



FRIDAY LETTER

JUNE 15, 2012

ADMINISTRATION

City Administrator

We are pleased to announce that the 3.6 million gallon water tank reservoir will be back in service next Wednesday evening. The cement seeding project to repair hairline cracks in the tank floor has been completed. Our engineers and geotechnical experts have given us the green light to bring it back into service for the summer season. We will continue to evaluate the performance over the next few months to determine the success of the cement seeding project and whether further work needs to be done later this year. The reason why we took it off line to begin with was to confirm that we did not have serious structural issues present in the tank, or water leaking into the hillside that would possibly cause a landslide. To any customers who experienced water pressure irregularities during this period, we thank you for your patience and apologize for any inconvenience this may have caused.

Let's give Kandi and Devon, at the city hall front desk, a big thank you as well! They handled the bulk of the phone calls and front desk walk in traffic that resulted from customers who were experiencing water pressure issues over the past few months as the tank was out of commission.

At their June 12 Council meeting, the City Council approved the 2012-2013 Budget that becomes effective July 1. Thank you to the Budget Committee members, staff and the Council for all the work that went into developing and reviewing the document. Finance Director Melissa Owens did a lot of the late night and weekend work to make it happen. Thank you Melissa!

Now that we have completed the budget adoption process, our next project is to clean-up and streamline some of our administrative processes and procedures. Examples include contracting procedures, project management guidelines, personnel and human resource procedures, document retention and archiving, and the like. We are having this discussion on the staff level and trying to set some priorities and timelines to make it happen. More about this at a later date.

City Recorder

Greetings all! Although I learned a lot at the Northwest Clerk's Institute last week, it is wonderful to be back in Eagle Point. Based on the training from the Northwest Clerk's Institute, I'll spend the next several months reorganizing and reestablishing processes for the City Recorder's Office. Reorganization has been my primary focus this week and much progress has been made.

Elections Reminder: The City of Eagle Point is accepting filings for candidacy for the elected offices of Mayor (2 year term), and three Council Member positions (4 year terms). Election packets to run for office may be picked up from City Hall at 17 South Buchanan Avenue. Completed election filing forms must be returned to the City Recorder, by August 10, 2012. If you have questions or would like more information, please contact Cindy Hughes, City Recorder, at 541-826-4212 extension 106.

FINANCE

The Finance and Administrative Departments have been very busy. I would like to thank the finance staff for all of the help with putting together the budget documents and for their help with retrieving documents for the auditors.

Budget

The Budget Committee held their meeting on Monday, May 21, 2012. At the end of the meeting the Budget Committee voted unanimously to approve the 2012/2013 budget with one amendment. That amendment was to allow \$12,000 for the Senior Nutrition Food and Friends Program and \$2,000 for the Eagle Point Senior Center.

Once the Budget Committee approved the budget it was forwarded to the City Council for Adoption. Staff proposed one change to the budget before adoption. That change was to increase the General Fund (Non-Departmental) Building Maintenance and Repairs by \$10,000 to paint the interior of City Hall. The City Council adopted the 2012/2013 with the proposed change. During the discussion of the 2012/2013 budget the City Council requested that Staff find a way to display the gifts from our sister city, Showa Japan. Staff will be looking at various methods of preserving and displaying the beautiful gifts that we have received from Showa. The 2012/2013 budget will be available for review at City Hall. It is also available on the City website.

We are in the process of transitioning from budget year 2011/2012 to budget year 2012/2013 later this month.

City Council items

At the City Council meeting on June 12, 2012 there were several finance related items on the agenda. The City Council adopted the 2012/2013 budget. The City Council also approved resolutions approving workers compensation insurance for police reserves in the event we start a reserve program. I am currently working on a new bill list format that will provide additional information to the City Council. I am also working on a more reader friendly financial report that will be given monthly with a more comprehensive report that will be given quarterly.

Audit

Each year every government agency is required to have an audit performed by an independent audit firm. The audit firm must be approved by the state to conduct municipal audits. The purpose of the audit is to give an opinion regarding the presentation of the financial statements and to review processes to ensure that they are adequate to catch errors or fraud. Most audit firms break the audit process into two parts and schedule two visits.

Our audit firm schedules two visits: the first in May or June and the second visit in October. Our firm was here last week. There were three auditors who conducted much of the field work for the audit. They look at samples of each function performed. This is the most labor intensive of the two visits because it is the visit that they actually audit documentation. This means that they review all processes, procedures and internal controls. They review a large sample of bills paid and revenue collected to ensure that it was handled properly. Fraud and internal control questionnaires are sent to council members and staff. The questionnaire asks questions to determine the likelihood that fraud or errors could go undetected. They also use the questionnaire to determine the attitude of the agency regarding fraud or misrepresentation of funds whether intentional or not.

There has been much in the news about Oregon cities such as Oakridge and Mollalla. Both cities are in serious financial trouble because of improper reporting of financial data. It will take years for these cities to recover financially. These are prime examples of why it is so important to accurately report financial information. This is one of the areas that a trend analysis would have caught some of the issues before they got to a crisis point. I currently do a trend analysis for such things as fund balances and certain revenues and expenses. This is an important part of the pre-audit preparation that I do. When auditors review our data they also look for abnormal trends from a year to year basis. The auditors review random sections. Internally we review all areas on an annual basis to ensure there are no unexpected variances. The topic of trend analysis will be discussed further in the finance section of this document.

Henry and I attended an exit meeting with the Auditors on their last day in Eagle Point. The purpose of this meeting is to inform us of any findings. The exit meeting went very well. For this portion of the audit they have no negative comments for the audit report. They felt that everything went very smoothly and thanked staff for making it a smooth process. We try to make the audit process as smooth as possible. This is not the case for all entities. As always, the auditors had some suggestions on ways to improve controls and we will be implementing some of those suggested changes. However, in some cases, their suggestions are not feasible for a staff our size. The auditors understand this. Their suggestions are the same for every entity regardless of size. Many of the suggestions are regarding segregation of duties. We do a very good job at this considering the size staff that we have. The smaller the staff the more difficult it is to segregate duties. The preferred process is to have multiple people review every transaction. We have better controls in place now than ever before and I am comfortable that we have enough segregation of duties, although it is always nice to have more.

The auditors will return the week of October 1st for their final visit of the fiscal year. During their second visit most of the time is spent verifying fixed assets, verifying financial reports, etc.

Finance

We are in the process of preparing for the year end close. This is a two step process. The first process is to make sure that all information is entered and that all reports are printed as of June 30. The second is to determine which transactions should be included in the current year versus the information that should be allocated to the 2012/2013 budget year. As we move into July we will finish the review process of the financial reports and start on the annual financial reports which are much more complex.

I have been working with Cindy to reorganize the process for processing contracts and project files. There are many steps that contracts and projects must go through between the originating department, finance, possibly the city attorney, and the City Recorder. This is an important function and an area where parts of the process can be missed. This is also an area that auditors spend a lot of time reviewing. They review the process that the contract goes through from start to finish.

Staff has been working on insurance renewals for workers compensation and other liability insurance. This year we will be getting a quote from other workers compensation carriers so that we can compare rates and coverage options with our current carrier.

We have been working on contract negotiations and were able to ratify one of the bargaining unit contracts. We are still working on the other.

POLICE

NATIONAL NIGHT OUT

If you haven't heard of National Night Out, it's a unique crime prevention event sponsored by the National Association of Town Watch (NATW), Target®, and your local city. This is where "*America's Night Out On Crime*" takes place across the nation and in local communities.

National Night Out is designed to: (1) Heighten crime and drug prevention awareness; (2) Generate support for, and participation in, local anti-crime programs; and (3) Strengthen neighborhood spirit and police-community partnerships; and (4) Send a message to criminals letting them know that neighborhoods are organized and fighting back.

Join us on August 7, 2012, at Chamberlain Park, from 7:00 pm – 9:00 pm for food and crime prevention activities!

PARKS AND RECREATION

The Public Works Crew has planted flowers at Centennial Plaza and shrubs at Mattie Brown, Bob Moore, and at Echoes of the Ponderosa.

The next Parks and Recreation Commission meeting will be July 12, 2012.

The City of Eagle Point was contacted regarding display cases at Science Works in Ashland. The two cases were originally part of the Jackson County Historical Society. Through coordination with the Eagle Point Museum, Hanley Farms in Jacksonville, and Science Works in Ashland we received two large display cases. The cases are currently at Harnish Wayside Visitors Center.

PUBLIC WORKS

Public Works welcomes our newest employee, Josh Sutfin. Josh is a Public Works Laborer with the primary duties of parks, streets and janitorial maintenance. Josh worked for us a few summer's ago as a temporary employee, and is a great addition to our team.

Development Civil Plan Review and Construction

As part of the **Hillside Elementary School** project, Neva Street and part of North Shasta Avenue will be reconstructed. A preconstruction meeting was held on June 14, 2012. Central Valley Excavation will begin utility potholing starting July 15, with excavation on Neva Street and North Shasta the week of June 18. The contract is through Willamette Educational School District (ESD) for Jackson County School District #9.

Streets

Four proposals were received from the Request for Qualifications for a **Pavement Condition Survey**. Capitol Asset and Pavement Services, Inc. from Salem was selected as the top ranked firm. The Pavement Condition Survey will field survey and provide a prioritized index on the condition of each street with recommended maintenance strategies.

Cleaning of the street right of way will be a focus over the next few weeks leading up the City's 4th of July event. You may see additional temporary labor supplementing the Public Works crew to clear streets, detention ponds, and other City properties.

Water

Cement seeding of the 3.6 MG reservoir has been completed by Taylor Site Development. The reservoir is in the process of disinfection and testing to put into service Wednesday, June 20. Flushing of the water main leading to the reservoir is planned at Tabor Street and Onyx Street on Wednesday. The City is continuing to experience low water pressure in some areas due to the reservoir project. Maintenance of the 3.6 MG reservoir has lowered water pressure temporarily

to some of the neighborhoods in the Eagle Point Golf Course, Bridgeport, Havenwood, and Barton Road areas.

A power outage in White City temporarily shut down the Highway 62 pump station for a few hours mid week. No damage occurred and there were no major concerns as the power was restored within a few hours.

Public Works met with Civil West to discuss and update the existing water model.

On Friday Public Works crews hand delivered over 80 late notices for water utility accounts.

Grants

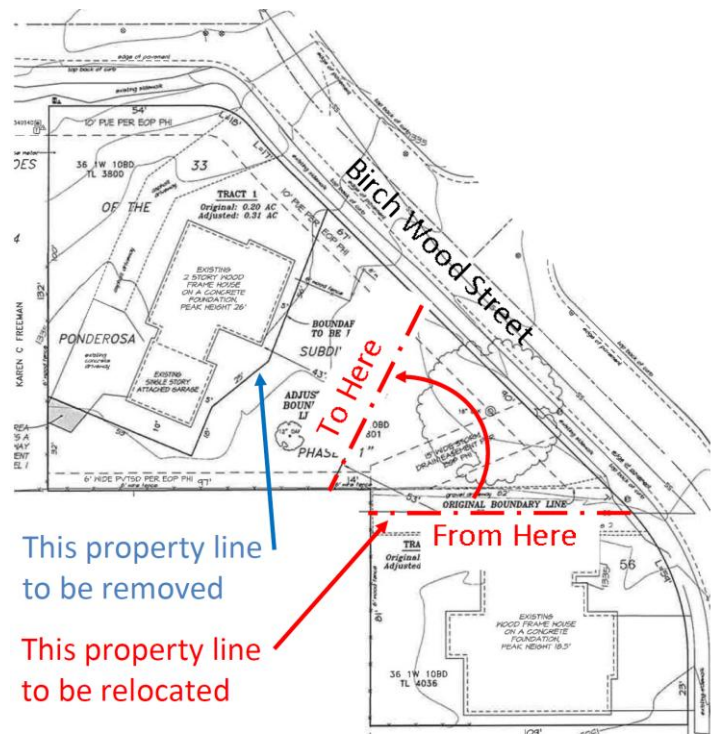
Welburn Electric, Inc. continues to move forward on the **Eagle Point Lighting Upgrades**.

David Evans & Associates is continuing to move forward on the **Mattie Brown Park Parking Lot** project. This Congestion Mitigation and Air Quality Grant (CMAQ) will construct new parking.

DEVELOPMENT SERVICES

Current Planning/Development Review

The City has received an application for a boundary line adjustment at 172 & 184 Birch Wood Street in the Echoes of the Ponderosa subdivision. The proposal is to merge three existing parcels into two, thereby replacing a difficult to develop lot with larger yards for each of the two properties.



Long Range Planning

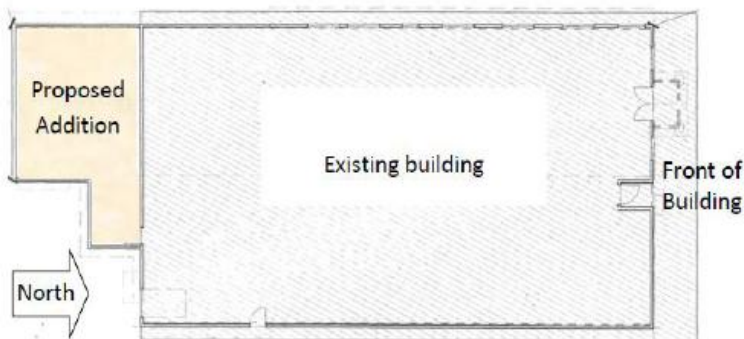


The Harnish Visitor Center now has two attractive “Visitor Information” signs – one on the north side of the building facing the road, and another on the west side of the building facing the highway. The two identical signs are 3 feet tall and 8 feet wide, and have a font and graphic finish that is compatible with the building’s rustic style. The City’s hope is that these signs will attract passers-by on the highway, and help lead them to the Center’s vast tourist & local-interest

resources, as well as to Harnish Wayside Park to enjoy the creek, shady lawns and picnic area.

Building

From June 8 through 14, 2012 we issued 4 permits, processed 8 new permits and worked on 33



additional permits. Projects included a new house, mechanical, plumbing and electrical permits. We are also reviewing construction plans for the Butcher Shop freezer room addition. This week Staff continued assisting the Code Enforcement Officer with research for high weed complaints and violations along with other duties and email/phone/counter

customer service. Staff has also completed preparation for the June 19, 2012 Planning Commission meeting, and packets are available for the Planning Commissioners on the city SharePoint site.

June is National Safety Month sponsored by the National Safety Council. Since many families enjoy warm weather months with a backyard swimming pool, we would like to take the opportunity to highlight required swimming pool safety measures. From 2009 to 2011 the Consumer Product Safety Commission (CPSC) estimated a national annual average of 5,200 pool or spa related submersion injuries, and 390 drownings for children younger than 15. Even if a permit is not required for pool placement, as is the case for most temporary above ground swimming pools, there are state and local requirements to prevent



drownings or submersion injuries. All in ground pools and above ground pools containing more than 24" of water need to have a barrier at least 48" tall. Where fences are used as a barrier they should include self closing/latching gates and be designed to the standards outlined in the 2011 Residential Specialty Code. In instances where a wall of the dwelling unit serves as part of the barrier, the pool needs to have an approved power safety cover, or all doors providing direct access to the swimming pool need to be self closing/latching and equipped with an audible alarm that conforms with CPSC standards. In instances where above ground pools have sides 48" or taller, the sides may serve as the barrier, providing the ladder or steps into the pool can be removed or surrounded by an approved barrier. More detailed information and design examples are available upon request. The safety of our citizens is our highest priority, and Building Department staff is available to assist with any questions or concerns.

