



# Strategic Choices – FY 2022-2023

CITY OF  
**ASHLAND**

Mayor and City Council Special Called Business Meeting  
June 14

# Strategic Choices - Agenda

- **FY 2022-23 General Fund Status & Recommendations**

- ✓ General Fund Deficit Status

- ✓ Organizational Staffing/Structure

- Vision & Values
- Ashland's Characteristics
  - Strengths, Demographics & Risks
  - Economics & Opportunities
- Organizational Status
  - Cause-Effect
  - Services Silos

- ✓ General Fund Budget Status

- Priorities & Adjustments

- ✓ City Commissions

- ✓ CIP Budget

- Transportation
- Storm Drain
- Wastewater
- Water

- ✓ Surplus City Property

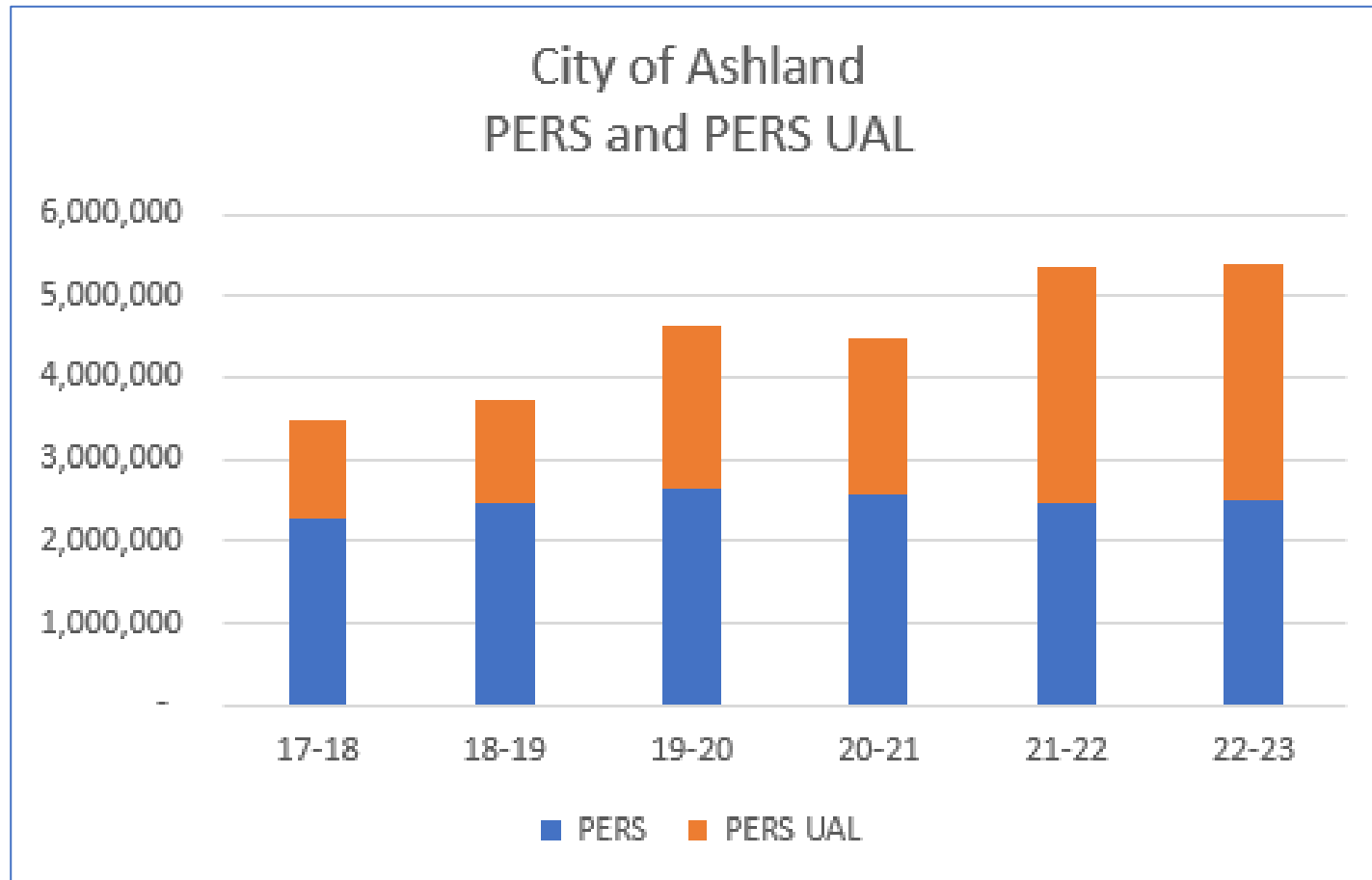
- **PERS Liability Accounting**

- 2022-23 Recommendations

# Strategic Choices – PERS Liability

- PERS liability for past system investment shortfalls & actuarial changes
  - Allocated to each entity participant in the PERS system
  - Allocation is a biannual total by PERS
    - Annual total does not change due to employee count
  - Annual total charged by PERS as a rate per employee
    - Per employee rate is adjusted by employee count
- Alternate budget presentations of the PERS liability (PERS)
  - Allocation of liability to each department's Personnel line item
  - Allocation of liability to each department's Materials & Supplies line item
  - Budget as a liability - as a debt in a transparent, single fund

# Strategic Choices – PERS Liability



- **Actuarial and historic investment loss driven**
- **Now pay more in PERS UAL than in normal retirement**
- **Payment continues regardless of employee count**

Strategic Choices

Questions?



# Strategic Choices - Agenda

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- ✓ PERS Liability Accounting

- **2022-23 Recommendations**

# Strategic Choices - Vision & Plan/Do/Act Cycle



## Strategic Choices – Vision for Success – Mayor & City Council Ballot Results

- *Ashland is a resilient, sustainable community that lives within its means and maintains the distinctive quality of place for which it is known.*
- *We will continue to be a unique and caring city that stresses environmental **conservation**, fosters artistic expression, and is open to new ideas **and innovation**.*
- *We will plan and direct our efforts to fulfill this Vision for the long-term with a constant view toward **being an open**, welcoming community **for all** with a positive economic future.*





# Strategic Choices – Values for Success – Mayor & City Council Ballot Results

## *Values that support the Vision:*

- **Community**
  - Community affordability, including in available housing and childcare
  - Belonging through mutual respect and openness, inclusion, and equity
  - Quality of life that underpins the city's economic vibrancy
  - Environment resilience, including addressing climate change and ecosystem conservation
  - Regional cooperation, including in support for public safety and homelessness



# Strategic Choices – Values for Success – Mayor & City Council Ballot Results

## *Values that support the Vision:*

- **Organization**
  - Respect for the citizens we serve and the work we do
  - Excellence in governance and city services
  - Sustainability through creativity, affordability and right sized service delivery
  - Public safety, including emergency preparedness for climate change risk
  - Quality infrastructure and facilities through timely maintenance and community investment

# Proposed Commissions & Advisors

## Governance/Discretion

1. Park & Recreation Commission
2. Planning Commission
3. Historic Commission

## City Council – Sitting Advisory Boards

1. Housing & Human Services Board
2. Environmental Board

combine

- Climate Policy Commission
- Conservation & Climate Outreach Commission

3. Public Arts Board
4. Social Equity and Racial Justice Committee

## City Council/Staff – Ad Hoc Advisory

1. Airport Board
2. Municipal Audit Committee
3. System Development Charge (SDC) Committee
4. Transportation Board
5. Forest Land & Wildfire Safety Board
6. Urban Forest Advisory Board
7. Band Board

# Proposed Commissions & Advisors – Mayor & City Council Ballot Results

- **Governance/Discretion**

1. Park & Recreation Commission (PARC)
2. Planning Commission

- **Sitting Advisory Committees**

1. Historic Preservation Advisory Committee
2. Housing & Human Services Advisory Committee (HHSAC)
3. Environment Advisory Committee (EAC)
  - Climate Policy Commission
  - Conservation & Climate Outreach Commission
4. Public Arts Advisory Committee (PAAC)
5. Social Equity and Racial Justice Advisory Committee (SERJAC)

- **Ad Hoc Management Advisory**

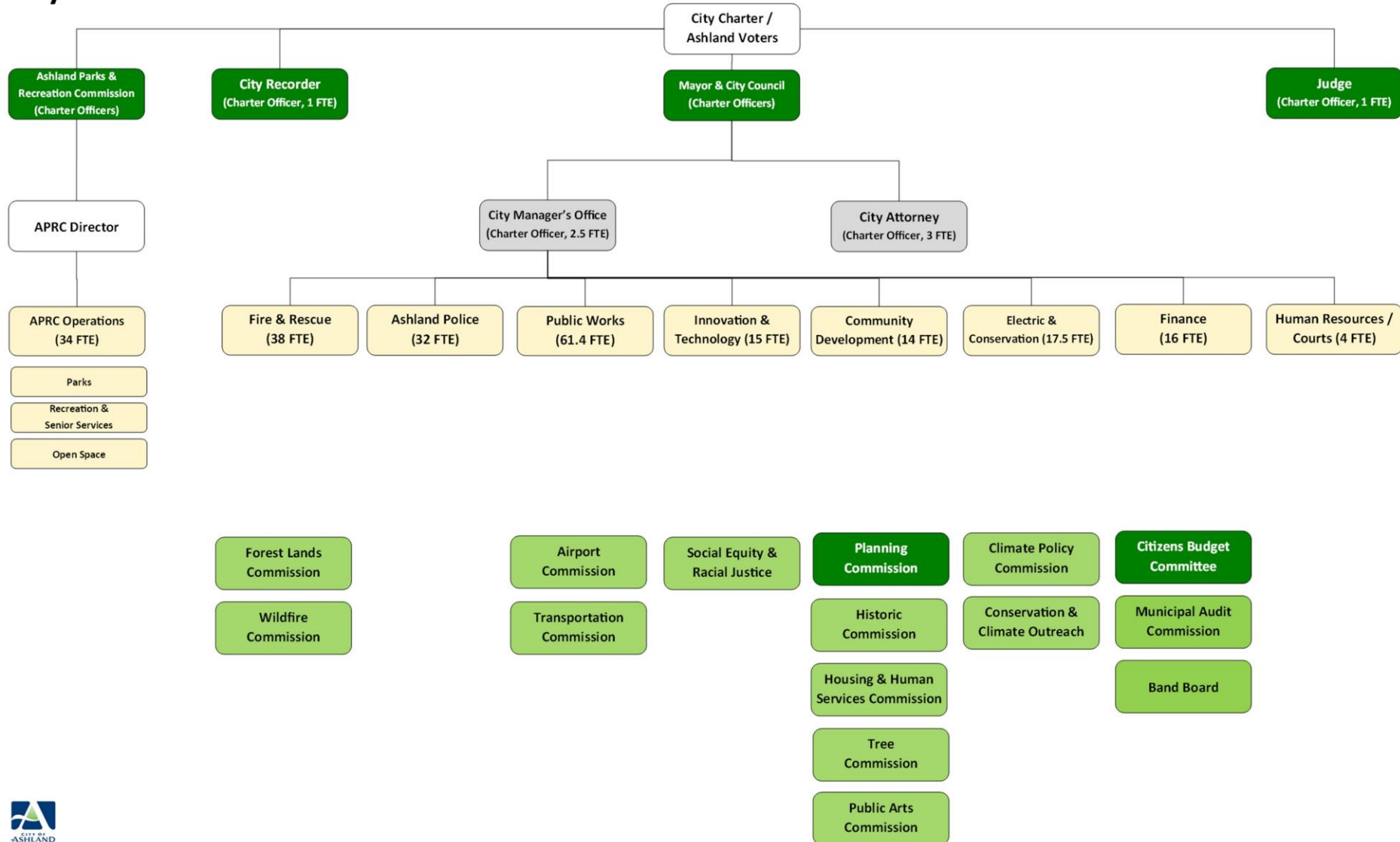
1. Airport
2. System Development Charge (SDC)
3. Transportation
4. Forest Advisory
  - Wildfire Safety
  - Forest Land
  - Urban Tree/Forest

- **Discontinue**

1. Band Board
  2. Municipal Audit
- Connotes a combination

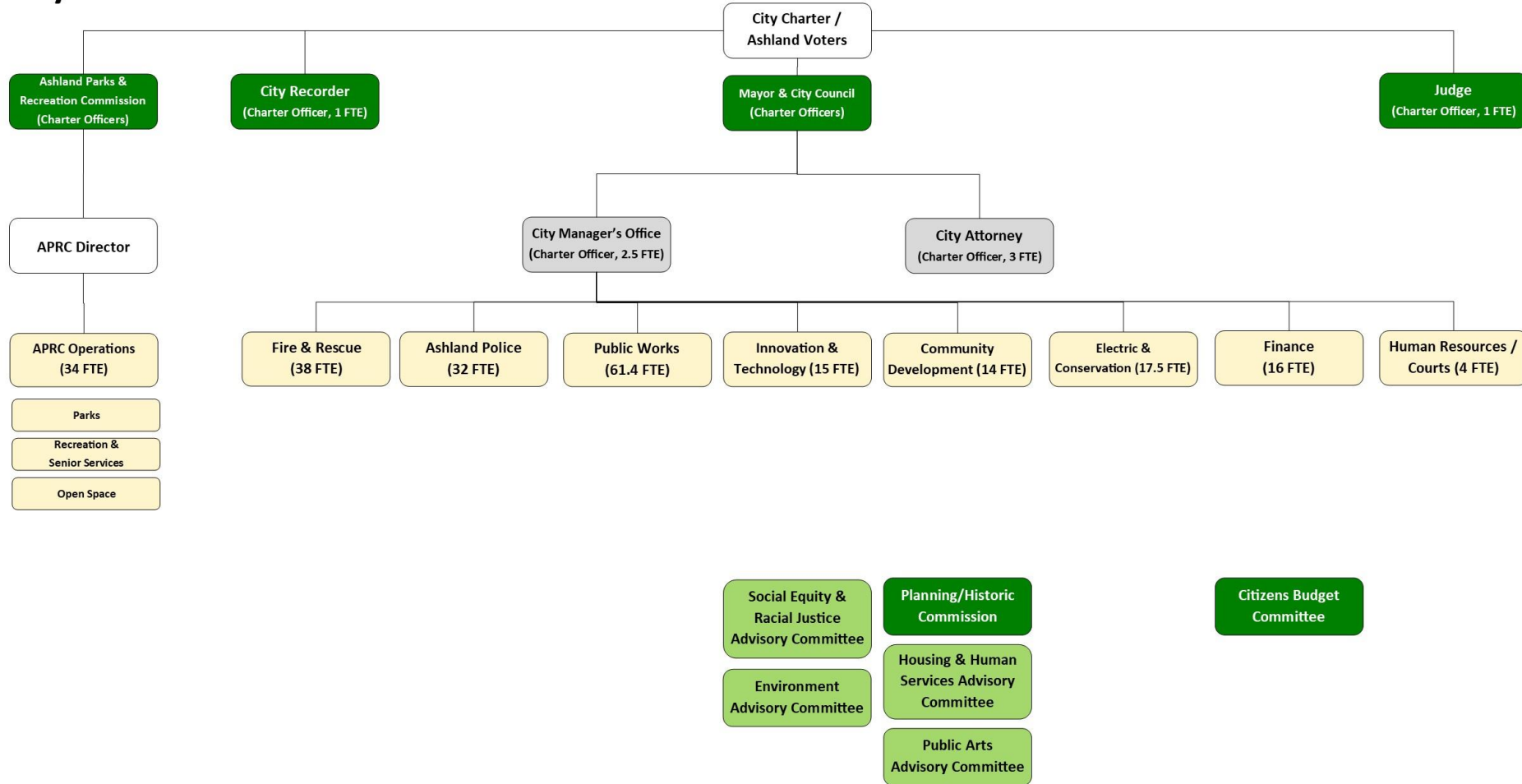
# Commissions & Advisory Boards/Committees

## City of Ashland

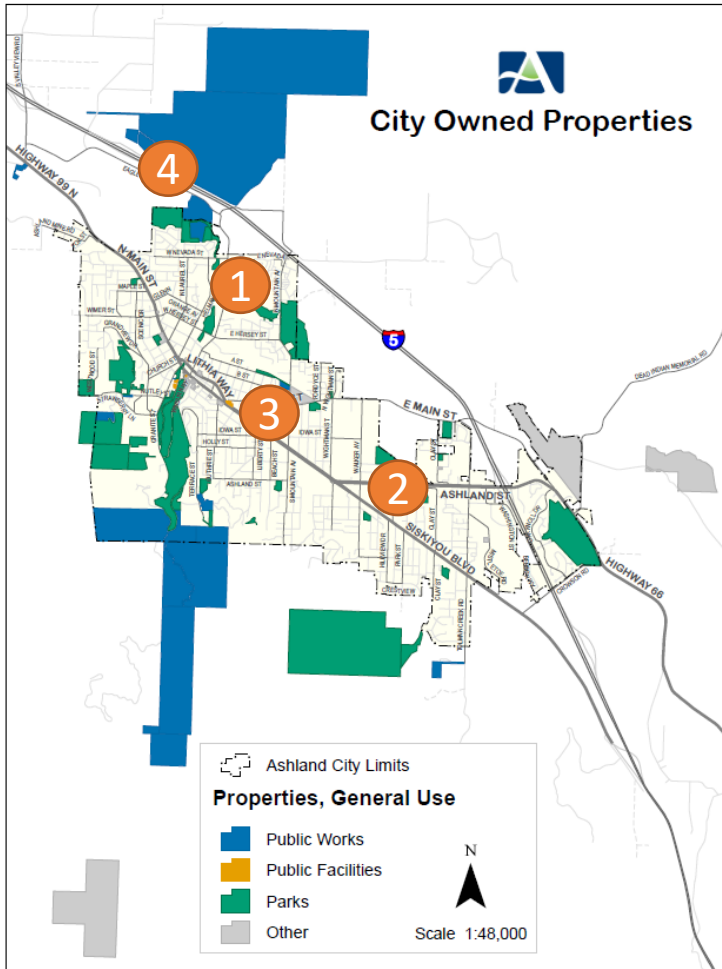


# Commissions & Advisory Boards/Committees – Mayor & City Council Ballot Results

## City of Ashland



# City Owned Properties - Surplus City Properties – Mayor & City Council Ballot Results



1

## North Mountain Property

Child Care/Affordable Housing  
- Sell at market rate and invest earnings

2

## 380 Clay Street Property

Child Care Priority  
- Contribute property or Sell at market rate

3

## B Street Yard Property

TBD - Affordable Housing/Child Care/Light Manufacturing  
- Will require reimbursing wastewater & street funds

4

## Imperatrice Property

Open Space/Trails/Solar  
- Will require reimbursing wastewater Fund

# Ashland's Characteristics

- **Risks**

- Public Safety

- Fire (urban, wildfire & smoke)
    - Pandemic

- Environmental

- Climate Change
      - Extreme weather
      - Changing biodiversity
      - Water resources
    - Flood
    - Earthquake

- Economic

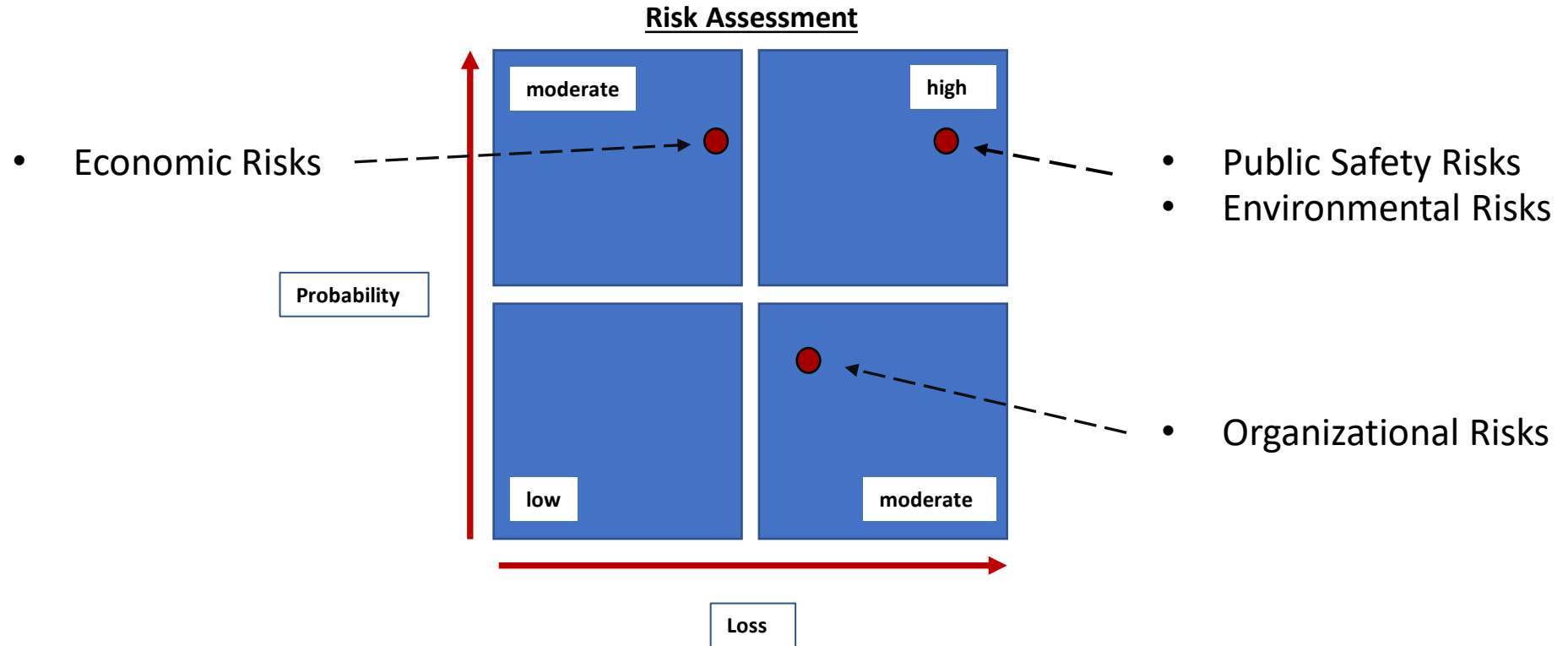
- Changing tourism trends
    - Service Industry/Fixed Income Economy
      - Workforce earnings outflow
      - Emergency Recovery/Resilience
    - High housing cost
      - Shift to high asset owners
      - Push out of affordable housing
      - Out flow of family housing
    - Economic downturn
      - Recession/Inflation

- Organizational

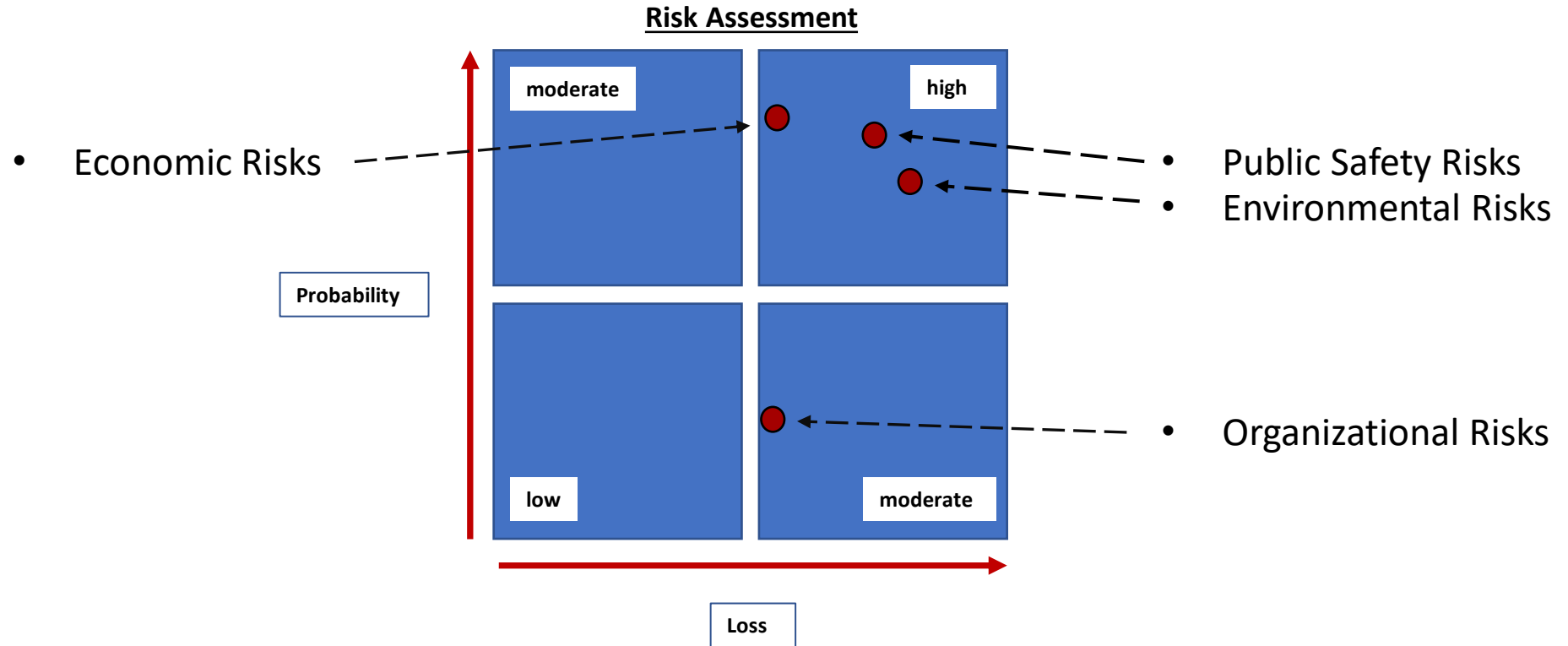
- Turnover
      - Recruit, Train & Retain
      - Lost productivity



# Strategic Choices - Risk Assessment



# Strategic Choices - Risk Assessment



# Strategic Choices

- **Priorities**

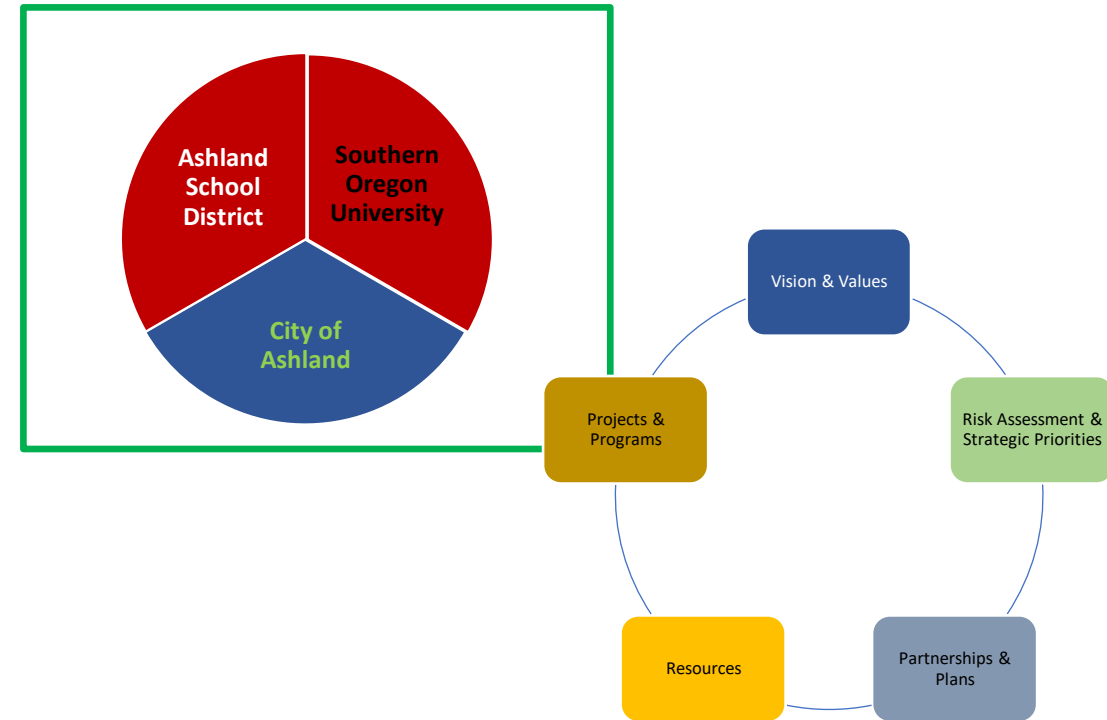
- Emergency Operations Center (EOC)
  - EOC Officer
- Diversity, Equity & Inclusion initiatives
  - Organizational assessment and Community Openness Report/Next Steps (“welcoming initiative”)
- Houseless Shelter
- Affordable Child Care & Early Childhood Education
- Customer Service Orientation
  - Planning & Development Facilitation
- Fire & Rescue Staffing

- **Risk Response**

- Emergency Reserve
- EOC Officer & Emergency Response Funding
- Innovation & Technology Director
- DEI assessment & TLT Business “welcome” funding
- City Recorder agenda support
- City Marketing/Communications Officer

- **Joint Planning Partners**

- Southern Oregon Univ. (SOU)
- Ashland School District (ASD)
- City of Ashland (CoA)
- Community organizations TBD



# Strategic Choices – Looking Ahead (FY 2022-23 & $\geq$ 5 yrs.)

- Public Safety
  - Regional Response
    - Police
    - Fire & Rescue (urban & wildfire)
    - EOC (event & recovery)
    - EMS Service (self supporting)
  - Regional Prevention
    - Environmental Services
      - Open Space Management
      - Wildfire Risk Reduction
- Customer Service Culture
  - Planning & Development Facilitation
  - Organization Next Steps
- Communication & Technology
  - City Branding/Marketing
  - Community Connectivity
- Investment Priorities
  - Affordability
    - Housing/Unhoused
    - Child Care
    - Transit
  - Activity Centers
    - Downtown Center
    - University Dist.
    - Croman Mill Dist.
  - City Facilities

# General Fund Budget – Strategic Choices

- **FY2022-23 Operating Expenditure Reductions**

○ <b>Est. Budget Deficit</b>	-1,000,000
○ <b>Food &amp; Beverage Tax Reallocation</b>	<u>-2,000,000</u>
<b>Subtotal</b>	<b>+3,000,000</b>

○ <b>Expenditure Reductions</b>	
▪ Vacancy Savings	+780,000
▪ Reductions	<u>+727,000*</u>
<b>Subtotal</b>	<b>+1,507,000</b>

○ <b>Recurring Revenue</b>	
▪ > Budget Revenue (unrestricted TLT & Property Tax)	<b>+1,350,000</b>

○ <b>Expense Adjustments</b>	
▪ EOC Officer	-140,000
▪ DEI Assessment & Training	-40,000
▪ Innovation & Tech. Officer	-40,000
▪ Immediate Emergency Response	<u>-237,000</u>
<b>Subtotal</b>	<b>-457,000</b>

• <b>One-time</b> (>budget GF balance)	<b>+2,600,000</b>
• <b>Emergency Reserve</b> (one time exp.)	<b>-2,000,000</b>
<b>NET TOTAL</b>	<u><b>0</b></u>

\* Includes Marketing/Comm. Officer Transition of 70,000 from TLT (Parks & Rec. reduction offset) and adjusted by \$12,000 for emergency housing.

# General Fund Budget – Strategic Choices

- **FY2022-23 Operating Expenditure Reductions**

○ <b>Est. Budget Deficit</b>	-1,000,000
○ <b>Food &amp; Beverage Tax Reallocation</b>	<u>-2,390,000</u>
<b>Total Deficit</b>	<b>-3,390,000</b>

○ <b>Expenditure Reductions</b>	
▪ Vacancy Savings	+780,000
▪ Reductions	<u>+715,000*</u>
<b>Subtotal</b>	<b>+1,495,000</b>

○ <b>Recurring Revenue</b>	
▪ > Budget Revenue (unrestricted TLT & Property Tax)	<b>+1,350,000</b>

○ <b>Expense Adjustments</b>	
▪ EOC Officer	-140,000
▪ DEI Assessment & Training	-40,000
▪ Innovation & Tech. Officer	-40,000
▪ Planning & Development Facilitation	-120,000
▪ Immediate Emergency Response	<u>0</u>
<b>Subtotal</b>	<b>-340,000</b>

• <b>One-time</b> (>budget GF balance)	<b>+2,600,000</b>
• <b>Emergency Reserve</b> (one time exp.)	<b>-1,715,000</b>
<b>NET TOTAL</b>	<b><u>0</u></b>

\* Includes Marketing/Comm. Officer Transition of 70,000 from TLT (Parks & Rec. reduction offset) and adjusted by \$12,000 for emergency housing.

# General Fund Budget Status

- **Expenditure Reductions**

<u>Departments</u>	<u>Reductions</u>	<u>Vacancy</u>	<u>Total</u>	<u>Percent</u>
○ City Council	24,000		24,000	2%
○ Municipal Court	59,000		59,000	4%
○ Administration	28,600		28,600	2%
○ City Attorney				
○ City Recorder				
○ Innovation & Technology		30,000	30,000	2%
○ Human Resources	27,000		27,000	2%
○ Finance	156,200	60,000	216,200	14%
○ Police		200,000	200,000	13%
○ Fire		220,000	220,000	15%
○ Community Development	8,000	50,000	58,000	4%
○ Public Works	62,200	80,000	142,200	10%
○ Parks & Recreation	350,000	140,000	490,000	33%
Subtotal	<b>715,000</b>	<b>780,000</b>	<b>1,475,000</b>	

# General Fund Budget – Strategic Choices

- **FY 2022-23 Food and Beverage Tax uses per AMC 4.34 Food and Beverage Tax (2016):**
  - Beginning in fiscal year 2023, the Council may, through the statutory budget process, appropriate taxes under this chapter as follows:
    - a. Not less than twenty-five percent (25%) for the
      - acquisition,
      - planning,
      - development,
      - repair and
      - rehabilitation of City parks.
    - b. Not less than an amount necessary to pay for debt service on any borrowing for street repair and rehabilitation per the City of Ashland Pavement Management Program.
    - c. Up to two percent (2%) for the collection and administration of the tax.
    - d. Except as provided in subsection D of this section, any remaining amounts shall be appropriated for purposes consistent with this chapter unless other purposes are approved by a Council-adopted ordinance enacted by a vote of the Ashland electorate.

**15-95 EXTEND THE 5% TAX ON FOOD AND BEVERAGE TO 2030**

**QUESTION:** Shall 5% tax on prepared food and beverages extend to 2030 for wastewater debt and improvements (80%) and parks (20%)?

**SUMMARY:** This measure extends the five percent tax on prepared food and beverages sold by restaurants, caterers, grocery store delis, coffee shops and other establishments. Alcoholic beverages are excluded.

Eighty percent (80%) of tax revenues are dedicated to wastewater treatment plant debt and capital improvements. Twenty percent (20%) is dedicated to parks for capital improvements and acquisition. Projects are identified in the City's adopted Capital Improvement Plan.

The City Council can reduce or eliminate the tax at anytime. Restaurants retain 5% of the tax collected. The City may use up to 2% for administrative expenses.

The tax is not collected on food or beverages sold on school grounds or college campuses (except food sold by an independent contractor), on hospital grounds, in vending machines, at senior centers, or by non-profits or service clubs at street booths or concessions. Food provided by bed and breakfast inns is excluded.

For single events, such as weddings, costing more than \$5,000 the tax is capped at \$250.



# 2022-23 Park & Recreation Budget – Strategic Choices

- **Budget Adjustments**

O&M Budget

○ Adopted Budget	+7,713,455	
○ Budget Reductions	- 420,000	
○ Add Marketing Position Funding	+70,000	(charge to Tourism Fund)
○ Vacancy Savings	<u>-140,000</u>	
<b>Adjusted O&amp;M Budget</b>	<b>+7,223,455</b>	(6.4% change)

Food & Bev. Tax Adjustments

○ Un-transferred Funds	385,000	(can be reappropriated for FY 2022-23 CIP)
○ Unbudgeted Revenue	<u>+2,005,000</u>	(can be appropriated as for FY 2022-23 CIP)
<b>Total CIP Funds</b>	<b>+2,390,000</b>	

# Strategic Choices – 2022-23 Recommendations / Next Steps

- **Voter Ballot Recommendation – potential alternative ballot measure**

**Caption:** Proposed amendment to the City of Ashland’s Food and Beverage tax ordinance.

**Question:** Shall the City of Ashland’s Food and Beverage Tax ordinance be amended to authorize its use for police, fire and rescue, wildfire prevention, city parks, open space and trails, recreation and senior services, and emergency event housing purposes?

# Strategic Choices – 2022-23 Recommendations / Next Steps

- **Voter Ballot Recommendation**

- City Charter, Article VIII-A City Manager, Section 4, Subsection 4

Section 4. The City Manager Must:

4. Appoint, supervise and remove all non-elected department heads and other city employees, except as follows:

- a. The Ashland Parks and Recreation Commission shall have responsibility for appointing, supervising, and removing its employees, subject to state law, Ashland Municipal Code, written mutual agreements between the City Council and Ashland Parks and Recreation Commission, and formal, written City administrative policies.
- b. b. Employees who report directly to the Mayor and City Council shall be appointed, supervised, and removed by the Mayor and City Council and shall be termed appointive officers.

## Ballot Title

# 15-189

Amend Ashland City Charter to Create City Manager Position

**QUESTION:** Shall Ashland amend its city charter to create a City Manager position to supervise all administrative aspects of city government?

**SUMMARY:** If approved, this measure would amend the Ashland City Charter to create the position of city manager, eliminate the position of city administrator, and transfer executive officer duties from the Mayor to the city manager. The city manager would be the administrative head of the City, with all administrative authority over city government functions except for those administered by the Parks and Recreation Commission.

The City Council would appoint a city manager based on education and experience with local government management and without regard to political considerations.

Among other duties, the city manager would administer all City ordinances, resolutions, franchises, leases, contracts and City utilities; appoint, supervise and remove City employees; prepare the City budget; and work with the Council on development of City policies.

The city manager would have no authority over the Mayor and Council or other officers who are appointed directly by and report directly to the Council, such as the city attorney.

The result of a no vote: Ashland's current administrative structure would remain in effect.

# Strategic Choices – 2022-23 Recommendations / Next Steps

- **Voter Ballot Recommendation**

**Caption:** Proposed amendment to the City Charter of the City of Ashland to require the City Manager oversee and supervise all city employees except those designated in the City Charter as appointed by the City Council or elected by public vote.

**Question:** Shall Article VIII-A of the City Charter establishing the City Manager’s responsibilities be amended to delegate authority to appoint, supervise, and remove all employees of the City of Ashland to the City Manager, except for City Council appointed positions like the City Attorney or elected officials like the Park Commission, City Judge and City Recorder?

# Strategic Choices – 2022-23 Recommendations / Next Steps

- **City Commission Changes**

- Update City ordinances to recognize Council consensus changes to structure of advisory bodies
- Review advisory role/task assignments and consider “sunset” provision

- **Review/Revisit**

- August 19, 2014, MOU between Ashland City Council and Ashland Park and Recreation Commission
- May 1, 2007, Resolution 2007-14 Appointing Park Commission to Facilitate Senior Program
- AMC 2.16 to change Recreation Commission duties and appointment of Recreation Director powers

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- Strengths, Demographics

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Final Questions?

- ✓ Surplus City Property

- ✓ PERS Liability Accounting

- ✓ 2022-23 Recommendations