

CITY OF EAGLE POINT

"Gateway to the Lakes"

OREGON



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

FEBRUARY 25, 2013

REGULAR MEETING MINUTES

1. CALL TO ORDER – 7:00 P.M.

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

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

Council Members Absent: Jonathan Bilden.

Staff Members Present: Henry Lawrence, City Administrator; Melissa Owens, Finance Officer; Vern Thompson, Police Chief; and Cindy Hughes, City Recorder.

Guests: Roy Rodgers of Pauly, Rodgers, and Co., P.C. via Skype; Millie Wewerka and Suzi Collins, Planning Commissioners; *Tam Moore and Helen Wolgamott, representing the proposed Rogue Valley Heritage District; and members of the public and press.

2. FLAG SALUTE AND INVOCATION

Richard Gyuro of the Eagle Point Upper Rogue Chamber of Commerce led the Pledge of Allegiance. Jerry Zieman of the Eagle Point Senior Center provided the invocation.

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

Mr. Gyuro proposed adjusting the schedule of the Eagle Point Women's Club volunteer staffing and City Staffing at the Harnish Visitor Center. Making the adjustment could help to accommodate volunteer staffing at the Museum. The proposed adjustment would shift city employee hours to the Harnish Visitor Center from 10:00 a.m. to 6:00 p.m., Thursday through Sunday. A Memorandum regarding the Harnish Visitor Center hours was provided prior to the Council during the meeting (Submission No. 1).

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A brief discussion regarding the schedule was held. Julie Thompson, a temporary staff person at the Harnish Visitor Center, spoke in support of the adjustment to hours. Mr. Gyuro's wife, Renate, expressed her appreciation for the Council's consideration of approving the adjustment.

Mayor Russell was not opposed to the change in hours but deferred the final decision to the City Administrator, Henry Lawrence, to make sure the adjustment would work. The Council was in agreement and supportive of the change.

Helen Wolgamott requested an adjustment to the Museum's hours during daylight savings hours for the months of June, July and August. She proposed keeping the Museum open from 11:00 a.m. to 4:00 p.m. Mr. Lawrence stated he will review the budget and make the adjustment.

4. PRESENTATIONS

4.1 Presentation by Pauly, Rodgers, and Co., P.C., regarding 2011-2012 Annual Comprehensive Financial Report (CAFR) and Audit Report.

Melissa Owens, Finance Officer, announced that Roy Rodgers of Pauly, Rodgers, and Co., P.C., would be joining the meeting via Skype. Ms. Owens introduced Mr. Rodgers when the Skype connection was made. Mr. Lawrence noted that holding the meeting via Skype saved the City about \$800.

Mr. Rodgers reported they provided a clean unqualified opinion letter. Furthermore, there were no exceptions, additional requirements, or disclosures to make. It was noted there was not a separate management letter, which Mr. Rodgers said was somewhat unusual and complimented staff. No difficulties were encountered during the audit. There were four items of best practices they suggested for consideration but are not required by law or professional standards. Ms. Owens mentioned she would go over the best practice items later in the meeting. Mr. Rodgers concluded that this was an excellent report. Mayor Russell and the Council expressed their appreciation and pleasure about the favorable report.

4.2 Rogue Valley Council of Governments (RVCOG) Annual Update – Michael Cavallaro, Executive Director.

Michael Cavallaro of Rogue Valley Council of Governments (RVCOG) provided their Annual Update to the City Council (Submission No. 2 – Note: Page 14 was missing). Mr. Cavallaro noted that RVCOG's Board asked him to expand on the Annual Update to provide more information about what they do and offer. Mr. Cavallaro started by stating RVCOG is a voluntary association of cities, counties, and special districts. It is formed under Chapter 190 of the Oregon Revised Statutes.

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Basically, RVCOG has four areas of services:

- Implementing certain state and federal programs such as administration of the Medicaid program.
- Coordination of funding sources and jurisdictions. Regional Problem Solving (RPS) was given as an example.
- Contracting their services directly to their members and providing services such as grant administration. Land use planning is another service they contract to members.
- Occasionally they contract their services directly with the public sector but not often.

Mr. Cavallaro discussed a wide variety of services and ways RVCOG is involved in the region. Highlights of that discussion include:

- Natural Resources: Water quality testing of Bear Creek and its tributaries. Greenway Planning. Memorandum of Understanding (MOU) with Jackson Soil and Water Conservation for joint planning to become more efficient and effective.
- Transportation Planning: Essentially, it's the MPO – Rogue Valley Metropolitan Planning Organization (RVMPO).
- Land Use Planning: Offered on an as need basis.
- Community Development: Including grant administration which benefited the City of Eagle Point with lighting which was administered American Recovery Act (ARA) funding. At the end of the process, there was leftover funding which allowed for the interior lighting project at Eagle Point.
- Senior & Disability Services: Providing assistance to help older people stay in their homes as long as they want to be there. Oregon is one of the top states in keeping older people in their home.
- Senior Meals Program: Providing assistance with meals and visits with Senior Meal Program.
- Special Member Services: Including Information Technology, Finance, Special Projects and education through the Rogue Valley Public Service Academy.

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Mr. Cavallaro discussed RVCOG's budget, noting their salaries had only increased about 3% over the last 9 years. Staff had not received a Cost of Living Adjustment (COLA) until this year, after 5 years without a COLA. It was further noted that 60% of their employees are topped out. RVCOG has kept its costs as low as possible and cut dues by 40%. Most of their funding is by grants and contracts. Mr. Cavallaro concluded the presentation by reviewing services to Eagle Point which were located on Page 49 of the Annual Update. A laminated overview of their services was also provided (Submission No. 3)

Councilor Jenks complimented RVCOG's Planning Commissioner Training. Mayor Russell expressed his appreciation for their services.

4.3 Update regarding Mattie Brown Park – Robert Miller, Public Works Director.

Mr. Lawrence stated this item would be addressed at the next City Council meeting as Mr. Miller had been called away for family business.

5. PUBLIC HEARINGS

There were no public hearings.

6. CONSENT CALENDAR

6.1 Presentation of Regular Meeting Minutes of February 12, 2013.

6.2 Presentation of Minutes of the Joint Meeting of the City Council and Economic Development Commission of February 5, 2013.

Mayor Russell announced the Consent Calendar and noted the date of the Joint Meeting of the City Council and Economic Development Commission was February 4th instead of February 5th as shown on the agenda. Mayor Russell asked for a motion to approve the Consent Calendar. Councilor Jenks moved to approve the Consent Calendar as presented and Councilor Brown seconded the motion. There was no discussion. Roll call: Aaron Prunty, aye; Wayne Brown, aye; Bill Fierke, aye; Ruth Jenks, aye; Kathy Sell, aye; Bob Russell, aye; and Jonathan Bilden, absent. The motion passed unanimously by those present.

7. CONSIDERATION OF ITEMS REMOVED FROM THE CONSENT CALENDAR

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

8. PRESENTATION OF BILLS TO BE PAID

Mayor Russell asked if there were any questions about the bills to be paid including the Additional Bills List (Submission No. 4). Councilor Jenks asked about a bill for Mike's Copy. Ms. Owens reported the bill included preprinted envelopes and business forms.

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There being no further questions or comments, Mayor Russell asked for a motion. Councilor Sell made a motion for the Council to approve the bills as presented including the Additional Bills List. Council President Fierke seconded the motion. Roll call: Wayne Brown, aye; Jonathan Bilden, aye; Kathy Sell, aye; Ruth Jenks, aye; Aaron Prunty, aye; Bill Fierke, aye; Bob Russell, aye; and Jonathan Bilden, absent. The motion passed unanimously by those present.

9. OLD BUSINESS

There was no old business to discuss.

10. NEW BUSINESS

10.1 Resolution No. 2013-11. A Resolution approving the Prospective Petition for Formation of the Rogue Valley Heritage District.

Mr. Lawrence stated this item had been carried over from the last Council meeting at the Council's direction. Approval of the Resolution will provide for Eagle Point being included in the proposed district, in the event that the Petition is approved by a public vote. Eagle Point and other governmental taxing jurisdictions are currently at about \$7.68 total taxing authority, and can go up to a maximum of \$10. However, on the school side, it is in compression. Tam Moore, on behalf of the proposed Rogue Valley Heritage District, attended the meeting in case there were questions and stated he would bring this back when they have a Petition. Council President Fierke inquired about the rate and it was clarified that the proposed Petition included a rate of .05 cents per \$1,000 property value as shown on Exhibit A of the Resolution.

*Mr. Moore left the meeting at approximately 7:50 p.m.

Mayor Russell asked for a motion to approve **Resolution No. 2013-11**. Council President Fierke made a motion to approve **Resolution No. 2013-11** and Councilor Brown seconded the motion. There was no discussion. Roll call: Bill Fierke, aye; Aaron Prunty, aye; Ruth Jenks, aye; Kathy Sell, aye; Wayne Brown, aye; Bob Russell, aye; and Jonathan Bilden, absent. The motion passed unanimously by those present.

Following the vote, Mr. Lawrence reported he would work with staff to make sure City resources are not used to promote the Petition.

10.2 Resolution No. 2013-12. A Resolution approving the 2011-2012 Comprehensive Annual Financial Report (CAFR) and SAS114 Memo to Eagle Point City Council.

Melissa Owens, Finance Officer, made a PowerPoint presentation (Submission No. 5) to explain the audit process. Ms. Owens reemphasized that there was not a

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separate management letter issued which is outstanding. The City's internal controls are very tight, and an audit is focused on making sure the City is able to prevent fraud. As part of the audit process, the auditors provide an opinion on the financial report and review internal controls. They check for internal and external errors, and internal and external fraud as well.

Ms. Owens explained how negative audits impact the ability to collect taxes and go after grants or bonds. Before the auditors visit the City, they conduct an in-depth study of the City's internal operations. They review agendas, Minutes, Resolutions, Ordinances, budget documents, City Charter, all bank statements and check images, and a "Data Dump" of all financial information. The auditors also review expenditure and revenue reports for the two prior years, account receivables, and all transactions over \$10,000.

Furthermore, the audit team meets to discuss any potential weaknesses or red flags, and reviews current national fraud trends. Ms. Owens discussed how the auditors check transactions and processes related to: cash collections, utility billing, court, building permits, payroll, human resources, bank reconciliation, accounts payable, compliance with state budget laws, purchases and items related to public contracting regulations, insurance and fidelity bonds, level of indebtedness, and proper handling of confidential records. Ms. Owens followed with a detailed explanation of how the City controls and monitors credit card purchases. Segregation of duties was discussed as well.

Next, Ms. Owens reviewed the best practices recommendations by the auditing firm. One recommendation regarded increasing fidelity insurance but it was not feasible. Another recommendation was to have the financial report approved at Council Meetings and recorded in the Minutes. Ms. Owens discussed extensive fraud prevention measures by the City, cash and check revenues, and the City's level of indebtedness. Mayor Russell and the Council expressed their appreciation to Ms. Owens and commended her for the excellent report from the auditors.

Mayor Russell asked for a motion to approve **Resolution No. 2013-12**. Council President Fierke made a motion to approve **Resolution No. 2013-12** and Councilor Brown seconded the motion. There was no discussion. Roll call: Ruth Jenks, aye; Bill Fierke, aye; Kathy Sell, aye; Wayne Brown, aye; Aaron Prunty, aye; Bob Russell, aye; and Jonathan Bilden, absent. The motion passed unanimously by those present.

- 10.3 Resolution No. 2013-13. A Resolution authorizing a Contract with Civil West Engineering Services, Inc., for a Phase I: Barton Road Storm Water Pond Feasibility Study.

City Attorney, Joe Kellerman, recused himself and joined the audience because he owns the property related to this agenda item. A diagram of the property with tax

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lots and the pond was distributed (Submission No. 6). Mr. Lawrence reported that the pond overflows into the Buchanan Ditch. He explained that the drainage ponds at the golf course have water level controls but the pond on Barton Road does not. Mr. Kellerman has proposed to give the City an easement to take control of the pond in order to control its water level to reduce flooding. This Resolution approves a contract with Civil West Engineering Services, Inc., in the amount of \$6,006 to conduct a broad feasibility study. The study will determine how much water goes into the pond, which would help the City to know what to do about the property.

Mr. Kellerman provided a historical background about the pond and how he came to own the property. The following is a summary of the highlights of the information discussed by Mr. Kellerman. He disclosed his former business partnership with a previous Mayor and how they purchased the property. Additionally, Mr. Kellerman stated that when he bought the property, he did not know it impacted the City's storm water system. He mentioned previously offering to give the pond to the City but the City was not interested. Mr. Kellerman explained that he has the ability to drain the manmade pond and there is interest from others to purchase the land. He further stated he wanted to work something out with the City and discussed tax benefits and maintenance related to silting. Dredging of the pond to deepen and reduce the area of the pond was also discussed. If the City is not interested, he would be faced with the option of keeping, developing, or selling the land.

Mayor Russell noted the cost of the Contract is a small price to pay for the potential benefit. Councilor Sell expressed concern about e-coli numbers and asked for those numbers to be determined in the feasibility study. A discussion about e-coli from farmlands followed and Councilor Prunty confirmed that e-coli levels were discussed at a Parks and Recreation Commission meeting. Jerry Zieman asked if it was a permitted pond. Mr. Kellerman responded that it had been and was on a wetlands inventory list.

Mayor Russell asked for a motion to approve **Resolution No. 2013-13**. Councilor Jenks made a motion to approve **Resolution No. 2013-13** and Council President Fierke seconded the motion. There was no discussion. Roll call: Kathy Sell, aye; Jonathan Bilden, aye; Wayne Brown, aye; Bill Fierke, aye; Ruth Jenks, aye; Bob Russell, aye; Aaron Prunty, nay; and Jonathan Bilden, absent. The motion passed.

Following the vote, Mr. Kellerman rejoined the meeting as the City's attorney at approximately 8:45 p.m.

11. REPORTS FROM CITY COUNCIL AND CITY COMMITTEE REPRESENTATIVES

Council President Fierke stated the Showa penpal project had been stalled due to a misunderstanding but it is expected to continue soon. Next, he commended Lynn Leissler of the Upper Rogue Independent for a nice article on the School Board Meeting.

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Regarding the School District, there was a pre-meeting and School Board Meeting that included budget discussions and an audit presentation. They also discussed phasing out some programs to essentially set minimum standards instead of a grading system. On the subject of the City, he reported a water break to the large copper piping under the pavement to his street. On a final note, he discussed the need to review the Council Rules.

Councilor Jenks reported attending a planning training with several other Council members and planning commissioners. She also spent time with Mike Upston, Principal Planner, going over the transit study.

Councilor Prunty attended the Planning Essentials training, hosted by RVCOG, with Councilor Jenks and others. The Parks and Recreation Commission meeting would be held on the following evening.

Councilor Brown inquired about the City refinancing loans. A presentation will be made at the next City Council meeting about refinancing the City's debts. In addition, Councilor Brown announced there is an opening on the Rogue Valley Transit District (RVTD) Board. RVTD had also had an audit and everything was good.

Councilor Sell reported attending the Planning Essentials training, noting it was an excellent presentation. She was looking forward to City Hall Day at the Capitol.

Mayor Russell reported having the opportunity to speak with the members of the Eagle Point Women's Club at a recent meeting. He expressed appreciation for the Women's Club and all of the volunteer work they do. Joni Parsons is leading participation in a youth contest entitled *If I were Mayor*. Like Councilor Sell, he was looking forward to the City Day at the Capitol.

12. STAFF REPORTS

Melissa Owens, Finance Officer, announced it was time to update the Council Corner and Councilor Prunty volunteered to write an article. Ms. Owens reported the Financial Report was in the packet and offered to answer any questions. Councilor Prunty inquired about expenditures, specifically the Water System Development Charges (SDCs) Fund being at 150%. Ms. Owens explained that the City Collects SDCs for Medford Water. The City has received more than it budgeted so the City transferred more than budgeted. Council Prunty also asked about the Water Debt Fund expenditures being at 100%. The City pays this debt once per year and has already paid for the year which is why it is at 100%.

Police Chief Thompson provided a copy of the Oregon Accreditation Alliance letter dated February 16, 2013 (Submission No. 7). The official accredited period begins January 31, 2013, for a period of three years. Chief Thompson also handed out a copy of the January statistical report (Submission No. 8).

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Joe Kellerman, City Attorney, did not provide a report.

Henry Lawrence, City Administrator, scheduled a short workshop with the Council to review goals to build the budget. The date for the workshop is March 16th at 8:00 a.m. With the Council's approval, the Third Annual Tour de Eagle Point Bike Ride was rescheduled from June 8th to June 15th.

Cindy Hughes, City Recorder, announced that the Oregon Government Ethics Commission would be sending out Statement of Economic Interest (SEI) forms to the Council and other public officials to complete by April 15. It was noted that failure to submit the form could result in a fine of up to \$5,000.

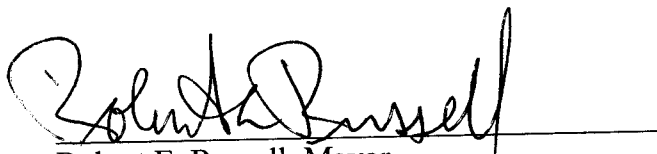
13. ADJOURN

There being no further business for the Eagle Point City Council meeting of February 25, 2013, Mayor Russell closed the meeting at 9:10 p.m.

Respectfully submitted,


Cindy Hughes, City Recorder

ATTEST:


Robert E. Russell, Mayor