



Staff Report

File #: 18-270

Version: 1

Date: 6/25/2018

Item #: 3.3d.

TO: Mayor and City Council

THROUGH: Steve Powers, City Manager

FROM: Kristin Retherford, Urban Development Department Director

SUBJECT:

Lease for City employee health clinic at 960 Liberty Street SE.

Ward(s): 2

Councilor(s): Andersen

Neighborhood(s): SCAN

ISSUE:

Shall the City Council authorize the City Manager to execute the attached lease for a City employee health clinic?

RECOMMENDATION:

Authorize the City Manager to execute the attached lease for a City employee health clinic.

SUMMARY AND BACKGROUND:

The City began exploring the idea of opening an employee health clinic in 2013. The potential benefits of an employee health clinic led to the inclusion of funding for research and startup costs in the 2014 budget. Over the ensuing years, the potential benefits of clinics and appropriate clinic models were explored. Deschutes County and the City of Springfield have long-standing, successful employee health clinics, and both entities report increased employee engagement in wellness and reduced health plan expenses.

The results of an initial RFP issued in 2016 were outside of the budgetary parameters established by the City. Late in 2017, a revised RFP was issued, and new proposals secured. Interviews, including labor and management representatives, were held with the respondents.

The interview panel selected Medcor to provide clinic services. Medcor operates 240 employee health clinics, including Deschutes County. Medcor will staff the City of Salem's employee health clinic with

a mid-level medical practitioner, a registered nurse, and a medical assistant.

The majority of participants enrolled in the City's self-insured health plans will be eligible to seek care at the clinic free of charge. Based on the results seen by other employers, the City anticipates both an increase in employee wellness and a reduction in cost of care.

FACTS AND FINDINGS:

The property located at 960 Liberty Street SE (Attachment 1) is a multi-tenant office building owned by 960 Liberty, LLC (Owner, Alex Rhoten and Curt Pence, members). Staff and the Owner have come to terms on a lease (Lease). The key terms of the Lease are below.

Square Feet:	1,678
Term:	Five years
Commencement Date:	August 1, 2018
Rate:	\$2,768.70 monthly (\$1.65 per square foot) 2% annual increases
Expenses:	Included with rent above

Funds for the Lease will be paid through the Self Insurance Fund: Health Plan.

Clint Dameron
Real Property Services Manager

- Attachments:
1. Location Map
 2. Proposed Lease