

**DRAFT MINUTES FOR THE REGULAR MEETING  
ASHLAND CITY COUNCIL  
Tuesday, December 15, 2020**

Held Electronically; View on Channel 9 or Channels 180 and 181 (for Charter Communications customers) or live stream via [rvtv.sou.edu](http://rvtv.sou.edu) select RVTV Prime.

**Note: Written and oral testimony will be accepted for public input. For written testimony, email [public-testimony@ashland.or.us](mailto:public-testimony@ashland.or.us) using the subject line: December 15 Business Meeting Testimony. Those who wish to give oral testimony can fill out a Speaker Request Form at [ashland.or.us/speakerrequest](http://ashland.or.us/speakerrequest) and return it to the City Recorder. The deadline for submitting written testimony or speaker request forms will be on Monday, December 14 at 10 a.m. All Public Forum comments will comply with Council Rules; otherwise they will not be included in the Agenda or Council Minutes.**

Note: Items on the Agenda not considered due to time constraints are automatically continued to the next regularly scheduled Council meeting [AMC 2.04.030.E.]

**I. CALL TO ORDER**

Mayor Stromberg called the Business Meeting to Order at 6:00 PM.

**II. PLEDGE OF ALLEGIANCE**

**III. ROLL CALL**

Councilors' Slattery, Graham, Akins, Seffinger, Rosenthal and Jensen were present.

**IV. MAYOR'S ANNOUNCEMENTS**

Mayor Stromberg announced the current Commission and Committee vacancies.

**V. APPROVAL OF MINUTES**

1. Study Session of November 30, 2020
2. Business Meeting of December 1, 2020

**Rosenthal/Slattery moved to approve the minutes. Discussion: None. All Ayes. Motion passed unanimously.**

**VI. SPECIAL PRESENTATIONS & AWARDS**

1. Annual Presentation by the Conservation and Climate Outreach Commission

Interim City Administrator Adam Hanks introduced Conservation and Climate Outreach Commission Chair Rebecca Walker and Vice Chair Risa Buck.

Walker gave an update on the Commission.

Items discussed were:

- Single use packaging.
- Integration with other Commissions.
- Businesses affected by COVID 19.

2. Recognition of Service for Mayor Stromberg and Councilors Rosenthal and Slattery

Hanks thanked Mayor Stromberg, Councilor Rosenthal and Councilor Slattery for their years of service. City Recorder Melissa Huhtala showed plaques that each will be receiving for their service.

Mayor Stromberg spoke regarding accomplishments for both Rosenthal and Slattery. He thanked them both for their work and commitment to the City of Ashland.

Oregon House District 5 Representative Pam Marsh spoke thanking Stromberg, Rosenthal and Slattery for their work and accomplishments through the years.

Former Ashland City Councilor Greg Lemhouse spoke in agreement with Marsh. He spoke in appreciation of the efforts and commitments the Mayor and Councilors have achieved over the years. He thanked Mayor Stromberg for his time and dedication to the City of Ashland. He thanked Slattery for being a leader and mentor.

Wildfire Division Chief Chris Chambers thanked Mayor Stromberg and thanked Mayor Stromberg for his dedication to make Ashland a safe place to live. He introduced Marko Bay. Bay thanked Mayor Stromberg for all of his hard work and efforts for nature conservancy, Boots on the Ground and the work he contributed to the youth.

Nature Conservancy member Mark Stern spoke in appreciation to the support and leadership from Mayor Stromberg. Darren Borgais spoke in appreciation of the work Mayor Stromberg has done for the Nature Conservancy and for the AFR project.

Donna and Rob from Rogue River Siskiyou National Forest spoke in appreciation of Mayor Stromberg’s work to AFR. They spoke that he was a visionary and spoke in appreciation of how he spent time with the community and youth.

**VII. MINUTES OF BOARDS, COMMISSIONS, AND COMMITTEES**

<a href="#"><u>Airport</u></a>	<a href="#"><u>Budget</u></a>	<a href="#"><u>Conservation</u></a>
<a href="#"><u>Historic</u></a>	<a href="#"><u>Housing and Human Svcs.</u></a>	<a href="#"><u>Parks &amp; Recreation</u></a>
<a href="#"><u>Forest Lands</u></a>	<a href="#"><u>Climate Policy</u></a>	<a href="#"><u>Cost Review</u></a>
<a href="#"><u>Planning</u></a>	<a href="#"><u>Public Arts</u></a>	<a href="#"><u>Transportation</u></a>
<a href="#"><u>Tree</u></a>	<a href="#"><u>Wildfire Mitigation</u></a>	

**VIII. PUBLIC FORUM** Business from the audience not included on the agenda. (Total time allowed for Public Forum is 15 minutes. The Mayor will set time limits to enable all people wishing to speak to complete their testimony.) *[15 minutes maximum]*  
***See note above for how to submit testimony for Public Forum.***

Emily Simon – Spoke regarding the murder of Aiden Ellison. She requested that Council put an item on the Agenda to describe the City’s roles in this situation regarding racial issues and homelessness. She suggested that Council discuss this in each meeting not just Public Forum.

**Slattery/Graham moved to bring this item to the next Council Meeting. Discussion:** None. **All Ayes. Motion passed unanimously.**

**IX. CITY ADMINISTRATOR REPORT**

Hanks presented Council with the City Administrator Report (*see attached*).

**X. CONSENT AGENDA**

1. Appointment of Jerry Campbell to the Airport Commission
2. Appointment of Lisa Verner to the Planning Commission
3. Appointment of Laura Bloom to the Public Arts Commission
4. Approval of Liquor License for the Black Sheep
5. Approval of Liquor License for Goldback Wines
6. Resolution No. 2020-27 Declaring the Canvass of the Vote of the Election Held in and for the City of Ashland, Oregon on November 3, 2020
7. Approval of Purchase of a Payment Kiosk from AdComp Systems, Inc.

**Seffinger/Jensen moved to approve the Consent Agenda. Discussion:** None. **All Ayes. Motion passed unanimously.**

**XI. PUBLIC HEARINGS** (Persons wishing to speak are to submit a “speaker request form” prior to the commencement of the public hearing. Public hearings shall conclude at 8:00 p.m. and be continued to a future date to be set by the Council, unless the Council, by a two-thirds vote of those present, extends the hearing(s) until up to 9:30 p.m. at which time the Council shall set a date for continuance and shall proceed with the balance of the agenda.)

**XII. UNFINISHED BUSINESS**

1. Review and Approval of Letter to Jackson County Fire District 3 and Ashland Firefighters Association regarding Fire Chief IGA

**Items submitted to the record:**

**Julie Akins**

**Stephen Jensen**

City Attorney David Lohman gave a Staff Report.

**Jensen/Slattery moved to approve to post the statement as drafted on the City website and transmitting it to Fire District 3 and to Ashland Firefighters and to add a paragraph to the existing statement that Staff has put forward stating "Furthermore, members of the Ashland City Council, do unequivocally affirm in this statement that we are committed to abide by both the spirit and the letter of the council rules that guide our interactions, especially the rules stated in AMC Section 2.04.080 (C), AMC Section 2.04.080(D) and AMC Section 2.04.115.**

**Jensen read the section references aloud.**

**Discussion:** Jensen spoke that it is time to move on and spoke in support of the motion. Slattery spoke in support of the motion. He spoke regarding Council rules and even if Council does not agree with each other that everyone will respect each other. **website. Roll Call Vote: Slattery, Graham, Seffinger, Akins, Rosenthal and Jensen: YES. Motion passed unanimously.**

**Slattery/Jensen moved to approve posting the statement as drafted on the City website and**

transmitting it to Fire District 3 and to Ashland Firefighters along with the addition to the letter. **Discussion:** Akins support to the additions but not in support of putting the letter on the website. She spoke in favor of moving on. **Roll Call Vote: Slattery, Graham, Seffinger, Rosenthal and Jensen: YES. Motion Passed 5-1.**

### **XIII. NEW AND MISCELLANEOUS BUSINESS**

1. Acceptance of Fiscal Year 2020 (2019/2020) Comprehensive Annual Financial Report (CAFR) and Component Unit Financial Report (CUFR).

Finance Director Melanie Purcell gave a brief Staff report. Purcell introduced Moss Adams Amanda McCleary-Moore, CPA, Partner, Kimberly Reno CPA, CFC Manager and Senior, In-Charge Trinity Flinders presented Council with a PowerPoint Presentation (*see attached*).

**Slattery/Jensen moved to accept the City of Ashland FY2020 Comprehensive Annual Financial Report and Component Unit Financial Report. Discussion:** Slattery thanked Staff and the presenters. Jensen spoke in agreement with Slattery. **Roll Call Vote: Slattery, Graham, Akins, Seffinger, Rosenthal and Jensen: YES. Motion passed unanimously.**

2. Discussion of Letter to Jackson County Board of Commissioners supporting Jackson County Public Health Recommendations

Hanks gave a brief Staff report.

Graham presented Council with an overview on the issue.

**Slattery/Jensen moved to direct the City Administrator and City Attorney to utilize the draft letter and the additional comments of Council to complete and deliver a final letter to the Jackson County Board of Commissioners. Discussion: None.**

### **XIV. ORDINANCES, RESOLUTIONS AND CONTRACTS**

1. Resolution No. 2020-28 to Designate a Vertical Housing Development Zone

Community Development Director Bill Molnar gave a brief overview and introduced Planning Manager Maria Harris. He also introduced associate Scott Fregonese.

Harris went over a PowerPoint Presentation (*see attached*). Items discussed were:

- Transit Triangle.
- Purpose of Vertical Housing.
- What is a Vertical Housing District Zone (VHDZ).
- VHDZ eligibility.
- Partial property exemption.
- VHDZ incentives.
- Mixed use examples.
- Commercial examples.
- Taxing districts.
- Local criteria.

**Rosenthal/Slattery moved to approve proposed Resolution No. 2020-28. Discussion:** Rosenthal thanked Staff. **Roll Call Vote: Slattery, Graham, Akins, Seffinger, Rosenthal and Jensen: YES. Motion passed unanimously.**

2. First Reading of the Food & Beverage Tax Allocation Ordinance  
*This item will be moved a future meeting.*

3. Second Reading and Findings Adoption of Grand Terrace Annexation  
Senior Planner Derek Severson gave a brief Staff report.

**Seffinger/Jensen moved approval of the second reading by title only of ‘An Ordinance Annexing Property and Withdrawing an Annexed Area from Jackson County Fire District No. 5 (Grand Terrace Annexation – Planning Action #PA-T3-2019-00001’ and adoption of the ordinance. Discussion: None. Roll Call Vote: Slattery, Graham, Akins, Seffinger, Rosenthal and Jensen: YES. Motion passed unanimously.**

**Seffinger/Rosenthal moved to adopt written findings for approval of Planning Action #PA-T3-2019-00001. Discussion: None. Roll Call Vote: Slattery, Graham, Akins, Seffinger, Rosenthal. And Jensen: YES. Motion passed unanimously.**

**XV. OTHER BUSINESS FROM COUNCIL MEMBERS/REPORTS FROM COUNCIL LIAISONS**

**XVI. ADJOURNMENT OF BUSINESS MEETING**

The Business Meeting adjourned at 9:30 PM.

Respectfully submitted by:

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**City Recorder Melissa Huhtala**

Attest

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**Mayor Stromberg**

*In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Administrator's office at (541) 488-6002 (TTY phone number 1-800-735-2900). Notification 72 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to the meeting (28 CFR 35.102-35.104*

*ADA Title I).*

**Response to Agenda item: “Council Statement to Fill Fire Chief Position**

**From: Julie Akins, Councilor**

**Request this submission be added to record in response**

The consideration of the council statement on efforts to fill fire chief position should not be accepted on the following grounds:

1. The material facts of City Attorney Dave Lohman’s “Council Statement on Efforts to Fill Fire Chief Position” are not accurate.
2. The decision to have the attorney who represents the entity of the City of Ashland prepare materials to impugn a sitting councilor who also represents the entity of the City of Ashland is inappropriate.

I begin with the inaccuracies contained in Mr. Lohman’s statements:

**Under Policies, plans and Goals** Mr. Lohman claims the staff desire to fill the fire chief position through an intergovernmental agreement with Fire District 3 supports council goal 1--“develop current and long-term budgetary resilience.” That is subjective. One could equally argue that it would not accomplish that goal as it enters the city into a contract with a compensation package of \$224,000 annually. One could also argue that the service of a fire chief could be achieved at a lesser cost.

Mr. Lohman further claims under council goal 2 “achieving efficiencies, reducing costs and improving services” would be accomplished by this action. Again, this is subjective and not a statement of fact. The Ad Hoc Cost Review Committee is not quoted directly as endorsing the specific outsourcing of the fire chief position to Fire District Three as Mr. Lohman implies so this argument in addition to being subjective is not supported.

**Previous Council Action is mis-stated.** On 9/15 council discussed an exploration of a Limited Duration Appointment. That discussion was primarily focused on partnering with Fire District 5. The intergovernmental Agreement with Fire District Three was not discussed at this meeting.

Further, it’s been stated on the record that I never offered any concerns nor objections. That is incorrect. I stated mis-givings at every meeting about going outside of the current fire department and suggested promoting within. Furthermore on 9/15, council did not vote to enter into an agreement but to merely explore the possibility, which again, was with Fire District Five.

On 11/2, a study session where no decisions are made, no votes taken and no roll call, there was an idea floated as “open for exploration” with Fire District 3.

Council was told by City Administrator Adam Hanks that Fire District Five and specifically Chief Hanley felt an intergovernmental agreement would be, and I quote, “too tall of an order.” We have later learned from Fire District Five’s Board of Directors and Chief Hanley that that wasn’t true.

In the meeting of 11/2, I expressed reservations and concerns about moving forward with Fire District Three given that we had previously discussed the matter with Fire District Five.

Furthermore, Hanks referred to a potential agreement with Fire District Three as “manning the operation” to explore options. The vague language in the study session did not leave an impression of immediate action for which I maintained concerns and reservations openly and on the record.

On 11/17 the agreement with Fire District Three appeared on the consent agenda as if council had previously agreed to a contract with Fire District Three. That had not happened.

Objectively--there had been no previous vote in a business meeting to even explore an agreement with Fire District Three.

I requested the item be pulled from the consent agenda. The mayor in error told me to make my request in the form of a motion. Requesting items be pulled from a consent agenda does not require a motion. This was wrongful and should have been pointed out by City Attorney Lohman as the parliamentarian.

Instead, I wrongly complied and made the motion which was not seconded and the item remained wrongly on the consent agenda. I should not have complied with the mayor's demand. The situation had become what I could argue was hostile and as a result I went along with the wrongful demand, which I regret.

One could argue, therefore, that the agreement was never correctly approved as it should have been removed from the consent agenda, discussed and then approved separately which it was not.

**Mr. Lohman's restatement of fact is incorrect:**

Mr. Lohman states that the council unanimously approved direction to pursue an agreement with Fire District Three. This is incorrect.

On November 2, council received an update that the city was in consideration of a possible agreement with Fire District Three. It is incorrect that there was no dissent or that "Council affirmed the direction of the negotiations with Fire District Three." Study sessions do not affirm but are listening opportunities for council to hear what staff is considering. No votes are taken so it is speculative that any affirmation occurred.

On November 16, I stated in a council study session my concerns that this was moving too quickly and I was concerned about the long term financial context. It was not the first time I stated such concerns. Throughout the process I stated concerns on the record.

Mr. Lohman states on page two of his comments that it is an unlawful practice to seek the salary history of an applicant. It is not unlawful when the compensation is a public record. The applicant's employer is a public entity and as a division chief his salary is a public record. It is not unlawful to request information contained in the public record.

In Mr. Lohman's comments regarding councilors pressuring or directing city employees, there is no direction or pressure of any kind applied. Mr. Brown who was the applicant of Fire District Three was not an employee of the City of Ashland nor even a specific applicant to the City of Ashland. I cannot see how this is applicable.

As to Mr. Lohman's additional points regarding a councilor's right to express personal views. I'm happy to hear it as I have several e-mails from Mr. Lohman stating I am not allowed to express personal views. I have not expressed views about what any other individual councilor's position might be nor positions of the full council.



Because this statement has material inaccuracies and because it is not what the council directed which was a letter of apology to Fire District Three, I would request this document not only fail to be brought for vote, but that it be stricken from the record. It is not an apology but a misstatement of fact and is in fact subjective and adversarial.

## Council Statement on Efforts to Fill Fire Chief Position

Addendum from Councilor Stephen Jensen

Blog Post by Councilor Tonya Graham

Additional Background: In a comprehensive effort to evaluate innovative and fiscally more efficient operating structures for our municipal fire and ambulance service, the City Council voted unanimously to give direction to the Interim City Administrator on September 15, 2020, to pursue an Intergovernmental Agreement (IGA) with Jackson County Fire District #5 but not excluding exploring other options.

(From Sept 15 minutes.)

### 1. Fire Chief Recruitment Process

Hanks gave a Staff report and introduced Human Resources Director Tina Gray. Gray gave a brief Staff report.

Council discussed options.

**Jensen/Rosenthal moved to recommend pursuing staff Option 3, authorizing staff to conduct a recruitment for a Limited Duration Appointment (1-3 year) of a Fire Chief to maintain continuity of leadership of the department.** Jensen spoke in support of option number 3. Rosenthal agreed with Jensen. He spoke that this could open the doors towards partnerships with surrounding cities. Graham thanked staff. **Roll Call Vote: Rosenthal, Jensen, Seffinger, Slattery, Akins and Graham: YES. Motion passed unanimously.**

This course of action unfolded with a series of professional meetings between COA administrative staff, AF&R staff, Ashland Firefighters' Association, and eventually Fire District #3. The process was reviewed and affirmed with no serious dissent by City Council on November 2, including identification of the final candidate, Division Chief Devon Brown. Negotiations were concluded with mutual satisfaction; final contracts were drafted for presentation to the authorizing boards and councils and Ashland City Councilors were invited to interview Chief Brown via Zoom. The IGA contract was placed on the consent agenda for approval on the evening of November 17, 2020.

On November 17 at 1:00PM, a zoom meeting was scheduled with several City Councilors and the COA HR manager, Tina Gray. Councilor Akins and I were the two Councilors. One of the questions asked by Councilor Akins queried the amount of his current salary at District #1 in Klamath Falls and Chief Brown, visibly uncomfortable, answered. Such a question is specifically prohibited by Oregon's *Pay Equity Act* whether it is public information or not. To wit:

*It is an unlawful practice ... for an employer or prospective employer to seek the salary history of an applicant [except to request] from a prospective employee written authorization to confirm prior compensation after the employer makes an offer of employment to the prospective employee that includes an amount of compensation.*

Councilor Akins subsequently posted this information (Mr. Brown's current salary) on Facebook with adjoining comments that were remarkably misleading.

(Posted on FB Nov 17) *"The current applicant makes \$120,00. My guess: he'd have been interested for less than \$225,000."*

In addition, the following comment was posted by Councilor Akins on the same day.

*“So we have a rented fire chief. Two years we pay his compensation of \$225,000 and \$231,000 but he doesn’t work for us, he works for District Three in White City. The proposed person has three years experience and we are starting him at \$225,000. Doesn’t that seem high to you?”*

Chief Brown, upon learning of this misleading social media traffic and the toxic atmosphere around this topic, withdrew his name from consideration shortly thereafter.

Not only are the above comments in possible violation of Oregon labor law, they directly and repeatedly misrepresent compensation for this position by comparing “fully loaded” budgeted compensation numbers on the one hand with actual personal gross salary numbers on the other. This misinformation is repeated several times as indicated in the above direct quotations from social media. Additional misinformation was offered claiming that this candidate has only “three years experience”, will be “a rented fire chief”, “...is FD3 the best partner in a merger’????”

These misrepresentations by Councilor Akins are a violation of **AMC Section 2.04.115**  
***“A Council member is free to express personal views on any issue in any forum as long as any statements he or she makes about the positions of the full City Council and the positions of other individual Council members are accurate and objective.***

Another AMC rule was violated by these posts.

**AMC Section 2.04.080 (C)** ***“Individual Councilors should respect the separation between policymaking and administration. Councilors shall not pressure or direct City employees in a way that could contravene the will of the Council as a whole or limits the options of the council.***

To wit (from Councilor Akins):

*The kicker is this person will not be our fire chief. They'll be paid by us, trained by us and then bounce over to fire district three after two years. Why can't the current administration wait until the new council and mayor are seated? Why don't we hire our own fire chief who will stay long term and bring stability to the City of Ashland fire department? Why are YOU being asked to spend roughly \$455,000 to train a fire administrator for another district north of Medford?...*

*No candidate search, no efforts to see if a woman, a person of color or someone with deeper experience could be found. Weird, right? Is it a good idea?*

The actions of Councilor Akins in aggregate thwarted city staff members who were in the process of executing the will of the council with a professional candidate search and negotiation. They were forced into an embarrassing and possibly illegal position. Furthermore, such actions damaged the reputation and goodwill of our administrative staff, this council and our city as a whole. And these actions seriously jeopardize our emergency preparedness in the months to come....in direct contravention of the stated will of this City Council.

A third council rule has been repeatedly violated by Councilor Akins.

**AMC Section 2.04.080(D)** ***The Mayor and council members should strive not to criticize any person in a public meeting or in public electronic mail messages. The same expectation applies to City staff in the exercise of their official duties. Discussions and disagreements should focus on the content of the topic at hand. Nothing should limit a Councilor or staff person’s right to report wrongdoing.***

To wit: These are recent public posts from Councilor Akins.

*“Yes, council was rude when I wanted discussion. That’s nothing new”*

*“I seek transparency rather than nepotism and buddy deals. Why do we hire our friends?”*

*“The notice is posted and writ large on city hall: the back room is closed for business”*

*“I hate to chime in any more on this due to the Union flogging but—if public safety was a top priority why did they cut the emergency preparedness person’s money and hours? Do only some fire jobs matter?”*

It is not so much the criticism that is at issue here, but the false accusations of “nepotism” (*the practice among those with power or influence of favoring relatives or friends, especially by giving them jobs*) and “buddy deals”. In addition, suggesting that our city hall was the locus of “back room...business” is false and comes close to defamatory and as such is certainly a violation of the above council rule.

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My intention at Tues, Dec 15 Business Mtg is to add directly to the proposed Council Statement through this motion.

I move to add the below paragraph to the end of the already offered statement proposed by staff.

**Furthermore, members of the Ashland City Council, do unequivocally affirm in this statement that we are committed to abide by both the spirit and the letter of the council rules that guide our interactions, especially the rules stated in AMC Section 2.04.080 (C), AMC Section 2.04.080(D) and AMC Section 2.04.115.**

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In addition to the above important contextual information for this motion, I have included a thoughtful and wide-ranging blog post written by Councilor Graham examining the policy and emergency preparedness factors that surround this issue. See below.

# Hiring Our Next Fire Chief

Blog post by Tonya Graham

## The Gist

This plan to fill our vacant Fire Chief position was, and is, a good idea given our need for a strategic assessment of the department's operations.

The notion that decisions are being made behind closed doors at the City is nonsense. This issue was brought before Council for direction to staff twice before the final contract was brought forward for approval.

During those two meetings where we discussed this process for addressing the Fire Chief vacancy, none of the concerns expressed at the most recent meeting were brought forward.

Social media posts by Councilor Akins have derailed a necessary process putting the City's ability to protect its residents from fire and COVID-19 at risk.

Information in social media posts comparing the salary for this position to other salaries was untrue. It compared the "all in" costs (taxes and benefits) for our Fire Chief position with just the salary costs for a similar position. In addition, questioning the applicant's qualifications in that venue was inappropriate and ill-informed.

The posting on social media of the applicant's current salary was inappropriate and hurt someone who had only applied for a job. The comparison between his current salary and the "all in" costs of our position was inaccurate as well.

Our community's reputation with regional partners and potential future applicants has been damaged by those posts.

Because the applicant has withdrawn from the process, we are leaving Ashland Fire and Rescue short-staffed during this critical time between fire seasons - until we can get the position filled.

ACES' action alert included elements that were not true.

## The Details

When former Fire Chief, Dave Shepherd, retired at the end of November, it created an unusual situation for the City of Ashland. The standard response would be to open up a full recruitment and selection process for a new Fire Chief. But we aren't in a standard situation.

### Assessing our Fire and Ambulance Service

Ashland Fire and Rescue, which includes both fire and ambulance services, is the largest program in our General Fund. Given the constraints of our General Fund budget, we need to take a structural look at how the City is providing those services. That effort is underway with a contract Council recently approved for a financial assessment of the ambulance service in relation to the fire department. This will let us know to what extent, if any, we are subsidizing the ambulance service. Because Ashland Fire and Rescue operates as one seamless fire and ambulance department, calculating those numbers isn't as easy as one might think. Once we see what those numbers tell us, Council and staff will move forward with discussions about what changes that might mean for how we provide those services in Ashland.

One option, if we decide that keeping everything in-house isn't the best way to go, is to combine services in some fashion with one of the local fire districts. Whenever a merger like this is

developed, one of the “chiefs” (whether it’s a CEO, executive director, or in this case, a department head) loses their top position, even if they remain employed in the newly merged entity. This reality can create an incentive on the part of those top leaders to keep things the way they are – to not embrace a new structure that might produce benefit for the organization, but could easily mean a personal demotion in the new structure. This is important in terms of the larger assessment process we are engaged in.

### **Timing**

System-level assessment and planning takes time and departmental leadership. When staff saw the transition coming from Chief Shepherd’s retirement, they rightly thought about how we might address this vacant position in a way that doesn’t create a disincentive to strategic planning for the department. What we needed was someone who would come into the department in its highest position and lead the department through this assessment process with the Mayor and Council. By having this person be on the payroll of District 3, but serving under contract with the City of Ashland, they would have a guaranteed position in District 3 no matter what the City of Ashland eventually decided about the structure of Ashland Fire and Rescue. If the City chose to keep all services in house and was pleased with this person’s performance, they would move over to our payroll. If the City chose to merge with a fire district, or were not satisfied with their performance, they would remain on the payroll of District 3. This level of structural assessment isn’t something that will be done by the time we are finalizing a budget in May/June of 2021. It will take longer than that – likely a year or more.

### **Cost**

In spite of what has been said on social media, the cost was no more for this contract than it would be if this position stayed on our books for the next three years. I know because I specifically asked that question at one of our public meetings. The salary (\$130,000) and all in costs for that position are no different than what we would normally pay – and are in line with what it takes to recruit a fire chief who has the level of expertise and skill needed for a city of our size. Unfortunately, postings on social media misrepresented the comparison and claimed that the “all in” costs (including insurance, retirement, etc.) were the salary costs. This comparison error has created significant, unnecessary strife in the community.

### **Applicant**

In this case, both District 3 and the City of Ashland had a specific applicant in mind who had been working in our region and had done a similar system-wide analysis with their current employer. In many ways, given the close working relationships in the fire and ambulance community in southern Oregon, it was like hiring from within. However, had we not been in the middle of a system-wide assessment of our services, I expect staff would have brought forward, and council would have supported, a standard hiring process that would have allowed us to cast the net wide and move forward with our diversity, equity, and inclusion goals. This was a necessary exception.

The notion that spread through social media and at least one organizational action alert that we would be “training” someone to be a fire chief and then sending them along to another district is pure nonsense. The applicant who was approached by us and Fire District 3 is well-known and respected in our region for his expertise in fire and ambulance systems and ability to assess and develop an effective plan when change is called for. I spent over an hour with him on Zoom and was very impressed with him professionally and personally. He was exactly what we needed.

### **The Whole Thing Goes Sideways**

Unfortunately, this applicant will not be our new fire chief. The day of our Council meeting, he went on a Zoom call with a couple of other councilors. Councilor Akins asked him a question about his current salary and then proceeded to take that information out to social media and question his credentials. It was, in my mind, highly unethical. He was harmed professionally by

what she did and withdrew his application that day. I don't blame him. Interviews are a good way to determine whether the other party is someone you want to work with and/or for. I wouldn't want to work with someone who treated me like that – and clearly he doesn't either.

### **What this Means for Ashland**

Right now the City Council has an emergency declaration that includes two emergencies: COVID-19 and the Alameda Fire. What do those two things have in common? Our community response to both sits heavily inside the walls of Ashland Fire and Rescue. Our firefighter/paramedics are dealing with calls for help from people who may have contracted the virus and the City is in the process of assessing our response to the Alameda Fire to continually improve our services. We have 7 months between fire seasons and both the fire department and individual residents have a lot of work to do between now and the start of the next fire season.

Now, because of this unethical behavior, we do not have the highest position in that department filled with the type of person who can lead us through these assessments and strategic planning processes. Our Interim Fire Chief is doing an excellent job, but he is doing the work of three people. It's not sustainable. Ashland Fire and Rescue needed the Council to move forward with this contract and this applicant so that it would have the capacity and expertise that the next couple of years calls for us to have. Now, it is in shambles.

It's also likely that when we do move forward with whatever process we will put together to fill that position, that high quality applicants will be hesitant to apply given what they know about how elected leaders in Ashland sometimes behave. Word gets around when there is a problem like this.

In the end, it will be the people of Ashland and those who work in our fire department who suffer – yes, those who risked their lives two months ago to save our community. With these actions, Councilor Akins has made it even more difficult for them to do their jobs.

### **A Word About ACES' Action Alert**

Organizations form an important part of our civic conversation. I trust several organizations to alert me when something we both value is threatened. I have written my fair share of action alerts as well. What is necessary in this relationship is trust. The organization needs to convey truthful information so that their members can trust that information when they step forward to advocate for a position.

Unfortunately, ACES sent an action alert with statements that are simply untrue.

**They said: "The problem is this person will not be our permanent fire chief. He will be paid by us, trained by us and then transfer over to fire district three after two years. Why are you being asked to spend roughly \$455,000 to train a fire administrator for another district north of Medford?"**

We don't know whether this person will be our permanent fire chief and the original applicant certainly didn't need to be trained. If we continue to have an independent fire department, this person would be our permanent chief unless there was a performance issue, which was highly unlikely. He would be paid by us, but we wouldn't be training him. We would have benefited greatly from his expertise, experience, and systems perspective. And, as I mentioned above, the total cost for two years of this position is the same whether we hire a fire chief or move forward with this contract.

They then went on to say this:

**"We should continue with Division Chief Ralph Sartain as Acting Fire Chief and wait until the upcoming biennial budget is developed and the fiscal and operational impacts can be assessed for our Fire Department before making this important hiring decision."**

There isn't anything untrue about this opinion. It's just a bad idea. It's similar to the call earlier this fall to hold off on hiring a Finance Director until after a City Manager is hired in 2021. The City Manager is not likely to be on until June or possibly even later due to the time it takes to go through the process of hiring for a position of this importance. Our budget must be approved by the end of June. If you wonder whether the Council made the right decision in approving the hiring of a Finance Director, watch the study session of November 16 where we received our first financial update from our new Finance Director. She's fantastic – and we need her leadership to navigate the upcoming budget process.

The same is true for the fire department. We need that leadership position filled now so that we can do what needs to be done between fire seasons and complete the strategic planning that is needed – and so that we can continue to offer first rate fire and ambulance service in the meantime. According to the schedule ACES advocated for, we would be running short staffed throughout the winter and spring and bringing on the new fire chief after the 2021 fire season starts. Again, bad idea.

### **The Bigger Picture**

The world doesn't stop spinning just because Ashland has initiated a change in its form of government. City Managers do not expect to walk into a new position with department head positions left vacant for upwards of a year waiting for their arrival as the new manager. They expect to walk into a system that is functioning with department leadership in place. Then they get to decide if that configuration is going to work for them – and take action if it isn't.

We are living in a time of disruption – and we need to get better at managing it. Sometimes, it's best to carry on as you have before. Other times call for creativity and innovation. This situation with our fire department is one that calls for creativity and innovation. Staff offered that in bringing forward a solution that would meet all of our needs over the next several years, stay within budget, and keep our options open for the structure of our fire department moving into the future.

It is also true that Council had two opportunities to express concerns or direct staff in another direction prior to the contract coming before the Council for approval. In neither of those discussions did Councilor Akins express concerns.

The best option has been derailed by inappropriate and ill-informed behavior by a sitting councilor. The end result is that more staff time will need to be used to create a solution that is not likely to be as good of a fit – all while they are dealing with a pandemic. We can – and must - do better than this.



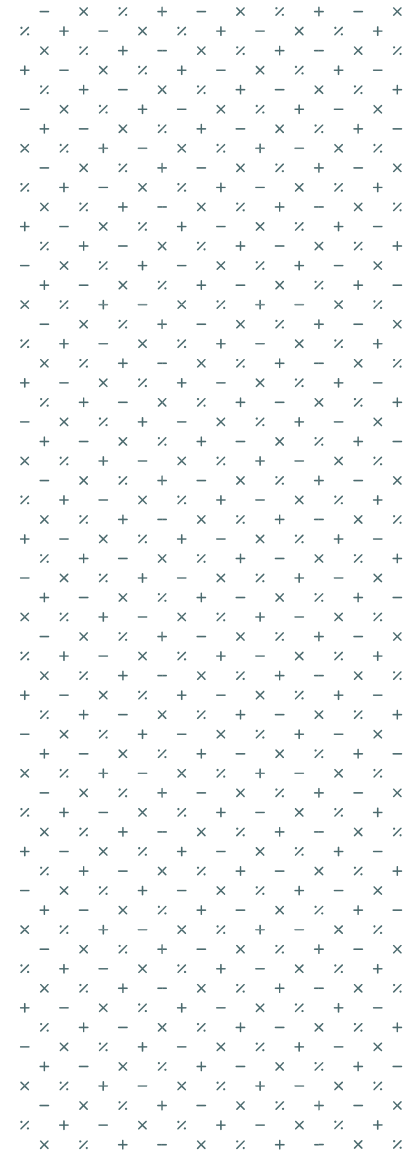


# City of Ashland, Oregon Audit Results

COMMUNICATION WITH THOSE CHARGED WITH  
GOVERNANCE

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December 15, 2020





# Agenda

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1. Engagement Team
2. Nature of Services Provided
3. Auditor Opinions / Reports
4. Internal control related matters
5. Communications to Those Charged with Governance
6. City Statistics
7. New Standards





# Engagement Team

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# Nature of Services Provided

**1** Audit the City and Parks and Recreation Commission financial statements in accordance with Generally Accepted Auditing Standards (GAAS) and Governmental Standards (GAGAS)

**2** Assistance with, and technical review of each respective Comprehensive Annual Financial Report (CAFR) for compliance with Generally Accepted Accounting Principles (GAAP) as well as Government Finance Officers Association (GFOA) Certificate of Excellence requirements

**3** Compliance testing/reporting under Oregon Minimum Audit Standards

**4** Single Audit of federal grant programs under Uniform Guidance

**5** Agreed upon procedures –  
Transient and Occupancy Tax  
Agreed upon procedures – Food  
and Beverage Tax

**6** Reporting – Overall audit plan,  
audit results, communicating  
internal controls findings and  
noncompliance



# Audit Opinion / Reports

Financial  
Statements

Unmodified  
(clean) opinion  
on financial  
statement

Oregon  
Minimum  
Standards

No reportable  
findings

Government  
Auditing  
Standards  
Report

No reportable  
findings

Uniform  
guidance

Still in progress  
– timing to be  
determined

Agreed Upon  
Procedures

Still in progress



# Communications to Those Charged with Governance

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- Planned scope and timing
- Significant accounting policies
- Management judgments & accounting estimates
- Audit adjustments made and passed
  - None in current year
- Management's consultation with other accountants
- No disagreements with management
- No difficulties in performing the audit



# Communications to Those Charged with Governance

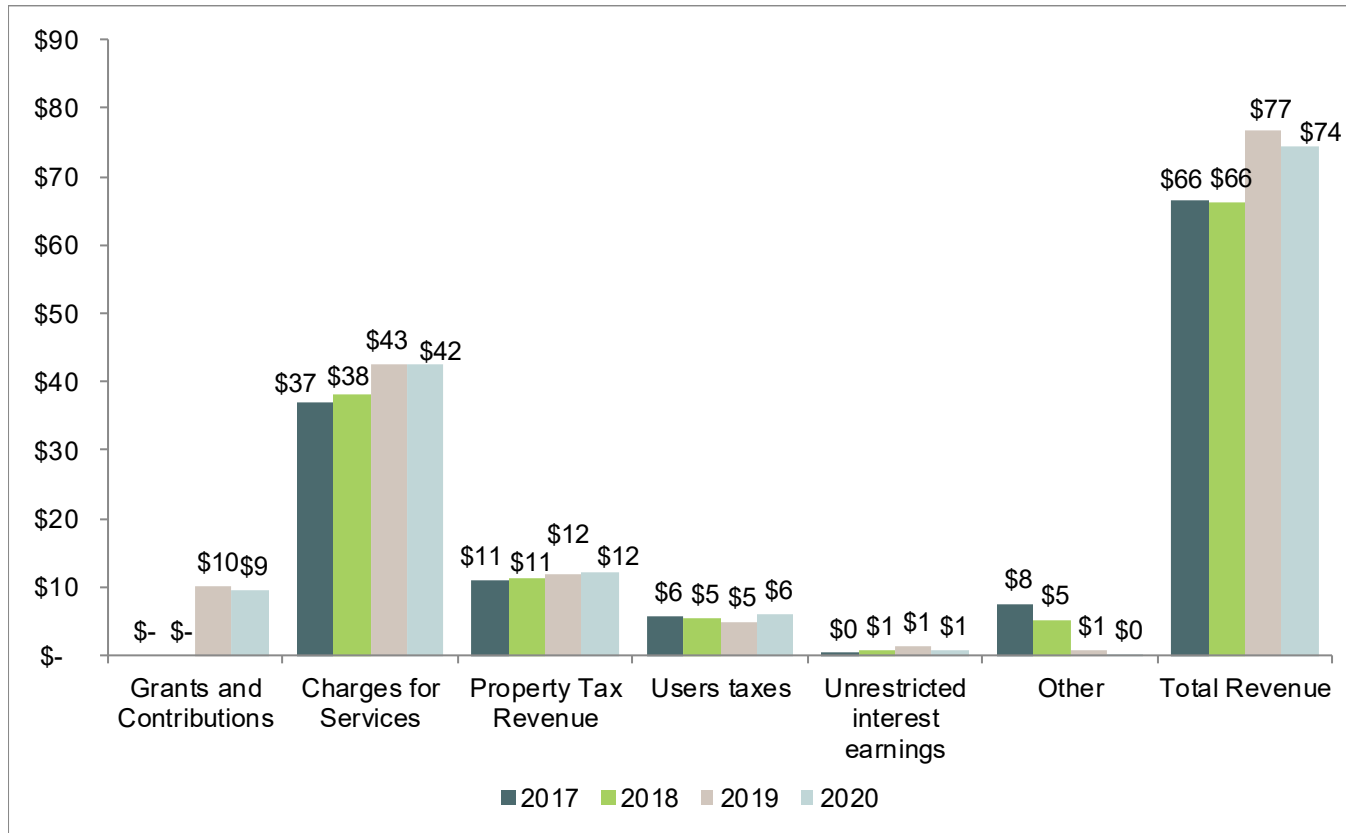
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- Best practices
- Financial close and reporting process



# City-Wide Revenues

IN MILLIONS

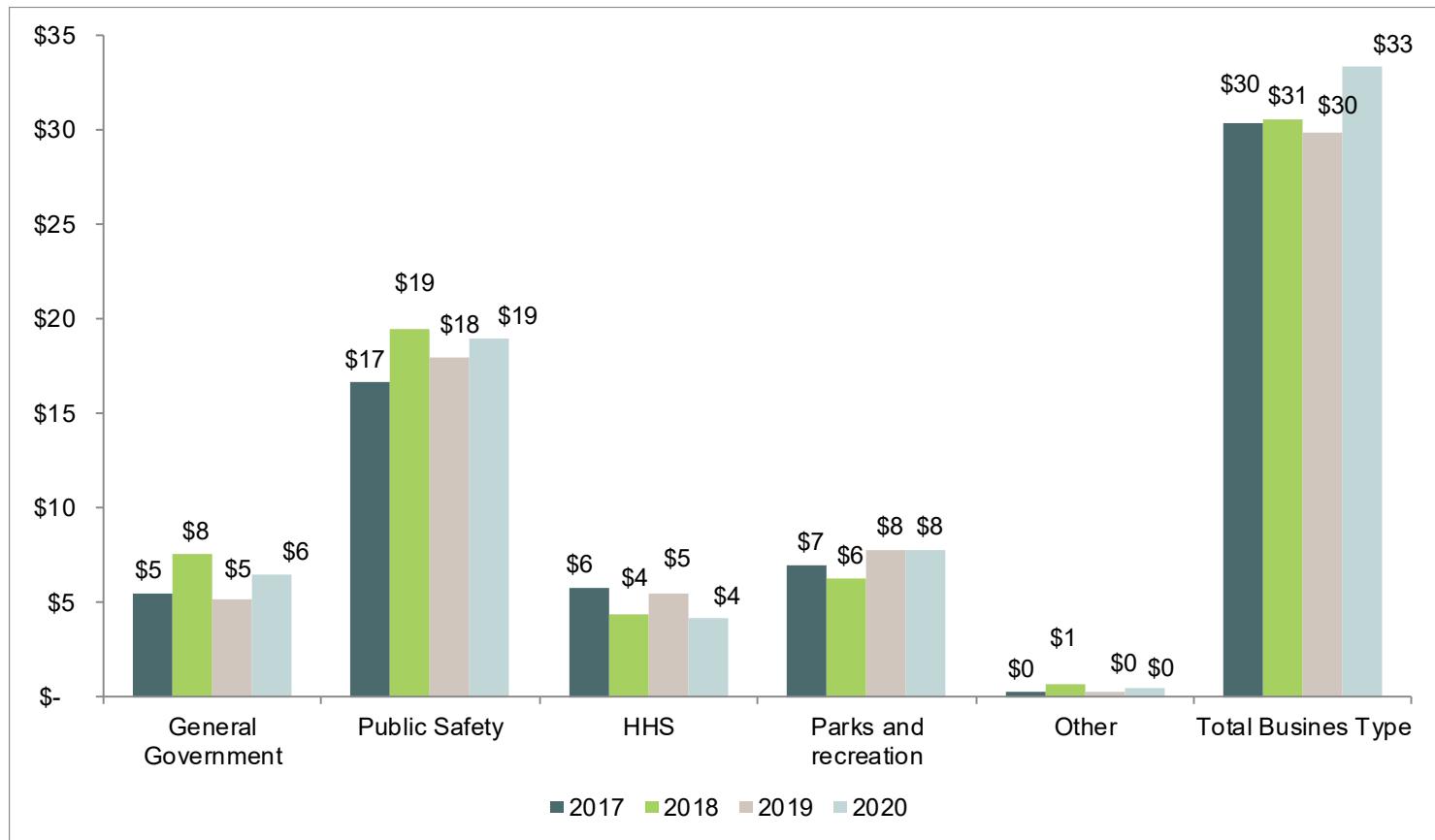






# City-Wide Expenses

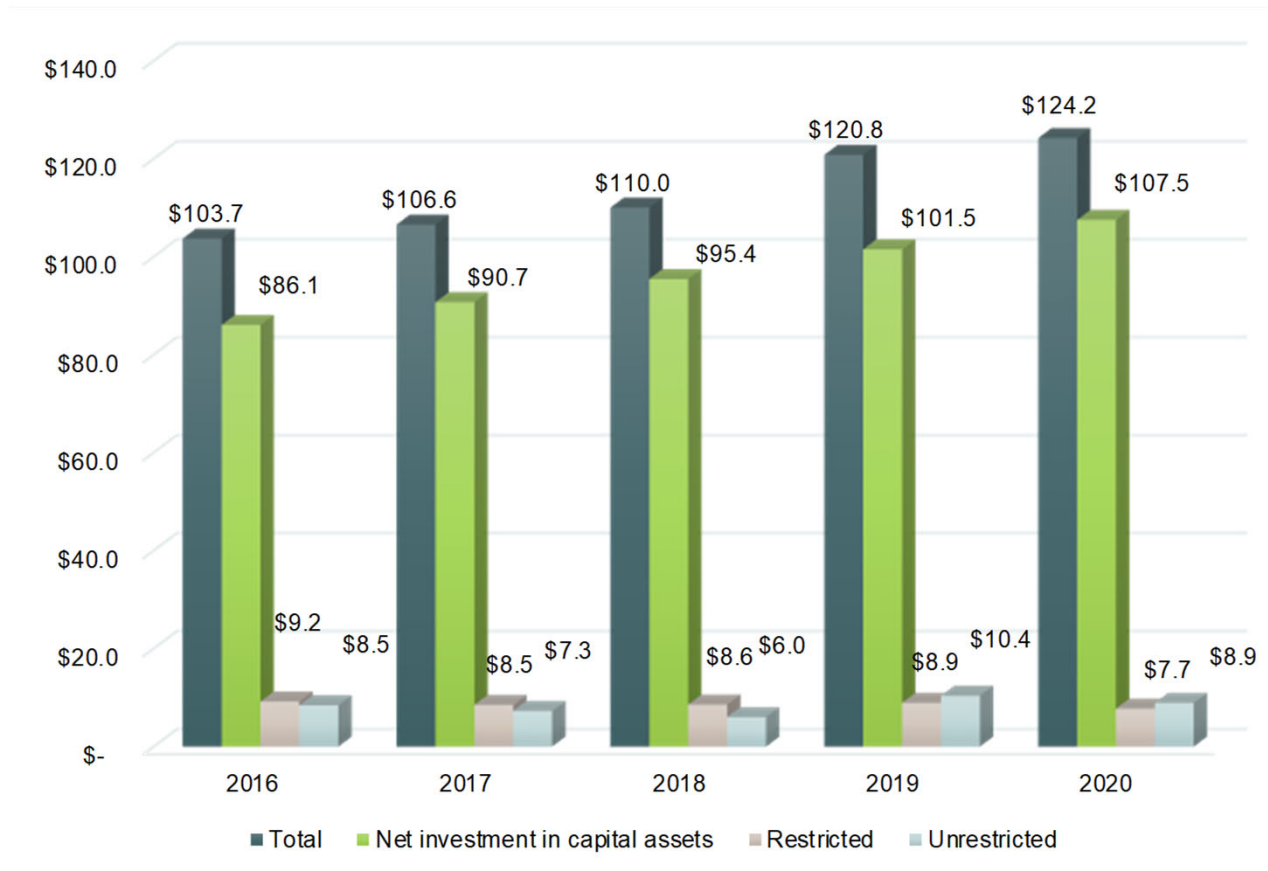
IN MILLIONS





# Net Position TRENDS NOTED

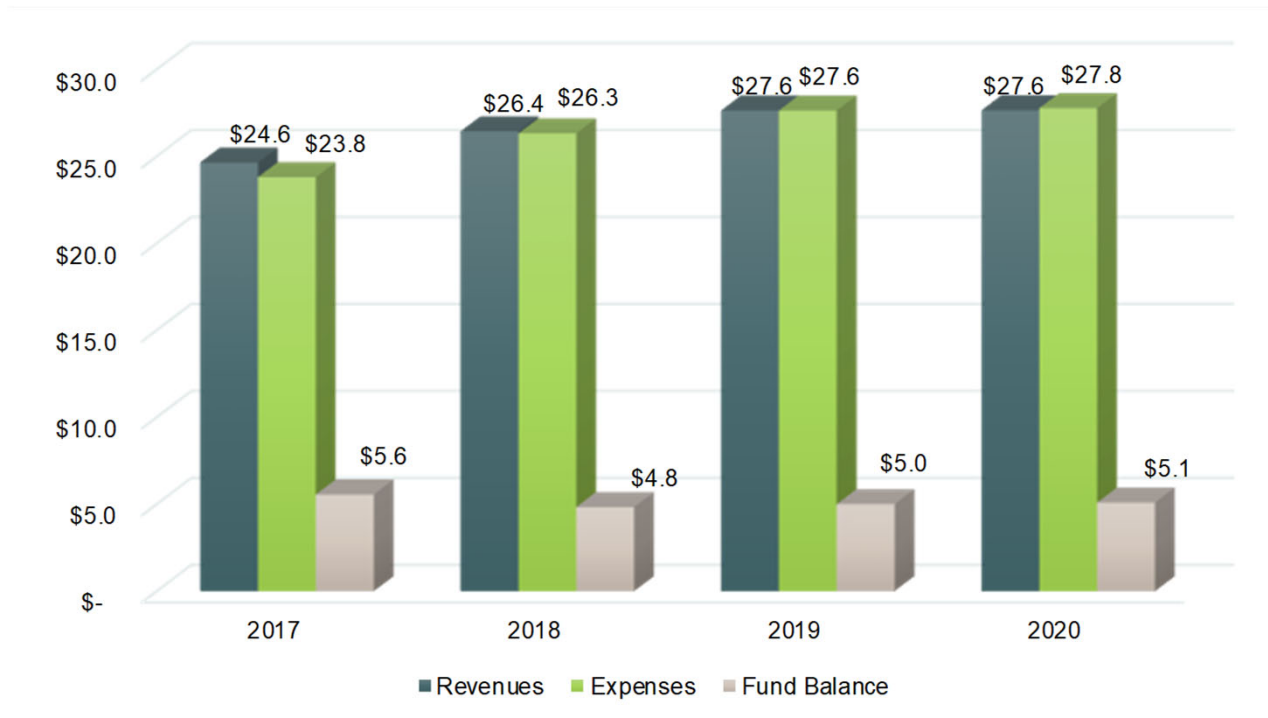
IN MILLIONS





# General Fund – Balance TRENDS NOTED

IN MILLIONS

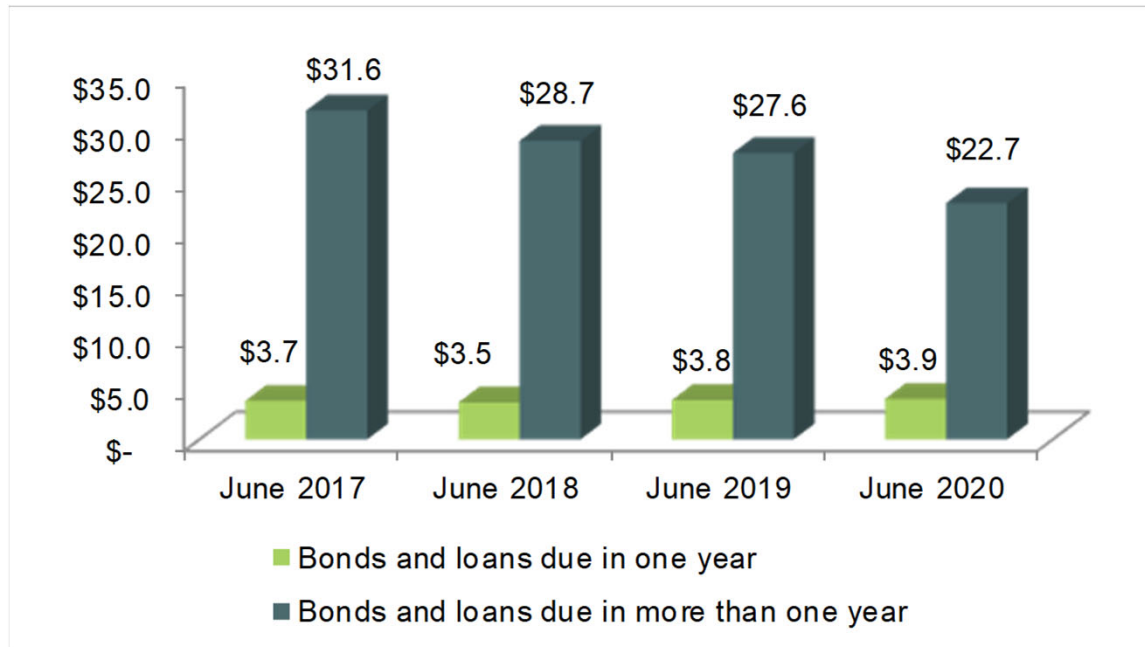


- Excludes transfers in (out)



# City-Wide Debt

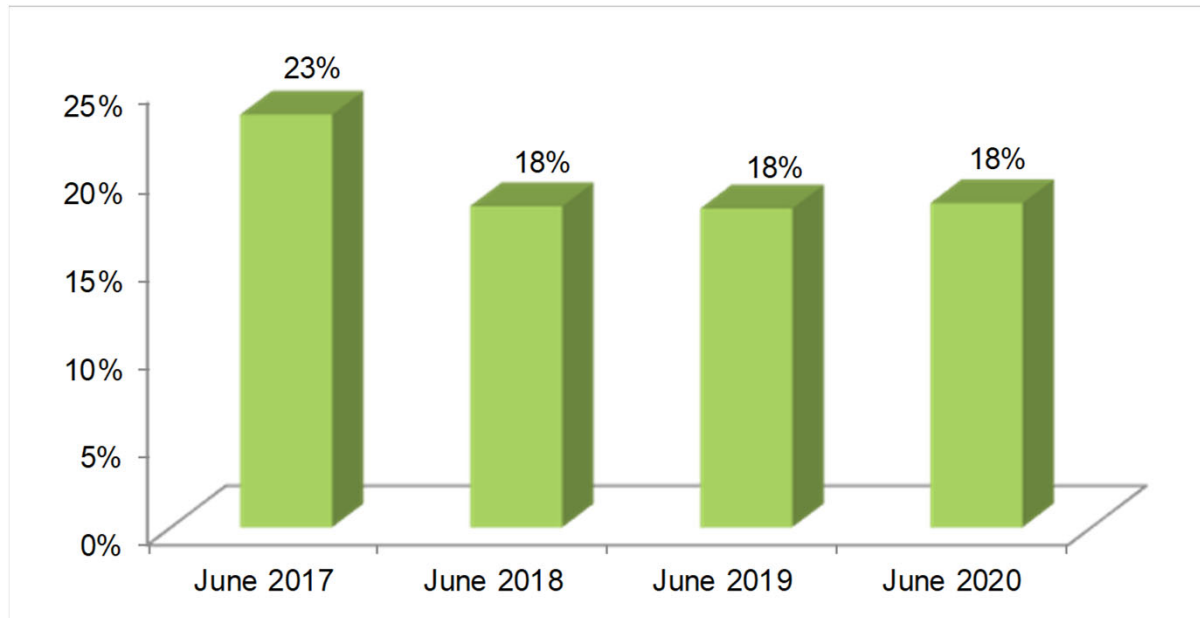
IN MILLIONS





# General Fund as % of Expenditures

## TRENDS NOTED





# New Standards

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GASB Statement No. 95, Postponement of effective dates – provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. It postpones the effective dates of the pronouncements listed below by one year.

GASB Statement No. 84, Fiduciary Activities – effective for June 30, 2021 fiscal year

GASB Statement No. 87, Leases – effective for June 30, 2022 fiscal year

GASB Statement No. 89, Accounting for interest cost incurred before the end of a construction period – effective for June 30, 2021 fiscal year

GASB Statement No. 91, Conduit debt obligations – effective for June 30, 2022 fiscal year



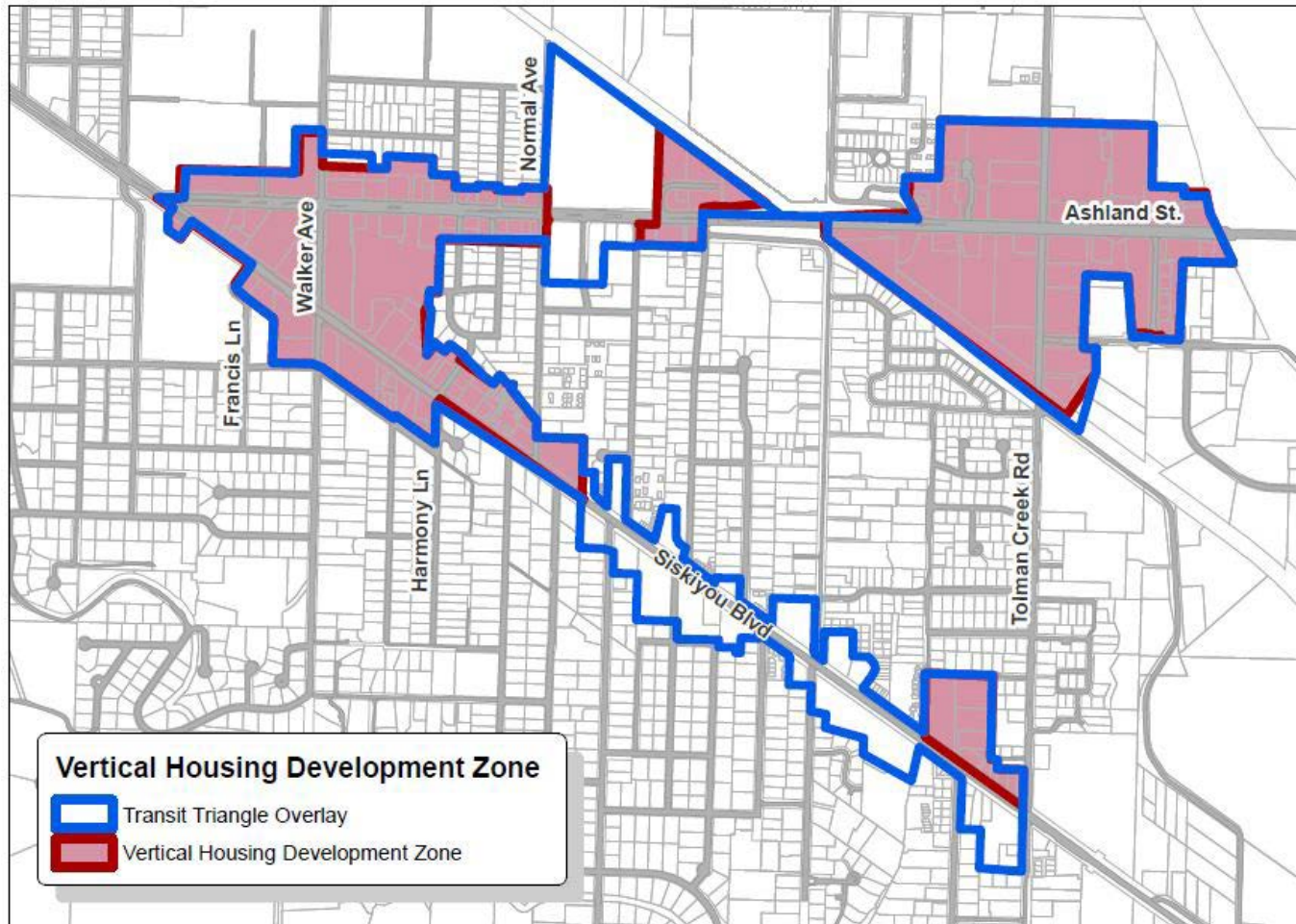
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THANK  
YOU

# Ashland Transit Triangle

## Vertical Housing Development Zone (VHDZ)





# Vertical Housing Tax Credits Encourage Housing Above Commercial

Residential  
units above

Commercial  
space below



# What is a VHDZ?



An area designated by a city or county where eligible projects can apply for a partial property tax exemption.

# VHTC Eligibility

1. Project must be entirely located within a vertical housing development zone
2. Project must be a multi-story building used for residential and non-residential uses
3. At least 50 percent of the project's ground floor that fronts the primary public street must be committed to non-residential use



# Partial Property Tax Exemption



- 20% property tax exemption for each floor of residential units above a ground floor with commercial space
- Does not include land value
- Fully taxed after 10 years when exemption expires

# **VHTC Incentives Differ Depending on the number of floors**

- **2 Story building – 20% property tax exemption**
- **3 Story building – 40% property tax exemption**
- **4 Story building – 60% property tax exemption**
- **5 Story building – 80% property tax exemption**
- **6+ Story building – 80% property tax exemption**

# Ashland St. looking east



# Ashland St. looking west



# Sherwin Williams (2013)

## 2220 Ashland St.





# Wendy's (1994) 1624 Ashland St.



# Rogue Credit Union (2017)

## 1661 Ashland St.

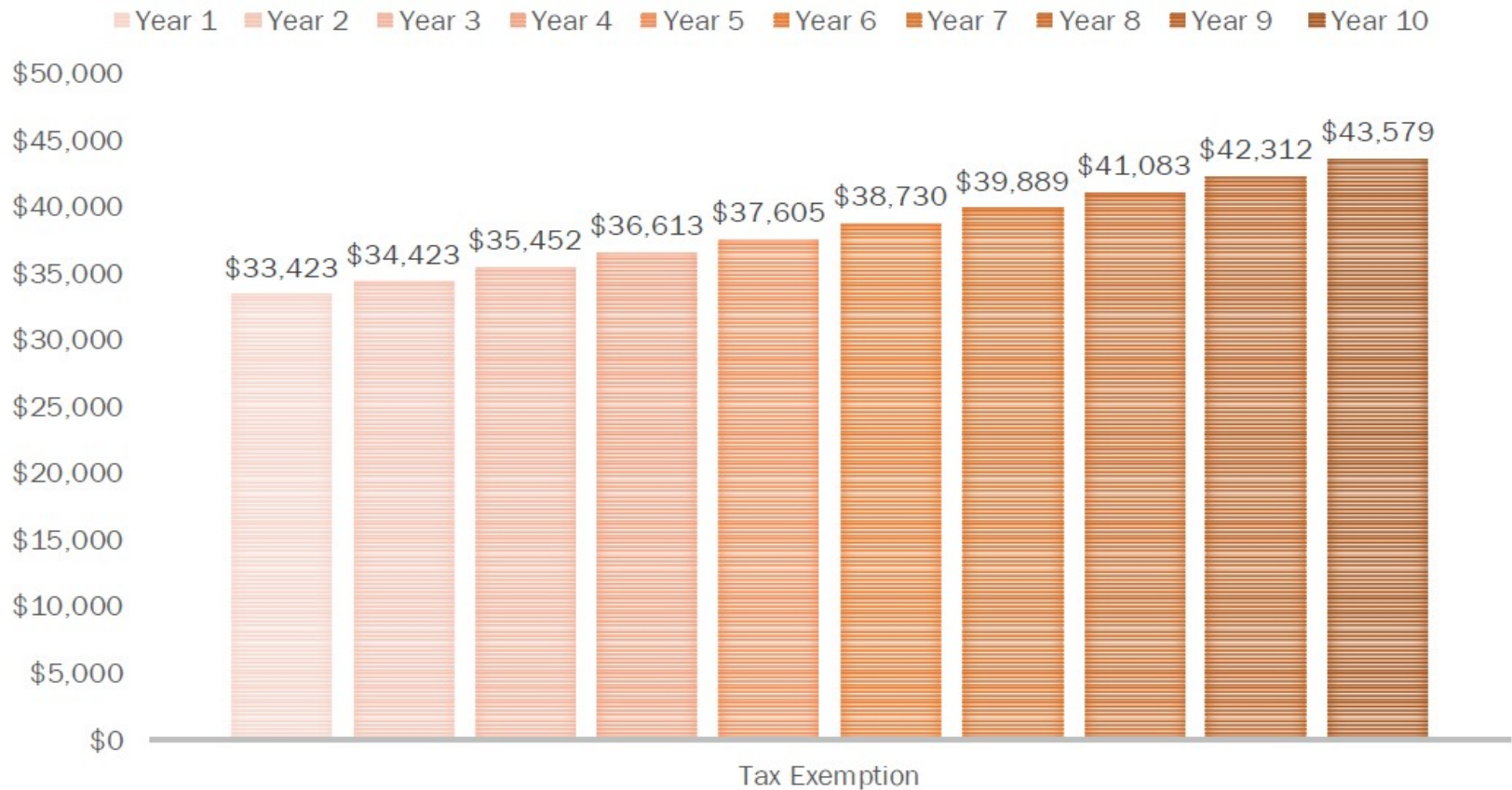


# Comparing the 4 Examples

	1 Story Commercial	2 Story Mixed-Use	3 Story Mixed-Use	4 Story Mixed-Use
Project Value	\$1,900,000	\$ 4,400,000	\$5,200,000	\$6,230,000
Potential Total 10 Year Property Tax	\$382,000	\$646,200	\$753,000	\$903,000
Total Tax Exemption over 10 Years	\$0	\$104,700	\$245,000	\$457,000
Net Tax Revenue Collected over 10 Years of Exemption	\$382,000	\$541,500	\$508,000	\$446,000

# 1 Story Commercial Example

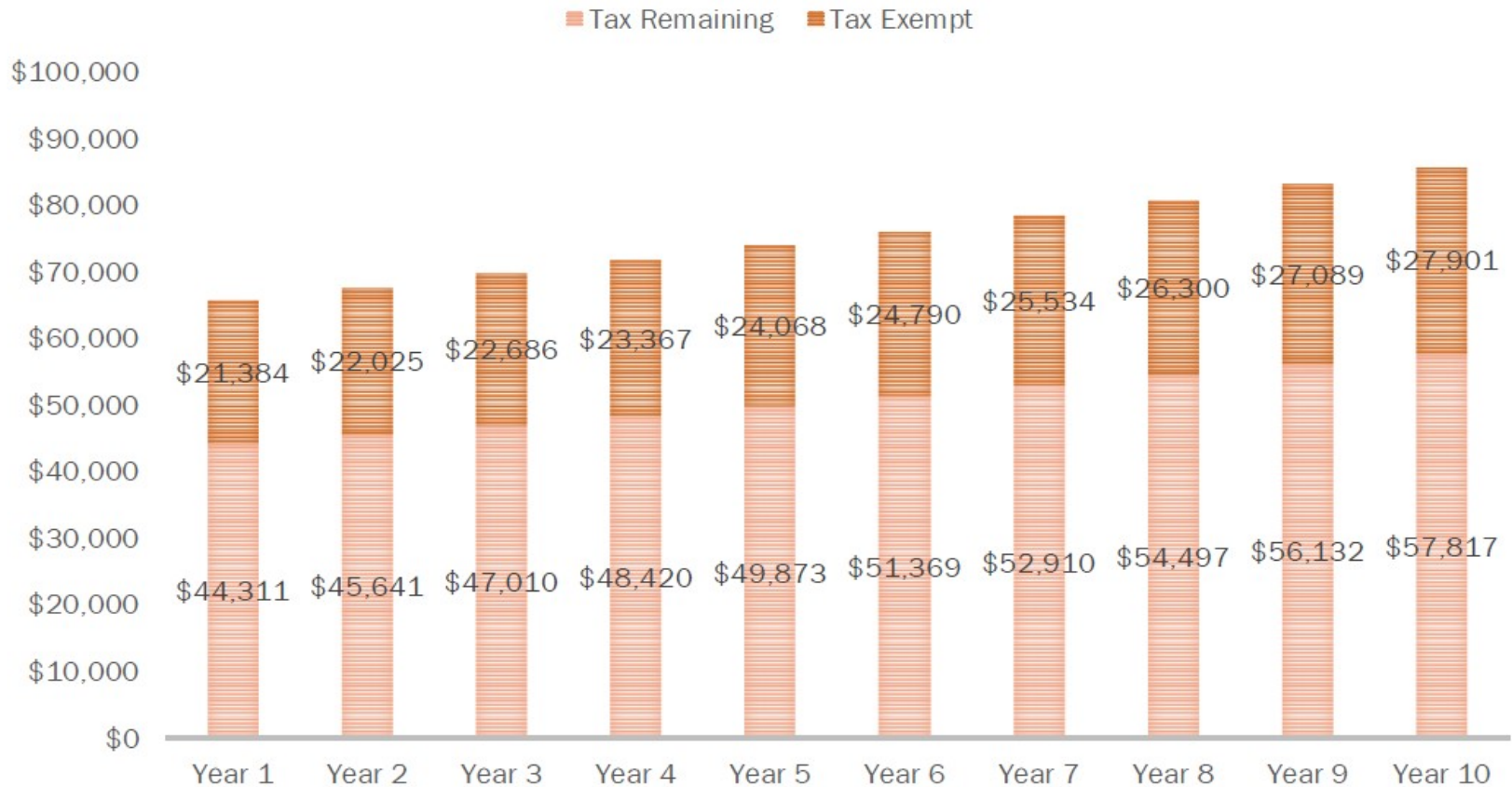
## PROPERTY TAX OVER 10 YEARS



**Total Tax Exemption over 10 Years = \$0**  
**Potential Total 10 Year Property Tax = \$382,000**

# 3 Story Mixed-Use Example (40%)

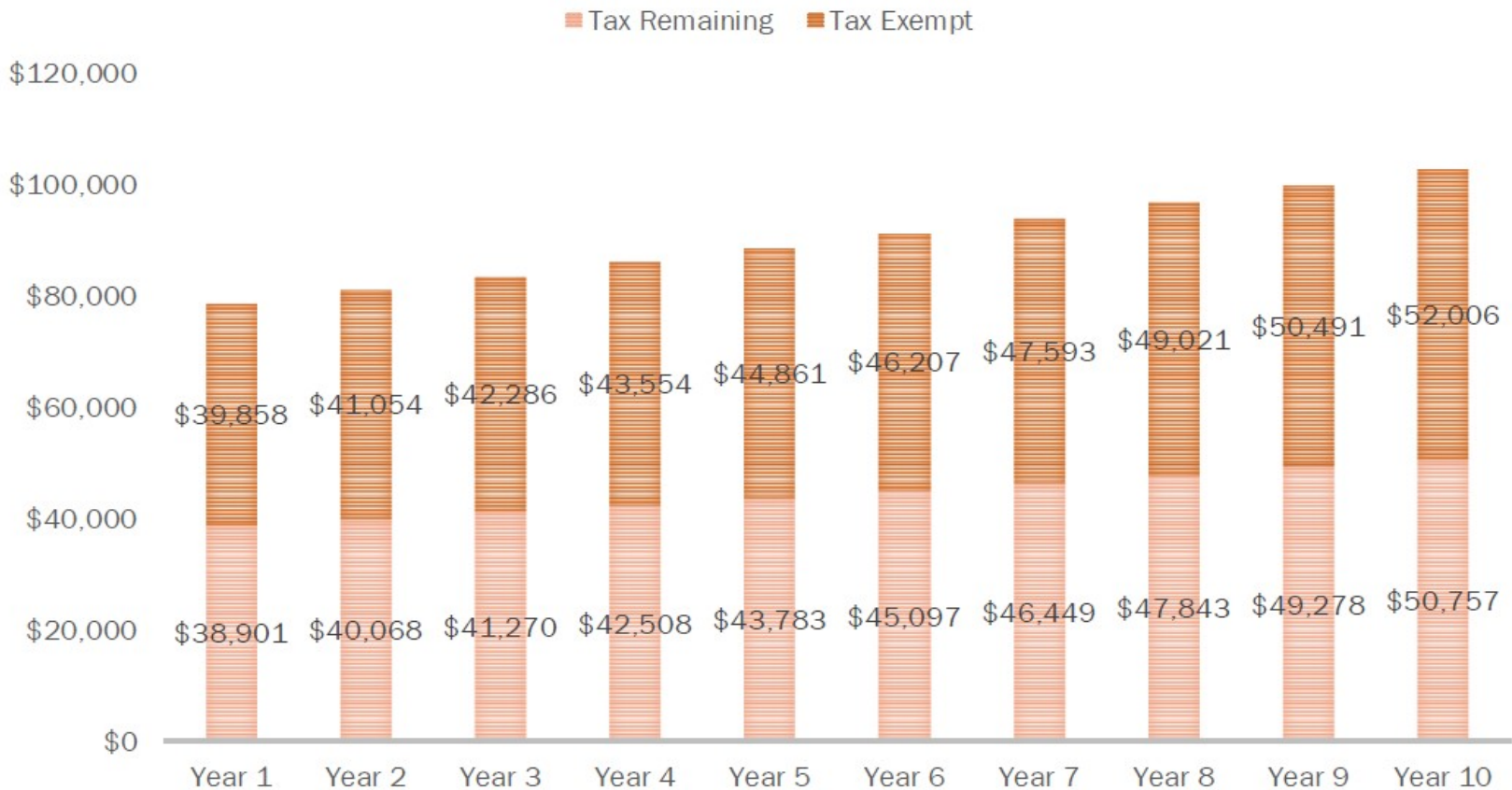
## 10 YEAR TAX ABATEMENT



**Total Tax Exemption over 10 Years = \$245,200**  
**Potential Total 10 Year Property Tax = \$753,000**

# 4 Story Mixed-Use Example (60%)

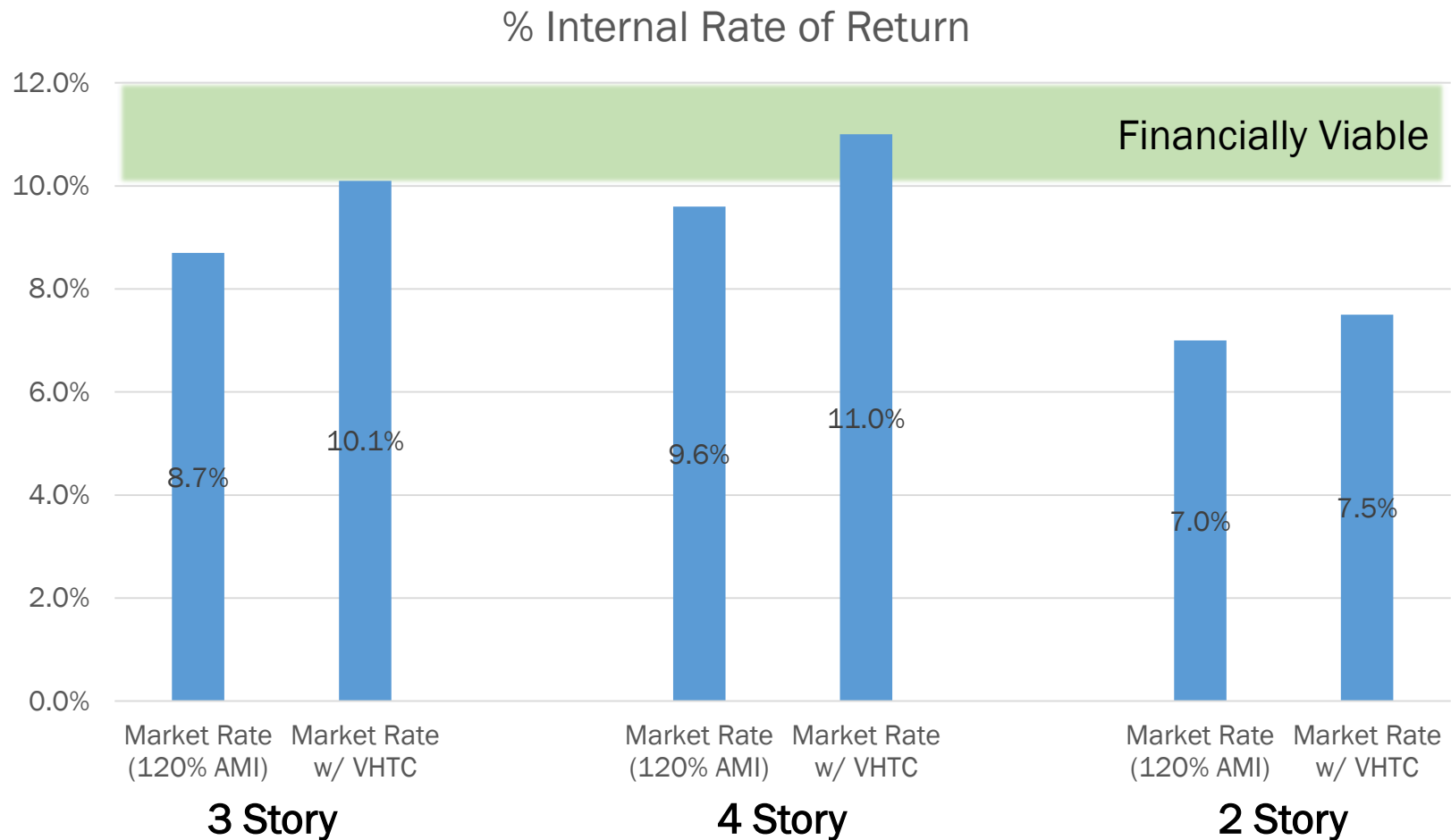
## 10 YEAR TAX ABATEMENT



**Total Tax Exemption over 10 Years = \$457,000**  
**Potential Total 10 Year Property Tax = \$903,000**

# 2, 3 & 4 Story Mixed-Use Examples

## Internal Rate of Return (IRR)



# Testing Requiring Low-Income Housing in the Transit Triangle

- Average Median Income Assumptions
  - We are using \$60,000
  - In 2017 AMI in Ashland was \$50,517
- Average Rent Assumptions
  - As of April 2019, average rent for an apartment in Ashland is \$1300

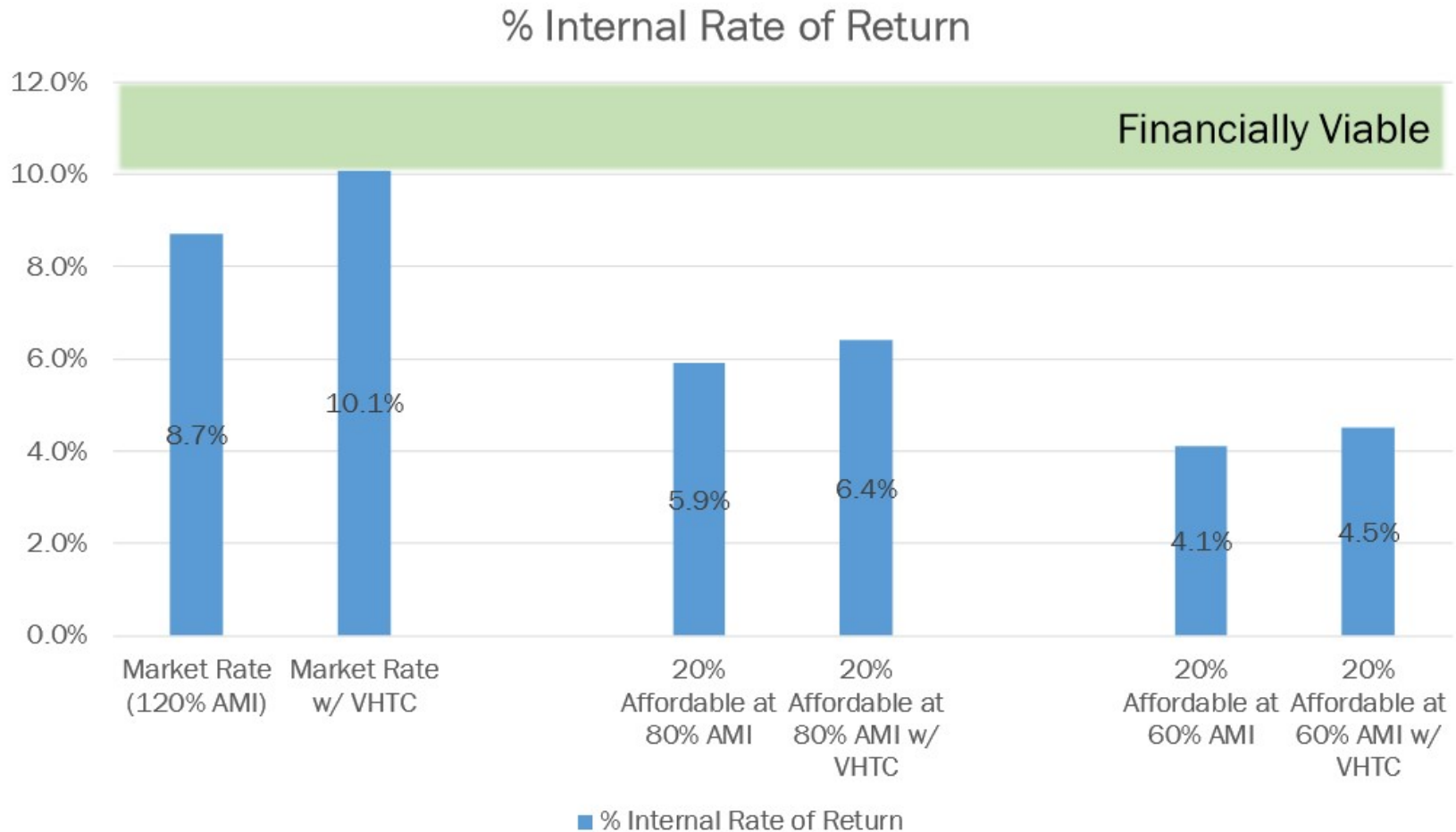
	Percent of AMI	Rent
	130%	\$1,300
	120%	<b>\$1,200</b>
	80%	\$950
	60%	\$650

Target Rent



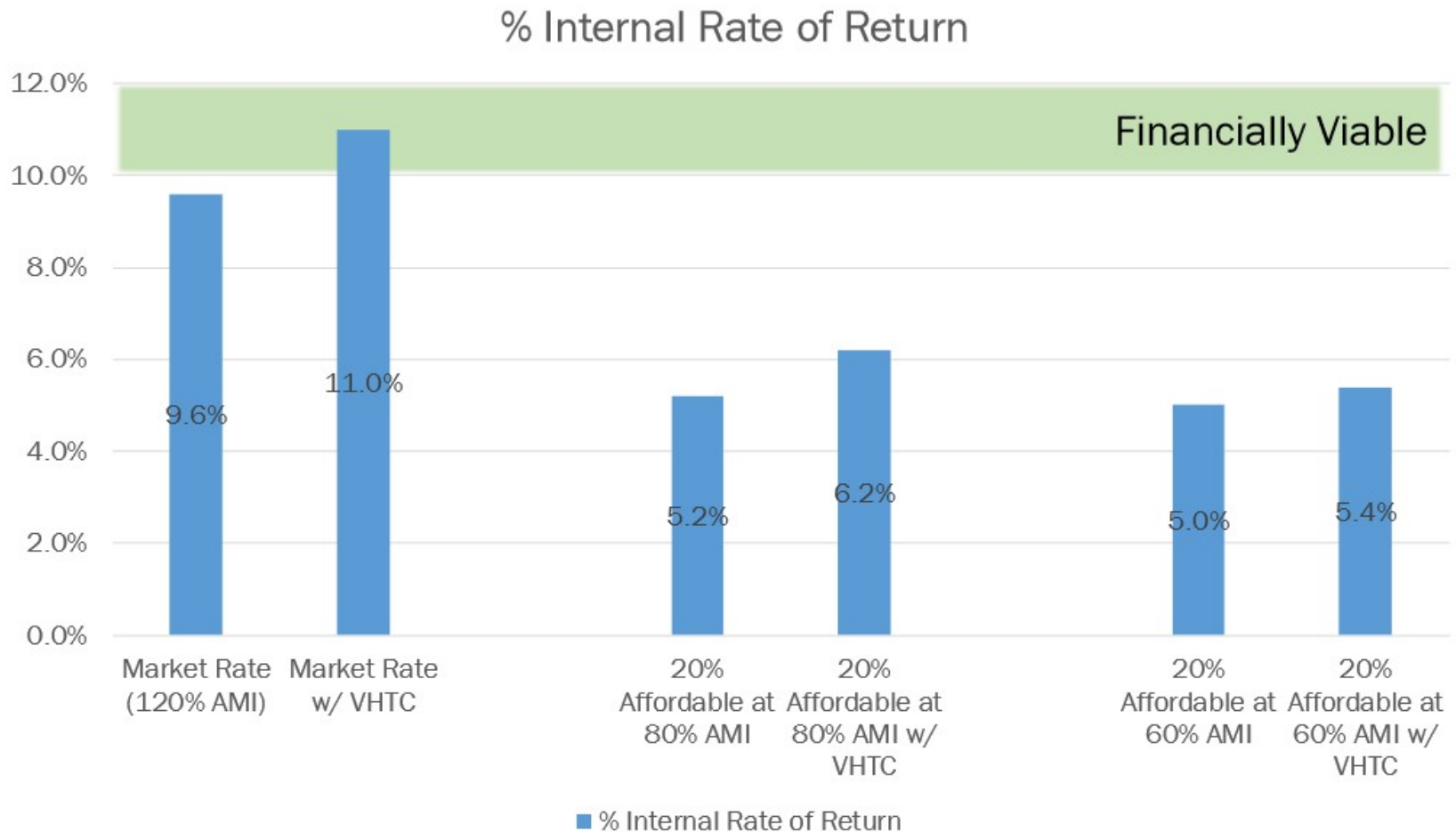
# 3 Story Mixed-Use Example

## Internal Rate of Return (IRR)



# 4 Story Mixed-Use Example

## Internal Rate of Return (IRR)



# Comparing the 2 Examples – Requiring Affordable Housing

	3 Story Mixed-Use	4 Story Mixed-Use
Total Project Cost	\$5.20 Million	\$6.23 Million
VHTC - Total Tax Exemption over 10 Years	\$245,000	\$457,000
Additional Subsidy Needed <i>(20% affordable units at 80% AMI)</i>	\$578,000	\$834,000
Additional Subsidy Needed as a % of the total Project Cost <i>(20% affordable units at 80% AMI)</i>	11.1%	13.4%
Additional Subsidy Needed <i>(20% affordable units at 60% AMI)</i>	\$1,178,000	\$1,117,000
Additional Subsidy Needed as a % of the total Project Cost <i>(20% affordable units at 60% AMI)</i>	22.7%	21.5%

# Key Conclusions

- Requiring affordable housing as part of the VHTZ would create the need for substantial subsidies or alternative methods for filling a sizeable financial gap.
- Placing requirements for affordable housing on an incentive program like VHTC essentially removes the incentive for developers to utilize the program in the first place.

# Taxing Districts



- State law requires notification of taxing districts
- Taxing districts can choose to participate or opt out
- Nine districts in addition to City of Ashland
- Unanimous support among taxing districts

# Local Criteria



- State law allows local approval criteria
- Recommend require projects to develop under the Transit Triangle (TT) overlay option
  - Flexible number of units
  - Increased building height
  - Decreased parking requirements
  - Rental units

