



CITY OF EAGLE POINT

"Gateway to the Lakes"

OREGON

EAGLE POINT CITY COUNCIL

Council Chambers
17 Buchanan Ave. South, Eagle Point, Oregon
July 22, 2014

REGULAR MEETING AGENDA

1. CALL TO ORDER – 7:00 P.M.
2. FLAG SALUTE AND INVOCATION
3. AUDIENCE QUESTIONS OR COMMENTS CONCERNING ITEMS NOT ON THE AGENDA
4. PRESENTATIONS
 - 4.1 Jackson County Fire District No. 3: 2nd Quarter Performance Report – Fire Chief Dan Petersen.
5. PUBLIC HEARINGS
6. CONSENT CALENDAR
 - 6.1 Presentation of Regular Meeting Minutes of July 8, 2014.
7. CONSIDERATION OF ITEMS REMOVED FROM THE CONSENT CALENDAR
8. PRESENTATION OF BILLS TO BE PAID
9. OLD BUSINESS

If a physical accommodation is needed to participate in this meeting, please contact the City Recorder at 541-826-4212 ext. 106 or TTY/TDD 711 or 800-735-2900. Notification of at least 48 hours prior to the meeting will assist the City in providing reasonable accommodations. (28 CFR 35.102-35.104 ADA Title II).

City Council Agenda

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10. NEW BUSINESS

- 10.1 Discussion regarding medical marijuana dispensaries – Henry Lawrence, City Administrator.
- 10.2 Resolution No. 2014-31. A Resolution to include an Explanatory Statement as part of the City's upcoming ballot measure asking voters within the Eagle Point City Limits to decide whether or not the City should annex into the Rogue Valley Transit District.
- 10.3 Discussion regarding League of Oregon Cities Priorities – Henry Lawrence, City Administrator.
- 10.4 Resolution No. 2014-32. A Resolution accepting a resignation by Steve Hunter from the Planning Commission and appointing James Mannenbach to fill a vacancy on the Planning Commission.
- 10.5 Resolution No. 2014-33. A Resolution setting Wage Levels for Management Positions for the City of Eagle Point for 2014-2015.

11. REPORTS FROM CITY COUNCIL AND CITY COMMITTEE REPRESENTATIVES

12. STAFF REPORTS

- 12.1 Planning Department.
- 12.2 Financial Department.
- 12.3 Public Works Department.
- 12.4 Police Department.

13. INFORMATION

- 13.1 OLCC License Renewals.

14. ADJOURN

AGENDA AND COUNCIL PACKETS ALSO AVAILABLE ON WEBSITE

www.cityofeaglepoint.org

Jackson County Fire District 3

8383 Agate Road
White City, OR 97503-1075
(541) 826-7100 (Office)
(541) 826-4566 (Fax)
www.jcfd3.com



TO: Board of Directors

FROM: Dan Petersen, Fire Chief
Stacy Maxwell, Chief Finance Officer
John Patterson, Deputy Chief / Fire Marshal
Rod Edwards, Interim Deputy Chief of Operations
Dave Blakely, Division Chief of Training

DATE July 17, 2014

RE: Staff Recommendations on ESCi Study

The purpose of this memo is to provide you with the executive team's analysis of the ESCi cooperative services report and a recommendation for the next step by the District.

Staff is pleased that the District evaluated the concept and effectively analyzed an idea that has been studied since the Rogue Valley Council of Governments conducted the first known study in the late 1960's. Staff believes that the efforts have increased our confidence in how to best serve our patrons. Although the District is a healthy and well-functioning agency, it is good for government to ask tough questions and work through the process with a focus on the most cost effective and efficient service possible for the community.

The District engaged effectively during this discussion. Communication with the organization was exceptional between the Board of Directors, staff, and the labor union. All our personnel demonstrated a willingness to maintain an open mind and displayed a strong regard for our community's needs. Their inputs on the concept and process were thoughtful and insightful. Each of you as Directors were respectful and encouraging to all staff during this process, we thank you for your commitment to the organization and to the community.

After a full review of the ESCi report, the completion of the joint management team analysis, and an accounting of the current issues and concerns expressed by some stakeholders in Medford and MRFPD 2, Staff recommends that Fire District 3 explore opportunities for additional cooperative services with the City of Medford but not to engage in functional unification, contract, or annexation. Staff feels that expanding cooperative services with Medford Fire Rescue in a manner that allows both agencies to maintain independent organizations and leadership will provide the best opportunity to be successful in maximizing the service to our patrons in a safe and effective manner.

The following sections of this report provide the background for our recommendation.

ESCi Report:

The ESCi report identified four options for the District and the City to consider. Status quo was identified as an option that maintains and builds upon the value derived from existing shared services. The other three options are effectively a process that begins with functional unification. If functional unification proves successful; ESCi recommends the City contract with JCFD3. If the contract proves successful; ESCi recommends annexation of the City of Medford into JCFD3.

ESCi believes the total savings for the first three years to be approximately 2.3 million dollars. Over a ten year period, they recommend the elimination of 4.5 positions for a total savings of approximately 11.5 million.

Analysis:

The management teams from Fire District 3 and Medford Fire Rescue were asked to complete an analysis of functional unification. Each department jointly identified the opportunities, challenges, strategies to overcome challenges, support staff needs, and potential for success in their functional area. In addition, the CFOs for both agencies were asked to review the financial analysis provided by ESCi.

The joint management report was designed to allow the staff who actually lead the two organizations to work together and evaluate where they believe they could be most successful with ESCi's recommendation of functional unification. Their effort shows considerable opportunities and some formidable challenges.

The joint management group was organized into teams based on their functional area. The functional teams identified effective strategies that could overcome most of the challenges with functional unification and identified several additional cooperative service opportunities should the two agencies remain independent.

The functional teams recommended that a Fire Chief position and a half time staff assistant could be eliminated through unification. The teams recommend that the additional position eliminations identified by ESCi would be better served by being re-purposed, thereby reducing duplication of work and increasing the efficiency and productivity of staff for slightly less cost overall. With all positions identified in the ESCi study eliminated the Finance Directors in Medford and Fire District 3 estimate the savings at \$6.5 million over a ten year period, not \$11.5 million. Following the functional teams recommendations of eliminating two positions, the total annual savings for both jurisdictions combined through position eliminations were estimated by the Finance Directors at \$220,000 or \$2,200,000 over a ten year period.

The following positions could transition to provide added capacity to both agencies:

- An Operations Chief position transitioning to a Deputy Operations Chief that assists the Operations Chief and manages specialty functions such as EMS, Haz Mat, and Technical Rescue would improve both jurisdictions leadership in these areas and reduce the administrative assignments currently managed by shift Battalion Chiefs.

- A Fire Marshal management position transitioning to a less administrative role to provide additional capacity in areas such as fire and life safety plan review, economic development, and standardization of code adoption in both jurisdictions.
- A Training Chief position transitioning to a less administrative role to allow for more hands on instructional support and delivery.
- A Support Staff position transitioning to a logistics delivery person operating from a central warehouse would improve the ability for both jurisdictions to meet the inventory control and supply system needs identified in the ESCi study.

The contract method (Strategy C) identified in the report was not consistent with the "Fire Authority" method that was discussed during Fire District 3 public meetings. In a "Fire Authority" model, the City and District could form a new entity that both the City and District would contract with. This new governing body would select its Fire Chief and operate under an intergovernmental agreement (ORS 190).

While functional unification and "Fire Authority" are feasible and offer opportunities for increased capacity with some savings, Staff is of the opinion that a shared management team would not be successful today given the issues and concerns expressed by some stakeholder groups in Medford and Medford Rural Fire Protection District 2. The perceptions these stakeholders have of the process have made a collaborative approach to this discussion difficult and would require significant time and effort to resolve. This effort would substantially distract the District from working on the strategic plan adopted for the communities we serve.

Recommendation:

Staff recommends that Fire District 3 explore opportunities for additional cooperative services with the City of Medford but not to engage in functional unification, contract, or annexation. Staff feels that expanding cooperative services with Medford Fire Rescue in a manner that allows both agencies to maintain independent organizations and leadership will provide the best opportunity to be successful in maximizing the service to our patrons in a safe and effective manner.

Staff recommends we continue with the agreements and joint processes in place today and consider expanding our cooperation in some areas. The following areas for expanded cooperative services are based on the joint management team's analysis:

Prevention:

1. Standardize specific standard operating guidelines.
2. Establish a regional fire investigation duty plan, consider an IGA in the future
3. Continued cooperation in Public Education.
4. Establish an IGA to address youth fire prevention and intervention (Fire setting).
5. Establish monthly meetings to share expertise, experience and work through issues.

Operations:

1. Enhance the value of the Dual-Battalion Chief response. Establish a ride-along system for City and District BCs to spend time together in each other's response areas.
2. Consider swapping Battalion Chief coverage areas for periods of time to allow the Battalion Chiefs to interact with neighboring crews.
3. Change the Strike Team/Task Force Leader annual rotation from alternating agency responsibility to a constant dual agency response – one Battalion Chief or Acting Battalion Chief from each department responding together.
4. Establish some exploratory joint committee-level meetings, such as for Personal Protective Equipment (PPE) and Emergency Medical Services (EMS).
5. Establish quarterly Battalion Chief-level training that allows the Battalion Chiefs, Acting Battalion Chiefs, and Operations personnel to spend a few dedicated hours together for Operations-level training. Use move-up personnel for coverage and ensure they are rotated in for the next training session.
6. Explore the advantages of using one TeleStaff system.
7. Create an interagency ride-along / shadow program for personnel involved in career development and advancement.
8. Develop a complete and functional set of joint operational guidelines.

Training:

1. "Blend" the MFR and JCFD3 training committees.
2. Operate with a single set of performance guidelines in one performance manual.
3. Share training resources such as training leads, block scheduling, etc...
4. Operate with a single training plan.
5. Establish web conferencing for all crews.
6. Explore the use of a blackboard learning system.

Logistics:

1. Explore the standardization of operational equipment to allow for greater efficiency while working together on emergency incidents.
2. Explore opportunities for joint purchasing to improve purchasing power and reduce costs.



CITY OF EAGLE POINT

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OREGON

EAGLE POINT CITY COUNCIL
17 BUCHANAN AVE. SOUTH, EAGLE POINT, OREGON

July 8, 2014

REGULAR MEETING MINUTES

1. CALL TO ORDER – 7:00 P.M.

Mayor Russell called the meeting to order at 7:00 p.m.

Council Members Present: Bob Russell, Jonathan Bilden, Wayne Brown, Bill Fierke, Ruth Jenks, and Kathy Sell.

Council Members Absent: Aaron Prunty.

Staff Members Present: Henry Lawrence, City Administrator; Joe Kellerman, City Attorney; Robert Miller, Public Works Director; Melissa Owens, Finance Officer; Vern Thompson, Police Chief; Mike Upston, Planning Director; and Cindy Hughes, City Recorder.

Guests: Suzi Collins, Planning Commissioner; and Millie Wewerka, Budget Committee and Planning Commissioner; Jerry Zieman, Budget Committee; and members of the public and press.

2. FLAG SALUTE AND INVOCATION

Mayor Russell led the Pledge of Allegiance and Jerry Zieman provided the invocation.

3. AUDIENCE QUESTIONS OR COMMENTS CONCERNING ITEMS NOT ON THE AGENDA

Winnie Earl of Eagle Point expressed strong concern about the recent 4th of July fireworks that were ignited on Highlands Drive. Ms. Earl provided additional testimony about the events of the evening and concluded with a request for enforcement of the fireworks regulations.

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4. PRESENTATIONS

There were no presentations.

5. PUBLIC HEARINGS

There were no public hearings.

6. CONSENT CALENDAR

6.1 Presentation of Regular Meeting Minutes of June 24, 2014.

Mayor Russell announced the Consent Calendar and asked for a motion. Councilor Bilden moved to approve the Consent Calendar as presented and Councilor Brown seconded the motion. There was no discussion. Roll call: Jonathan Bilden, aye; Wayne Brown, aye; Bill Fierke, aye; Ruth Jenks, aye; Kathy Sell, aye; Bob Russell, aye; and Aaron Prunty, absent. The motion passed unanimously by those present.

7. CONSIDERATION OF ITEMS REMOVED FROM THE CONSENT CALENDAR

There were no items considered for removal from the Consent Calendar.

8. PRESENTATION OF BILLS TO BE PAID

Mayor Russell asked for a motion to approve the Consent Calendar. Councilor Bilden moved to approve the Bills to be Paid including the additional bills list (Submission No. 1) in the amount of \$17,885.66. Councilor Brown seconded the motion. Councilor Jenks asked about the payment for trees. Robert Miller, Public Works Director, reported the trees were replacement trees for various locations throughout the City. There was no further discussion. Roll call: Jonathan Bilden, aye; Wayne Brown, aye; Bill Fierke, aye; Ruth Jenks, aye; Kathy Sell, aye; Bob Russell, aye; and Aaron Prunty, absent. The motion passed unanimously by those present.

9. OLD BUSINESS

There was no old business to discuss.

At approximately 7:05 p.m., Mayor Russell asked to be recused from the meeting to avoid any conflict of interest on Item 10.1, and called upon Council President Fierke to preside in his absence.

10. NEW BUSINESS

10.1 Resolution No. 2014-28. A Resolution authorizing the City to extend a Water Right Option Purchase Agreement with the Butte Creek Mill.

Council President Fierke presided on Item 10.1, and Henry Lawrence, City Administrator, explained about the existing agreement and three-year renewal options. The terms of the agreement require the City to provide a 150-day notice

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prior to the expiration of the Agreement if the City desires to exercise the second three-year option. The 150-day notification deadline is August 4, 2014. The cost of the second option is \$15,000, which will be credited to the future purchase of water rights. It was clarified that the water, 10 cubic feet per second (cfs), if secured through this Agreement was adequate for the City's future needs during the months of June, July, August, and September.

In addition, Mr. Lawrence explained that the City has about 1,400 acre feet of water; however, it may desire to purchase additional water at some point in the future. Discussion ensued about securing future water purchases from Lost Creek Reservoir and the current political conditions regarding water. Mr. Lawrence also discussed inviting a water consultant to an upcoming Council meeting to provide an overview about water resources.

Councilor Sell inquired about the terminology in Recital A of the Agreement. Joe Kellerman, City Attorney, provided an explanation about converting the water use from a non-consumptive to consumptive use, and clarified the contract is for a valid right. Council President Fierke inquired about the City's rights in the Agreement to purchase water, and asked about the amount of water the City was already purchasing. An exact amount was not available but Attorney Kellerman stated the City would not need all of it. Additionally, a maintenance fee is being paid every year for the water which is a typical cost associated with purchasing water.

Council President Fierke asked for a motion to approve Resolution No. 2014-28. Councilor Sell made a motion to approve Resolution No. 2014-28 and Councilor Jenks seconded the motion. There was no discussion. Roll call: Wayne Brown, aye; Bill Fierke, aye; Ruth Jenks, aye; Kathy Sell, aye; Jonathan Bilden, aye; Aaron Prunty, absent; and Bob Russell, absent. The motion passed unanimously by those present.

At approximately 7:18 p.m., Mayor Russell was requested to return to the Council Chambers.

- 10.2 Resolution No. 2014-29. A Resolution authorizing the City of Eagle Point's application for a Local Government Grant from the Oregon Parks and Recreation Department for design, purchase and installation of a playground at Lucas Park; and authorizing the City Administrator to sign the application.

Robert Miller, Public Works Director, reviewed the application process and explained about the Oregon Parks and Recreation Department's suggestion of changing the application to a stand-alone project with a total amount of \$105,000. Labor and materials would be used to provide the required financial match by the City. Councilor Sell commented favorably on the application.

Mayor Russell asked for a motion to approve Resolution No. 2014-29. Councilor Jenks made a motion to approve Resolution No. 2014-29 and Councilor Sell seconded the motion. There was no discussion. Roll call: Ruth Jenks, aye; Kathy

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Sell, aye; Jonathan Bilden, aye; Wayne Brown, aye; Bill Fierke, aye; Bob Russell, aye; and Aaron Prunty, absent. The motion passed unanimously by those present.

- 10.3 Resolution No. 2014-30. A Resolution authorizing the City of Eagle Point's application for a Planning Grant from the Oregon Parks and Recreation Department for a Parks and Recreation Master Plan; and authorizing the City Administrator to sign the application.

Robert Miller, Public Works Director, explained this was the second of three grant applications that the City applied for during the same time period. Although the Oregon Parks and Recreation Department (OPRD) had not contacted the City about this application, it was appropriate to approve a Resolution in the event the grant is awarded. Mr. Miller discussed the University of Oregon's ability to prepare a professional master plan with attention to the current Statewide Comprehensive Outdoor Recreation Plan (SCORP) guidelines and new mapping.

Discussion followed with many questions about the usefulness and validity of a professionally prepared master plan. Some of the points of discussion were about the impact and effectiveness of a professionally prepared master plan in acquiring grant awards. Other discussion focused on the expense of professional preparation in comparison to preparation by staff. Council President Fierke expressed that the project was not worthy of being passed as he believed it could be satisfactorily prepared by staff. A brief discussion followed about grant applications.

Mayor Russell asked for a motion to approve Resolution No. 2014-30. Councilor Jenks made a motion to approve Resolution No. 2014-30 and Councilor Brown seconded the motion. There was no discussion. Roll call: Kathy Sell, aye; Wayne Brown, aye; Ruth Jenks, aye; Bob Russell, aye; Jonathan Bilden, nay; Bill Fierke, nay; and Aaron Prunty, absent. The motion passed four to two.

11. REPORTS FROM CITY COUNCIL AND CITY COMMITTEE REPRESENTATIVES

Council President Fierke announced the Eagle Point School District Board was scheduled to meet on the following day, July 9th; and a D9 small group meeting was scheduled later in the week.

Councilor Bilden reported the Economic Development Commission had not met due to the lack of a quorum. However, he hosted friends and family over the 4th of July weekend, showcasing the City of Eagle Point. Councilor Bilden concluded by welcoming Mike Upston, Planning Director, as the newest member of the Upper Rogue and Eagle Point Chamber of Commerce.

Councilor Jenks reported attending the Rogue Valley Area Commission on Transportation (RVACT) meeting earlier in the day. At that meeting, there was a proposal to form a subcommittee to review the membership as each jurisdiction and county has a vote. However, Councilor Jenks did not anticipate the proposal would move forward. There had also discussion about forming a technical advisory group to prioritize grant applications but that discussion did not progress.

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Councilor Brown reported the Rogue Valley Sewer Services (RVSS) Board was scheduled to meet during the following week.

Councilor Sell announced the Planning Commission had a meeting scheduled on July 15th. Councilor Sell also thanked the Community Association for a wonderful 4th of July parade and fireworks show. She was deeply touched by the dedication of the fireworks finale in memory of her son, Corporal Nick Sell.

Mayor Russell reported on a recent Rogue Valley Council of Governments (RVCOG) meeting in which County Commissioner Briedenthal had also attended. Regarding the Medford Water Commission, City Attorney, Joe Kellerman, will prepare a response by July 29. Mayor Russell complimented staff on how nice the City looked during the 4th of July. Paving, lighting, and flowers had all been completed in a very short amount of time.

12. STAFF REPORTS

Mike Upston, Planning Director, discussed the recent announcement about the Upper Rogue Community Center (URCC) not providing transportation. URCC and the Rogue Valley Transit District (RVTD) are considering options to restore this service. Next, Mr. Upston reported on a request from the Governor's Office for examples of unmet needs related to downtown revitalization. Eagle Point responded with four projects:

- 1) Installation of utility infrastructure for the City-owned property in the downtown area;
- 2) Downtown façade improvements;
- 3) Downtown lighting; and
- 4) Royal Avenue pedestrian ways.

Additionally, Mr. Upston reported on recent permit applications and a preliminary subdivision request for a single parcel in Sienna Hills. Mr. Upston also reported on mapping in the Upper Rogue Watershed by a mapping contractor for Federal Emergency Management Agency (FEMA). One purpose of the project is to enable FEMA to revise the Flood Insurance Study (FIS) for Jackson County which will affect insurance rates. Mr. Upston's staff report was concluded with a presentation and discussion of photos from the 4th of July parade (Submission No. 2).

Melissa Owens, Finance Officer, reported on the continuation of the transition of fiscal years. The City will also be issuing a Request for Proposal (RFP) for banking, and another one for audit services. Ms. Owens noted there was currently only one bank in Eagle Point that offers government banking but there may be others to participate. Regarding the Rural Development loan, there are still a few steps left before locking in the interest rate but it is hoped to be set within the next couple of weeks.

Robert Miller, Public Works Director, reported on the status of the Lucas Park project with advertising scheduled to begin in the Daily Journal of Commerce. In regard to pavement maintenance, a mapped list (Submission No. 3) was provided which shows the plans for maintenance. Mr. Miller noted the plan is intentionally aggressive, with more streets than dollars. The City is also attempting to have the County do roadwork on curb and gutter portions but the County has been hesitant to do so for a multitude of reasons. On a final

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note, the lighting project has been completed and Mr. Miller thanked everyone involved for their help with the project.

Police Chief Thompson reported on complaints related to fireworks on the 4th of July. While there are many challenges with enforcing fireworks regulations, Eagle Point's Code Enforcement Officer Franklin patrolled on bicycle and others were in patrol cars. It was also reported that most citizens are reluctant to become involved as witnesses; however, the Police Department was in the process of issuing several citations. Police Chief Thompson also discussed the upcoming National Night Out event scheduled on August 5th. Showa students will be invited to attend this event.

Henry Lawrence, City Administrator, discussed upcoming items at the next meeting on July 22nd. On the agenda will be a discussion regarding the League of Oregon Cities' legislative priorities list, and a discussion regarding marijuana dispensaries. One future related item that may come up is a tax on marijuana sales. Mr. Lawrence also discussed the Street Dance scheduled on August 16th. Anyone interested in helping with this event was encouraged to contact the City. Regarding the Parks and Recreation Master Plan, Mr. Lawrence reported he would like to see a simpler Master Plan and to keep the expense down if possible.

13. INFORMATION

There were no information items to discuss.

14. EXECUTIVE SESSION PURSUANT TO ORS 192.660(2)(e), To conduct deliberations with persons designated by the governing body to negotiate real property transactions.

It was not necessary to hold an Executive Session.

15. ADJOURN

There being no further business, Mayor Russell closed the meeting at 8:12 p.m.

Respectfully submitted,

Cindy Hughes, City Recorder

ATTEST:

Robert E. Russell, Mayor

C Hughes 7-18-14

BILL LIST
7/22/2014

CHECK #	VENDOR	DESCRIPTION	AMOUNT
34457	AMERICAN WATER WORKS ASSOCIATION	MEMBERSHIP/SUBSCRIPTION RENEWAL	\$ 339.00
34458	BUD'S TRACTOR	WEED ABATEMENT	\$ 2,547.50
34459	CODE PUBLISHING, INC	MUNICIPAL CODE UPDATED	\$ 85.80
34460	COPELAND CONSTRUCTION	TRACY/ELM STORM PROJECT	\$ 14,997.00
34461	COSTCO WHOLESALE	MEMBERSHIP	\$ 110.00
34462	CURTIUS-HUNTLEY PLUMBING	BUILDING MAINT/REPAIR	\$ 125.00
34463	DAY WIRELESS SYSTEM	EQUIPMENT MAINT/REPAIR	\$ 97.50
34464	DCBS LOCAL GOV SUR FEE REPORT	APRIL, MAY, JUNE BUILDING CODE FEES	\$ 2,993.11
34465	EAGLE POINT SENIOR CENTER	BUDGETED CONTRIBUTION	\$ 4,000.00
34466	HAYS OIL COMPANY	FUEL	\$ 654.33
34467	HGC, INC	JUDGE STEWART PARKING/STORM PROJECT	\$ 51,373.62
34468	HUNTER COMMUNICATION	UTILITY	\$ 695.75
34469	LEADSONLINE	MEMBERSHIP/SUBSCRIPTION RENEWAL	\$ 1,308.00
34470	LEAGUE OF OREGON CITIES	ANNUAL MEMBERSHIP	\$ 6,280.59
34471	LITHIA DODGE CHRYSLER JEEP	VEHICLE MAINT/REPAIR	\$ 326.19
34472	MEDFORD WATER COMMISSION	MASTER METER CONSUMPTION	\$ 43,606.22
34473	METROPOLITAN TRANS COMMISSION	STREET PROGRAM MAINTENANCE	\$ 1,500.00
34474	MOUNTAIN VIEW PAVING, INC	STREET MAINTENANCE	\$ 1,204.00
34475	MT SHASTA SPRING WATER	UTILITY	\$ 83.50
34476	NEILSON RESEARCH CORPORATION	WATER TESTING	\$ 245.00
34477	OFFICE MAX	SUPPLIES	\$ 186.24
34478	OR ASSOC OF WATER UTILITIES	MEMBERSHIP/SUBSCRIPTION RENEWAL	\$ 920.00
34479	OREGON DEPT OF TRANSPORTATION	STREET MAINTENANCE	\$ 833.10
34480	OREGON MAYORS ASSOCIATION	TRAVEL/TRAINING	\$ 425.00
33481	PERSONNEL SOURCE, INC	TEMP SERVICE- PW, MUSEUM, HARNISH, CODE 2WKS	\$ 3,309.57
34482	PITNEY BOWES PURCHASE POWER	POSTAGE	\$ 2,000.00
34483	PURCELL PAINTINGS & COATING, INC	COVERED BRIDGE 202 MAINT/REPAIR	\$ 18,750.00
34454	ROBERT & DEBORAH RUSSELL	PRESERVE WATER RIGHTS	\$ 15,000.00 *ISSUED 7/15/14
34484	ROBERT RUSSELL	TRAVEL/TRAINING	\$ 557.38
34485	ROGUE VALLEY COUNCIL OF GOVERNMENTS	BIOLOGICAL ANALYSIS FOR USDA	\$ 297.87
34486	TCS UNIFORM & APPAREL	UNIFORM - POLICE	\$ 558.90
34487	TEHAMA TIRE SERVICE	VEHICLE MAINT/REPAIR	\$ 576.45
34488	TEKMANAGEMENT, INC	COMPUTER SUPPORT	\$ 20.00
34489	UPPER ROGUE INDEPENDENT	ADVERTISING & DESTINATION	\$ 1,073.00
34490	VERIZON WIRELESS	UTILITY	\$ 240.08
34491	WCP SOLUTIONS	JANITORIAL SUPPLIES	\$ 431.20
34501	VPCI	LASERFICHE	\$ 2,697.50
34492	WELBURN ELECTRIC, INC	BUILDING MAINT/REPAIR	\$ 1,124.00
34500	CJ DAVIS	PER DIEM FOR ALICE TRAINING	\$ 116.67
			<u>\$ 181,689.07</u>

REFUNDS

34493	ALEX W BELLEN		\$ 11.53
34499	CHRISTIAN/DANIE SOLOMON		\$ 31.03
34494	DANIEL CATROPA		\$ 39.79
34455	GERRY RICHARDSON		\$ 50.00 *ISSUED 7/15/14
34497	GREG KENNISON		\$ 11.25
34496	KORY ESQUIBEL		\$ 20.61
34498	RIVERDELL CONSTRUCTION		\$ 138.76
34495	SARAH CRAWFORD		\$ 18.14

SUBTOTAL

\$ 321.11

TOTAL

\$ 182,010.18

**BUSINESS OF THE CITY COUNCIL
EAGLE POINT, OREGON**

AGENDA STATEMENT

Item Number: 10.1
Meeting Date: July 22, 2014

ITEM TITLE: Discussion regarding medical marijuana dispensaries.

SUBMITTED BY: Henry Lawrence, City Administrator.

SUMMARY EXPLANATION: On March 25, 2014, the City Council declared a moratorium on the siting of medical marijuana facilities within the City of Eagle Point. Senate Bill 1531 provides for the passage of a moratorium until May 1, 2015, after which it is replaced by local time, place and manner (TPM) restrictions, if any. In addition to the moratorium, Eagle Point's municipal code currently prohibits the issuing of a business license to a business activity that will violate federal law. No other TPM (zoning, etc.) restrictions are currently in the municipal code with regard to marijuana dispensaries.

Moreover, it appears a state-wide ballot initiative has qualified for the November general election that, if passed by voters, will legalize recreational marijuana, with similarities to what has occurred in both Washington and Colorado. Some cities are now adopting TPM and taxation regulations prior to the November election in an effort to grandfather local TPM and tax provisions before the ballot initiative preempts local authority to do so. (Ashland has already done so; Medford is considering it; Central Point is in the process of Council adoption).

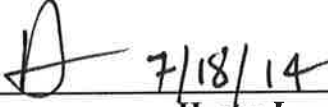
At the June 10, 2014 Council meeting during the public comment period, business owner Evan Quan (Going Organic) submitted a document that in essence requests that the Council create local time, place, manner, and taxing regulations on dispensary siting and sales, and lift the moratorium allowing medical marijuana dispensaries to operate Eagle Point.

No formal action is required at this meeting. To avoid having staff prepare ordinance provisions for options that Council shows no interest in pursuing, it is hoped the Council will provide guidance to staff as to which options currently appear to have enough Council support to warrant consideration at a future Council business meeting, perhaps in August or September.

What is the wish of the Council? On a future meeting agenda, is it the Council's desire to reopen the medical marijuana dispensary discussion with regard to possibly creating local time, place, manner, and taxing regulations and/or lifting the current moratorium?

Attached is a June 2014 article from the League of Oregon Cities magazine that explores some enforcement options for cities.

FINANCIAL IMPACT: None at this time.

<p>APPROVED FOR SUBMITTAL: _____  _____ Henry Lawrence, City Administrator</p>
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STAFF RECOMMENDATION: None.

COUNCIL ACTION: Direction to staff.

Enforcement Options: A Roadmap for Cities

SB 1531 established a May 1 deadline to adopt a one-year moratorium on medical marijuana dispensaries, and 145 cities have officially done so. Even though the moratorium period has begun, there are still several actions any city can take with regard to the dispensaries. At the League's Marijuana Workshop last month in Portland, Eugene City Attorney Glenn Klein outlined five current options that arguably exist for cities. Not all attorneys agree that these options are available, and the city charters or city codes in some cities would not authorize some of these options. Consequently, it is critical that a city discuss with its city attorney whether an option may be available and what the potential legal risks are of proceeding with that option.

Ban

Cities can simply take formal action to ban the existence of medical marijuana dispensaries. According to Klein, SB 1531 "did not preempt a city's home rule power to enact a ban." However, he also noted that there are "many out there who disagree" with his interpretation of the bill, and as a result, a city enacting a ban is risking a legal challenge and the potential for substantial costs.

"If someone sues the city over a ban and succeeds, then the city might have to pick up their legal costs too," Klein noted.

There is a banning option that carries slightly less risk, Klein says. "A city could ban any business which necessarily violates federal or state law," he said. In addition, cities with a business license program can adopt an ordinance stating it will not issue a license to any business that operates in violation of federal or state law.

License

Most cities have the ability to license or adopt a licensing program. Therefore, as part of an existing licensure program, a city could require a license for a medical marijuana dispensary. Alternatively, cities that do not have a formal licensing program could adopt a business license requirement specifically for dispensaries. By adopting a license

requirement, a city can more easily employ certain regulations such as background checks.

On the other hand, this option does carry its share of risk for cities.

Klein says that by granting a license, a city would "give a business permission to conduct an operation that violates federal law." Could this potentially lead to federal prosecution? Klein says that's unknown, but not out of the realm of possibility. Another consideration is that in just two years a new president will occupy the White House, and federal policies could change. Still further risk involves the potential loss of federal funding for grants. Klein notes that many federal grants typically have several pages of conditions that must be met, including the requirement that a recipient is compliant with federal law.

Regulate

Klein says it is "absolutely clear" that cities are not preempted from adopting "reasonable regulations" with regard to medical marijuana dispensaries. "Some tried to argue that SB 1531 only allows cities to adopt regulations by May 1, but the bill is clear; the May 1 deadline only applies to outright bans."

But what are reasonable regulations? Klein says eventually this could be decided in the courts. But in the meantime, there are statewide examples of cities adopting analogous regulations such as geographic limits, specific hours of operation, and prohibition on the types of products dispensaries can sell.

In addition, a city has the option to exclude dispensaries in certain zones as defined by its zoning code. According to Klein, the city of Eugene's code treats a dispensary as a "specialty retail" business, which is authorized only in commercial zones, and not in industrial zones. So in this case, even though state law would allow a dispensary in an industrial zone, local zoning code would not. Eugene also requires a conditional use permit in some of its commercial zones.



"The worst thing a city can do in this case is adopt regulations without having first figured how they will be enforced."

– Glenn Klein, Eugene City Attorney

Another option would be for a city to expand the existing 1,000-foot buffer that further defines where a dispensary can locate. “A city could apply the buffer to include areas where children may congregate, such as a day care center, a library or a transit center,” Klein said.

A city can also enforce regulations on the dispensaries’ hours of operation. Klein cites the example of jurisdictions which have copied the Oregon Liquor Control Commission’s guidelines for liquor store operations: 10:00 a.m. to 7:00 p.m. “These jurisdictions decided, ‘If it’s reasonable for liquor stores, it’s reasonable for dispensaries,’ so they adopted that limitation.”

Klein says cities face two main risks if they choose to pursue regulations on dispensaries, one legal and the other operational. “The first is litigation over whether they are reasonable,” he said. The bigger risk, depending on the nature of regulations adopted, is that enforcement may be an “administrative nightmare.”

“I’ve seen city councils elsewhere in the state adopt regulations that sounded really good, but were nearly impossible to enforce. The worst thing a city can do in this case is adopt regulations without having first figured how they will be enforced.”

Tax

Klein says he’s not aware of any jurisdiction that has adopted a gross receipts tax on dollars received by a medical marijuana dispensary. “But nothing I’m aware of prohibits a jurisdiction from doing this,” he notes. “Cities have home rule authority, and I think they can.”



Wait and See

For cities like Eugene, which did not formally adopt a ban, Klein says this option boils down to waiting to see if problems develop, then presenting those problems to the city council, along with some options for how to resolve them.

He says that for cities taking this approach, the best course of action for city councils is to have staff “monitor the situation for problems and know its okay to come to you with potential solutions.”

Final Caution – Consult City Attorney

During his remarks at the League workshop, Klein implored cities to talk to their city attorney before pursuing any course of action. He cited two very important reasons:

“First, there are a lot of grey areas here, and you as policy makers need to be aware of the risks. Your city attorney can help you assess those risks and decide whether to move forward. The other reason is that your charters are different, and therefore your city codes may be different. One city may be able to do something that another city can’t.” ■



SB 1531 allowed cities and counties to adopt a one-year moratorium on medical marijuana dispensaries and 145 cities have done so. In addition, five cities have instituted a ban on moratoriums:

- Jacksonville
- Hermiston
- Medford
- Oakridge
- Tualatin

For a list of cities with moratoriums, visit the League’s medical marijuana webpage at www.orcities.org/marijuana.