



## **City Council Regular Meeting Minutes**

Thursday, May 07, 2026

### **CALL TO ORDER:**

Mayor Richardson called the regular City Council Meeting to order at 6:00 pm in the City Council Chamber.

Roll Call was taken. Council Present were Mayor Richardson, Councilor Nuckles, Councilor Mitchell, Councilor Winfrey, and Councilor Vanier. Quorum was established.

Staff Present: City Administrator Protem John Edwards, Jeannine Curry, Planning Technician.

### **ANNOUNCEMENTS:**

The Mayor led the Council and audience in the Pledge of Allegiance and made announcements on the agenda.

### **CONSENT AGENDA:**

Council reviewed the minutes of April 16, 2026

Council reviewed the Bills Paid Report dated 04/26/ 2026

Council reviewed the Pending Bills to be paid report dated 03/31/2026-04/09/2026

Council reviewed the FY 2026 Budget to Actual. One amendment was made under fund 12 water project, under beginning balances it should read Design, Engineering and Procurement is where the \$15,171.00 comes in. It was incorrectly assigned to miscellaneous income, but it was a draw down payment for the water project.

**Motion to accept the minutes of 04/16/2026, pending bills to be paid report dated 04/26/2026 in the amount of \$284.00, and the review of the Bills paid report dated 03/31/2026 in the amount of \$14,212.23, and the FY Budget to Actual Report.**

Motion: Councilor Mitchell

Second: Councilor Nuckles

There was no discussion offered. The Motion carried 5-0.

## City of Shady Cove Regular Meeting Minutes

May 07, 2026

Page 2 of 8

### **PUBLIC COMMENTS ON AGENDA ITEMS:**

Natalie Swendener provided comments.

### **SOUTHERN OREGON SANITATION PRESENTATION:**

Nick Fahey from Southern Oregon Sanitation gave a presentation highlighting operation costs and the rate structure highlighting upcoming Consumer Price Index rate increases for garbage collection that the city contract allows, Shady Cove.

### **STAFF REPORTS**

Jackson County Sheriff Deputy De Krueger was not present to provide a report.

Fire District 4 Chief Crume was not present to provide a report.

#### **City Administrator Protem Report:**

**City Finance:** The city finance work is continuing. Balancing the general ledger, accounts payable and receivable balances, and reconciling changes made by several individuals.

**ODOT Small City Allotment Grant:** We have applied for an ODOT grant for \$226,000 for road and drainage repairs related to the Hannah's Ridge Project.

**Fire Season Emergency Management:** The city has scheduled a pre-fire season community open house for Tuesday, May 12<sup>th</sup> from 5:00pm – 7:00pm at the Upper Rogue Community center. Jackson County emergency management, Sheriff and Fire District 4 will be there to provide information and answer questions for residents and community members.

## City of Shady Cove Regular Meeting Minutes

May 07, 2026

Page 3 of 8

**BUDGET COMMITTEE:** The budget committee held a workshop on April 13<sup>th</sup> at the library, and they reviewed the fiscal year 2026 budget, year-to-date actuals including the general fund, street fund, RVSS sewer fund, public safety fund, system development charges fund, transient lodging tax fund and the water project fund. A budget committee meeting will be scheduled soon to work on fund structure for 26/27 and work on year-to-year comparisons.

### **CITY HALL HOURS:**

We are changing the hours of operation at City Hall. Beginning Monday, May 18<sup>th</sup>, City Hall will be open an hour longer, until 5:00pm to accommodate residents. The hours will be from 8:00am to 5:00pm, and closed mid-shift from 12:00pm to 1:00pm, Monday through Thursday. All Staff will be working the same schedule from 7:00am to 5:30pm with a lunch break at mid-shift.

### **YEW WOOD UPDATE:**

Construction has begun. Walls are being framed and soon there will be a new home in the neighborhood and new owners to welcome to the community.

**PUBLIC WORKS:** Spencer has been continuing mowing and weed trimming on city property.

Trimming low hanging tree limbs over the roadways and cleaning up the park and storm drains after the recent storms.

Another reminder is that the city is currently loaning weed trimmers to Shady Cove residents. We just purchased an additional unit, so we have two battery operated trimmers for city residents to use. Folks just need to contact City Hall to reserve the use of the trimmers. There is no charge for their use.

## City of Shady Cove Regular Meeting Minutes

May 07, 2026

Page 4 of 8

### **WEBSITE LATEST UPDATES:**

A reminder to our residents that the “What’s Happening” page on the City of Shady Cove” website highlights City Hall work and projects. Useful information for folks who are curious as to what the city is currently engaged in. We want to encourage our residents to refer to the city for unbiased information that might not be available on social media. If you want the truth go to the source.

### **OLD BUSINESS;**

#### A. Water Project Update

Councilor Nuckles explained errors that were made previously regarding the use of grant funding for unauthorized expenditures not related to the water grant itself. She explained the city is cooperating with Business Oregon regarding reporting of the findings and the commitment the City is making to correct identified deficiencies. Future drawdowns will be approved by City Counsel. Amendment 2 to the contract is fully executed and we are approved to pursue the southside city water system. The bi-annual report is completed and approved by Business Oregon and the city is working on drawdown three that will be reduced to reimburse the monies that were used as unauthorized expenditures.

The City met with RH2 engineering. They are proceeding well with the feasibility study that will present options for the intake and pump locations. The target for completion of the feasibility study is October 2026. The City will review the information and decide on the option to move forward and the design phase will commence immediately after that. They are confident that by June 2027 construction and installation will be complete.

The city still has our water storage permit and are awaiting Army Corps then when they complete their part it goes to the state and then we are hoping State Representative McIntire will help push it along.

Representative McIntire stated she is willing to help the City on future funding options once we are further along in the process.

## City of Shady Cove Regular Meeting Minutes

May 07, 2026

Page 5 of 8

### B. Audit Update

The Mayor spoke about the work completed by the RVCOG contracted Senior Accountant has submitted to the auditors a significant amount of information including a trail balance. It has taken much more time than expected because of many incorrect transactions and journal entries made by different people without documentation or review. They are being sorted out as discovered and the 2024 audit will not be completed until later this summer. The FY 2025 audit is scheduled to begin later this year.

### C. City Administrator Recruitment Update

The candidate that council approved to make an offer of employment after further discussion decided to decline the offer of employment and remain in his current position for personal and family reasons. Recruitment has remained open and applications are still being accepted as we have received a few already.

## **NEW BUSINESS**

- A. Southern Oregon Presentation was given earlier.
- B. Payroll Tax Update

Last month the IRS contacted the City about penalties and interest due on late or non-payment of payroll taxes. The payroll tax errors they identified began in 2021 and continued through June 2025. In 2021 and 2022, \$73,480. In payroll taxes were not paid so on February 15, 2024, that amount was submitted to the IRS. The IRS did not notify the City of penalties and interest until April 2026. In 2023 to June 2025 an additional \$15,486. In payroll taxes went unpaid with additional penalties and interest. At the end of April 2026 payments of \$51,042 in penalties and interest and \$15,448 in back taxes were sent to the IRS which now brings the City current to June 2025.

The City was told by the IRS that a request could be filed for a refund of at least part of the penalties or interest and that has been completed and sent.

The city was concerned about possible errors and payroll tax reporting since June 2025, so Councilor Nuckles performed an audit of the payroll taxes withheld on the payroll report and tax payments made to the IRS through

City of Shady Cove Regular Meeting Minutes

May 07, 2026

Page 6 of 8

electronic transfer and the 941 forms used to report the amount of payroll taxed withheld from employees pay and compare what was submitted. Councilor Nuckles reported on the results of the payroll tax audit she performed and identified that payments are consistently being made late which triggers penalties and interest. The 941 forms due every quarter did not match electronic fund transfers. This is because the 941 is generated through our Caselle, our accounting system and the electronic fund transfers are done manually. The two are not being updated to match. Quarterly payments are being allocated to the wrong quarter which triggers additional penalties. This is why the recommendation is that the city does not perform its own payroll and instead contract with a payroll company to ensure the payroll taxes are being paid on time.

C. Resolution 26-04- Migration of inhouse payroll services provided by ADP.

**A resolution approving and authorizing migration of in-house payroll to the online payroll service provided by ADP Payroll Services was recommended by the City Administrator.**

Councilor Nuckles and City Administrator Edwards gave an overview on the services provided by ADP that are above and beyond just payroll including Federal Payroll Tax Services, the 941 forms will get filed and the electronic funds will automatically get transferred and the City will have financial controls in place that we do not have now.

Councilor Mitchell spoke about job description service offered to make current staff duties.

**A motion was made to adopt Resolution 26-04 A resolution approving and authorizing migration of in-house payroll to the online payroll service provided by ADP Payroll Services.**

There was no discussion offered.

Motion: Councilor Mitchell

Second: Councilor Vanier

Motion carried 5-0

## City of Shady Cove Regular Meeting Minutes

May 07, 2026

Page 7 of 8

**WRITTEN COMMUNICATION:** There was no written communication offered.

### **PUBLIC COMMENTS ON NON-AGENDA ITEMS**

Public comments were taken from Jat Taylor, Laura Sheridan-Campbell,

### **COUNCIL COMMENTS:**

**Mayor Richardson** – Reminded everyone about the Pre-Fire season City Open House on May 12, from 5-7pm at the Upper Rogue Community Center.

**Councilor Vanier** – Gave a liaison report with the Eagle Point Chamber of Commerce. He spoke about how impressed with the meeting and the amount of people who attended. He spoke about former recreation and tourism events from the past that the city sponsored. He expressed his desire to get the rec and tourism events re-started. He requested a \$5,000 addition to the budget for events The Mayor recommended that Councilor Vanier provide a budget estimate for each event and submitted it for the budget to get an idea of what the estimated costs would be. It was suggested that a city booster club be established that can come before council for a contribution from the city to contribute to an event.

**Councilor Winfrey** – Thanked everyone for attending. She gave a reminder that Fire District 4 is having an open house Saturday from 10:00am – 2:00pm at the fire station and there will be a seedling exchange at the library at 1:00pm, May 17<sup>th</sup> and following at 3:00pm there will be native plant class that spends time repotting native plants that they will give away.

**Councilor Mitchell** – Thanked everyone for coming. He said that Fire District 4 has a resource individual that you can call to have your property evaluated for fire risk free of charge. He recommended those who would like to have their property looked at to prepare for the upcoming fire season. Councilor Nuckles also commented on a service provided to chip up tree limbs a resident might have from tree trimming on their property.

City of Shady Cove Regular Meeting Minutes

May 07, 2026

Page 8 of 8

**Councilor Nuckles** – Councilor Nuckles is the liaison to RVCOG and attends meetings every month. She highlighted this month was two-fold. Typically, there is a speaker and a topic that is discussed. This meeting was about Metropolitan Transportation Districts issues and there is a website identified where people can log in to see what projects are being done. Secondly, she spoke about being appointed chairman of the RVGOG Budget Committee and they spent time going over their budget. She commented on how well the organization is ran. She identified various department budget presentations given and the services each department provides. Councilor Nuckles spoke on her efforts working on projects in the last three weeks regarding payroll tax data, researched payroll services and continued her efforts to restore relations with Business Oregon and get the City water grant back on track. She spoke of her frustration about the circumstances related to the many issues the City is facing and working through and recommended that the next City Council makes an effort to update the charter and to make sure there is more visibility in relation to City business for Council to consider.

**ADJOURNMENT**

There being no further business before the council, Mayor Richardson adjourned the meeting at 7:30 PM.

**MINUTES APPROVED:**

**ATTEST:**

\_\_\_\_\_

\_\_\_\_\_

Lena Richardson

John Edwards

Mayor

City Administrator Protem

**Council Vote:**

Mayor Richardson \_\_\_\_\_

Councilor Nuckles \_\_\_\_\_

Councilor Winfrey \_\_\_\_\_

Councilor Mitchell \_\_\_\_\_

