CITY COUNCIL MEETING AGENDA

June 11, 2026
6:00 PM
Central Point City Hall, Council Chambers
140 S 3rd St, Central Point, OR
www.centralpointoregon.gov

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10. Meeting Called to Order

20. Pledge of Allegiance

30. Roll Call

40. Public Agency Comments

50. Public Comments

The City Council sets aside 20 minutes for in-person public comments on non-agenda items. Comments are limited to three (3) minutes per individual, five (5) minutes per group or organization. Please complete a public comment form before speaking.

The City Council encourages written comments. Please submit your comments by regular mail to City Council, 140 S Third St, or by email to meetings@centralpointoregon.gov. Comments must be received by noon on the date of the meeting to be noted in the record. Please include the date of the Council meeting with your comments.

60. Consent Agenda

A. Approval of May 28, 2026 Meeting Minutes

B. OLCC Application - Red Hills Cellars

70. Items Removed from the Consent Agenda

80. Public Hearing

Public comments will be allowed on items under this part of the agenda following a brief staff report presenting the item and action requested. The presiding officer may limit testimony.

For land use matters and other quasi-judicial appeals: Comments are limited to a total of 30 minutes for applicants and/or their representatives. They may request a 5-minute rebuttal time. Appellants and/or their representatives are limited to a total of 30 minutes and if the applicant is not the appellant they will also be allowed a total of 30 minutes. All other participants are limited to 4 minutes.

For matters that are legislative or administrative and are not quasi-judicial: Comments are limited to 4 minutes per individual, group or organization.

Please complete a public comment form before speaking.

A. Supplemental Budget 2025/27 (#1)
Tessa DeLine, Finance Director

90. Ordinances and Resolutions

A. Resolution Approving the Fiscal Year 2026–2027 Insurance Program, Including Property, General Liability, and Workers' Compensation Coverage.
Chris Clayton, City Manager

B. Resolution Approving Franchise Agreement with Avista Corp. for the nonexclusive right, privilege and authority to install, maintain and operate facilities along City right-of-way.
Sydnee Dreyer, City Attorney

100. Business

A. Planning Commission Report
Stephanie Powers, Planning Director

B. Utility Rate Discount (Hardship) Program — Enrollment Update, Program Impacts, and Eligibility Discussion for Out-of-City-Limits Water Customers
Chris Clayton, City Manager

110. Mayor's Report

120. City Manager's Report

130. Council Reports

140. Department Reports

150. Adjournment

Individuals wishing to attend a meeting via Zoom or needing special accommodations such as sign language, foreign language interpreters, or equipment for deaf and hard of hearing people must request such services at least 72 hours before the City Council meeting. To make your request, please contact the City Recorder at 541-423-1015 (voice) or by e-mail to meetings@centralpointoregon.gov.

Si necesita traductor en espanol o serviciis de discapacidades (ADA) para asistir a una junta publica de la caudad poor favor llame con 72 hora de anticipation al 541-664-3321 ext. 201.

CITY COUNCIL MEETING MINUTES

May 28, 2026
6:00 PM
Central Point City Hall, Council Chambers
140 S 3rd St, Central Point, OR
www.centralpointoregon.gov

1 Meeting Called to Order

2 Pledge of Allegiance

3 Roll Call

The following members were present: Mayor Taneea Browning, At Large Rob Hernandez, Ward II Kelley Johnson, Ward I Neil Olsen, Ward IV Brian Whitaker, At Large Michael Quilty, and Ward III Sarah Roberts.
The following staff were also present: City Manager Chris Clayton, City Attorney Garrett West, Parks and Public Works Director/Assistant City Manager Matt Samitore, Police Chief Scott Logue, Planning Director Stephanie Powers, Finance Director Tessa DeLine, and City Recorder/Assistant Finance Director Rachel Neuenschwander.

4 Public Comments

Hannah Treadway addressed the council regarding her pet pig, Mabel Jean, a mini-pot-bellied pig. She requested that the council review and update Central Point municipal code 6.06.01 regarding pigs within city limits. She explained that the current ordinance prohibits all pigs but argued there should be a distinction between livestock raised for commercial purposes and domesticated pot-bellied pigs kept strictly as household pets. She noted that many cities have updated their ordinances to recognize pot-bellied pigs as companion animals rather than farm animals. The City Manager responded that staff could research the matter and bring back recommendations to the council.

Tamara Maher, along with friends and neighbors, expressed concerns about recent herbicide spraying at parks, particularly around the newly established pollinator garden at Flanagan Park. She requested that

Central Point join other Rogue Valley communities (Talent, Ashland, Phoenix, and Medford) in becoming a "bee city." She explained that this designation would involve making a commitment to conserve native pollinators through various actions, including reducing pesticide use and implementing integrated pest management systems. The Parks and Public Works Director responded that the matter would be presented to the Parks Commission for review and recommendation.

5 Public Agency Comments

6 Consent Agenda

A. Approval of April 23, 2026, Meeting Minutes

Motion: Approve

Moved By: Rob Hernandez **Seconded by:** Kelley Johnson

Roll Call: Members Taneea Browning, Rob Hernandez, Kelley Johnson, Neil Olsen, Brian Whitaker, Michael Quilty, Sarah Roberts voted yes. None voted no.

7 Items Removed from the Consent Agenda

8 Public Hearing

9 Ordinances and Resolutions

A. Resolution Ratifying the Police Collective Bargaining Agreement (CBA)

Human Resources Director Elizabeth Simas presented details of the police contract negotiations that began in March and concluded in May 2026. She outlined the police staff composition of 29 employees plus one vacancy, including 4 police support specialists, 2 community service officers, 19 police officers, and 4 corporals. Key changes included switching from Roman numerals to Arabic numbering, using gender-neutral terms, and removing obsolete language.

Significant provisions included allowing detectives to change from semimonthly to weekly on-call duty with pay increased from $185 to

$250 per week. The city agreed to contribute to a deferred compensation program starting at $50/month in 2027, increasing to $100/month in 2028. Field Training Officer pay of 5% was extended to corporals beginning in 2027. Evidence technician pay increased from 5% to 8% for the police support specialist handling evidence duties.

Additional benefits included a $750 reimbursement for recruits traveling to the police academy, holiday pay at time and a half, and a sick leave sell-back program beginning in 2028 allowing employees with over 520 hours to sell back half the value to an HRA Veba account. Salary increases were set at 3.75% for 2026 and 2027, with 2% plus a new 5% top step in 2028.

Motion: Approve
Moved By: Sarah Roberts **Seconded by:** Neil Olsen
Roll Call: Members Taneea Browning, Rob Hernandez, Kelley Johnson, Neil Olsen, Brian Whitaker, Michael Quilty, Sarah Roberts voted yes. None voted no.

Sarah Roberts moved to approve Resolution No. 1865, A Resolution Ratifying the Police Collective Bargaining Agreement and authorizing the Mayor and the City Manager to sign the Agreement.

B. Crest-Vista Waterline Bid

Matt Samitore Parks and Public Works Director, presented the bid opening results for the Crest-Vista Waterline project. He explained that the asbestos concrete pipe was discovered to be unsecured during routine maintenance, held only by water meter connections. Nine bids were received, with Express Excavation LLC submitting the lowest qualified bid. The project came in $150,000 under the engineer's estimate and would begin within 10 days if approved.

Motion: Approve
Moved By: Rob Hernandez **Seconded by:** Brian Whitaker
Roll Call: Members Taneea Browning, Rob Hernandez, Kelley Johnson, Neil Olsen, Brian Whitaker, Michael Quilty, Sarah Roberts voted yes. None voted no.
Rob Hernandez moved to approve Resolution No. 1866, a Resolution approving the lowest qualified bid for the

construction of the Crest-Vista Waterline Replacement Project to Express Excavation, LLC and authorizing the City Manager to sign the contract.

C. A Resolution to Annex 4258 Hamrick Road

Stephanie Powers Planning Director presented three separate voluntary annexation applications for properties that are county islands within the city limits. All three properties met the required criteria: contiguity to city limits, location within the urban growth boundary, pre-designated zoning, and full consent of property owners.

The first property at 4258 Hamrick Road consists of 1.78 acres zoned C4 (tourist and office professional), currently developed with one single family residence with the remainder vacant. The second property at 1955 Scenic Avenue is 2.53 acres owned by School District 6, pre-designated as open space in the Griffin Creek corridor. The third property at 4632 North Pacific Highway is 1.14 acres zoned LMR (Low Mix Residential) with a single-family residence.

Motion: Approve
Moved By: Sarah Roberts **Seconded by:** Neil Olsen
Roll Call: Members Taneea Browning, Rob Hernandez, Kelley Johnson, Neil Olsen, Brian Whitaker, Michael Quilty, Sarah Roberts voted yes. None voted no.

Sarah Roberts moved to approve Resolution No. 1867 a Resolution to annex 1.78 acres located at 4258 Hamrick Road and identified on the Jackson County Assessor's Map as 37 2W 01CB, Tax Lot 800.

D. Resolution to Annex 1955 Scenic Ave

Motion: Approve
Moved By: Kelley Johnson **Seconded by:** Michael Quilty
Roll Call: Members Taneea Browning, Rob Hernandez, Kelley Johnson, Neil Olsen, Brian Whitaker, Michael Quilty, Sarah Roberts voted yes. None voted no.

Kelley Johnson moved to approve Resolution No. 1868 a Resolution to annex 2.53 acres located at 1955 Scenic Avenue and identified on the Jackson County Assessor's Map as37 2W 03BA, Tax Lot 100.

E. Resolution to Annex 4632 North Pacific Highway

Motion: Approve

Moved By: Kelley Johnson **Seconded by:** Sarah Roberts

Roll Call: Members Taneea Browning, Rob Hernandez, Kelley Johnson, Neil Olsen, Brian Whitaker, Michael Quilty, Sarah Roberts voted yes. None voted no.

Kelley Johnson moved to approve Resolution No. 1869 a Resolution to annex 1.14 acres located at 4632 North Pacific Highway and identified on the Jackson County Assessor's Map as 37 2W 03BD, Tax Lot 400.

F. 2026 City Standard and Specifications

Matt Samitore Parks and Public Works Director presented the updated 2026 standard specifications document, which had not been updated in several years while waiting for ODOT to finish their standard drawings. Key changes included updated phone numbers, new ADA compliance requirements from ODOT, and changing from class 54 to class 52 ductile iron pipe to align with manufacturer availability and Medford Water Commission standards.

10 Business

A. Discussion on Special Events

Matt Samitore Parks and Public Works Director led an interactive discussion about issues with current special event regulations, seeking council feedback before bringing back formal ordinance changes. Key topics included:

Food Trucks in Downtown: Current code prohibits food trucks in downtown, yet every special event includes them. Council members generally supported allowing food trucks during special events but not as permanent fixtures, with concerns about fairness to taxpaying downtown businesses.

Events Within Events: Problems occurred at Made in Southern Oregon with unauthorized special events happening within the main event, creating enforcement issues and liability concerns. Council supported establishing proximity boundaries to prevent overlapping events.

Number of Special Events per Business: Discussion about limiting frequency of private business special events, with suggestions ranging from monthly to quarterly limits. Council requested staff research and recommendations.

Mobile Alcohol Service: Council expressed mixed views on allowing mobile alcohol vendors, with concerns about competition with existing downtown bars and enforcement challenges. Initial consensus leaned toward restrictions or prohibition.

Alley Use: Businesses want to use public alleys for special events, raising concerns about emergency access, ADA compliance, and fair compensation for public property use. Council emphasized safety requirements and proper permitting.

Business License Requirements: Staff recommended requiring all food trucks and vendors to obtain city business licenses before participating in special events.

11 Mayor's Report

The Mayor reported on recent activities including speaking with second graders about civic engagement and careers in municipal government, attending high school presentations about government opportunities, participating in DARE graduations at local elementary schools, and attending various community events including a medical center grand opening and rodeo activities.

12 City Manager's Report

The City Manager reported on insurance renewal proposals showing a 9% increase for the upcoming year, upcoming discussions about feral cat issues and animal control, meetings with the city's lobbyist for the upcoming legislative session, progress on RVCOG's food and friends program relocation, and HVAC replacement needs for city hall estimated at $250,000.

13 Council Reports

Council members provided brief reports on their recent activities, including attendance at various board meetings (RVMPO, RVAC, RVCOG, Jackson County Fire District 3, Fair Board, School District 6), budget meetings, and community events. One member noted constituent concerns about noise complaints and drone activity in residential areas.

14 Department Reports

Department heads provided brief updates including finance department preparations for fiscal year-end close and budget transitions, legal department reporting no emergency issues, and public works updates on water smart program costs and downtown business recruitment efforts. The Police Chief reported on a recruit's graduation from the academy with honors and upcoming training activities.

15 Adjournment

Neil moved to adjourn, all said aye, and the meeting was adjourned at 7:38 PM

The foregoing minutes of the May 28, 2026, Council meeting were approved by the City Council at its meeting of _________________, 2025.

Dated: ___________________________
Mayor Taneea W. Browning

ATTEST:

____
City Recorder

Staff Report

DEPARTMENT: Administration **MEETING DATE:** June 11, 2026

STAFF CONTACT:

SUBJECT: OLCC Application - Red Hills Cellars

SUMMARY AND BACKGROUND:

The City has received an application for Red Hills Cellars, which will be located at 331 E Pine St.

Oregon Revised Statutes (ORS) require that Oregon Liquor and Cannabis Commission (OLCC) applications for new licenses and changes of ownership be approved by the City Council. The Planning Department has confirmed that the business is permitted at the proposed new location, and the business license application is in the process of being reviewed by all other city departments.

ATTACHMENTS/EXHIBITS:

1. OLCC LOCAL GOVERNMENT RECOMMENDATION_Completed

OREGON LIQUOR & CANNABIS COMMISSION

Local Government Recommendation – Liquor License

Annual Liquor License Types	
Off-Premises Sales	Brewery-Public House
Limited On-Premises Sales	Brewery
Full On-Premises, Caterer	Distillery
Full On-Premises, Commercial	Grower Sales Privilege
Full On-Premises, For Profit Private Club	Winery
Full On-Premises, Non Profit Private Club	Wholesale Malt Beverage & Wine
Full On-Premises, Other Public Location	Warehouse
Full On-Premises, Public Passenger Carrier	

Section 1 – Submission – To be completed by Applicant:

License Information

Legal Entity/Individual Applicant Name(s): Red Hills Cellars, LLC

Proposed Trade Name: Red Hills Cellars & Jaxon Vineyards

Premises Address: 331 E Pine St   Unit:

City: Central Point   County: Jackson   Zip: 97502

Application Type: (●) New License Application ( ) Change of Ownership ( ) Change of Location

License Type: Winery - Consumption   [■] Additional Location for an Existing License

Application Contact Information

Contact Name: Jackie Crawford   Phone: 971-217-1887

Mailing Address: PO Box 1786

City: Medford   State: OR   Zip: 97501

Email Address: jackie@redhillscellars.com

Business Details

Please check all that apply to your proposed business operations at this location:

[ ] Manufacturing/Production

[■] Retail Off-Premises Sales

[■] Retail On-Premises Sales & Consumption

If there will be On-Premises Consumption at this location:

[■] Indoor Consumption   [■] Outdoor Consumption

[ ] Proposing to Allow Minors

Section 1 continued on next page

Local Government Recommendation – Liquor License

Section 1 Continued – Submission - To be completed by Applicant:

Legal Entity/Individual Applicant Name(s): Red Hills Cellars, LLC

Proposed Trade Name: Red Hills Cellars & Jaxon Vineyards

IMPORTANT: You MUST submit this form to the local government PRIOR to submitting to OLCC. Section 2 must be completed ***by the local government*** for this form to be accepted with your CAMP application.

Section 2 – Acceptance - To be completed by Local Government:

Local Government Recommendation Proof of Acceptance

After accepting this form, please return a copy to the applicant with received and accepted information

City or County Name: Central Point, Oregon

Optional Date Received Stamp

Date Application Received:

Received by:

Section 3 – Recommendation - To be completed by Local Government:

○ **Recommend this license be granted**

○ **Recommend this license be denied** (Please include documentation that meets OAR 845-005-0308)

○ **No Recommendation/Neutral**

Name of Reviewing Official:

Title:

Date:

Signature:

After providing your recommendation and signature, please return this form to the applicant.

Staff Report

DEPARTMENT:	Finance	**MEETING DATE:**	June 11, 2026

STAFF CONTACT: Tessa DeLine, Finance Director

SUBJECT: Supplemental Budget 2025/27 (#1)

SUMMARY AND BACKGROUND:
This Supplemental Budget requests additional appropriations or adjustments for various City funds. The affected funds are: General Fund, Street Fund, Water Fund, and Internal Services Fund. Total Supplemental Budget changes equal $1,960,600.

General Fund

Resources – Increase $950,600

Intergovernmental Revenue

- Increase State/local Grants (10-00-00-4330) by $78,000 for a grant for Pfaff Park.
- Increase Asset Forfeiture (10-00-00-4395) by $80,000 for the purchase of Police radios.

Charges for Service

- Increase Public Safety Fee (10-00-00-4449) by $790,000 because of the Public Safety Fee increase earlier this year.
- Decrease City Overhead Fees (10-00-00-4415) by $531,000 for a budgeting error.

Miscellaneous

- Increase Miscellaneous Revenue (10-00-00-4810) by $350,000 for the sale of the Old Military Road and Bush Street properties.
- Increase Parks Donations/Grants (10-00-00-4815) by $183,600 for a grant for Pfaff Park Playground Equipment and for a grant from OPRD of Urban Forestry.

Requirements – Increase $950,600

Finance:
Increase Professional Services Expense (10-20-00-6350) by $125,000 for Audit fees.

Parks

- Increase Community Forestry Expense (10-40-45-6534) by $57,000 for Urban Forestry grant expense.
- Increase Salaries and Wages (10-40-45-5010) by $148,200 for part-time help to clean restrooms and park gazebos. This will save the City of Central Point $ annually compared to using contract services.
- Decrease Contract Services (10-40-45-6360) by $197,000 for the partial cancellation of contract services for restroom and gazebo cleaning.
- Increase Pfaff Park CIP expense (10-40-45-7240) by $143,000 for costs associated with Pfaff Park Playground equipment.

Police

- Increase Salaries and Wages (10-60-00-5010) by $283,000 due to a budgeting error.

- Increase Dispatch Services (10-60-00-6340) by $70,000. The budget amount was too low.

- Increase Asset Forfeiture Expense (10-60-00-6433) by $80,000 for the purchase of police radios.

- Increase Fuel Expense (10-60-00-6660) by $100,000 due to rising fuel prices.

Transfers Out:

Decrease Transfers Out to the Reserve Fund (10-90-37-8000) by $200,000 to stabilize the General Fund balance.

Contingency:

Increase Contingency Expense (10-90-37-9000) by $341,400. Excess amount to balance.

Street Fund

Resources – Increase $360,000

Beginning Fund Balance:
Increase Beginning Fund Balance (20-00-00-4010) by $360,000 to reflect the actual amount.

Requirements – Increase $360,000

SDC Capital Expense:
Increase CIP-Highway 99 (20-70-43-7211) by $755,000.

Transfers:
Increase Transfer to Debt Service Fund (20-90-37-9000) by $62,000

Ending Fund Balance:
Decrease Ending Fund Balance (20-90-37-9500) by $457,000.

Capital Improvement Fund

No Change

Reserve Fund

Resources – Decrease $200,000

Transfer In:
Decrease Transfer from General Fund (35-00-00-4910) by $200,000.

Requirements – Decrease $200,000

Ending Fund Balance:
Decrease Ending Fund balance (35-90-37-9500) by $200,000.

Debt Service Fund

Resources – Increase $138,000

Beginning Fund Balance:
Increase Beginning Fund Balance (40-00-00-4010) by $138,000 to reflect the actual amount.

Transfer In:
Increase Transfers In (40-00-00-4910) by $62,000 to assist with the Debt Service budget error.

Requirements – Increase $138,000

Debt Service Expense:
Increase Principal – Public Works Operations Center (40-90-37-7630) by $200,000 due to a budgeting error.

Building Fund

No Change

Water Fund

Resources – Increase $450,000

Beginning Fund Balance:
Decrease Beginning Fund Balance (55-00-00-4010) by $400,000 to reflect the actual amount.

Charges for Services:
Increase Water Sales (55-00-00-4490) by $850,000 to reflect an overall 20% rate increase in March 2026.

Requirements – Increase $450,000

Operations Expense :
Increase Water Purchase (55-70-43-6750) by $450,000 to reflect a 25% increase in wholesale water purchase by the Medford Water Commission.

Storm Water Fund

No Change

Internal Services Fund

Resources – Increase $200,000

Beginning Fund Balance:
Increase Beginning Fund Balance (60-00-00-4010) by $200,000 to reflect the actual amount.

Requirements – Increase $200,000

Facilities Maintenance:
Increase Contract Services (60-70-11-6360) by $58,000 to reflect an increase in contract services.

PW Administration:
Increase Contract Services (60-70-27-6360) by $22,000 to reflect an increase in contract services.

PW Fleet Maintenance:
Increase Fuel Expense (60-70-29-6660) by $120,000 to reflect an increase in fuel costs.

Fiscal Impact - $1,960,600

PREVIOUSLY DISCUSSED/DECIDED:

FINANCIAL ANALYSIS:

LEGAL ANALYSIS:

COUNCIL GOALS/STRATEGIC PLAN ANALYSIS:
Strategic Priority - Responsible Governance
Goal 1 — Maintain a strong financial position that balances the need for adequate service levels and capital requirements against the affordability that is desired by our citizens.
Goal 2 - Invite Public Trust.
Strategy 1 - Be a trusted source of factual information,

ATTACHMENTS/EXHIBITS:
1. RESO Supplemental Budget 25-27

STAFF RECOMMENDATION:
1)Hold a public hearing for the purpose of allowing citizen comments or ask questions about the supplemental budget.
2)Approve the resolution as presented.

RECOMMENDED MOTION:
I move to approve Resolution No. _____, a Resolution of the City of Central Point Approving a 2025-2027 Supplemental Budget #1

RESOLUTION NO. ______

A RESOLUTION OF THE CITY OF CENTRAL POINT
APPROVING A 2025-2027 SUPPLEMENTAL BUDGET #1

RECITALS:

WHEREAS, the City of Central Point (the "City") is a municipal corporation of the State of Oregon subject to the requirements of Oregon Local Budget Law as set forth in ORS Chapter 294;

WHEREAS, Pursuant to ORS 294.463, Oregon Municipalities can transfer appropriations between existing categories during the budget period, and pursuant to ORS 294.471 and 294.473, Oregon Municipalities can make one or more supplemental budgets; and

WHEREAS, this Supplemental Budget requests additional appropriations or adjustments for various City funds. The affected funds are: General Fund, Street Fund, Water Fund, and Internal Services Fund. Total Supplemental Budget changes equal $1,960,600.

General Fund

Resources – Increase $950,600

Intergovernmental Revenue

- Increase State/local Grants (10-00-00-4330) by $78,000 for a grant for Pfaff Park.
- Increase Asset Forfeiture (10-00-00-4395) by $80,000 for the purchase of Police radios.

Charges for Service

- Increase Public Safety Fee (10-00-00-4449) by $790,000 for the Public Safety Fee increase earlier this year.
- Decrease City Overhead Fees (10-00-00-4415) by $531,000 for a budgeting error.

Miscellaneous

- Increase Miscellaneous Revenue (10-00-00-4810) by $350,000 for the sale of the Old Military Road and Bush Street properties.
- Increase Parks Donations/Grants (10-00-00-4815) by $183,600 for a grant for Pfaff Park Playground Equipment and for a grant from OPRD of Urban Forestry.

Requirements – Increase $950,600

Finance

- Increase Professional Services Expense (10-20-00-6350) by $125,000 for Audit fees.

Parks

- Increase Community Forestry Expense (10-40-45-6534) by $57,000 for Urban Forestry grant expense.

- Increase Salaries and Wages (10-40-45-5010) by $148,200 for part-time help to clean restrooms and park gazebos. This will save the City of Central Point $ annually compared to using contract services.
- Decrease Contract Services (10-40-45-6360) by $197,000 for the partial cancellation of contract services for restroom and gazebo cleaning.
- Increase Pfaff Park CIP expense (10-40-45-7240) by $143,000 for costs associated with Pfaff Park Playground equipment.

Police

- Increase Salaries and Wages (10-60-00-5010) by $283,000 due to a budgeting error.
- Increase Dispatch Services (10-60-00-6340) by $70,000. The budget amount was too low.
- Increase Asset Forfeiture Expense (10-60-00-6433) by $80,000 for the purchase of police radios.
- Increase Fuel Expense (10-60-00-6660) by $100,000 due to rising fuel prices.

Transfers Out

- Decrease Transfers Out to Reserve Fund (10-90-37-8000) by $200,000 in order to stabilize the General Fund balance.

Contingency

- Increase Contingency Expense (10-90-37-9000) by $341,400. Excess amount to balance.

Street Fund

Resources – Increase $360,000

Beginning Fund Balance

- Increase Beginning Fund Balance (20-00-00-4010) by $360,000 to reflect the actual amount.

Requirements – Increase $360,000

SDC Capital Expense

- Increase CIP-Highway 99 (20-70-43-7211) by $755,000.

Transfers

- Increase Transfer to Debt Service Fund (20-90-37-9000) by $62,000.

Ending Fund Balance

- Decrease Ending Fund Balance (20-90-37-9500) by $457,000.

Capital Improvement Fund

No Change

Reserve Fund

Resources – Decrease $200,000

Transfer In

- Decrease Transfer in from General Fund (35-00-00-4910) by $200,000.

Requirements – Decrease $200,000

Ending Fund Balance

- Decrease Ending Fund balance (35-90-37-9500) by $200,000.

Debt Service Fund

Resources – Increase $138,000

Beginning Fund Balance

- Increase Beginning Fund Balance (40-00-00-4010) by $138,000 to reflect the actual amount.

Transfer In

- Increase Transfers In (40-00-00-4910) by $62,000 to assist with the Debt Service budget error.

Requirements – Increase $138,000

Debt Service Expense

- Increase Principal – Public Works Operations Center (40-90-37-7630) by $200,000 due to a budgeting error.

Building Fund

No Change

Water Fund

Resources – Increase $450,000

Beginning Fund Balance

- Decrease Beginning Fund Balance (55-00-00-4010) by $400,000 to reflect the actual amount.

Charges for Services

- Increase Water Sales (55-00-00-4490) by $850,000 to reflect an overall 20% rate increase in March 2026.

Requirements – Increase $450,000

Operations Expense

- Increase Water Purchase (55-70-43-6750) by $450,000 to reflect a 25% increase in wholesale water purchase by the Medford Water Commission.

Storm Water Fund

No Change

Internal Services Fund

Resources – Increase $200,000

Beginning Fund Balance

- Increase Beginning Fund Balance (60-00-00-4010) by $200,000 to reflect the actual amount.

Requirements – Increase $200,000

Facilities Maintenance

- Increase Contract Services (60-70-11-6360) by $58,000 to reflect an increase in contract services.

PW Administration

- Increase Contract Services (60-70-27-6360) by $22,000 to reflect an increase in contract services.

PW Fleet Maintenance

- Increase Fuel Expense (60-70-29-6660) by $120,000 to reflect an increase in fuel costs.

Fiscal Impact - $1,960,600

The City of Central Point resolves as follows:

To amend the 2025-2027 Biennial budget in the amount of $1,960,600.

Section 1.

Passed by the Council and signed by me in authentication of its passage this 11th day of June 2026.

____
Mayor Taneea W. Browning

ATTEST

____
Rachel Neuenschwander, Recorder

Staff Report

DEPARTMENT:	Administration	**MEETING DATE:**	June 11, 2026

STAFF CONTACT: Chris Clayton, City Manager

SUBJECT: Resolution Approving the Fiscal Year 2026–2027 Insurance Program, Including Property, General Liability, and Workers' Compensation Coverage.

SUMMARY AND BACKGROUND:

The City of Central Point's current property and casualty insurance program expires June 30, 2026. Brown & Brown Insurance has prepared a comprehensive renewal proposal on behalf of the City through the City County Insurance Services (CIS) pool, with Workers' Compensation coverage provided through SAIF Corporation, for the policy period July 1, 2026, through July 1, 2027.

Overall, market conditions for the 2026–2027 renewal are more favorable than in prior years. Property premiums are declining due to expanded carrier capacity and improved catastrophe modeling, while liability premiums reflect moderate upward pressure tied to the City's experience modification factor and growth in personnel services and law enforcement staffing. Workers' Compensation premiums reflect payroll growth and a slight increase in the experience modification factor.

<u>Policy Considerations</u>

Cyber Coverage Gap — Action Required

A notable risk exposure identified in this renewal is the City's cyber coverage. CIS provides Tier 1 cyber coverage at a $100,000 limit; however, the City is ineligible for Tier 2 coverage due to not meeting CIS financial training requirements. Standalone cyber carriers (Great American, Cowbell, Tokio Marine, Beazley) have provided quotes ranging from $5,764 to $13,698 for $1M limits, with key subjectivities including:

- Resolution of conflicting multi-factor authentication (MFA) information between applications.
- Migration from an identified End-of-Life Microsoft Exchange Server (centralpointoregon.gov / 216.115.5.35) to a supported platform — flagged by Tokio Marine as a critical vulnerability.
- Completion of signed warranty statements and updated loss runs.

Staff recommends the City prioritize completing the CIS financial training to qualify for

Tier 2 coverage, address the Exchange Server migration, and resolve MFA documentation conflicts. In the interim, staff recommends Council authorize the standalone Great American policy at $5,764.38 for a $1M limit.

Payment Deadlines

- CIS Package Premium: Due to CIS by August 15, 2026.
- Workers' Compensation (SAIF): Due to carrier by July 25, 2026.

Required Subjectivities

- Signed Statement of Values
- Completed and signed supplemental applications
- Signed SAIF Notice of Election Form

Conclusion

The FY 2026–2027 insurance renewal represents a total premium increase of $39,421.74 (+10.85%) over the prior year, driven primarily by General Liability experience modification changes and payroll growth in Workers' Compensation. Property premiums declined by 7.56%, reflecting improved market conditions. The City's overall loss history across all CIS lines remains favorable at a 16% loss ratio over six years, supporting continued eligibility for meaningful premium credits.

PREVIOUSLY DISCUSSED/DECIDED:

FINANCIAL ANALYSIS:

Premium Summary — FY 2026–2027 vs. FY 2025–2026

Line of Business	Expiring Premium	Renewal Premium	Change
Property/Equipment (Flood & EQ)	$60,708.65	$56,120.98	-7.56%
Boiler/Mechanical Breakdown	Included	Included	—
Excess Crime	$1,347.00	$1,414.00	+4.97%
General Liability	$202,644.86	$244,685.21	+20.75%
Optional Cyber Security	$3,600.00	$3,672.00	+2.00%
Auto	$84,697.00	$83,131.37	-1.85%
Aggregate Deductible Credit	($18,750.00)	($18,750.00)	0.00%
Multi-Line Credit	($16,465.02)	($18,259.38)	+9.78%
Risk Management Credit	($33,424.75)	($37,027.36)	+9.68%
Total CIS Package Premium	**$284,357.74**	**$314,986.82**	**+10.77%**
Broker Service Fee	$8,108.00	$8,352.00	+3.01%
Workers' Compensation (SAIF)	$70,802.18	$79,350.84	+12.07%
GRAND TOTAL	**$363,267.92**	**$402,689.66**	**+10.85%**

Key Cost Drivers

- General Liability (+20.75%): Driven by an increase in the CIS experience modification factor from 0.94 to 1.01 due to higher loss amounts in policy years 2022–23 and 2023–24, plus growth in personnel services (+12%), materials & services (+9%), and two additional law enforcement officers.
- Workers' Compensation (+12.07%): Reflects City payroll growth from $7.65M to $8.20M (estimated) and an experience modification increase from 0.65 to 0.66.
- Property (−7.56%): Favorable due to improved market conditions; CIS applied trending factors of 4% for buildings and 2% for contents, yet overall property premiums declined.
- Auto (−1.85%): Modest decrease despite a 2.3% increase in scheduled vehicles.
- The City retains significant credits: $18,750 aggregate deductible credit, $18,259 multi-line credit, and $37,027 risk management credit for a total of $74,037 in combined discounts.

Workers' Compensation — Historical Performance

Year	Exp. Mod	Payroll	Std. Premium	Paid Losses	Inc. Losses	Clm Count	Tier
2025	0.65	$7,649,567	$74,618	$42,861	$56,891	8	D
2024	0.74	$6,762,878	$70,589	$11,078	$32,556	5	D
2023	0.72	$6,424,623	$67,076	$4,071	$4,071	3	D
2022	0.71	$6,031,548	$62,061	$5,201	$5,201	5	D
2021	0.63	$5,674,765	$59,487	$0	$0	2	D

CIS Loss Ratio Summary (All Lines)

Coverage Year	Premium	Losses	Claims	Loss Ratio	Notes
2020–21	$196,357	$12,302	7	6%	
2021–22	$224,746	$5,520	6	2%	
2022–23	$259,266	$168,803	8	65%	Major AL loss ($103.5K)
2023–24	$292,982	$66,342	6	23%	
2024–25	$332,173	$0	4	0%	
2025–26	$351,393	$17,636	6	5%	
TOTALS	**$1,656,897**	**$270,603**	**37**	**16%**	**Avg. claim: $7,314**

LEGAL ANALYSIS:

Oregon Revised Statutes authorize Oregon municipalities to procure insurance coverage for their operations, property, and employees. The City's participation in the CIS pool satisfies statutory requirements for public entity risk pooling under ORS Chapter 30. The City Manager is authorized by the Central Point Municipal Code to execute contracts and agreements in the ordinary course of city business; however, given the aggregate premium amount of $402,689.66, staff is seeking formal Council authorization by resolution to approve and execute the renewal agreements.

COUNCIL GOALS/STRATEGIC PLAN ANALYSIS:

This insurance renewal supports several objectives from the City of Central Point 2040 Strategic Plan:

Responsible Governance

- Goal 1 — Maintain a strong financial position that balances the need for adequate service levels and capital requirements against the affordability desired by citizens. Maintaining comprehensive insurance coverage at competitive rates protects the City's fiscal position against unexpected losses.

• Goal 2 — Invite Public Trust. Ensuring adequate coverage for City operations, property, employees, and the public demonstrates responsible stewardship of public assets.

Community Investment

• Goal 1 — Build a strong city that is fiscally sustainable and provides enhanced services. Comprehensive property coverage ($54.2M total insured value) protects City infrastructure and public facilities essential to service delivery.

• Strategy 4 — Maintain existing public safety service levels. Workers' Compensation and liability coverage support the City's 27 law enforcement officers and broader workforce.

Community Engagement

• Goal 1, Strategy 5 — Maintain a safe community. Public Entity Liability coverage (up to $30M aggregate) ensures the City can respond to and resolve claims that may arise from city operations, protecting both residents and the municipality.

ATTACHMENTS/EXHIBITS:

1. Resolution_Insurance_FY2026-27 1

STAFF RECOMMENDATION:

Staff recommends the City Council adopt the attached resolution authorizing the City Manager to execute the FY 2026–2027 property and casualty insurance renewal agreements as follows:

- CIS Package (Property, Liability, Auto, Cyber, Crime, Equipment Breakdown): $314,986.82 plus Broker Service Fee of $8,352.00.
- SAIF Corporation Workers' Compensation: $79,350.84.
- Great American Fidelity Standalone Cyber Liability ($1M): $5,764.38 (optional, pending Council direction).
- Total not-to-exceed: $408,454.04 (including optional standalone cyber).

RECOMMENDED MOTION:

Move to approve Resolution No. _______, a Resolution of the City of central Point Oregon, Authorizing the City Manager to Execute Property and Casualty Insurance Renewal Agreements for Fiscal Year 2026-2027

RESOLUTION NO. _________

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CENTRAL POINT, OREGON,

AUTHORIZING THE CITY MANAGER TO EXECUTE PROPERTY AND CASUALTY INSURANCE RENEWAL AGREEMENTS FOR FISCAL YEAR 2026–2027

RECITALS:

A. The City of Central Point ("City") is required to maintain adequate property and casualty insurance coverage to protect City assets, operations, employees, and the public from financial loss arising from unforeseen events.

B. The City has participated in the City County Insurance Services (CIS) risk pool and has utilized SAIF Corporation for Workers' Compensation coverage as part of a comprehensive insurance program.

C. Brown & Brown Insurance Services, acting as the City's licensed insurance broker, has negotiated and presented a Property & Casualty Insurance Proposal for the policy period July 1, 2026 through July 1, 2027.

D. The proposed renewal has been reviewed by City staff and is consistent with the City's risk management needs. The total renewal package premium through CIS is $314,986.82, plus a broker service fee of $8,352.00, and Workers' Compensation through SAIF Corporation at $79,350.84, for a combined total of $402,689.66.

E. The renewal provides coverage across the following lines: Property/Equipment (including Flood & Earthquake), Boiler/Mechanical Breakdown, Excess Crime, General/Public Entity Liability, Cyber Security, Business Auto, and Workers' Compensation.

F. The City Council finds that executing these renewal agreements is in the best interest of the City of Central Point and its residents, and is consistent with the goals of the 2040 Strategic Plan, including Responsible Governance Goal 1 (maintain a strong financial position) and Community Investment Strategy 4 (maintain existing public safety service levels).

NOW, THEREFORE, THE CITY OF CENTRAL POINT RESOLVES AS FOLLOWS:

Section 1. Authorization.

The City Manager is hereby authorized to execute all necessary agreements, applications, and documents to effectuate the property and casualty insurance renewal for Fiscal Year 2026–2027 with the following carriers:

Coverage	Carrier	Premium
Property, Liability, Auto, Cyber, Crime, Equipment Breakdown	City County Insurance Services (CIS)	$314,986.82
Broker Service Fee	Brown & Brown Insurance Services	$8,352.00

Workers' Compensation	SAIF Corporation	$79,350.84
TOTAL		**$402,689.66**

Section 2. Cyber Liability — Optional Authorization.

The City Manager is further authorized to execute a standalone Cyber Liability policy with Great American Fidelity Insurance Company for a $1,000,000 limit at a premium not to exceed $5,764.38, subject to satisfaction of all carrier subjectivities, including resolution of multi-factor authentication documentation and submission of required warranty statements and loss runs.

Section 3. Payment Authorization.

The City Manager, or designee, is authorized to remit payment for the above coverages in accordance with carrier billing requirements, specifically: CIS Package due by August 15, 2026, and SAIF Workers' Compensation due by July 25, 2026.

Section 4. Budget Appropriation.

Payment of the insurance premiums described herein is contingent upon and subject to available appropriations in the City's adopted FY 2026–2027 budget. The City Manager is authorized to allocate approved budget funds accordingly.

Section 5. Subjectivities.

The City Manager is authorized to execute and submit all required subjectivity documents to maintain coverage, including but not limited to: Signed Statement of Values, completed and signed supplemental applications, and Signed SAIF Notice of Election Form.

Passed by the Council and signed by me in authentication of its passage this ______ day of June, 2026.

____

Mayor Taneea W. Browning

ATTEST:

____

City Recorder

Staff Report

DEPARTMENT:	Administration	**MEETING DATE:**	June 11, 2026

STAFF CONTACT: Sydnee Dreyer, City Attorney

SUBJECT: Resolution Approving Franchise Agreement with Avista Corp. for the nonexclusive right, privilege and authority to install, maintain and operate facilities along City right-of-way.

SUMMARY AND BACKGROUND:
The City and Avista Corporation dba Avista Utilities entered into a franchise agreement effective June 1, 2016 for a term of 10-years. The existing franchise agreement expired on May 31, 2026 and the parties have been negotiating a new franchise agreement for a term of 10-years.

The proposed revisions are as follows:
a. the new Franchise would be effective 30-days after approval of the Resolution;
b. the Franchise Fee would increase to 6% from 5%;
c. additional clarification added to section 2.7.2 regarding failure to pay compensation due; or payments in the event the agreement is terminated;
d. added provisions to allow inspections or audit via mail or electronic means in addition to in-person;
e. additional provisions regarding removal of obstructions;
f. specifies that if Avista is required to relocate its facilities within 3-years from the date of a prior relocation or installation, the City will bear the cost (increased from 1-year); and
g. added other minor clarification provisions.

PREVIOUSLY DISCUSSED/DECIDED:

FINANCIAL ANALYSIS:

LEGAL ANALYSIS:
The City Attorney has reviewed and negotiated the proposed Franchise Agreement.

COUNCIL GOALS/STRATEGIC PLAN ANALYSIS:
Community Investment
GOAL 5 - Plan, design, and construct modern and efficient infrastructure in all areas and systems.
STRATEGY 1 – Continually update infrastructure plans.

STRATEGY 3 – Aggressively seek to capitalize on partnerships with Jackson County, the City of Medford, and the Oregon Department of Transportation to eliminate infrastructure deficiencies and build for the future.
STRATEGY 4 – Plan, design, and construct new public safety facilities (Police Station and East Side Substation) to meet the evolving needs of the community.
STRATEGY 5 – Continually invest in technology infrastructure that maximizes our efficiency and productivity.

ATTACHMENTS/EXHIBITS:

1. Avista Utilities - Central Point 2026 Franchise Agreement City (Ver. Final- 05 20 2026)

STAFF RECOMMENDATION:

RECOMMENDED MOTION:

I move to approve Resolution No. _____, a Resolution granting Avista Corporation dba Avista Utilities, a Washington Corporation, its successors and assigns, the nonexclusive right, privilege and authority and franchise to locate, construct, install, own, maintain, repair, replace, extend, operate and use facilities in, upon, over, under, along, and across the franchise area for purposes of the transmission, distribution, storage and sale of gas.

CITY OF CENTRAL POINT, OREGON
RESOLUTION NO. ________________

A RESOLUTION GRANTING AVISTA CORPORATION, d/b/a AVISTA UTILITIES, A WASHINGTON CORPORATION, ITS SUCCESSORS AND ASSIGNS, THE NONEXCLUSIVE RIGHT, PRIVILEGE, AUTHORITY AND FRANCHISE TO LOCATE, CONSTRUCT, INSTALL, OWN, MAINTAIN, REPAIR, REPLACE, EXTEND, OPERATE AND USE FACILITIES IN, UPON, OVER, UNDER, ALONG, AND ACROSS THE FRANCHISE AREA FOR PURPOSES OF THE TRANSMISSION, DISTRIBUTION, STORAGE AND SALE OF GAS.

Avista Corporation dba Avista Utilities ("Avista"), a Washington Corporation, has filed with the City of Central Point, State of Oregon (the "City") a written application for a renewal of its Franchise to locate, construct, operate, maintain and use such plants, works, underground pipelines, equipment and appurtenances over, under, along and across all of City's rights of way and public property in the City for the purposes of the transmission, distribution, storage and sale of Gas; and the City has determined it is in the interest of persons and businesses in this jurisdiction to have access to Avista's services;

THEREFORE, THE CITY OF CENTRAL POINT DOES RESOLVE:

SECTION 1.0 DEFINITIONS

For the purposes of this Franchise the following terms, phrases, words and their derivations shall have the meaning given in this Section. When not inconsistent with the context, words used in the present tense include the future, words in the plural include the singular, and words in the singular include the plural. Words not defined shall be given their common and ordinary meaning.

Avista: means Avista Corporation, dba Avista Utilities, a Washington Corporation, and its respective successors and assigns, agents, and contractors.

City: means the City of Central Point, a municipal corporation of the State of Oregon, and its respective successors, assigns, agents, and contractors.

Commission: means the Oregon Public Utility Commission or such successor regulatory agency having jurisdiction over investor-owned public utilities in the State of Oregon.

Days: means business days, unless otherwise noted.

Effective Date: means thirty (30) calendar days from final passage of this Resolution, provided it has been duly accepted by Avista, upon which the rights, duties and obligations of this Franchise shall come into effect, and the date from which the time requirement for any notice, extension and/or renewal shall be measured.

Facilities: means, collectively, any and all Gas transmission, and distribution systems and appurtenances owned by Avista, now and in the future in the Franchise Area, including but not limited to, Gas plants, Gas pipes, (pipelines, mains, services, laterals, conduits, and services), regulators, valves, meters, meter-reading devices, fences, barricades, structures, vehicular protection devices, communication systems and control systems and other equipment, appliances, fixtures, attachments, appurtenances and other items necessary, convenient, or in any way appertaining to any and all of the foregoing for the purposes of transmission, distribution, storage, and sale of Gas.

Franchise: means the grant by the City of rights, privileges and authority embodied in this Resolution.

Franchise Area: means the surface and space above and below all public property and rights-of-way owned or held by the City, including, without limitation, rights-of-way for:

- public roads, streets, avenues, alleys, bridges, tunnels, City-owned public utility easements, and highways that may hereafter be constructed, platted, dedicated, acquired or improved; and
- all City-owned public utility easements dedicated for the placement and location of various utilities, provided such easements would permit Avista to fully exercise the rights granted under this Franchise within the area covered by the easement.

Gas: means natural, manufactured, renewable and/or mixed gases.

Gross Revenues: Except as otherwise provided in OAR 860-022-0040, “gross revenue(s)” means revenues received from utility operations within the City, less related net uncollectables. Gross revenues of an energy utility shall include revenues from the use, rental, or lease of the utility’s operating facilities other than residential-type space and water heating equipment. Gross revenues shall not include proceeds from the sale of bonds, mortgage or other evidence of indebtedness, securities or stocks, sales at wholesale by one utility to another utility purchasing the service is not the ultimate customer.

Maintenance, maintaining, or maintain: means, without limit, repairing, replacing, upgrading, examining, testing, inspecting, and removing Avista Facilities, vegetation management, digging and excavating, and restoration of affected Right-of-way surfaces to pre-disturbance condition.

Parties: means City and Avista collectively.

Party: means either City or Avista individually.

Person: means a business entity or natural person.

Right-of-way: means the surface of and the space along, above, and below any street, road, highway, freeway, bridge, tunnel, lane, sidewalk, alley, City-owned public utility easement and/or right-of-way now or hereafter held or administered by the City.

State: means the State of Oregon.

Tariff: means the rate schedules, rules, and regulations relating to utility service, filed with and approved by the Commission in effect upon execution and throughout the term of this Franchise.

SECTION 2.0 GRANT OF FRANCHISE

2.1 Grant

City hereby grants to Avista the right, power, privilege and authority to enter upon all public roads, rights-of-way, streets, alleys, highways, public places or structures, lying within the Franchise Area to locate, construct, operate and maintain its Facilities for the purpose of controlling, transmitting and distributing Gas, as may be necessary to provide Gas service.

2.2 Effective Date

This Resolution will be effective thirty (30) calendar days after the date of approval and passage as required by law provided it has been duly accepted by Avista.

2.3 Term

2.3.1 The rights, privileges and Franchise granted to Avista will extend for an initial term of ten (10) years from the Effective Date, and shall automatically extend for successive one (1) year terms unless (a) a new agreement is entered into; (b) this Franchise is renewed for a ten (10) year term subject to 2.3.2 below; (c) the Franchise is terminated by agreement between the Parties; or (d) either Party provides the other Party not less than sixty one hundred eighty (180) calendar days prior written notice of its intent not to renew a successive term.

2.3.2 In the event a Party desires to renew the Franchise as provided in 2.3.1(b) above, such party shall notify the other Party in writing a request to renew for a ten (10) year period prior to the end of the initial term. If both Parties mutually agree to such a renewal, the renewal date shall commence the day immediately following the expiration date of the initial term, and all terms and conditions of the Franchise shall remain the same, except the Effective Date of such term.

2.4 Non-Exclusive Franchise

This Franchise is not an exclusive Franchise. This Franchise shall not prohibit the City from granting other franchises within the Franchise Area that do not interfere with Avista's rights under this Franchise. City may not, however, award a Gas Franchise to another party under more favorable or less onerous terms than those of this Franchise without this Franchise being amended to reflect such more favorable or less onerous terms.

2.5 Notice of City's Intent to Compete with Avista

In consideration of Avista's undertaking pursuant to this Franchise, the City agrees that in the event the City intends to engage in the business of providing Gas service during the life of this Franchise or any extension of this Franchise, in competition with Avista, the City will provide Avista with six (6) months' notice of such action.

2.6 Assignment of Franchise

Avista shall have the right to assign its rights, benefits and privileges under this Franchise. Any assignee shall, within thirty (30) calendar days of the date of any assignment, file written notice of the assignment with the City together with its written acceptance of all terms and conditions of this Franchise. As permitted by federal and state law and Commission regulation, Avista shall have the right, without notice to or consent of the City, to mortgage or hypothecate its rights, benefits and privileges in and under this Franchise as security for indebtedness.

2.7 Payment of Franchise Fees

2.7.1 Franchise Fee

In consideration of the rights, privileges, and franchise granted by City to Avista under this Franchise, Avista will pay City six percent (6%) of Avista's gross revenues derived from service to customers located within City (the "Franchise Fee"). Avista will pay the Franchise Fee in quarterly installments, which quarterly installments will be due not later than thirty (30) calendar days following the end of the quarter to which the payment relates.

2.7.2 Payments

Contemporaneously with each quarterly payment, Avista will file with City a sworn statement describing the total Gross Revenues Avista received during the applicable quarter (the "Accounting Statement"). City's acceptance of any payments under this Section 2.7 will not constitute a waiver by City of any Avista breach of this Franchise. If Avista fails to pay the entire amount of compensation due the City through error or otherwise, the difference due the City shall be paid by Avista within thirty (30) calendar days from discovery of the error or determination of the correct amount. Any overpayment to the City through error or otherwise shall be offset against the next payment due from Avista.

In the event of the expiration or termination of this Franchise, Avista shall pay the compensation as required in ORS 221.450 in quarterly installments, which quarterly installments will be due not later than thirty (30) calendar days following the end of the quarter to which the payment relates.

2.7.3 Inspection of Books and Records

On an annual basis, no more frequently than every twelve (12) months, upon thirty (30) days' prior written notice to Avista, the City shall have the right to audit the books and records of Avista to determine whether Avista has paid the franchise fees owed in accordance with generally accepted accounting principles. The audit shall not last longer than six (6) months. Avista and the City agree to reasonably cooperate to complete the audit within the six (6) month period. Any undisputed additional amounts due to the City as a result of the audit shall be paid within sixty (60) days following written notice to Avista by the City, which notice shall include a copy of the audit findings.

Reimbursements for underpayments as a result of audit findings are subject to late payment interest as set forth in Central Point Municipal Code 12.40.075.F. Avista will cooperate with the City in conducting any inspection and/or audit in-person, by mail or electronic means and will correct any discrepancies affecting the City's interest in a prompt and efficient manner. Avista will facilitate access to all its books, records, documentation, and/or information at its Medford, Oregon District office.

The period of limitation for recovery of any franchise fee payable hereunder shall be three (3) years from the date on which payment by Avista was due.

2.7.4 Equality of Franchise Fees and Costs

In the event that the City increases charges as prescribed by law upon Avista for any fees, taxes or other costs in connection with the issuance, maintenance, existence, continuation, and/or use of the Franchise or public right-of-way granted herein, City shall impose equivalent charges for any fees, taxes or other costs upon any and all other franchisee(s) doing the same business as or competing with Avista. In the event that City does not impose equivalent charges upon other franchisee(s) doing the same business as or competing with Avista, the City will charge Avista the fee imposed upon Avista prior to the increase until all franchisee(s) doing the same business as or competing with Avista are charged the same.

SECTION 3.0 AVISTA'S OPERATIONS AND MAINTENANCE

3.1 Compliance with Laws, Regulations, Codes and Standards

In carrying out any authorized activities under the privileges granted by this Franchise, Avista shall meet accepted industry standards and codes and shall comply with all applicable laws, regulations and ordinances of any governmental entity with jurisdiction over Avista's Facilities in the Franchise Area. This includes all applicable laws, regulations and ordinances existing as of the Effective Date or may be subsequently enacted by any governmental entity with jurisdiction over Avista's operations within the Franchise Area. The City shall have the right to make and enforce reasonable rules and regulations that are legally nondiscriminatory in nature pertaining to the conduct of Avista's operations within the Franchise Area. Prior to the adoption of any new rule, procedure or policy, Avista shall be provided a written draft document for comment with a response period of not less than thirty (30) calendar days. Service shall be supplied to the City and its inhabitants in accordance with Avista's rules and regulations and Tariffs currently or subsequently filed with and approved by the Commission.

3.2 Facility Location by Avista and Non-Interference

Avista shall have the discretion to determine the placement of its Facilities as may be necessary to provide safe and reliable Gas service, subject to the following non-interference requirements. All construction, installation, repair or relocation of Avista's Facilities performed by Avista in the Franchise Area will be done in such a manner as not to interfere with the construction and maintenance of other utilities, drains, drainage and irrigation ditches and structures, and City-owned property within the Franchise Area.

3.3 Facility Location Information

Avista shall provide the City, upon the City's reasonable request, Facility location information in electronic or hard copy showing the location of its Facilities at specific locations within the Franchised Area, to the extent such information is reasonably available. Avista does not warrant the accuracy of any such Facility location information provided and, to the extent the location of Facilities as shown, such Facilities may be shown in their approximate location. With respect to any excavations within the Franchise Area undertaken by or on behalf of Avista or the City, nothing stated in this Franchise is intended nor shall be construed to relieve either Party of their respective obligations arising under the State one-call law with respect to determining the location of existing underground utility facilities in the vicinity of such excavations prior to commencing work.

3.4 Vegetation Management – Removal of Trees/Vegetation Encroachment

The right of Avista to maintain its Facilities shall include the right, as exercised in Avista's professional discretion to minimize the likelihood that encroaching either above or below the ground vegetation can interfere with or limit access to Avista's Facilities, or pose a threat to public safety and welfare. Avista or its agents may accordingly remove or limit, without recourse or payment of compensation, the growth of vegetation which encroaches upon its Facilities and/or Gas transmission and distribution corridors within the Franchise Area. This removal should be conducted in accordance with Central Point Municipal Code Chapter 12.

3.5 Right of Excavation

For the purpose of implementing the privileges granted under this Franchise, and subject to the conditions described herein, Avista is authorized to make any necessary excavations in, under and across the streets, alleys, roads, rights-of-way and public grounds within the Franchise Area. Such excavation shall be carried out with reasonable dispatch and with as little interference with or inconvenience to the public as may be feasible. Avista shall remove all debris stemming from excavation and construction. The Right-of-way surface shall be restored by Avista after excavation, in accordance with applicable City and Avista specifications.

Prior to performing such work, Avista shall obtain all legally required permits, including the opening or disturbance of any Right-of-way within the Franchise Area. City shall cooperate with Avista in granting any permits required, providing such grant and subsequent construction by Avista shall not unduly interfere with the use of such Rights-of-way. Avista shall adhere to all building and zoning codes currently or hereafter applicable to construction, operation or maintenance of the Gas Franchise in the Franchise Area, provided that such codes are of general applicability and such codes are uniformly and consistently applied by City as to other public utility companies and other entities operating in the City. The payment of any generally applicable and non-discriminatory right-of-way permit fees, street cutting fees, or development permit fees may be required in addition to payment of the Franchise Fee herein.

In case any obstruction caused by Avista shall remain longer than ten (10) business days after notice to remove it, or in case of neglect by Avista to safeguard any dangerous places, City may remove such obstruction or safeguard such dangerous places at the expense of Avista.

3.6 Emergency Work

In the event of an emergency requiring immediate action by Avista to protect the public health and safety or for the protection of its Facilities, or the property of the City or other persons in the Franchise Area, Avista may immediately proceed with excavation or other Right-of-way work, with concurrent notice to the City to the extent possible.

SECTION 4.0 RESERVATION OF CITY'S RIGHTS AND POWERS

4.1 Reservation of Right

The City, in granting this Franchise, does not waive any rights which it may not have or may subsequently acquire with respect to road rights-of-way or other property of City under this Franchise, and this Franchise shall not be construed to deprive the City of any such powers, rights or privileges which it now has or may hereafter acquire to regulate the use of and to control the City's roads, rights-of-way and other public property covered by this Franchise. Nothing in the terms of this Franchise shall be construed or deemed to prevent the City from exercising at any time any power of eminent domain granted to it under the laws of the State.

4.2 Necessary Construction/Maintenance by City

The installation, construction, operation and maintenance of Avista's Facilities authorized by this Franchise shall not preclude the City, its agents or its contractors, from grading, excavating, or doing other necessary road work contiguous to Avista's Facilities; provided that Avista shall be given not less than ten (10) business days' notice of said work, except in events of emergency when there exists an unforeseen and substantial risk or threat to public health, safety, welfare, or waste of resources, in which case the City will make reasonable efforts to contact Avista prior to doing said work; and provided further that the City, its agents and contractors, shall be liable for any damages, including any consequential damages to third parties, caused by said work to any Facilities belonging to Avista.

4.3 Expansion of Avista's Facilities

Facilities in the City's Franchise Area that are incidental to the Franchise Area, or that have been, or are at any future time acquired, newly constructed, leased, or utilized in any manner by Avista shall be subject to all provisions of this Franchise.

4.4 Change of Boundaries of the City

Any subsequent additions or modifications of the boundaries of the City, whether by annexation, consolidation, or otherwise, shall be subject to the provisions of this Franchise as to all such areas. The City shall notify Avista of the scope of any change of boundaries not less than thirty (30) days prior to such change becoming effective or in accordance with applicable state laws, and shall affirm, authorize and ratify all prior installations authorized by permits or other action not previously covered by this Franchise.

4.5 Removal of Abandoned Facilities

During the Term of this Franchise, or upon a revocation or non-renewal of this Franchise, the City may direct Avista to remove designated abandoned Facilities from the Franchise Area at its own expense and as soon as practicable, but only where such abandoned Facilities constitute a demonstrated threat to public health and safety. Avista shall not be required to remove or pay for the removal of facilities it has previously abandoned to another franchisee, or utility under a joint use agreement, or Person granted permission to access Avista's facilities.

4.6 Vacation of Properties by City

If, at any time, the City shall vacate any road, right-of-way or other public property which is subject to rights granted by this Franchise, such vacation shall be subject to the reservation of a perpetual utility easement to Avista for the purpose of constructing, reconstructing, operating, repairing, upgrading and maintaining Avista's Facilities that exist at the time of vacation on the affected property. The City shall, in its vacation procedure, reserve and grant said easement to Avista for Avista's Facilities and shall also expressly prohibit any use of the vacated properties which will interfere with Avista's full enjoyment and use of said easement.

SECTION 5.0 RELOCATION OF AVISTA'S FACILITIES

5.1 Relocation of Facilities Requested by City

Upon request of the City, Avista shall relocate its Facilities as necessary within the Franchise Area as specifically designated in design plans that are no less than sixty (60) percent complete by the City for such purpose. For purposes of this provision, all reasonable efforts shall be made by the City, with input from Avista, to minimize the impacts of potential relocation. The City shall provide Avista with reasonable notice of any intended or expected requirement or request to relocate Avista's Facilities. Said notice shall not be less than ninety (90) calendar days prior to any such relocation and, depending on the circumstances, may be greater than one hundred twenty (120) calendar days if necessary to allow Avista sufficient time to arrange for relocation upon consultation with the City. In cases of emergency, or where not otherwise reasonably foreseeable by the City, the notice requirements of this Section may be shortened by discussion and agreement between the Parties. The City shall use reasonable efforts to cause any such relocation to be consistent with any applicable long-term development plan(s) of the City.

In the event a City requested relocation forces Avista off City's existing Public Right(s) of Way then the City shall accommodate such relocation by securing an acceptable, alternate location for utilities and removing any obstructions, including, without limitation, trees, vegetation or other objects that may interfere with the installation, operation, repair, upgrade or maintenance of Avista's Facilities on the affected Property.

If the City requires the subsequent relocation of any of Avista's Facilities within three (3) years from the date of relocation of such Facilities or installation of new Facilities, regardless of the cause for either the initial or subsequent relocation, the City shall bear the entire cost of such subsequent relocation.

Notwithstanding the above, Avista shall not be required to relocate facilities of other entities that were abandoned to another franchisee. Such relocation of these types of facilities shall be accordance with Section 5.2 below.

Avista agrees to relocate all Facilities promptly within a reasonable time. Upon notice from the City, the parties agree to meet and determine a reasonable relocation time, which shall not exceed the time normally needed for construction projects of the nature of the City's relocation request unless otherwise mutually agreed.

This Section shall not apply to Facilities in place pursuant to private easement held by Avista, regardless of whether such Facilities are also located within the Franchise Area. In the event the City requests relocation of Facilities that are in place pursuant to an existing easement, said relocation shall be treated in the same manner as a relocation requested by third parties under Section 5.2, below, with the City bearing the expense of relocation.

5.2 Relocation of Facilities Requested by Third Parties

City acknowledges that Avista is obligated to provide Gas service and related line extension or relocation of Facilities for the benefit of its customers and to require compensation for such services on a non-preferential basis in accordance with applicable Tariffs.

If Facilities are to be relocated at the request of or for the primary benefit of a third party, the City shall not require Avista to relocate its Facilities until such time as a suitable location can be found and the third party has entered into an agreement to reimburse Avista for its reasonable costs of relocation.

5.3 Availability of Other Funds

In the event the City applies for federal, state or other non-City funding for Right of way improvement funds available in whole or in part for utility relocating purposes, the City agrees to use reasonable efforts to apply for such funds, provided such funds do not interfere with the City's right to obtain the same or similar funds, or otherwise create any expense or detriment to the City. The City may recover all costs, including internal costs, associated with obtaining such funds.

SECTION 6.0 INDEMNITY

6.1 Indemnification of City

Avista agrees to defend and indemnify the City, its appointed and elected officers and employees or agents, from any and all liabilities, claims, causes of action, losses, damages and expenses, including costs and reasonable attorney's fees, that the City may sustain, incur, become liable for, or be required to pay, as a consequence of or arising from the negligent acts or omissions of Avista, its officers, employees or agents in connection with Avista's obligations under this Franchise; provided, however, that this indemnification provision shall not apply to the extent that said liabilities, claims, damages and losses were caused by or result from the negligence of the City, elected officers and employees or agents.

6.2 Indemnification of Avista

To the extent permitted by law, City agrees to defend and indemnify Avista, its officers and employees, from any and all liabilities, claims, causes of action, losses, damages and expenses, including costs and reasonable attorney's fees, that Avista may sustain, incur, become liable for, or be required to pay, as a consequence of or arising from the negligent acts or omissions of the City, its appointed and elected officers and employees or agents in connection with City's obligations under this Franchise; provided, however, that this indemnification provision shall not apply to the extent that said liabilities, claims, damages, losses and so forth were caused by or result from the negligence of Avista, its employees or agents. This indemnification is subject to the limitations of liability and procedural requirements set forth in the Oregon Tort Claims Act (ORS 30.260 to 30.300) and does not waive any defenses or immunities available to the City under applicable law.

SECTION 7.0 FRANCHISE DISPUTE RESOLUTION

7.1 Non-waiver

Failure of a Party to declare any breach or default of this Franchise immediately upon the occurrence thereof, or delay in taking any action in connection therewith, shall not waive such breach or default, but the Party shall have the right to declare any such breach or default at any time. Failure of a Party to declare one breach or default does not act as a waiver of the Party's right to declare another breach or default. In addition, the pursuit of any right or remedy by the

City shall not prevent the City from thereafter declaring a revocation and forfeiture for breach of the conditions of the Franchise.

7.2 Dispute Resolution by the Parties

Disputes regarding the interpretation or execution of the terms of this Franchise that cannot be resolved by department counterparts representing the Parties, shall be submitted to the City's Attorney and an attorney representing Avista for resolution. If a mutually satisfactory or timely resolution cannot then be reached by the above process, prior to resorting to a court of competent jurisdiction, the Parties shall submit the dispute to a non-binding alternate dispute resolution process agreed to by the Parties.

7.3 Right of Enforcement

No provision of this Franchise shall be deemed to bar the right of the City or Avista to seek judicial relief from a violation of any provision of the Franchise to recover monetary damages for such violations by the other Party or to seek enforcement of the other Party's obligations under this Franchise by means of specific performance, injunctive relief or any other remedy at law or in equity pursuant to Section 7.4. Any litigation between the City and Avista arising under or regarding this Franchise shall occur, if in the state courts, in a court of competent jurisdiction, and if in the federal courts, in the United States District Court for the District of Oregon.

7.4 Attorneys' Fees and Costs

Each Party shall pay for its own attorneys' fees and costs incurred in any dispute resolution process or legal action arising out of the existence of this Franchise.

SECTION 8.0 GENERAL PROVISIONS

8.1 Franchise as Contract, No Third Party Beneficiaries

This Franchise is a contract between the Parties and binds and benefits the Parties and their respective successors and assigns. This Franchise does not and is not intended to confer any rights or remedies upon any persons, entities or beneficiaries other than the Parties.

8.2 Force Majeure

In the event that Avista is delayed in or prevented from the performance of any of its obligations under the Franchise by circumstances beyond Avista's control (Force Majeure) including, without limitation, third party labor disputes, fire, explosion, flood, earthquake, power outage, acts of God, war or other hostilities and civil commotion, pandemic, epidemic, or cyberattack, then Avista's performance shall be excused during the period of the Force Majeure occurrence. Avista will use all commercially reasonable efforts to minimize the period of the disability due to the occurrence. Upon removal or termination of the occurrence Avista will promptly resume performance of the affected Franchise obligations in an orderly and expeditious manner.

8.3 Prior Franchises Superseded

As of the Effective Date this Franchise shall supersede all prior gas franchises for the Franchise Area previously granted to Avista or its predecessors by City, and shall affirm, authorize and ratify all prior installations authorized by permits or other action not previously covered by prior Franchise. Termination of the prior Franchise shall not, however, relieve the Parties from any obligations which accrued under said Franchise prior to its termination, including but not limited to, any outstanding indemnity, reimbursement or administrative fee payment obligations.

8.4 Severability

The Franchise is granted pursuant to the laws of the State of Oregon relating to the granting of such rights and privileges by City. If any article, section, sentence, clause, or phrase of this Franchise is for any reason held illegal, invalid, or unconstitutional, such invalidity shall not affect the validity of the Franchise or any of the remaining portions. The invalidity of any portion of this Franchise shall not abate, reduce, or otherwise affect any obligation required of the City and Avista.

8.5 Changes or Amendments

Changes or amendments to this Franchise shall not be effective until lawfully adopted by the City and agreed to by Avista.

8.6 Supremacy and Governing Law

This Agreement shall be interpreted, construed and enforced in all respects in accordance with the laws of the State of Oregon. In the event of any conflict between this Franchise and any City ordinance, regulation or permit, the provisions of this Franchise shall control. In the event of a conflict between the provisions of this Franchise and Avista's applicable Tariff on file with the Commission, the Tariff shall control. In the event a conflict exists between the terms of this Franchise and Avista's Tariff with the Commission that cannot be resolved, Avista may suspend or abandon the rights and obligations of this Franchise upon reasonable notice to the City.

8.7 Headings

The headings or titles in this Franchise are for the purpose of reference only and shall not in any way affect the interpretation or construction of this Franchise.

8.8 Acceptance of Franchise

Avista shall, within thirty (30) calendar days after passage of this Resolution, file with the City Recorder, its acceptance of the terms and conditions of this Franchise.

8.9 Abandonment or Suspension of Franchise Rights and Obligations

Avista may at any time abandon the rights and authorities granted hereunder, provided that six (6) months' written notice of intention to abandon is given to City. In addition, pursuant to Section 8.6 and in the event a conflict exists between the terms of this Franchise and Avista's Tariff with the Commission that cannot be resolved, Avista may suspend or abandon the rights and obligations of this Franchise upon reasonable notice to the City.

8.10 Venue

This Franchise Agreement has been made entirely within the state of Oregon. If any suit or action is filed by any party to enforce this Franchise Agreement or otherwise with respect to the subject matter of this Agreement, venue shall be in the federal or state courts in Jackson County, Oregon.

City's Language Attesting to Approval and Passage of the Resolution

PASSED by the City Council on ________________________, 2026

ATTEST:

____
City Recorder, City of Central Point

APPROVED by me on ________________________________, 2026

____
Mayor, City of Central Point

Date of Publication: __________________________________, 2026

Letter of Acceptance by Avista

HONORABLE MAYOR AND CITY COUNCIL
CITY OF CENTRAL POINT, COUNTY OF JACKSON, OREGON

IN RE: City of Central Point Resolution No. ________________

> **"Granting a Franchise to Avista Corporation for the Construction, Operation and Maintenance of Natural Gas Facilities within the City."**

Avista Corporation dba Avista Utilities, for itself, its successors and assigns, hereby accepts the terms and conditions of the Franchise Agreement contained in the subject Resolution and files this written acceptance with the City of Central Point. This acceptance is executed on ______________________, 2026.

Avista Corporation dba Avista Utilities

By: _____________________________
Heather Rosentrater
President and CEO, Avista Corporation

Copy Received for the City of Central Point

On: _____________________________

By: _____________________________

____
City Representative - Name

Gas Franchise Resolution Summary for Publication

NOTICE: CITY OF CENTRAL POINT
PROPOSED FRANCHISE RESOLUTION NO. ______________ SUMMARY

Resolution No. ____________ will grant Avista Corporation dba Avista Utilities a non-exclusive public utility franchise to locate, construct, install, own, maintain, repair, reconstruct, operate and use facilities within the City's public right of way [the Franchise Area] for the purposes of the storage, transmission, control and distribution of natural gas within the City for a term of ten (10) years. Avista agrees to meet accepted industry standards and conform with applicable federal and state laws, as well as the regulations of the appropriate state regulatory body with jurisdiction, in the conduct of its operations under the Franchise. The City reserves the right to make reasonable rules and regulations pertaining to the conduct of Avista's operations within the Franchise Area. Avista must not interfere with any existing facilities of other utilities. Avista is authorized to make necessary excavations within the Franchise Area; excavations must be carried out with reasonable dispatch, and the area restored, with as little interference to the public as may be reasonable. Avista must relocate its facilities in the franchise area at the City's request. Avista may remedy encroachment of vegetation in connection with franchised activities. Provisions are made for informal dispute resolution.

(Final Reading of Resolution No. ______________ is anticipated to be held before the Central Point City Council on_____________________, 2026 at __________ p.m. in the City Council Chambers).

Staff Report

DEPARTMENT: Planning **MEETING DATE:** June 11, 2026

STAFF CONTACT: Stephanie Powers, Planning Director

SUBJECT: Planning Commission Report

SUMMARY AND BACKGROUND:

ATTACHMENTS/EXHIBITS:

1. 06022026 Planning Commission Report

Planning Commission Report

June 2, 2026
Stephanie Powers, Planning Director

The Central Point Planning Commission held its regular meeting on June 2, 2026, which included a discussion item providing an update on the City's sign code amendment project.

Sign Code Amendment Update

The Planning Commission received an update on the sign code amendment project, approximately six months after recommending that staff begin drafting updated sign code language. The presentation served to refresh the Commission on the project and to prepare for the July study session. The update applies to zones outside the Transit-Oriented Development (TOD) Overlay—including residential, commercial, and industrial areas—and is intended to improve legal defensibility following the U.S. Supreme Court decision in *Reed v. Town of Gilbert*, modernize standards for digital signage and illumination, and clarify administrative procedures.

Staff reviewed the project timeline, which anticipates a July study session, Citizens Advisory Committee review and a heavy drafting period in the fall with public hearings in winter 2026–2027, and an anticipated effective date of February 2027. Preliminary policy topics for consideration at the July Study Session include sign illumination standards, digital signage, billboards and roof signs, monument signs, signs in residential districts, a master sign plan option for larger developments, non-conforming sign regulations, and compatibility with Central Point's character. The public engagement plan includes a dedicated project webpage, a visual preference exercise for the Commission and public, direct outreach to the Chamber of Commerce and local businesses, and a community sign tour using Google Maps to observe existing signage during both day and night.

Commissioners discussed a range of topics, including the size, placement, and use of digital signs for off-premise advertising; the regulation of externally illuminated signs and potential application of dark sky principles; the treatment of historic signs and whether provisions could be made for their preservation; the overall scope of the update; and civic zone signage inside and outside the TOD. The Commission also suggested additional public engagement opportunities. The Commission heard public comment regarding temporary signs placed in the public right-of-way; staff clarified that temporary signs will be addressed in the update, that sign placement in the public right-of-way without city permission is not allowed, and that enforcement occurs through the code enforcement process when violations are reported.

Miscellaneous

The Planning Director reported that the July 7, 2026 agenda will include two items: a replat for the East Pine Street commercial office project and the sign code amendment study session. Residential code amendments are anticipated to come before the Commission for a public hearing in August. Commissioners also raised questions regarding the regulation and purpose of Flock cameras in the city and associated privacy considerations; staff noted that this is a policy matter for the City Council rather than a land use planning issue.

The meeting adjourned at 6:47 p.m.

Staff Report

DEPARTMENT:	Administration	**MEETING DATE:**	June 11, 2026
STAFF CONTACT:	Chris Clayton, City Manager		
SUBJECT:	Utility Rate Discount (Hardship) Program — Enrollment Update, Program Impacts, and Eligibility Discussion for Out-of-City-Limits Water Customers		

SUMMARY AND BACKGROUND:

The City of Central Point operates a Utility Rate Discount Program for Extreme Hardship that provides eligible households with a 50% reduction on their City utility bill. The program is designed to help income-qualifying residents remain current on utility payments, supporting household stability and preventing service disconnection.

Enrollment had declined significantly over time — from approximately 140 households in 2008 to roughly 38 households in recent years — despite a growing population and rising cost of living. To address this gap, the City recently expanded income eligibility from 150% to 200% of the Federal Poverty Level (FPL), making the following household income thresholds applicable:

Household Size	Maximum Annual Income
1 person	$39,920
2 people	$43,320
3 people	$54,720
4 people	$66,000
5 people	$77,400
6 people	$88,800
7 people	$100,200
8 people	$111,440

To qualify, applicants must meet the income guidelines and be current on their utility account. Applications are administered through the Finance Department (541-664-3321; City Hall, 140 S. Third Street).

Program Enrollment Update
The expanded income eligibility threshold has produced a meaningful increase in program participation. The following table summarizes application activity for fiscal years 2024–25 and 2025–26:

Category	FY 2024-25	FY 2025-26 (to date)	Change
Renewals approved	29	27	-2
New applications approved	-	23	+23
Denied	1	10	+9
Outside city limits (identified)	-	2	-
Renewals still pending	-	7	-
Total approved (excl. pending)	**29**	**50**	**+21 (+72%)**

The expansion of the income eligibility threshold is directly reflected in the 23 new approvals in FY 2025–26 — a category that did not exist in FY 2024–25 — and the increase in denials, which reflects a higher volume of applicants being screened. Seven renewal applications remain pending for FY 2025–26.

Through the first ten months of FY 2025–26, the City has issued approximately $12,575 in utility discounts under the program. This figure will increase as the 7 pending renewal applications are processed and as the program year concludes.

Staff notes that 2 of the approved FY 2025–26 applicants are located outside the city limits:

- 4123 Sunland Ave
- 4617 Gebhard Rd

These two properties are the focus of the policy discussion. (This item is brought to Council for discussion only.) Staff has identified the following key questions for Council to consider:

1. Should out-of-CL customers be eligible for the hardship program at all?

The core equity question is whether it is appropriate to extend a benefit subsidized by City property tax revenues to customers who do not pay property taxes to the City. Council may wish to consider:

- Restricting eligibility to properties within city limits only;
- Allowing out-of-CL customers to participate on the same terms as in-city customers;

- Creating a modified benefit for out-of-CL customers (e.g., a smaller discount calculated from the base in-city rate rather than the full 200% out-of-CL rate, funded solely from utility enterprise funds rather than the General Fund).

2. Should consent to annex be a condition of eligibility for out-of-CL customers?

The City could condition hardship program participation for out-of-CL properties on execution of a consent-to-annex agreement. This approach:

- Creates a meaningful exchange — a discretionary benefit in return for a commitment that serves the City's long-term interests;
- Does not immediately annex the property but preserves the City's option to do so;
- Provides a clear and achievable path to eligibility for motivated applicants;
- Avoids the harder question of outright denial by offering a straightforward condition.

3. How should the discount be calculated if out-of-CL customers are eligible?

Council should clarify whether the 50% discount applies to the full 200% out-of-CL rate or is calculated from the standard 100% in-city base rate. Each approach sends a different policy signal about the purpose of the rate premium and has different fiscal implications.

4. How should any policy change be phased in for current enrollees?

The two currently enrolled out-of-CL participants (4123 Sunland Ave and 4617 Gebhard Rd) may have a reliance interest. Options include:

- Grandfathering current enrollees through the end of the current program year, with new conditions applying at next recertification;
- Conditioning continued enrollment on signing a consent-to-annex agreement at next renewal;
- Applying new eligibility rules prospectively to new applicants only, with existing enrollees unaffected.

5. How does this interact with the proposed tiered out-of-CL rate structure?

Staff is separately exploring a tiered out-of-CL water rate that would increase costs for customers without a recorded consent-to-annex agreement. Council should consider whether consistent policy conditions (consent-to-annex) should apply across both that rate structure and the hardship program, creating a coherent and aligned approach to out-of-CL service policy.

PREVIOUSLY DISCUSSED/DECIDED:

FINANCIAL ANALYSIS:

The financial implications involve two interrelated considerations:

General Fund Subsidy Dynamic

The hardship discount program is subsidized in part by the City's General Fund, which is supported primarily by property tax revenues. Out-of-CL properties do not pay property taxes to the City of Central Point. Extending a General Fund-subsidized benefit to property owners who do not contribute to that fund raises an equity question: should City taxpayers subsidize utility discounts for customers who do not pay into the City's tax base?

Rate Structure Interaction

Out-of-CL customers already pay a significant rate premium (200% of in-city rates). A 50% hardship discount applied to that elevated rate brings their effective rate to approximately 100% of the standard in-city rate — the same rate paid by standard in-city residents with no hardship status. The table below illustrates this:

Customer Type	Base Rate	With 50% Hardship Discount	Effective Rate vs. Standard In-City
In-city standard	100%	N/A	100%
In-city, hardship eligible	100%	50&	50%
Out-of-CL, standard	200%	N/A	200%
Out-of-CL, hardship(if eligible)	200%	100%	100% - same as standard in-city

Through ten months of FY 2025–26, total program expenditure is approximately $12,575. The marginal cost attributable to the two out-of-CL participants is not separately tracked at this time but represents a small portion of total program spending. Staff can isolate this figure upon Council direction.

LEGAL ANALYSIS:

Several legal and policy dimensions are relevant to this discussion:

- Program Scope as Currently Written: The hardship discount program applies to "City utility bills" for eligible residents. The program does not expressly limit eligibility to properties within the city limits, but the City's primary utility service obligation and rate structures are built around in-city customers. Staff recommends the City Attorney confirm whether current program language creates any ambiguity regarding out-of-CL eligibility.
- Out-of-City-Limits Rate Authority: Out-of-CL customers are charged 200% of the standard in-city rate, consistent with CPMC Title 13 and standard extraterritorial service policy. This premium reflects the additional cost and risk of extending service beyond city infrastructure and the absence of the customer's contribution to the City's general property tax base.
- Consent-to-Annex: Staff has identified that a number of out-of-CL water customers lack a recorded consent-to-annex agreement. The City may wish to consider whether hardship program eligibility for out-of-CL customers should be conditioned on execution of such an agreement, which would align the interests of service recipients with the City's long-term growth objectives.
- Discretionary Nature of the Benefit: The hardship discount is a discretionary benefit extended by the City, not an entitlement. This affords the Council flexibility to define eligibility criteria, including geographic limitations, without creating legal liability for discontinuation of service.
- Reliance and Estoppel: The two out-of-CL applicants approved in FY 2025–26 may have a reliance interest in continued participation. Staff recommends legal review before any change in their enrollment status.

COUNCIL GOALS/STRATEGIC PLAN ANALYSIS:

This discussion touches on several objectives from the City of Central Point 2040 Strategic Plan:

- Community Investment — Goal 2: "Be a city filled with happy, healthy people who are thriving." The hardship program supports household stability and access to essential services, consistent with this goal.
- Responsible Governance — Goal 1: "Maintain a strong financial position that balances the need for adequate service levels and capital requirements against the affordability desired by citizens." Ensuring that program benefits are directed to those who contribute to the City's fiscal base aligns with this principle.
- Community Engagement — Strategy 5: "Maintain a safe community that is known for its compassionate outreach to citizens. Develop strategies to work with vulnerable populations compassionately." Any policy change should be implemented with sensitivity to the circumstances of low-income households regardless of location.
- Vibrant Economy — Goal 1: "Manage growth to provide a timely and orderly provision of facilities and services." Linking out-of-CL service benefits to consent-to-annex agreements could support the City's long-term annexation and growth management objectives.

ATTACHMENTS/EXHIBITS:

1. Water Services outside City Limits

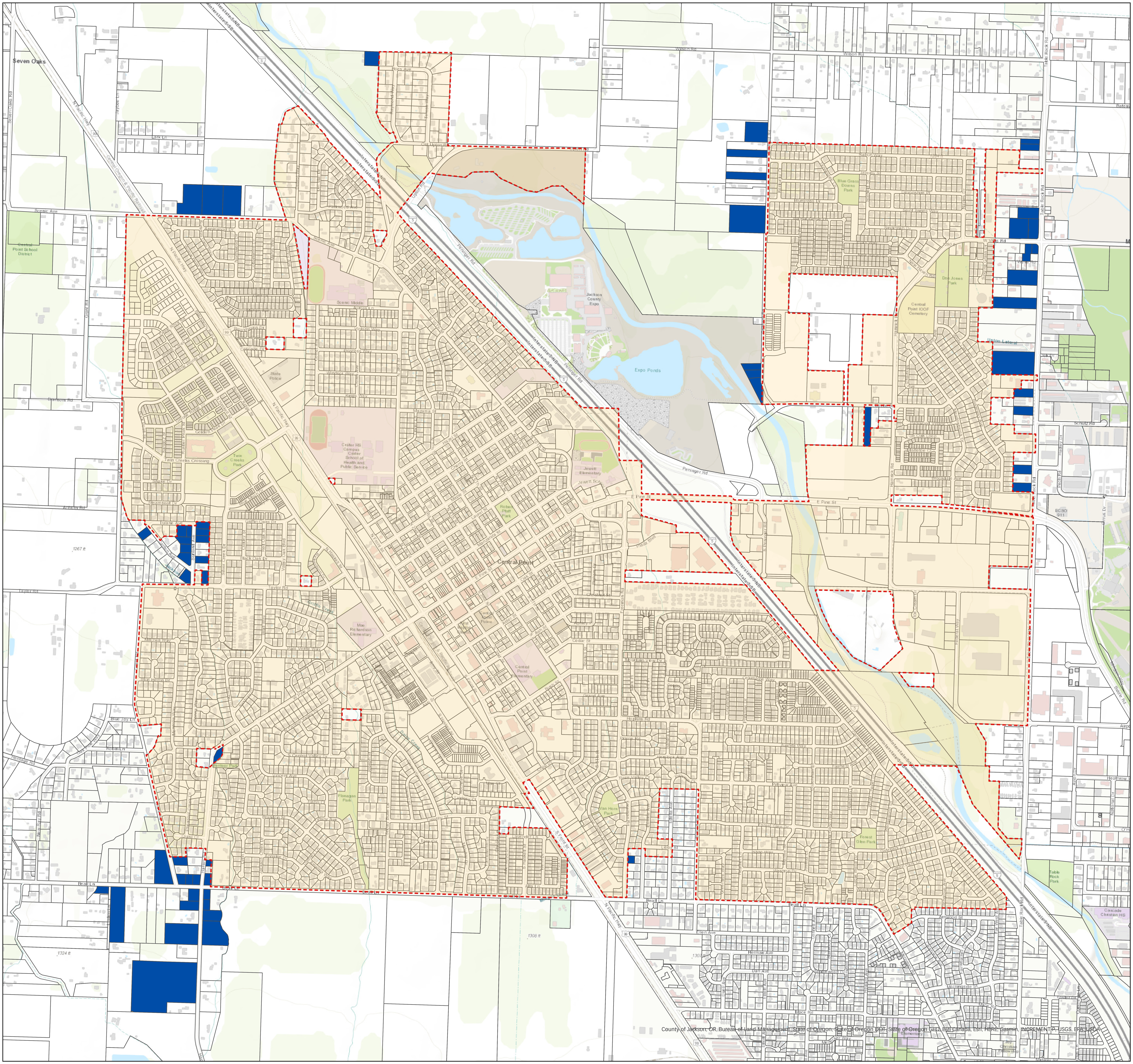
STAFF RECOMMENDATION:

As this is a discussion item, no formal action is requested. Staff recommends the Council discuss the policy questions above and provide direction on the following:

- Whether out-of-CL customers should be eligible for the hardship utility discount program, and on what terms;
- Whether consent-to-annex should be a condition of eligibility for out-of-CL customers — for new applicants immediately, and/or for existing enrollees at next recertification;
- How the discount should be calculated if out-of-CL customers are deemed eligible (full out-of-CL rate or standard in-city base rate);
- What transition or grandfather provisions, if any, should apply to the two currently enrolled out-of-CL participants;
- Whether staff should isolate the program cost attributable to out-of-CL participants and report back with a formal policy proposal and draft code language.

Staff will return to Council with a formal policy proposal, legal review, and draft code amendments following directions received at this meeting.

RECOMMENDED MOTION:



Legend

City Limits

Water Services Outside City Limits

Water Services Outside City Limits