not have a computer they can use for their purposes. The computer would be used in the Information Center. The Phoenix Chamber of Commerce has funds allocated for them, however, each request is brought before Council for approval.

FISCAL IMPACT: The fiscal impact would be \$650 of the funds allocated for use by the Chamber of Commerce. The current budget balance following the recent \$1,440.00 contribution is \$1,080.00. Should council approve this request for funds, the remaining budget balance for FY 2016-2017 will be \$430.00.

ALTERNATIVES: Council may choose to fulfill the fund request or ask for more information prior to approval.

STAFF RECOMMENDATION: Staff recommends Council approve the Chamber of Commerce request for funds for a computer and signage.

MOTION: "I MOVE TO APPROVE THE CHAMBER OF COMMERCE REQUEST FOR FUNDS FOR A COMPUTER AND SIGNAGE."

PREPARED BY: Sarah Lind **REVIEWED BY:** _____

AGENDA BILL

AGENDA ITEM: 10 C

AGENDA TITLE: Discussion of Delinquent Transient Room Tax

DATE: October 13, 2016

ACTION REQUIRED:

ORDINANCE: _____

RESOLUTION: _____

MOTION: _____

INFORMATION: XX

EXPLANATION:

The City of Phoenix has two accounts in collection with Southern Oregon Credit for delinquent taxes owed. The initial judgement was obtained on October 6, 2010, and the second was obtained December 1, 2011. Since that time the City opted to request Southern Oregon Credit to suspend further action against the collection accounts in an effort to assist in allowing the current debt incurred to be paid to the City.

Currently, the account is delinquent and staff is going to pursue resolution of the delinquencies. The exact amount owed to the City is unknown, as we do not have the necessary documentation noting the amount of taxes that were assessed for each of the outstanding months; however, staff has estimated a monthly amount in an effort to calculate the substantial amount of outstanding penalties and interest. Staff is requesting Council direction regarding a letter drafted for remedy for the outstanding debt.

FISCAL IMPACT:

Increased Revenue. Of all revenue received by the City from the tax, 37.5% shall be deposited into the General Fund, 25% of the revenues shall be deposited in the Advertising Fund, and 37.5% shall be deposited into the Tourist Fund.

ALTERNATIVES:

Council discretion.

STAFF RECOMMENDATION:

MOTION:

PREPARED BY: Janette Boothe **REVIEWED BY:** _____

AGENDA BILL

AGENDA ITEM: 10 D

AGENDA TITLE: **Discussion of Lead and Copper Testing Results**

DATE: October 17, 2016

ACTION REQUIRED:

ORDINANCE: _____

RESOLUTION: _____

MOTION: _____

INFORMATION: XX

EXPLANATION: Every three years, the City of Phoenix tests the water in 20 homes built between 1982 and 1991 for lead and copper. The EPA limit for copper is 1.3 parts per million (ppm) and lead is 15 parts per billion (ppb). The City of Phoenix last tested for lead and copper in 2015 and the results for the 90th percentile of the copper were 0.533 ppm and 0.07 ppb for lead. Due to concerns about lead in Medford, the City has been conducting additional testing in homes built before 1950. So far, 18 homes have been tested as well as all three parks' drinking fountains. All results indicate that levels of lead in drinking water in our samples are far below the EPA limits. Attached is an informational sheet from Public Works regarding the recent water testing and a results sheet.

FISCAL IMPACT:

ALTERNATIVES: N/A

STAFF RECOMMENDATION: N/A

MOTION: “.”

PREPARED BY: Sarah Lind **REVIEWED BY:** _____

As this week is **Lead Poisoning Prevention Week** we want to take the time to share with you our lead and copper testing results as well as ways you can limit lead and copper exposure at home.

All water purveyors in the State of Oregon are required to test for Lead and Copper every three years. The City of Phoenix is required to test the water in 20 homes built after 1982 and before 1991 which may have copper piping and possibly lead solder. The water in the homes must sit for at least 6 hours before being collected. Once collected the water is tested for lead and copper.

90 percent of the homes tested must have less than 1.3 ppm for copper (one part per million means that one part of a particular substance is present for every million parts of water. This is the equivalent of one penny in \$10,000 or approximately one minute in two years) and 15 ppb for lead (one part per billion corresponds to one penny in \$10,000,000 or approximately one minute in two thousand years).

The City of Phoenix last tested for lead and copper in 2015 the results for the 90th percentile for copper was 0.533 ppm and .07 ppb for lead.

The City is currently testing homes built before 1950 due to concerns about lead in Medford. The City has so far tested 18 homes and all three of our park drinking fountains with no tests exceeding the limits set by the Lead and Copper Rule.

If you are still concerned about lead in your drinking water, you can take several steps to limit possible exposure.

- Testing at the tap is the only way to measure the lead levels in your home or workplace. You can't see, smell or taste lead in your water. If you choose to have your tap water tested, be sure to use a properly certified laboratory. You can contact the City to request testing or you can contact Nielson Labs directly at 541-770-5678.
- Flush your tap water. Flushing the tap is particularly important when the faucet has gone unused for more than a few hours. It takes time for lead to dissolve into water, so the first water drawn from the tap in the morning or after a long period of non-use can contain higher levels of lead. Flushing clears standing water from your plumbing and home service line to ensure you are getting drinking water from the main, where lead is rarely present. Let the water run from the tap until it is noticeably colder (this may take up to two minutes or more) before using it for cooking or drinking.

Remember, you must flush EACH drinking water faucet after long periods of non-use for this strategy to be effective. Use the flushed water for non-potable purposes such as watering plants or washing dishes.

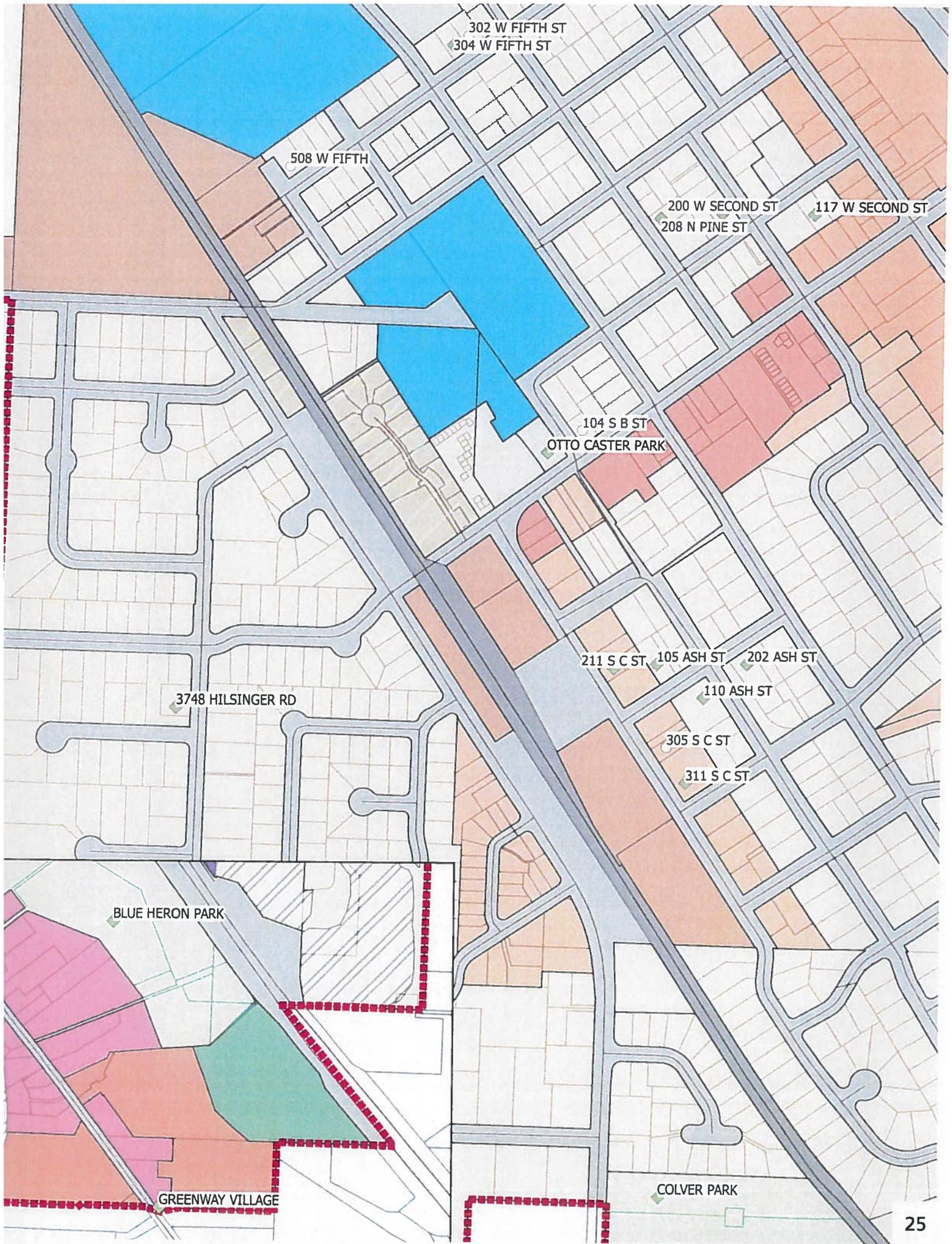
- Use only cold water for cooking or drinking. Lead leaches more easily into hot water than cold water.
- Boiling water DOES NOT remove lead.
- After moving into a new home, remove faucet strainers and rinse them to remove any debris. This can be done periodically to remove accumulated debris as well.
- Make sure lead-free materials are used when building any new home.
- Consider replacing lead service lines. Find out from a certified plumber or your utility if your home has lead service lines, because these pipes can be a source of lead at the tap. A service line is the pipe between the curb stop and the water meter and is generally under the control of the homeowner.

For more information or if you have questions contact the Public Works Department at 541-535-2226.

2016 LEAD AND COPPER TESTING PROGRAM

EPA LIMITS: COPPER - 1.3 LEAD - 0.015

ADDRESS	TEST DATE	REPORT DATE	TEST RESULTS	Pass/Fail	REFUSED TEST
104 N B St					
105 Maple					
105 Ash	08/19/2016	08/25/2016	Copper - 0.225 Lead - 0.00390	P	
108 4th					
108 6th					
109 Maple					
110 3rd					
110 5th					
110 Ash	09/02/2016	09/09/2016	Copper - 0.0573 Lead - 0.00169	P	
110 6th					
115 3rd					
117 2nd					
200 W 2nd	09/20/2016	09/29/2016	Copper - 0.0317 Lead - 0.000296	P	
202 Ash	09/27/2016	10/04/2016	Copper - 0.101 Lead - 0.000810	P	
203 4th	09/02/2016	09/09/2016	Copper - 0.242 Lead - 0.000639	P	
207 3rd					
207 Pine					
208 Pine					
208 4th	09/21/2016	09/29/2016	Copper - 0.0737 Lead - 0.000459	P	
208 S B St					
209 N Church					
209 Pine					
209 W 2nd					
210 3rd					
210 5th					
210 W 2nd					
211 S C St	09/22/2016	09/29/2016	Copper - 0.205 Lead - 0.000323	P	
211 3rd					
211 4th					
211 5th					



302 W FIFTH ST
304 W FIFTH ST

508 W FIFTH

200 W SECOND ST
208 N PINE ST

117 W SECOND ST

104 S B ST
OTTO CASTER PARK

3748 HILSINGER RD

211 S C ST

105 ASH ST

202 ASH ST

110 ASH ST

305 S C ST

311 S C ST

BLUE HERON PARK

GREENWAY VILLAGE

COLVER PARK

AGENDA BILL

AGENDA ITEM: 10 E

AGENDA TITLE: Review of Sale of PHURA Owned Property

DATE: October 17, 2016

ACTION REQUIRED:

ORDINANCE: _____

RESOLUTION: _____

MOTION: _____

INFORMATION: XX

EXPLANATION: Phoenix Urban Renewal Agency acquired the property at 170 S. Main in 2015. Initially, Dollar General made an offer on the property. After withdrawing its offer, PHURA staff solicited new offers and listed the property with a commercial real estate broker. Staff received an offer from a prospect it had been working with for several months. It was reviewed by the PHURA Board at its most recent meeting on October 12, 2016. At the direction of the Board, the Executive Director has made a counter offer.

PHURA has also listed property located at 312 N. Main Street, the "Homepower Building". The Agency received an offer on the building through its listing broker, but needed to honor a right of first refusal held by one of the current tenants. That party was given until close of business on Monday, October 17, 2016, to respond, and has expressed interest in purchasing the property.

FISCAL IMPACT: Development of 170 N. Main will generate approximately \$25,000 – 35,000 in annual tax revenues above current taxes collected. Upon expiration of the Tax Increment Finance district, the City will receive its portion of these revenues, approximately \$6,000 – 8,000/year.

The counter offer proposed by PHURA would involve the use of development incentives in an amount not to exceed \$20,000. These incentives could be achieved through reductions in System Development Charges or direct investment into the construction of public infrastructure serving the proposed development. City Council would need to approve any such measure.

ALTERNATIVES:

STAFF RECOMMENDATION:

MOTION: “.”

PREPARED BY: Matt Brinkley **REVIEWED BY:** _____

