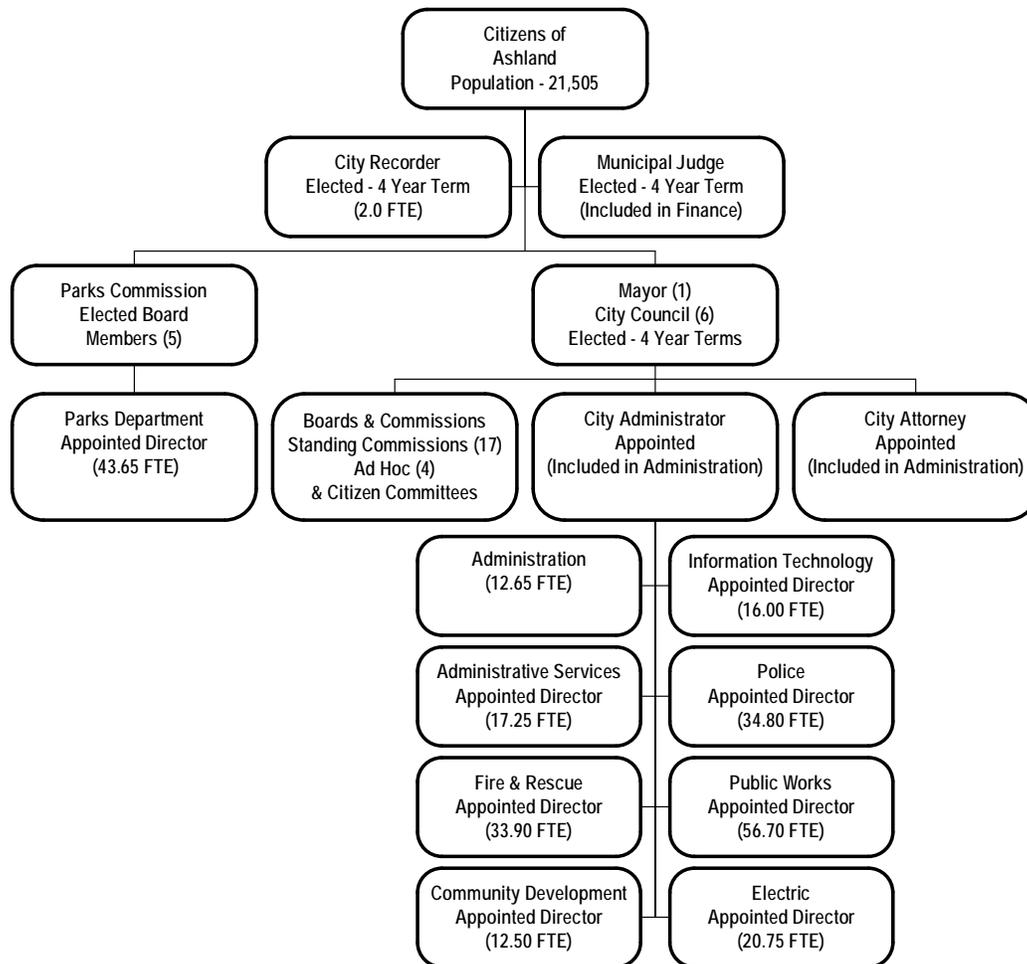


City of Ashland 250.20 FTE Adopted



The City of Ashland is a municipal corporation first organized in 1874. The Ashland City Council is elected to serve as the governing body for Ashland’s 21,505 citizens. The Mayor, who presides at the City Council meetings, is elected at-large for a four-year term. Six council members are elected at-large for four-year staggered terms. Other elected officials are the City Recorder, Municipal Judge, and the five-member Parks and Recreation Commission.

The Mayor, with confirmation of the City Council, appoints a City Administrator. The City Administrator has responsibility for all City functions with the exception of the Parks Department. The Mayor, with confirmation of the City Council, also appoints the Department Heads, the City Attorney, and the Band Board.

The City Administrator recommends the appointment or dismissal of the Administrative Services and Finance Director, Community Development Director, Electric Director, Fire Chief, Information Technology Director, Police Chief, and Public Works Director.

In addition to the help they receive from their appointed staff and employees, 21 advisory boards and commissions assist the City Council. Over 135 Ashland citizens serve on these boards and commissions and make a valuable contribution to the City of Ashland.

CITY OF ASHLAND

DATE: April 19, 2010
TO: Ashland Budget Committee
FROM: Martha Bennett, City Administrator
Lee Tuneberg, Budget Officer
RE: Fiscal Year 2010-2011 Budget Message

OVERVIEW

We respectfully submit the proposed budget for the City of Ashland for Fiscal Year 2010-2011. In addition to a proposed operating plan for next fiscal year, this budget includes long term planning for the next six years.

As was true last fiscal year, the largest challenge in preparing the FY 2010-2011 budget has been anticipating how larger economic forces will affect the City of Ashland in the next fiscal year and into the future. The global, national, and regional economic downturn has depressed many of the economic activities that the City relies on for revenue.

The proposed budget for FY 2010-2011 protects core services in each fund, and staff believes the budget will maintain quality services. As we have done in prior fiscal years, staff sought increased efficiencies wherever possible, and have looked at alternative methods and ways of delivering service.

In preparing this budget, staff was mindful that the FY 2011-2012 budget will likely be more challenging than FY 2010-2011, and we look forward to working with the Budget Committee to ensure that we prepare for future issues as well as for the fiscal year.

FY 2010-2011 BUDGET

Staff used assumptions approved by the Budget Committee in February 2010 to prepare the budget. The proposed operating budget is based on the prior year budget amount for each department and fund. In most departments, this means the proposed budget is the same as last year's adopted budget.

As discussed by the Budget Committee in February 2010, the Proposed Budget was built with the goal of creating strong links to City Council directed policies. In addition to the financial policies the City has set for the budget, staff made decisions about priorities based on:

- The draft City Council Values sent out for public comment in June 2009. The City Council is currently revising the draft values based on the comments received from the public, and future budgets will rely on the adopted values
- The Budget Criteria adopted by the City Council in 2009 that was used to prioritize programs and activities in the FY 2009-2010 Budget Process.
- The City Council goals for adopted by the Council in February 2010.
- A set of draft outcome-based performance measures. Each Department developed a description of the things they would want to measure to know whether the City's programs and activities are effective in achieving a result in the community. In other words, how do we know whether the programs and activities that we spend on actually make a difference in the community? In some cases, the Department already collects and reports the data for their proposed measures. In others, the data will need to be gathered. Each department will be prepared to discuss their proposed measures and how their proposed spending plan relates to how they achieve this performance measure.

The proposed budget includes a minor reduction in overall staffing from 252.0 FTE to 250.2 FTE. Some Departments reduced staff, including .75 FTE in Electric and .05 in Community Development. Two positions are moved from the Parks Department to Public Works in Fleet to recognize the transfer of the Parks Department's shop to the City. The Public Works Department budget is also reorganized, which resulted in a 1.0 reduction.

Some Department budgets show increases or changes in staffing. The Computer Services budget takes one part time position to full time, for an increase of .5 FTE. The Fire Department includes an additional 1.5 FTE, which are paid for by funds received for implementation of the Ashland Forest Resiliency Project. These positions will be limited in duration, and will be phased out when the federal funds are no longer available. Parks & Recreation proposes to convert the facilities manager position to a volunteer coordinator position, which has been a Department goal for several years. Lastly, the proposed budget includes creation of Battalion Chief positions in the Fire Department, which was accomplished by shifting existing positions and reducing the Department's overtime budget. In FY 2011, the estimated cost of this change is less than \$5,000.

To meet the budget targets, some departments made reductions in materials and services spending, and the impacts of these changes are identified in each department's budget narrative.

Additionally, as outlined in the Budget Committee's approved assumptions, capital spending was capped by the Capital Improvement Program adopted by the City Council in February 2010. In as many funds as possible, staff budgeted fund balances that meet adopted policy. Staff also tried to ensure that expected revenues exceeded or matched proposed expenses in each fund. This was not possible in the General Fund, the Central Services Fund, the Water Fund, and the Wastewater Fund.

Key highlights of the proposed budget include:

General Fund. The proposed budget is balanced without increases in taxes, fees, or rates. Additionally, the proposed budget does not include any significant reductions in personnel, which means that staff does not propose significant reductions in current programs and activities. At the same time, none of the programs and activities cut in FY 2009 and FY 2010 are restored in this budget. We recommend that the Budget Committee levy an additional 1.6 cents in property tax to fund a specific program in the Fire Department. Furthermore, we recommend that the committee consider levying the remaining 7.32 cents in anticipation of a significant rate increase from Oregon PERS in FY 2012. We make this recommendation reluctantly for two reasons. First, we know that citizens of Ashland are still suffering from the recession that began in 2007. Although economists tell us that the recession may be technically over, the signals that people are still hurting are clear. Second, we would prefer not to set aside funds to pay for retirement benefits (including for people who are already retired) rather than for services that make a real difference in the community. We make this recommendation because we are concerned that we may be faced by much more difficult service reductions next year if we have not planned for these additional costs. The General Fund is more extensively discussed later in this message.

Library Levy. The proposed budget includes an amount to be levied for library services under the voter approved library levy of 19.21 cents per thousand. This is .21 cents greater than the amount levied in FY 2010, but is less than allowed under the local option levy measure approved by the voters in November 2008. The additional .21 cents is recommended because the City's contract for library services will increase by 3% in FY 2010, but staff projects that the rate of growth for property taxes to be about 2.5% in FY 2011. The additional .21 cents represents between 50 and 60 cents of additional property taxes for the median residential property for the year.

Water and Wastewater Funds. The City implemented an 8% increase in Water and 9% increase in Wastewater charges effective in April and May 2010. Despite these increases, the City faces additional operational costs in Water and Wastewater, and the proposed budget is balanced by including an additional 8% rate increase, effective in April 2011, for each of these two funds. Neither fund meets its ending fund balance. Additionally, the Water Fund is highly vulnerable to weather-related conditions (low snow pack and/or hot summers).

Other Utilities. The proposed budget includes rate increases for the Electric Utility of 3% with anticipated implementation in Fall 2010. The proposed budget also includes minimal rate increases of 3% in the Transportation Utility fee and 5% in the Storm water Utility Fee, also proposed for Fall 2010.

the budget message

Internal Service Funds. As we have in the past four budget years, staff has held internal service charges for the Central Services Fund, the Insurance Services Fund, and for facilities maintenance flat by using ending fund balances and reducing operating budgets. We noted in last year's budget message that this could "only last one more year." The proposed budget includes an ending fund balance in the Central Services Fund that is only possible if these departments do not spend any of the fund's budgeted contingency. As was true last fiscal year, no additional reductions are possible in Central Services without a significant reduction in activity (e.g., a reduction in operating hours).

Capital Projects. Capital spending is \$10,859,000 in the proposed budget, compared to \$5,587,100 in the FY 2010 adopted budget. Capital spending is proposed to increase for three major reasons. First, the City is anticipating some new revenues, especially in the Street Fund. Second, the City is anticipating certain grant funds. The proposed budget includes more than \$2 million additional grant funds than included in the FY 2010 budget. Third, the Parks & Recreation Department propose to use the Food and Beverage Tax funds to front-load capital projects. In other words, they plan to sell a revenue bond to permit them to build projects now rather than allow the funds to accumulate. Capital projects have been carefully selected based on whether the City has available, non-operating funds (such as grants or restricted monies), whether the project will lower operating costs or reduce future capital cost, and whether the project meets a critical community need.

Costs Related to Staffing. The proposed budget does not include increases to implement the Classification and Compensation study. The proposed budget includes Cost of Living Increases (COLA) only for the employee bargaining groups that have COLAs in their existing contracts (3.5% for both the Laborers Group and the Electric workers (IBEW)). The proposed budget assumes a 0% COLA for Management and Confidential, Fire, Police, Clerical and Technical, and Parks employees. Health costs continue to rise. Future budgets will likely continue to include significant increases in premiums unless the Federal Health Care bill successfully stabilizes the health insurance market. On the advice of our insurance provider, staff has budgeted for a 8% increase in health care premiums. The City and its unions will need to continue to collaborate to ensure that the City provides reasonable benefits at a manageable cost, and negotiations will need to include discussions about coverage, employee cost share, and other ways to ensure that the City can actually afford the negotiated benefit package. Finally, the proposed budget includes no increase in PERS premiums, and we know that the State will be increasing the City's rate for the employers share for PERS in FY 2012 to pay for the impact of losses in the PERS fund caused by the recession. We have modeled a proposed small increase in the "long-term" budgets but the actual increase would be significantly larger. This will be a significant issue for the City for the FY 2011-2012 budget.

GENERAL FUND

The proposed budget for the General Fund is balanced without significant reductions in staffing, with some reductions in programs, and without proposed increases in property taxes or other rates and fees. The proposed budget also does not restore any staff or programs cut in the last three fiscal years. The General Fund remains precarious, but past decisions have stabilized it somewhat in this proposed budget.

As we have noted in past years, Ashland has benefited from diverse revenue streams. In the last two fiscal years, the most reliable revenue stream has been property taxes, largely because the Assessed Value of residential property is still substantially lower than Real Market Value. Although market value has dropped in the last three years, assessed value of residential property has still grown, which has meant that property taxes have still increased (although not by the pre-recession percentages). Because construction is dramatically slowed and because the foreclosure rate in Jackson County remains very high, the proposed budget assumes an increase in property tax collections of about 2.5% over the FY 2009-2010 budget. The proposed budget does not assume increases in assessed value related to construction.

After two consecutive years of decline, the proposed budget assumes that tourism-based revenues (Transient Occupancy Tax in the General Fund) will rise slightly, although not as rapidly as they did in years before the recession.

With the exception of the property tax and transient occupancy tax, other General Fund revenues are projected as flat or declining in the FY 2010-2011 budget. The most glaring decline has been in construction-related revenues, which are budgeted at 63 % of the FY 2009-2010 budget. The proposed budget estimates that General Fund total revenues will be consistent with the revenues budgeted in FY 2010.

On the expenditure side, a few things are worth noting.

- The General Fund will benefit over time by the consolidation of dispatch services in Jackson County. In FY 2010-2012 the proposed budget reflects a decrease in the Police Department budget of approximately \$60,000 and an increase of \$100,000 in the Fire Department. The net benefit to the General Fund will occur in future fiscal years.
- Staff budgeted to spend fund balances in the Capital Improvement Project Fund (CIP) fund to pay off the loan on the Community Development/Engineering Services Fund building. If completed, this will save \$60,000 in the General Fund and a like amount in the Central Services Fund.
- Every department in the General Fund made reductions in Materials and Services spending to meet the target.
- The proposed budget includes additional reductions beyond the target for the Community Development Department. In particular, the proposed budget significantly reduces the professional services budget, which will affect the Department's ability to accomplish long-range planning projects, particularly the examination of whether Tax Increment Financing could be used in Ashland to pay for the infrastructure that relates to economic development projects.

Despite reductions, the General Fund does not meet the fund balance requirement, although it is closer to meeting the target than in the proposed budgets for the last several fiscal years.

The City has 8.92 cents that has not been levied in its permanent rate. For FY 2010-2011 we estimate that to equal \$168,000 in tax revenue proceeds.

Staff recommends that the Budget Committee levy 1.6 cents to fund an add package for fire hose and fire turnout replacement. The new Fire Chief has discovered that the City has not set money aside to replace fire hoses on our engines for several years, and some of our hoses are well beyond their useful life. The life cycle of a fire hose is about 10 years, and the City has one hose that is 35 years old. Additionally, the City has used grants to replace its firefighter turnouts, and it has not set any money aside to buy new turnouts on a regular or rotating basis. Staff recommends that the Budget Committee approve a single add package for Fire Department Equipment Replacement.

Additionally, as noted above, we recommend the Budget Committee consider setting aside funds for the PERS payments the City faces beginning in FY 2011-2012. The State of Oregon will not decide on the amount it will increase our PERS rates until early 2011, but staff estimates the additional costs could range from \$200,000 to \$700,000 City wide, about 1/3 of which will accrue to the General Fund. Because the General Fund remains fragile, we are concerned that this amount could require us to reduce programs, activities, and staffing further in FY 2011-2012, so we recommend that the Budget Committee consider setting funds aside in anticipation of this issue.

As we discuss above, staff is reluctant to make this recommendation, both because of the impact on people who are already suffering economically and because the funds could be better used by nearly every General Fund department to deliver programs and activities that Ashland residents truly need. The median assessed value of single family homes in Ashland is \$237,410, so the impact of the 1.6 cent increase is approximately \$3.80 per year, and the 7.32 cents is approximately \$17.40 per year, for a total potential tax increase of \$21.20 per year for a residential property with the median assessed value.

Action	Dollar Value	Property Tax Increase
Fire Hose and Fire Turnout Replacement	\$30,000 per year	1.60 cents
Reserve Fund	\$138,000	7.32 cents
TOTAL AMOUNT RECOMMENDED		8.92 cents

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CENTRAL SERVICES FUND

The FY 2010 Budget included significant reductions in Central Services programs and activities. As with all funds, however, despite these cuts, costs are still increasing. The proposed budget continues to spend down the ending fund balance for this Fund, which we proposed because we neither recommend increasing the Central Services charges to the other funds nor additional cuts. This fund rarely spends its contingency budget, and we believe the fund is healthy as long as departments manage to their budgets.

PARKS AND RECREATION FUND

As with the General Fund, the total property tax collections for the Parks and Recreation Fund are expected to be relatively stable. As the Budget Committee will recall, Parks & Recreation made significant reductions in FY 2010. The proposed budget for FY 2010-2011 for Parks & Recreation does not include major changes in programs or staffing. Two mechanics are shifted from Parks & Recreation to the City, and the department is converting a facilities staff position to a volunteer coordinator. The most significant budget changes relate to capital spending. First, the Department begins a series of payments to the City to purchase 3.75 acres on Clay Street. Second, Parks & Recreation plans to sell a revenue bond with Food and Beverage Tax proceeds to allow them to construct several capital projects.

LONG TERM SECTION

As with previous years, the proposed budget contains a six-year forecast of revenues and expenditures. Again this year we have added more historical information, balancing five years of actual information and five years of projection around the current year's amended budget and projection and the proposed resources and appropriations for the coming year.

Staff has modeled the long-term forecast with assumptions that are as consistent as possible. However, we note that our ability to predict larger economic forces is limited. As we have in prior years, we caution the budget committee to use the long term pages as a planning rather than as a predictive tool.

CONCLUSION

This proposed budget reflects a revenue projection that shows the economy as essentially "bottomed out." In other words, the precipitous decline in revenues appears to have slowed. While some major revenue sources – ones related to construction, water and electric consumption, and tourism – remain weak, it appears that FY 2010-2011 will be a lot like FY 2009-2010.

A variety of factors – such as slow activity in current planning, a resumption of fuel price increases, continued escalation of health care costs, and expected increases in PERS rates – lead to us to conclude that the City should be preparing for a more challenging budget in FY 2012. The City Council and Budget Committee should work with staff to continue to reduce costs, increase service efficiencies, and focus on the higher priority services. In addition to discussing reserves, we hope the Committee will discuss how the City can prioritize services and ensure the efficient use of every resource with every department director.

The fallout from the recession is still taking its toll on the community. Unemployment remains high, foreclosures seem if anything to be increasing, and other signals that people are struggling – like the use of the Ashland Emergency Food Bank – are abundantly clear. We have balanced this budget with a minor increase in taxes (.21 cents for the library), and by keeping the amount that we have considered for potential rate increases as low as we could. The Budget Committee's challenge will be ensuring that the City continues to provide essential services at a rate our citizens can reasonably afford in this difficult economic time. We look forward to the opportunity to work with the Committee and citizens of Ashland in this process.

DRAFT CITY COUNCIL VALUES

This draft was released by the City Council for public comment in June 2009. The City Council is currently revising the statements in response to the comment, and these values have not been formally adopted. Staff used this document because it was the last official version released by the City.

Good Government: We value transparent government that is honest and responsive. We value strong, creative leadership by elected officials and public service by professional staff. We value excellent public service and view ourselves as stewards of public resources. We value active, intelligent, respectful citizen involvement, and we treasure volunteerism in government and community.

Natural Environment. We value the beauty and quality of our natural environment. We are committed to enhancing the quality of our air, water, land, open space, and wildlife habitat. We treasure our parks, natural areas and recreational opportunities.

Responsible Land Use. We value development that makes efficient use of land, water and energy, maintains our architectural heritage, protects our strong relationship to nature, and emphasizes high quality design. We value a healthy, active downtown and central park. We value strong neighborhoods and efficient public infrastructure and public services. We value development that prioritizes transit, bicycling, and walking.

Free Expression. We value a creative climate that invites an open exchange of diverse ideas. We value the social, economic, and creative contributions of the arts, cultural activities, and community events.

Diversity. We are a welcoming community that invites and respects the individuality and contributions of all people.

Economy. We value a business community that is attuned with our environmental and social aspirations. We value an economy that capitalizes on community assets and allows our homegrown entrepreneurs to succeed. We value an economy that creates community wealth, supports arts and culture, connects to Southern Oregon University, and supports high quality public services. We value a diverse economy that provides employment and economic choices for individuals and families.

Independence. We value our ability to be innovative, to set our own course, to provide public services, and to meet residents' basic needs.

Education. We value lifelong education. We value the social, economic, cultural, and civic contributions of strong, integrated educational institutions.

Personal Well Being. We believe all people seek physical, mental, and emotional well-being. We believe each person needs adequate food, clothing, housing, transportation, health care and personal safety.

Sense of Community. We believe Ashland is a unique and special place. We value strong neighborhoods, families, and communities of interest where residents participate in community life and feel a strong sense of belonging.

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2009 ADOPTED BUDGET CRITERIA

Higher Priority

- Federal and State mandates
- City Charter and Code
- Contractual obligations and bond covenants
- Emergency response
- Basic needs public health & welfare

Medium Priority

- Operational efficiency/risk management/ fiscal health
- Support for local economic health
- Environmental protection above mandated levels
- Emergency preparedness
- Service only available from government/
not offered by private or non-profit provider

Lower Priority

- Enhance quality of life/desirability of Ashland
- Support for residents' health beyond basics
- Quality citizen service
- Key issue of local control

ADOPTED COUNCIL GOALS

In February 2010, the City Council set goals for the next 12 to 24 months to continue Ashland’s history as a community that focuses on sustaining itself and its people. To the City Council, sustainability means using, developing and protecting resources at a rate and in a manner that enables people to meet their current needs and also provides that future generations can meet their own needs. The City of Ashland has a responsibility towards sustainability in six primary areas:

ECONOMY	Status in Proposed Budget
Develop and implement a comprehensive economic development strategy for the purpose of: <ul style="list-style-type: none"> o Diversifying the economic base of the community o Supporting creation and growth of businesses that use and provide local and regional products o Increasing the number of family-wage jobs in the community o Leveraging the strengths of Ashland’s tourism and repeat visitors 	Budget includes \$150,000 in the General Fund (Administration Department) to support this goal.
Develop an implementing strategy for funding infrastructure and public facilities for economic development projects.	Partially in budget. Community Development Department would implement this goal. Proposed budget allows the City to start this goal in the middle of FY 2011, assuming additional funds will be needed in FY 2012.
Increase the clarity, responsiveness, and certainty of the development process.	In budget. Will be accomplished with existing Community Development Department staffing.

ENVIRONMENT	Status in Proposed Budget
Develop an integrated land use and transportation plan to increase the viability of transit, bicycles, walking and other alternative modes of transportation; reduce per capita automobile vehicle miles traveled; provide safe walking and bicycling routes to home, work, shopping and schools; implement environmentally responsible design standards, and minimize new automobile-related infrastructure.	In budget. Goal is funded in Public Works Department. Mix of grant and SDC funds. Goal is underway.
Adopt an integrated Water Master Plan that addresses long-term water supply including climate change issues, security and redundancy, watershed health, conservation and reuse, and stream health.	In budget. Goal is funded in Public Works Department. Mix of grant and SDC funds. Goal is underway.
Implement specific capital projects and operational programs to ensure that City facilities and operations are a model of efficient use of water, energy, land, and other key resources.	In budget. Goal is being staffed in Administration. No specific funds are included in the budget for projects.
Adopt land use codes, building codes, green building standards, and fee structures that creates strong incentives for new development that is energy, water, and land efficient and supports a multi-modal transportation system.	In budget. Will be accomplished with existing Community Development Department staffing.
Develop a strategy to use conservation and local renewable sources to meet Tier 2 power demands.	No additional funds are included in budget. If additional funds are needed to accomplish, it will need to come back to Council or wait for future budget years.
Plan for low-water years including potentially 2010 by: <ul style="list-style-type: none"> ○ Implementing a public information and technical assistance campaign that encourages summer time conservation. ○ Consider the options for a summer surcharge to encourage efficient irrigation practices prior to June 1, 2010. 	In budget. Goal will be accomplished with Public Works Department, Conservation, Utility Billing, and Administration staffing. No additional funds are included.

SOCIAL EQUITY	Status in Proposed Budget
Complete the sale of a portion of the Clay Street Property to Parks and Recreation and decide whether to develop or sell the remaining land.	In budget. Goal will be accomplished with Housing, Community Development Department, and Administration staff.
Convene a discussion of stakeholders working on issues related to homelessness to develop a plan for: <ul style="list-style-type: none"> ○ Replacing services previously provided by ICCA. ○ Developing an emergency shelter for minors. ○ Improving connections to services available in Jackson County to Ashland's homeless. ○ Ensuring Jackson County's 10 Year Plan addresses the specific issues faced in Ashland. 	In Budget. Goal will be accomplished with Housing, Community Development Department, and Administration staff. No funds for projects are included.

ORGANIZATION	Status in Proposed Budget
Develop plan for fiscal stability, manage costs, prioritize services, and insure key revenue streams for the City and Parks & Recreation.	In budget. Administrative Services staff included in budget will accomplish goal.
Address issues the stability of the organization including employee recruitment and retention; succession planning; and effective and increased use of citizen volunteers.	Not in budget.

the budget message

PUBLIC FACILITIES	Status in Proposed Budget
Develop a plan to replace Fire Station #2.	Not in Budget. Assumes GO Bond levy in a future fiscal year.
Define a long term strategy for the Ashland Fiber Network that improves its financial viability, provides high quality services to residents, and promotes healthy economic development.	In budget. Strategy will be developed with existing staff. Any related projects will be discussed in the future.

PARTNERSHIPS	Status in Proposed Budget
Foster strong collaboration of the local community, City, State and Federal leaders in efforts to improve the health of the Ashland watershed through reducing fire hazards and restoring forest health.	In budget. Fire Department budget includes grant funds and additional staffing to implement the goal.
Advocate for the long-term viability of rail service to and through Ashland and encourage the use of rail through land use, transportation, and economic development planning.	In budget. Will be accomplished with staff and volunteer resources.

PROCESS

To prepare the proposed budget, staff:

- Evaluated current year revenues and expenses to better project end-of-year fund balances.
- Estimated revenue and expense growth for the proposed year in light of the preliminary assumptions and the cap on charges for service to the public proposed by staff and accepted by Council.
- Prioritized programs and staff.
- Identified short falls or gaps between revenues and expenses and
 - ⇒ identified potential related additional revenues or
 - ⇒ reduced lesser priority expenses where possible to better align to targets.
- Modeled long-term budgetary impacts

An overview of the complete budget process required by the State of Oregon and followed by Ashland is on Page 1-27.

BUDGET FORMAT

The budget format is consistent with the prior year. The expenditure portion of the document is organized by departments, not by fund. Both a capital improvement plan section and a long-term budget section are included.

The document is structured with three perspectives – by operations and capital on a city-wide basis, by department and by fund. Summary, overview and major category information is found in the budget message. The departmental budget section contains a comprehensive outline of the activities and operations of each department and division. Staff has attempted to better associate departmental appropriations with major program or category of expense in the long-term plan for an extended perspective by fund. The long-term projections help identify future issues.

As this document and its major components are used, the city will refine the information and how it is presented to benefit the reader and staff. **The budget document is meant to be a financial plan, a communication device, a management tool and an operational guide.** Developing performance goals and measures will change as the needs warrant and their presentation in the budget will grow and change accordingly.

Summary information by fund, department, division and revenue source follows this message.

POLICIES & METHODS

The policies and practices employed by the city in developing our budget and compliance can be found in the appendix on page A-8 Financial Management Policies and A-14 Accounting Methods. Expenditure groupings are listed on page A-22 Chart of Accounts Descriptions to help the reader in understanding what kinds of things are normally expended from each line item.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and fiduciary fund financial statements. Revenues are recorded when earned and expenses are reported when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. The budgetary basis of accounting is the same as Generally Accepted Accounting Principles. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the payment is due.

BUDGET SUMMARY

The total for all funds for the FY 2010-2011 budget is \$89,215,328 which is \$6.2 million or 7.5% more than last year's amended budget. It includes \$420,000 more in staffing costs, \$226,000 less materials & services, \$669,000 more in debt service, \$2,643,000 more in capital costs and \$2,365,000 million more in Contingency and Ending Fund Balance. The \$89.2 million includes all appropriations, transfers, contingencies and unappropriated fund balances. Included in the proposed budget are:

- A. Social services grants
- B. Economic and cultural grants
- C. Capital improvements
- D. Debt service
- E. Status quo core services
- F. Changes to revenues and services to meet city needs

the budget message

Below is a total budget comparison by fund. Significant dollar changes can be seen in all of the funds that include capital projects and related financing. Increases by fund are primarily due to new or held-over projects and related borrowing. Decreases come from a reduction in total capital projects, financing and fund balances and changes in anticipated ending fund balances.

The Parks line below is summary information. Its totals include all Parks & Recreation funds

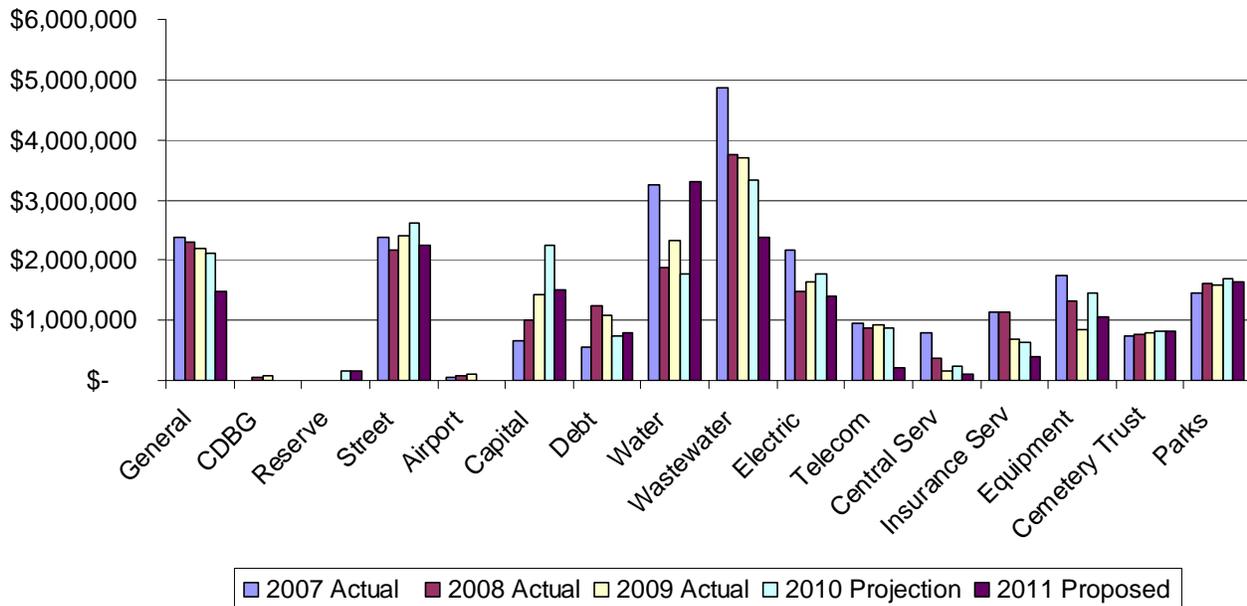
Proposed 2010-2011 Budget Comparison			2012 Projected	
Fund	2009-2010 Amended	2010-2011 Proposed	Dollar Difference	Percent Difference
General	16,347,638	16,646,722	299,084	1.8%
CDBG	493,958	413,116	(80,842)	-16.4%
Reserve	215,000	151,500	(63,500)	-29.5%
Street	7,523,627	8,970,033	1,446,406	19.2%
Airport	211,311	118,091	(93,220)	-44.1%
Capital Improvements	4,417,607	5,586,431	1,168,824	26.5%
Debt	3,539,648	3,498,444	(41,204)	-1.2%
Water	6,640,637	9,580,575	2,939,938	44.3%
Wastewater	9,540,259	8,747,315	(792,944)	-8.3%
Electric	14,032,485	14,388,479	355,994	2.5%
Telecommunications	2,533,197	2,718,937	185,740	7.3%
Central Services	5,982,029	6,093,063	111,034	1.9%
Insurance Services	1,454,199	1,302,559	(151,640)	-10.4%
Equipment	2,506,290	3,478,076	971,786	38.8%
Cemetery Trust	832,948	846,753	13,805	1.7%
Total by Fund	76,270,833	82,540,096	6,269,263	8.2%
Parks Total	6,732,135	6,675,233	(56,902)	-0.8%
Total Requirements	\$83,002,970	\$89,215,328	\$6,212,361	7.5%

Budget Assumptions

In the past, assumptions were agreed upon as to the rate of inflation, population growth, tax revenue and other revenue stream changes between years. The following assumptions represent what was considered by Council and similar to what has been employed as guidelines in the past.

- General growth in revenue streams affected by growth is 1%.
- Property tax assessed valuation growth will be 2.5% under Measure 50 and new construction will be flat with little or no growth each year.
- General inflation starting in 2010 is 3%, Personnel costs increase annually about 5% with an additional 1% included in 2011-2012 to recognize some additional growth for employer retirement contributions mandated by the State.
- Debt service changes are per covenants and not based upon an inflation factor.
- Population growth will be 1.0%.
- Staff will ensure efficient and effective operations prior to recommending tax level increases.
- Health care premiums will increase a minimum of 8% in FY 2010-2011.
- User fees will continue to support enterprise operations.
- System development charges (SDCs) will be updated where applicable.
- Existing physical assets of the City will be maintained at current levels.
- The city will comply with Federal and State requirements.

Ending Fund Balance Comparison



REVENUES

Ashland’s revenue is primarily fee based as shown on the revenue summary page. Revenues are summarized by fund in the Long-term section of the budget document.

TAXES - The tax category makes up 29.8% of the total revenues, about the same as in the prior year. But total taxes are estimated to be 1.5% or \$276,000 more. Taxes include property taxes, Electric Utility Users tax, Food & Beverage taxes, Hotel/Motel taxes and franchise fees.

PROPERTY TAXES - Property taxes are distributed to the General Fund and Parks Fund for operational needs. Taxes are also levied for the Debt Service Fund for payment of bonded indebtedness. The estimated tax rate included in the budget for 2011 is \$4.5892 or approximately \$0.0021 greater than the prior year’s \$4.5871 due to increased costs to operate the Library. The new rate for the Library local option is \$0.1921, well within the cap of \$0.2100 approved by the public.

Tax rate comparisons by categories can be seen on pages 1-37 and A-4.

CHARGES FOR SERVICE - Charges for services account for 60.4% of Ashland’s revenues. Some of the charges are for ambulance patient services, transportation utility fees, storm drain utility fees, airport rental fees, water services, wastewater services, electric service and telecommunications services, system development charges and internal service charges.

Each year the city must evaluate the appropriate level of its fees and charges. Staff attempts to stagger such adjustments for the benefit of the customer and to allow adequate time for evaluation since not all systems can be addressed in a single year.

The following chart shows the estimated fee changes in the next several years. These estimates are necessary to meet projected operational and capital costs and to provide for long-term financial stability. These are only estimates. Ashland’s history in rate changes indicates that adjustments are based upon need identified during rate hearings before Council and often result in smaller increases than modeled in the long-term budget.

the budget message

Rate Adjustments in FY Actual, Proposed & Projected	2006 Actual	2007 Actual	2008 Actual	2009 Actual (8/1/08)	2009 Actual (4/20/09)	2010 Actual	2011 Proposed	2012 Projected	2013 Projected
Transportation Utility Fee	8.1%	0.0%	15.0%	3.0%	N/A	3.0%	3.0%	3.0%	3.0%
Storm Drain Utility Fee	8.4%	0.0%	50.0%	10.0%	N/A	3.0%	5.0%	4.0%	4.0%
Airport Fees	CPI	CPI	CPI	CPI	N/A	CPI	To Be Determined		
Water Fees	3.5%	0.0%	6.0%	4% - 7.8%	10.0%	8.0%	8.0%	7.0%	7.0%
Wastewater Fees	3.0%	0.0%	10.0%	3.0%	20.0%	9.0%	8.0%	7.0%	7.0%
Electric Rate Increase	0.0%	0.0%	8.7%	0.0%	N/A	4.0%	3.0%	5.0%	5.0%
Electric Surcharge	-10.0%	0.0%	-16.6%	Electric Surcharge - Eliminated FY 2008					

SYSTEM DEVELOPMENT CHARGES - It is important for the City to re-evaluate each system development charge (SDC) on a regular basis. As part of our long-term plan, staff has identified needed changes in certain other SDCs to better match their contribution to the type of project being constructed or expenditure being made. Based upon internal financial planning and a Transportation Funding Task Force review, an evaluation of Transportation SDC fees and Storm Water SDCs are in process.

OPERATIONAL EXPENSES

Comparing total budget between years is inevitable but not always telling. A better view of cost components and trending comes from looking at the elements comprising the operational budget total. The annual budget assumptions normally use 3% as the default inflation factor but other rates better represent industry specific costs changes, staffing and debt service. In most cases items like purchased electricity, health care, retirement and others vary greatly and may even be negative, as did wholesale power in recent years. A comparison of operational budgets including personal services, materials & services (excluding capital expenditures) and debt service is as follows:

Proposed Operational Budget Comparison				
Category	2009-2010 Amended Budget	2010-2011 Proposed Budget	Dollar Difference	Percent Difference
Personal Services	22,735,025	23,155,446	420,421	1.8%
Materials and Services	29,774,917	29,549,279	(225,638)	-0.8%
Debt Service	5,088,701	5,757,588	668,887	13.1%
Total	\$57,598,643	\$58,462,313	\$863,670	1.5%

EXPENDITURES

PERSONAL SERVICES - Personal services costs represent 26% of the total proposed budget and 40% of the operational budget. The increase of 1.8% is primarily due to labor contract obligations (two bargaining units have a 3.5% increase included) and increases in health care premiums of 8% in the budget. The health care increase could be greater than 8% and that would require departments to absorb most or all of the difference. Reductions in staffing levels helped to keep the change between years at 1.8%. Total city-wide retirement costs also reduced with the decrease in staff. The City expects a significant increase in the employer contribution rate for the public retirement system but that change will not be known before this budget is approved and the impact will not be realized until FY 2011-2012.

Department	2009-2010 (FTE)	Change	2010-2011 (FTE)
Administration	12.65	0.00	12.65
Info Technology	15.50	0.50	16.00
Admin Services	17.25	0.00	17.25
City Recorder	2.00	0.00	2.00
Police	34.80	0.00	34.80
Fire	32.40	1.50	33.90
Public Works	57.70	-1.00	56.70
Community Dev	12.55	-0.05	12.50
Electric	21.50	-0.75	20.75
City Subtotal	206.35	0.20	206.55
Parks	45.65	-2.00	43.65
Total FTE	252.00	-1.80	250.20

The above table presents a city-wide net reduction of 1.80 positions. The table identifies the many changes between departments that resulted in the net change. The most significant change is a transfer of two employees and related work from Parks to Public Works to consolidate vehicle maintenance. Even with that transfer, Public Works was able reorganize other areas to post a single FTE reduction. The other key change is the temporary addition of 1.5 FTE in the Fire Department relating to grant funded work for Ashland Forest Resiliency project.

MATERIALS AND SERVICES - This category represents 33.1% of the total budget and is budgeted to decrease \$226,000 or 0.8%, partially offsetting some of the increase in personal services. With a few exceptions, departments were required to hold their operational expenditures to the prior year's adopted budget thus resulting in reductions in this category to address increases elsewhere.

Once again, Central Services costs (accounting, computers, legal assistance, executive management, etc.), insurance coverage and, facilities charges to other funds and departments were held flat to balance these funds. This is the fourth year that reductions in costs in the departments of the Central Service Fund were done to keep internal service charges from rising. This approach has become increasingly difficult and may not be possible in 2012.

CAPITAL OUTLAY – Total Capital Outlay (including most equipment, furniture and project costs) is increasing from \$7.7 million to \$10.4 million. This differs from the total CIP costs listed below in that some study and other costs (like equipment with relatively short useful lives) are excluded from this category. In these cases, costs included in the CIP listing are not in Capital Outlay because they are more appropriately presented in the various departmental budgets, Materials & Services categories, for trending and comparisons.

The majority of capital equipment budgeted can be found in the Equipment Fund and an overview of each capital project can be found in the Capital Improvement section of this budget. Total CIP projected for 2011 and over the following six years is \$85.3 million and represents significant financing challenges for the city. The anticipated timing of projects will change based upon the priority of need, the City's ability to take on all proposed projects and the community's ability to pay for improvements.

the budget message

Below is a summary by category of the projects included in the Capital Improvement Plan for the proposed budget year.

Budgeted Capital Improvement Projects	2009	2010	2011 Proposed
Transportation Projects	\$ 2,119,000	\$ 2,270,100	\$ 2,816,000
Local Improvement District Projects	970,000	230,000	642,000
Storm Drain Projects	625,000	187,000	35,000
Airport Projects	25,000	150,000	1,800,000
Water Projects	2,675,000	575,000	865,000
Wastewater Projects	2,025,000	850,000	1,210,000
Electric Projects	565,000	505,000	630,000
Telecommunications Projects	225,000	325,000	196,000
Information Technology	163,000	95,000	95,000
Administration Projects	200,000	200,000	475,000
Parks Projects	750,000	200,000	2,095,000
Total	\$ 10,342,000	\$ 5,587,100	\$ 10,859,000

DEBT SERVICE - The proposed budget includes the payment of all current debt obligations of the city. The amount budgeted is approximately \$669,000 (13.1%) more than the prior year including the new amounts for Water and Wastewater improvements financed last year and the potential for new debt service relating to approved capital improvements such as \$200,000 in Bancroft bonds if the local improvement projects are done and assessed property owners elect financing, debt service for new revenue bonds if capital projects and related financing is approved by Council. Half of the increase relates to an early pay off of the OECD Loan for the CDES Building budgeted by staff.

The City has scheduled several external financing efforts in FY 2010-2011, and after, as required for infrastructure and approved by Council and citizens. A review of the Capital Improvement and Long-term sections of this document will assist the reader in understanding the identified improvements and related financing for transportation-related projects, local improvement district financing and municipal buildings through tax-based bonds (general obligation bonds) and revenue-backed bonds for enterprise projects. The City will have to consider capital project timing and ability to pay as it looks to future issues of bonds or loans for construction.

ACKNOWLEDGEMENTS

We want to acknowledge the creative energy of staff and their dedication to the City of Ashland. Special thanks to the finance staff and others for who have helped prepare this document.

SUMMARY AND CONCLUSION

In summary, this document represents the expertise, creativity, ingenuity and resourcefulness of the Department Heads, Finance Department, Division Managers, Supervisors and Staff. Both of us sincerely appreciate the hard work that dozens of staff people have put into this proposed budget. In many cases, the work was more challenging than it has been for decades in the City of Ashland, and we have appreciated the positive approach modeled by staff throughout the City.

It is our hope and belief that this budget protects the capacity of the City of Ashland to meet key ongoing service needs, adjusts City operations for a slow economy for several years, and positions the city to improve core service levels when determined necessary. We look forward to the opportunity to discuss this budget with the Budget Committee.

Respectfully submitted,



Martha Bennett
City Administrator

Lee Tuneberg
Budget Officer



CITY OF
ASHLAND

DATE: June 15, 2010
TO: Mayor and Council
FROM: Lee Tuneberg, Budget Officer
RE: FY 2010-2011 Budget Process – Summary of Changes

The Budget Committee finished the annual budget process in an efficient manner with a reduced number of hours for deliberation. Even though the process took less time the Committee heard all presentations and considered changes proposed by its members, staff and the public.

Below is a summary of adjustments made at various stages of the process:

1. Preliminary revisions to the Proposed Budget from staff:
 - a. Increase in departmental appropriations for health care costs and reductions in Contingency or Ending Fund Balance as an offset to the higher premiums. This adjustment did not increase the total budget. The Telecommunications Fund was not adjusted because management chose to absorb its \$5,900 share of the \$225,989. Thus, \$143,630 was reduced in Ending Fund Balance (EFB) and \$76,459 was reduced in Contingency.
2. Committee revisions finalized at the May 13, 2010, meeting:
 - a. The Telecommunications (AFN) appropriations for debt service were reduced \$30,000, moving that amount to the Street Fund to recognize a share of the AFN debt there. In conjunction with this, \$40,000 in additional revenue in AFN was added to the budget, raising the Telecommunication Fund's ending balance \$70,000 to \$281,732.
 - b. Increase of \$30,000 in the General Fund, Fire Department, to pay into the Equipment sinking fund for hoses and turn out gear. Property tax revenues are increased the same amount reflecting a 1.6 cent increase in the tax rate above the amount originally proposed by staff. Since no expenditure for these items is anticipated in FY 2011, the inter-fund payment will increase the Equipment Fund's ending balance and will be restricted for this use in a future year.

The changes accepted at the Committee's final meeting caused a net increase of \$100,000 which resulted in a total budget of \$89,315,328. The Committee approved property taxes at \$4.40540 for operating and local option levies and \$410,805 for debt service, leaving \$0.07320 of the permanent rate unlevied. The Approved Budget includes \$71,844,258 in Total Appropriations.

3. Additional revisions that staff recommends Council include in their adoption of the budget at the June 15, 2010, public hearing are:
 - a. An increase in the General Fund of \$4,000 in the Police Department appropriations to recognize additional investigation overtime to be funded by grant revenue. This change will have no impact on Ending Fund Balance due to offsetting revenue.
 - b. Net increase in the Street Fund appropriations totaling \$224,055 relating to changes in capital project activity during May and June, 2010. This results in an increase to the carry forward (resources) to FY 2011 and necessitates the adjustments for the delayed projects.
 - c. An increase of \$11,000 to the Capital Improvement Fund, Facilities Division appropriations to pay for the election costs for the Fire Station #2 levy approved by Council on May 18th. This increase will reduce the ending balance for the fund to \$1,493,676.
 - d. Net decrease in the Water Fund of \$6,285 relating to changes in capital project activity during May and June, 2010. This results in a smaller carry forward to FY 2011 for the fund and adjustments to appropriations for the related projects.
 - e. An increase in the Wastewater Fund of \$44,000 to pay for a new pump station pump. This will decrease the Ending Fund Balance. This need was identified after the proposed budget was prepared but it did not get added until after the Committee approved the budget.
 - f. An increase in the Telecommunications Fund appropriations of \$39,000 to the Internet Division to reflect WiMax construction delayed to FY 2011. This results in a change to the carry forward from FY 2010 in this fund and requires an adjustment to appropriations for the project completion in FY 2011.

The result of these final changes is a total budget for FY 2010-2011 of \$89,576,098 and appropriations of \$72,160,028. The property taxes to be levied are as approved by the Budget Committee.

A resolution incorporating all changes has been submitted. Mayor and Council can:

1. Approve the resolution only for the amount approved by the Committee,
2. Approve the resolution as submitted with the changes described,
3. Make other adjustments to appropriations within the guidelines established by Oregon budget law that allows adjustments to any fund of up to \$5,000 or 10%, whichever is larger.

budget committee recommendations and council action

**City of Ashland
Fiscal Year 2010-2011 Summary of Changes**

	2011 Proposed	Staff Revisions	2011 Revised	Committee Revisions	2011 Approved	Revisions Recommended to Council	2011 Adopted
GENERAL FUND							
Administration Department	191,284		191,284		191,284		191,284
Administration Department - Library	365,740		365,740		365,740		365,740
Administration Department- Municipal Court	420,386	1,600	421,986		421,986		421,986
Administrative Services - Social Services Grants	120,342		120,342		120,342		120,342
Administrative Services - Economic & Cultural Grants	591,240		591,240		591,240		591,240
Administrative Services - Miscellaneous	45,000		45,000		45,000		45,000
Administrative Services - Band	57,619		57,619		57,619		57,619
Police Department	5,457,975	30,260	5,488,235		5,488,235	4,000	5,492,235
Fire and Rescue Department	5,194,847	31,300	5,226,147	30,000	5,256,147		5,256,147
Public Works - Cemetery Division	311,005	1,520	312,525		312,525		312,525
Community Development - Planning Division	1,177,648	8,379	1,186,027		1,186,027		1,186,027
Community Development - Building Division	645,646	3,400	649,046		649,046		649,046
Transfers	500		500		500		500
Contingency	583,000	(76,459)	506,541		506,541		506,541
Ending Fund Balance	1,484,490		1,484,490		1,484,490		1,484,490
TOTAL GENERAL FUND	16,646,722	-	16,646,722	30,000	16,676,722	4,000	16,680,722
COMMUNITY DEVELOPMENT BLOCK GRANT FUND							
Personal Services	41,556		41,556		41,556		41,556
Materials and Services	371,560		371,560		371,560		371,560
Ending Fund Balance	-		-		-		-
TOTAL CDBG FUND	413,116	-	413,116	-	413,116	-	413,116
RESERVE FUND							
Transfers			-				
Ending Fund Balance	151,500		151,500		151,500		151,500
TOTAL RESERVE FUND	151,500	-	151,500	-	151,500	-	151,500
STREET FUND							
Public Works - Street Operations	4,520,239	6,020	4,526,259	30,000	4,556,259	70,000	4,626,259
Public Works - Storm Water Operations	598,878	2,650	601,528		601,528	54,000	655,528
Public Works - Transportation SDC's	506,810		506,810		506,810	15,000	521,810
Public Works - Storm Water SDC's	10,500		10,500		10,500	85,055	95,555
Public Works - Local Improvement Districts	533,938		533,938		533,938		533,938
New Debt	394,000		394,000		394,000		394,000
Transfers	74,000		74,000		74,000		74,000
Contingency	93,000		93,000		93,000		93,000
Ending Fund Balance	2,238,668	(8,670)	2,229,998	(30,000)	2,199,998		2,199,998
TOTAL STREET FUND	8,970,033	-	8,970,033	-	8,970,033	224,055	9,194,088
AIRPORT FUND							
Materials and Services	58,750		58,750		58,750		58,750
Capital Outlay	-		-		-		-
Debt Service	43,537		43,537		43,537		43,537
Interfund Loan	-		-		-		-
Contingency	5,000		5,000		5,000		5,000
Ending Fund Balance	10,804		10,804		10,804		10,804
TOTAL AIRPORT FUND	118,091	-	118,091	-	118,091	-	118,091
CAPITAL IMPROVEMENTS FUND							
Public Works - Facilities	2,789,522	2,230	2,791,752		2,791,752	11,000	2,802,752
Administrative Services - Parks Open Space	400,000		400,000		400,000		400,000
Transfers	632,003		632,003		632,003		632,003
Interfund Loan	208,000		208,000		208,000		208,000
Contingency	50,000		50,000		50,000		50,000
Ending Fund Balance	1,506,906	(2,230)	1,504,676		1,504,676	(11,000)	1,493,676
TOTAL CAPITAL IMPROVEMENTS	5,586,431	-	5,586,431	-	5,586,431	-	5,586,431

budget committee recommendations and council action

	2011 Proposed	Staff Revisions	2011 Revised	Committee Revisions	2011 Approved	Revisions Recommended to Council	2011 Adopted
DEBT SERVICE FUND							
Debt Service	2,707,798		2,707,798		2,707,798		2,707,798
Ending Fund Balance	790,646		790,646		790,646		790,646
TOTAL DEBT SERVICE FUND	3,498,444	-	3,498,444	-	3,498,444	-	3,498,444
WATER FUND							
Public Works - Forest Lands Management Division	389,078	1,100	390,178		390,178		390,178
Public Works - Water Supply	828,097		828,097		828,097	(2,041)	826,056
Public Works - Water Treatment	1,064,207	3,390	1,067,597		1,067,597	6,000	1,073,597
Public Works - Water Distribution	2,431,343	8,190	2,439,533		2,439,533		2,439,533
Public Works - Reimbursement SDC's	258,744		258,744		258,744	(27,744)	231,000
Public Works - Improvement SDC's	210,000		210,000		210,000	17,500	227,500
Public Works - Debt SDC's	124,995		124,995		124,995		124,995
Electric- Conservation Division	172,565	1,000	173,565		173,565		173,565
Debt Services	635,867		635,867		635,867		635,867
Contingency	150,000		150,000		150,000		150,000
Ending Fund Balance	3,315,680	(13,680)	3,302,000		3,302,000		3,302,000
TOTAL WATER FUND	9,580,576	-	9,580,576	-	9,580,576	(6,285)	9,574,291
WASTEWATER FUND							
Public Works - Wastewater Collection	1,843,348	4,460	1,847,808		1,847,808		1,847,808
Public Works - Wastewater Treatment	1,970,685	3,560	1,974,245		1,974,245	44,000	2,018,245
Public Works - Reimbursement SDC's	21,250		21,250		21,250		21,250
Public Works - Improvement SDC's	553,500		553,500		553,500		553,500
Debt Services	1,826,554		1,826,554		1,826,554		1,826,554
Contingency	151,000		151,000		151,000		151,000
Ending Fund Balance	2,380,978	(8,020)	2,372,958		2,372,958	(44,000)	2,328,958
TOTAL WASTEWATER FUND	8,747,315	-	8,747,315	-	8,747,315	-	8,747,315
ELECTRIC FUND							
Electric - Conservation Division	502,421	2,000	504,421		504,421		504,421
Electric - Supply	5,585,204		5,585,204		5,585,204		5,585,204
Electric - Distribution	5,592,581	16,400	5,608,981		5,608,981		5,608,981
Electric - Transmission	900,000		900,000		900,000		900,000
Debt Services	24,837		24,837		24,837		24,837
Contingency	378,000		378,000		378,000		378,000
Ending Fund Balance	1,405,436	(18,400)	1,387,036		1,387,036		1,387,036
TOTAL ELECTRIC FUND	14,388,479	-	14,388,479	-	14,388,479	-	14,388,479
TELECOMMUNICATIONS FUND							
IT - Internet	2,079,389		2,079,389	(30,000)	2,049,389	39,000	2,088,389
IT - High Speed	377,816		377,816		377,816		377,816
Contingency	50,000		50,000		50,000		50,000
Ending Fund Balance	211,732		211,732	70,000	281,732		281,732
TOTAL TELECOMMUNICATIONS FUND	2,718,937	-	2,718,937	40,000	2,758,937	39,000	2,797,937
CENTRAL SERVICES FUND							
Administration Department	1,297,729	11,760	1,309,489		1,309,489		1,309,489
IT - Computer Services Division	1,142,609	6,800	1,149,409		1,149,409		1,149,409
Administrative Services Department	1,677,853	14,510	1,692,363		1,692,363		1,692,363
City Recorder Division	304,525	1,200	305,725		305,725		305,725
Public Works - Administration and Engineering	1,380,354	9,630	1,389,984		1,389,984		1,389,984
Contingency	175,500		175,500		175,500		175,500
Ending Fund Balance	114,493	(43,900)	70,593		70,593		70,593
TOTAL CENTRAL SERVICES FUND	6,093,063	-	6,093,063	-	6,093,063	-	6,093,063

budget committee recommendations and council action

	2011 Proposed	Staff Revisions	2011 Revised	Committee Revisions	2011 Approved	Revisions Recommended to Council	2011 Adopted
INSURANCE SERVICES FUND							
Personal Services	76,500	790	77,290		77,290		77,290
Materials and Services	680,803		680,803		680,803		680,803
Contingency	150,000		150,000		150,000		150,000
Ending Fund Balance	395,256	(790)	394,466		394,466		394,466
TOTAL INSURANCE SERVICES FUND	1,302,559	-	1,302,559	-	1,302,559	-	1,302,559
EQUIPMENT FUND							
Public Works - Maintenance	987,524	3,850	991,374		991,374		991,374
Public Works - Purchasing and Acquisition	1,374,500		1,374,500		1,374,500		1,374,500
Contingency	54,000		54,000		54,000		54,000
Ending Fund Balance	1,062,052	(3,850)	1,058,202	30,000	1,088,202		1,088,202
TOTAL EQUIPMENT FUND	3,478,076	-	3,478,076	30,000	3,508,076	-	3,508,076
CEMETERY TRUST FUND							
Transfers	20,000		20,000		20,000		20,000
Ending Fund Balance	826,753		826,753		826,753		826,753
TOTAL CEMETERY TRUST FUND	846,753	-	846,753	-	846,753	-	846,753
PARKS AND RECREATION FUND							
Parks Division	3,386,682	30,800	3,417,482		3,417,482		3,417,482
Recreation Division	1,064,082	10,590	1,074,672		1,074,672		1,074,672
Golf Division	412,807	2,700	415,507		415,507		415,507
Contingency	50,000		50,000		50,000		50,000
Ending Fund Balance	1,453,315	(44,090)	1,409,225		1,409,225		1,409,225
TOTAL PARKS AND RECREATION FUND	6,366,886	-	6,366,886	-	6,366,886	-	6,366,886
YOUTH ACTIVITIES LEVY FUND							
Materials and Services	42,356		42,356		42,356		42,356
Ending Fund Balance	-		-		-		-
TOTAL YOUTH ACTIVITIES LEVY FUND	42,356	-	42,356	-	42,356	-	42,356
PARKS CAPITAL IMPROVEMENTS FUND							
Capital Outlay	70,000		70,000		70,000		70,000
Ending Fund Balance	195,991		195,991		195,991		195,991
TOTAL PARKS CAPITAL IMP. FUND	265,991	-	265,991	-	265,991	-	265,991
TOTAL BUDGET	89,215,328	-	89,215,328	100,000	89,315,328	260,770	89,576,098
Less Ending Fund Balance	17,544,700	(143,630)	17,401,070	70,000	17,471,070	(55,000)	17,416,070
Total Appropriations	71,670,628	143,630	71,814,258	30,000	71,844,258	315,770	72,160,028



COMMUNITY VALUES STATEMENT

“The citizens of Ashland value a city government that helps create an environment within which they are able to live happy and productive lives. This includes a healthy and sustainable environment; an opportunity to acquire the basic necessities of life; a sound infrastructure that meets our common needs for transportation, energy, information and communications, health care, water and waste management; and a variety of social, recreational, business and cultural opportunities.

The citizens want their government to respect our diverse people, natural environment, and rich heritage and culture; and to promote citizen involvement, initiative, innovation, and a strong sense of community.”

2010-2011 CITY COUNCIL GOALS

OVERVIEW

The City Council has set goals for the next 12 to 24 months to continue Ashland’s history as a community that focuses on sustaining itself and its people. To us, sustainability means using, developing and protecting resources at a rate and in a manner that enables people to meet their current needs and also provides that future generations can meet their own needs. The City of Ashland has a responsibility towards sustainability in six primary areas:

- Economy
- Environment
- Social Equity
- Municipal Organization
- Public Facilities
- Partnerships

ECONOMY

Develop and implement a comprehensive economic development strategy for the purpose of:

- Diversifying the economic base of the community
- Supporting creation and growth of businesses that use and provide local and regional products
- Increasing the number of family-wage jobs in the community
- Leveraging the strengths of Ashland’s tourism and repeat visitors

Develop an implementing strategy for funding infrastructure and public facilities for economic development projects.

Increase the clarity, responsiveness, and certainty of the development process.

2010-2011

Council Goals of the City of Ashland Continued

ENVIRONMENT
Develop an integrated land use and transportation plan to increase the viability of transit, bicycles, walking and other alternative modes of transportation; reduce per capita automobile vehicle miles traveled; provide safe walking and bicycling routes to home, work, shopping and schools; implement environmentally responsible design standards, and minimize new automobile-related infrastructure.
Adopt an integrated Water Master Plan that addresses long-term water supply including climate change issues, security and redundancy, watershed health, conservation and reuse, and stream health.
Implement specific capital projects and operational programs to ensure that City facilities and operations are a model of efficient use of water, energy, land, and other key resources.
Adopt land use codes, building codes, green building standards, and fee structures that creates strong incentives for new development that is energy, water, and land efficient and supports a multi-modal transportation system.
Develop a strategy to use conservation and local renewable sources to meet Tier 2 power demands.
Plan for low-water years including potentially 2010 by: <ul style="list-style-type: none"> ○ Implementing a public information and technical assistance campaign that encourages summer time conservation. ○ Consider the options for a summer time surcharge to encourage efficient irrigation practices prior to June 1, 2010.

SOCIAL EQUITY
Complete the sale of a portion of the Clay Street Property to Parks and Recreation and decide whether to develop or sell the remaining land.
Convene a discussion of stakeholders working on issues related to homelessness to develop a plan for: <ul style="list-style-type: none"> ○ Replacing services previously provided by ICCA. ○ Developing an emergency shelter for minors. ○ Improving connections to services available in Jackson County to Ashland's homeless. ○ Ensuring Jackson County's 10 Year Plan addresses the specific issues faced in Ashland.

ORGANIZATION
Develop plan for fiscal stability, manage costs, prioritize services, and insure key revenue streams for the City and Parks & Recreation.
Address issues the stability of the organization including employee recruitment and retention; succession planning; and effective and increased use of citizen volunteers.

PUBLIC FACILITIES
Develop a plan to replace Fire Station #2.
Define a long term strategy for the Ashland Fiber Network that improves its financial viability, provides high quality services to residents, and promotes healthy economic development.

PARTNERSHIPS
Foster strong collaboration of the local community, City, State and Federal leaders in efforts to improve the health of the Ashland watershed through reducing fire hazards and restoring forest health.
Advocate for the long-term viability of rail service to and through Ashland and encourage the use of rail through land use, transportation, and economic development planning.

The Budget Process

According to Oregon Law (ORS 294), the City of Ashland must prepare and adopt a balanced budget annually. In December, meetings are held with department heads, the Mayor, and City Council to set goals and priorities for the upcoming year. In April, a preliminary budget is prepared and presented to the Budget Committee, which, by law, comprises the Mayor, City Councilors, and seven citizen members.

A summary of the recommended budget is published in the local newspaper. The City Council holds a public hearing prior to July 1, which may result in further changes. If a change will increase property taxes or increase expenditures within a fund by more than ten percent or \$5,000, whichever is greater, the budget must be referred back to the Budget Committee. The City Council adopts the budget and levies taxes prior to June 30 each year. The adopted budget is filed with the county clerk and State of Oregon, and the Property Tax Levy is certified to the County Assessor by July 15 each year.

The Budget Amendment Process

Oregon Budget Law allows for amendments to the City budget for reasons unforeseen at the time of adoption. The City Council may adopt resolution changes that decrease one existing appropriation and increase another. Certain changes of ten percent or less to any fund require a supplemental budget. Changes over ten percent to any fund require a supplemental budget process similar to the annual budget requiring a public hearing. Further detail may be found in (ORS 294).

The Budget Committee

The Budget Committee is composed of the Mayor, City Councilors, and seven citizen members appointed by the governing board.

The appointed members:

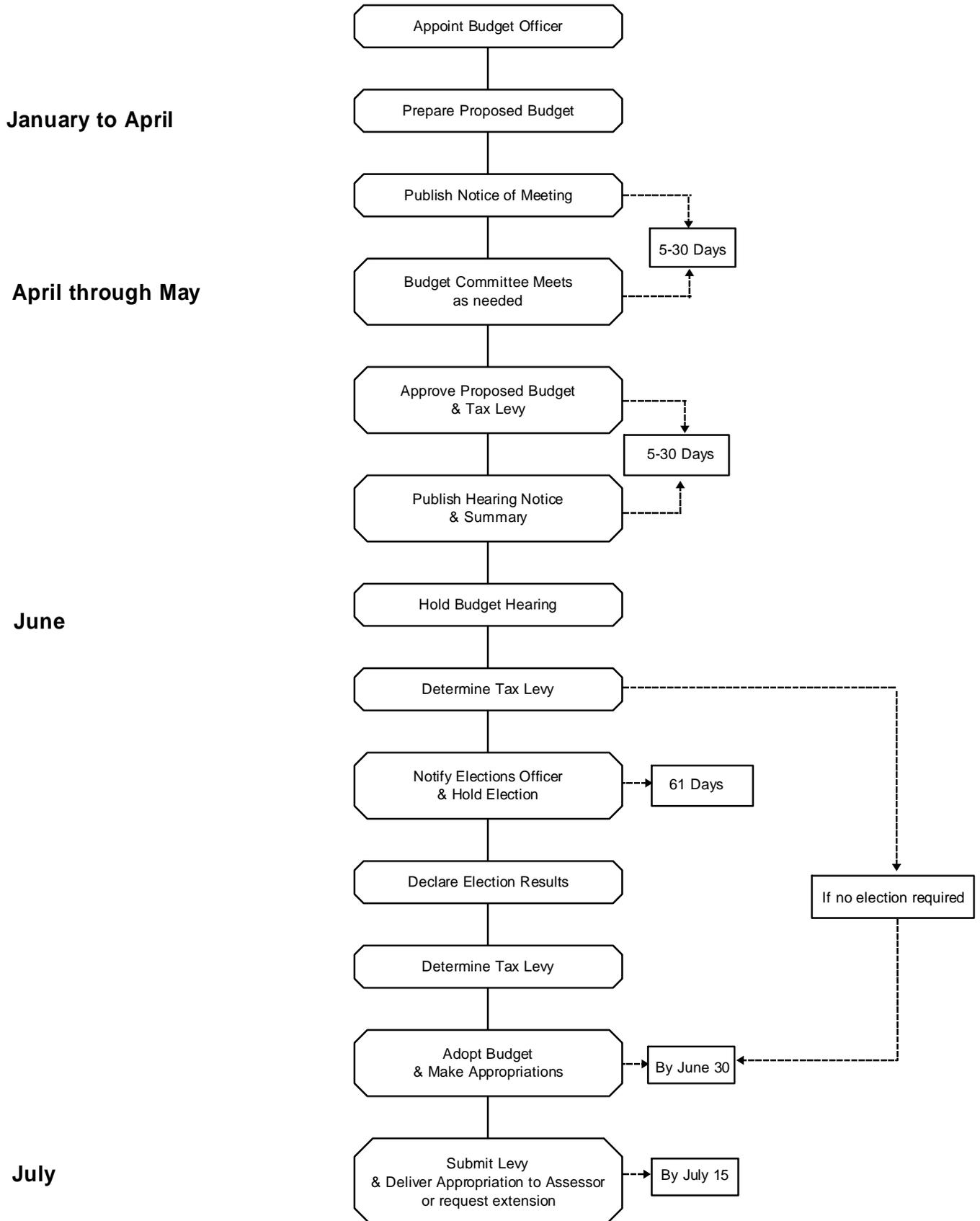
- Must live in the City of Ashland,
- Cannot be officers, agents, or employees of the local government,
- Serve three-year terms that are staggered so that approximately one-third of the terms end each year, and
- Can be spouses of officers, agents, or employees of the Municipality.

The Budget Basis

Governmental fund financial statements and enterprise funds are reported (budgetarily) using the current financial resources measurement focus and the modified accrual basis of accounting. The budgetary basis of accounting is the same as Generally Accepted Accounting Principles for governmental funds. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the payment is due. For financial reporting purposes the enterprise funds are converted from the modified accrual basis to the accrual basis of accounting, but the budgetary enterprise statements are reported with the modified accrual basis of accounting.

The City of Ashland manages its finances according to generally accepted accounting principles (GAAP). During the year, expenditures and revenues are closely monitored to ensure compliance with the adopted budget and state law. Monthly budget comparisons are distributed to management. Quarterly financial reports, prepared on the budgetary basis of accounting, are distributed to the Budget Committee, the Audit Committee, and the general public. Annually, an audit is performed and filed with the State of Oregon by an independent certified public accountant. The City of Ashland publishes an annual financial report that documents the City's budgetary performance and the financial health of the City. This report compares budgeted to actual revenues and expenditures, thus documenting the City's budgetary compliance.

The Budget Process

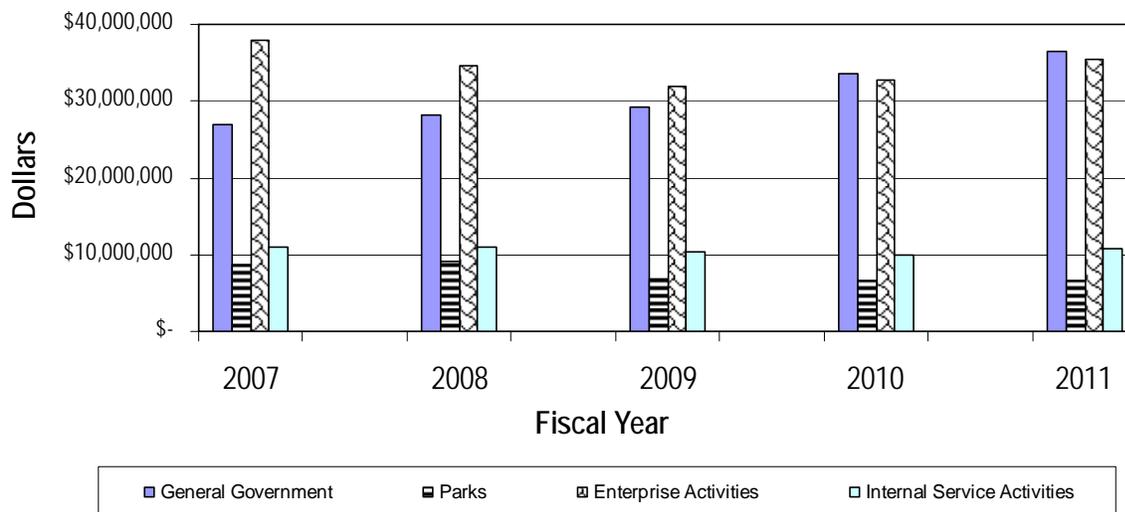


Overview

The 2011 budget Summary by Fund is on the following page. The City portion increased 9.2% or \$6,992,398 from the 2010 Adopted Budget, while the Parks portion decreased 1% or \$56,902 from the 2010 Adopted Budget.

The Long-Term budget includes a summary by fund from 2005 through 2016.

Total Budget By Activity

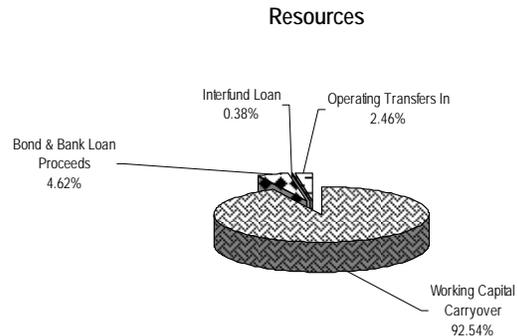
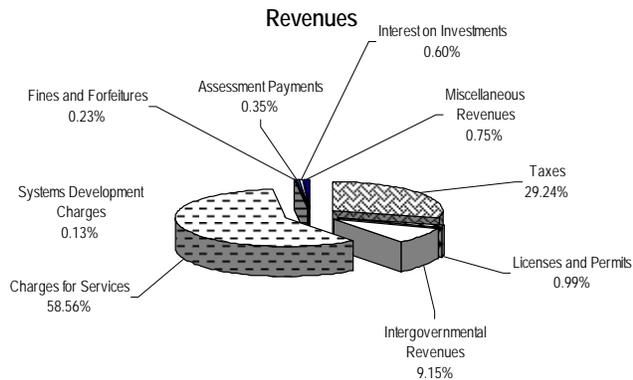


summary by fund

REQUIREMENTS BY FUND	2008 Actual	2009 Actual	2010 Amended	2011 Proposed	2011 Approved	2011 Adopted
City Component						
General Fund	\$ 16,204,655	\$ 16,220,589	\$ 16,347,638	\$ 16,646,722	\$ 16,676,722	\$ 16,680,722
Community Development Block Grant Fund	82,897	195,130	493,958	413,116	413,116	413,116
Reserve Fund	-	-	215,000	151,500	151,500	151,500
Street Fund	5,546,505	5,160,478	7,523,627	8,970,033	8,970,033	9,194,088
Airport Fund	344,399	486,794	211,311	118,091	118,091	118,091
Capital Improvements Fund	2,151,638	3,241,962	4,417,607	5,586,431	5,586,431	5,586,431
Debt Service Fund	3,063,486	3,121,793	3,539,648	3,498,444	3,498,444	3,498,444
Water Fund	7,563,172	7,109,028	6,640,637	9,580,575	9,580,575	9,574,291
Wastewater Fund	9,344,747	8,414,152	9,540,259	8,747,315	8,747,315	8,747,315
Electric Fund	15,022,002	13,693,271	14,032,485	14,388,479	14,388,479	14,388,479
Telecommunications Fund	2,772,890	2,684,019	2,533,197	2,718,937	2,758,937	2,797,937
Central Services Fund	5,969,533	5,823,695	5,982,029	6,093,063	6,093,063	6,093,063
Insurance Services Fund	1,840,625	1,900,671	1,454,199	1,302,559	1,302,559	1,302,559
Equipment Fund	3,226,288	2,600,592	2,506,290	3,478,076	3,508,076	3,508,076
Cemetery Trust Fund	805,128	803,551	832,948	846,753	846,753	846,753
Total City Component	73,937,967	71,455,725	76,270,833	82,540,095	82,640,095	82,900,866
Parks Component						
Parks and Recreation Fund	6,094,504	6,344,687	6,334,305	6,366,886	6,366,886	6,366,886
Ashland Youth Activities Levy Fund	2,625,804	235,731	110,591	42,356	42,356	42,356
Parks Capital Imp Fund	396,394	326,017	287,239	265,991	265,991	265,991
Total Parks Component	9,116,702	6,906,435	6,732,135	6,675,233	6,675,233	6,675,233
Total Budget	\$ 83,054,670	\$ 78,362,157	\$ 83,002,970	\$ 89,215,328	\$ 89,315,328	\$ 89,576,098

resources summary by classification

RESOURCE SUMMARY	2008 Actual	2009 Actual	2010 Amended	2011 Proposed	2011 Approved	2011 Adopted
Revenues:						
Taxes	\$ 19,210,961	\$ 17,285,423	\$ 18,157,557	\$ 18,433,680	\$ 18,463,680	\$ 18,463,680
Licenses and Permits	886,644	768,451	612,500	388,325	388,325	388,325
Intergovernmental Revenues	1,967,465	1,735,699	5,680,117	6,573,595	6,573,595	6,573,595
Charges for Services	33,550,185	34,141,944	36,363,575	37,319,796	37,389,796	37,389,796
Systems Development Charges	683,852	292,250	78,450	158,576	158,576	158,576
Fines and Forfeitures	150,346	156,092	142,000	165,200	165,200	165,200
Assessment Payments	67,195	25,587	218,110	133,495	133,495	133,495
Interest on Investments	995,412	241,284	375,298	175,294	175,294	175,294
Miscellaneous Revenues	1,439,709	1,270,500	465,166	407,590	407,590	411,590
Total Revenues	58,951,769	55,917,230	62,092,773	63,755,551	63,855,551	63,859,551
Budgetary Resources:						
Working Capital Carryover	23,137,644	20,052,792	19,351,051	20,477,578	20,477,578	20,734,348
Other Financing Sources:						
Bond & Bank Loan Proceeds	519,003	1,438,961	965,600	4,047,696	4,047,696	4,047,696
Interfund Loan	-	625,000	80,000	208,000	208,000	208,000
Operating Transfers In	446,253	328,173	513,546	726,503	726,503	726,503
Total Budgetary Resources	24,102,900	22,444,926	20,910,197	25,459,777	25,459,777	25,716,547
Total Resources	\$ 83,054,670	\$ 78,362,157	\$ 83,002,970	\$ 89,215,328	\$ 89,315,328	\$ 89,576,098



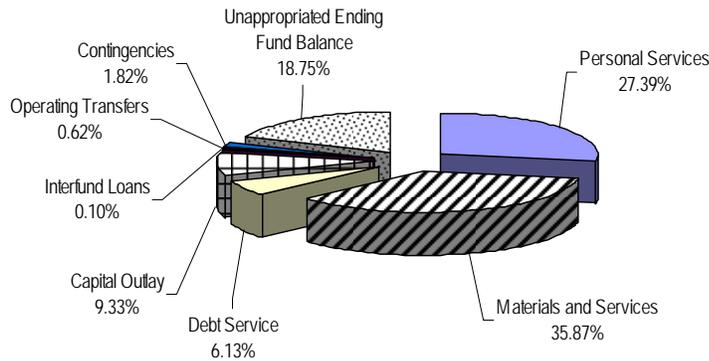
Charges for Services are 58.5% of Revenues. They primarily consist of Electric, Water, Wastewater, Telecommunications and other charges for services provided. The second largest category is Taxes of 28.9% of total revenues.

Budgetary Resources consist of Carryover, Loans and Transfers between funds, and Borrowings from outside sources. These categories account for \$25.7 million or 28.7% of the \$89.2 million budget. Working Capital Carryover (the beginning equity of the City) accounts for 80.5% of Budgetary Resources, while borrowings accounted for most of the remainder.

requirements summary by classification

REQUIREMENTS BY CLASSIFICATION	2008 Actual	2009 Actual	2010 Amended	2011 Proposed	2011 Approved	2011 Adopted
Operating Expenditures						
Personal Services	\$ 22,294,142	\$ 22,414,644	\$ 22,735,025	\$ 23,155,446	\$ 23,375,535	\$ 23,379,535
Materials and Services	29,357,449	26,833,934	29,774,917	29,549,279	29,579,279	29,590,279
Debt Service	4,328,927	4,803,720	5,088,701	5,757,588	5,757,588	5,757,588
Total Operating Expenditures	55,980,518	54,052,298	57,598,643	58,462,313	58,712,402	58,727,402
Capital Construction						
Capital Outlay	6,575,102	3,421,422	7,740,854	10,384,312	10,384,312	10,685,082
Budgetary Requirements						
Interfund Loans	-	625,000	80,000	208,000	208,000	208,000
Operating Transfers	446,253	328,173	513,546	726,503	726,503	726,503
Contingencies	-	-	1,507,000	1,889,500	1,813,041	1,813,041
Unappropriated Ending Fund Balance	20,052,792	19,935,263	15,562,927	17,544,699	17,471,069	17,416,070
Total Budgetary Requirements	20,499,045	20,888,436	17,663,473	20,368,702	20,218,613	20,163,614
Total Requirements by Classification	\$ 83,054,670	\$ 78,362,157	\$ 83,002,970	\$ 89,215,328	\$ 89,315,328	\$ 89,576,098

Adopted Budget



Personal Services increased 3%, Materials and Services Increased .5% and Capital Outlay increased 41% from the 2010 Adopted Budget.

Overview

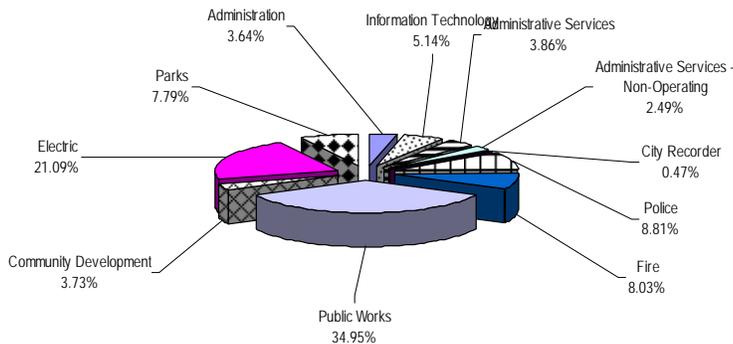
The Requirements Summary by Department totals \$89.6 million on the following page. Contributing to the increase from the previous year are costs in Capital Outlay as mentioned in the Budget Message. Fund related requirements totaling \$22.5 million are segregated at the bottom of the presentation.

The total budget of \$89.6 million is a \$7 million increased over last year's total adopted budget of \$82.6 million.

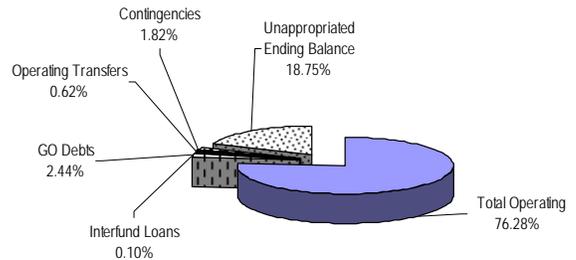
requirements summary by department

REQUIREMENTS BY DEPARTMENT	2008 Actual	2009 Actual	2010 Amended	2011 Proposed	2011 Approved	2011 Adopted
Administration	1,672,973	2,127,521	2,303,168	2,275,139	2,288,499	2,288,499
Information Technology	3,056,724	2,918,562	3,253,195	3,599,814	3,576,614	3,615,614
Administrative Services	2,641,418	2,813,600	2,440,825	2,435,156	2,450,456	2,450,456
Administrative Services - Non-Operating	1,218,708	1,308,506	1,574,868	2,112,879	2,112,879	2,112,879
City Recorder	281,257	272,350	298,539	304,525	305,725	305,725
Police	5,310,434	5,345,705	5,578,363	5,457,975	5,488,235	5,492,235
Fire	4,837,745	4,933,221	5,085,705	5,194,847	5,256,147	5,256,147
Public Works	19,007,976	16,532,732	22,128,876	25,102,980	25,179,580	25,452,350
Community Development	2,019,180	2,002,367	2,364,652	2,236,410	2,248,189	2,248,189
Electric	13,714,720	12,218,472	13,349,283	12,777,608	12,797,008	12,797,008
Subtotal	53,761,135	50,473,035	58,377,474	61,497,333	61,703,332	62,019,102
Parks	7,381,326	5,332,334	4,933,395	4,975,927	5,020,017	5,020,017
Total Operating	61,142,461	55,805,369	63,310,869	66,473,260	66,723,349	67,039,119
GO Debts	1,413,159	1,668,351	2,028,628	2,373,365	2,373,365	2,373,365
Interfund Loans	-	625,000	80,000	208,000	208,000	208,000
Operating Transfers	446,253	328,173	513,546	726,503	726,503	726,503
Contingencies	-	-	1,507,000	1,889,500	1,813,041	1,813,041
Unappropriated Ending Balance	20,052,792	19,935,263	15,562,927	17,544,699	17,471,070	17,416,070
Total Non-departmental	21,912,204	22,556,787	19,692,101	22,742,067	22,591,979	22,536,979
Total Requirements by Department	\$ 83,054,670	\$ 78,362,157	\$ 83,002,970	\$ 89,215,328	\$ 89,315,328	\$ 89,576,098

Total Operating Budget



Total Budget



Overview

The adopted budget includes the payment of all current debt obligations of the City.

The total debt limitation as mandated by the State of Oregon revised statute (ORS 287.004) is 3 percent of the true cash value of all taxable property. The limitation excludes issues for most utilities as well as Special Assessment Debt. With a true cash value estimated at \$4,011,032,636 on June 30, 2009, this computes to a limit of \$120,330,979. The City has \$101,865,979 of available Legal Debt Margin.

debt summary

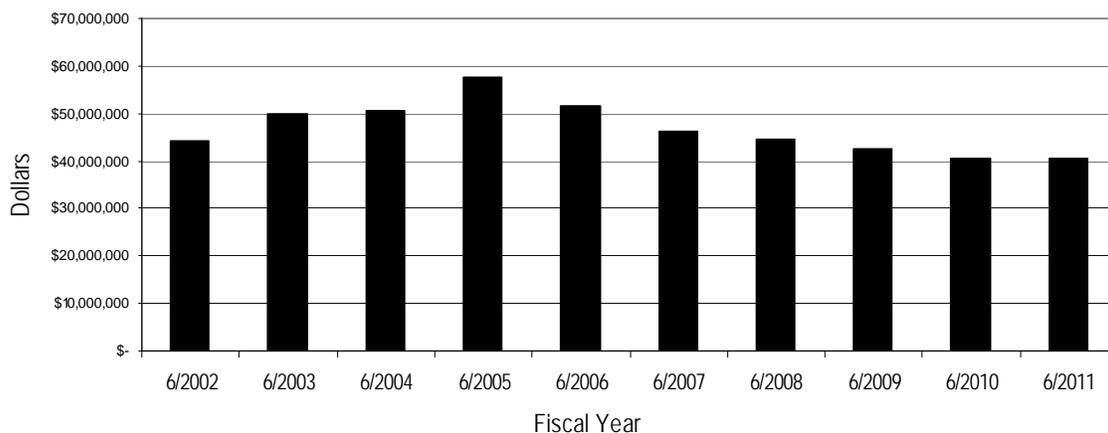
DEBT SUMMARY

Fund	Debt Instrument	June 30, 2010	Retirements	New Debt	June 30, 2011
City Component					
Airport Fund	Hangar Construction Capital Loan	\$ 267,825	\$ 23,469		\$ 244,356
Street Fund	To be determined, Revenue Bond Portion			1,060,190	1,060,190
Debt Service Fund	Open Space Land Notes	81,529	70,220		11,309
Debt Service Fund	Parks System Development Charges Notes	11,068	11,068		-
Debt Service Fund	Hospital Land Notes	127,310	26,704		100,606
Debt Service Fund	OSF Parking Structure	730,367	26,865		703,502
Debt Service Fund	Hillah Financing	500,021	500,021		-
Debt Service Fund	2005 Refunding Series	2,350,000	275,000		2,075,000
Debt Service Fund	2004 Revenue Bonds*	14,250,000	630,000		13,620,000
Water Fund	To be determined, Revenue Bond Portion			2,626,256	2,626,256
Water Fund	1997 Water Refunding Bond	345,000	170,000		175,000
Water Fund	2003 Water Revenue Bonds	3,300,000	360,000		2,940,000
Water Fund	2009 Water Full Faith and Credit Bond	667,588	34,036		633,551
Wastewater Fund	State Revolving Fund	16,530,415	1,134,694		15,395,721
Wastewater Fund	2009 Wastewater Full Faith and Credit Bond	286,110	14,587		271,523
Wastewater Fund	To be determined, Revenue Bond Portion			361,250	361,250
Electric Fund	Clean Renewable Energy Bond	260,571	21,714		238,857
Total Budget		\$ 39,707,804	\$ 3,298,379	\$ 4,047,696	\$ 40,457,122

*These Revenue Bonds are also backed by the Full Faith and Credit of the City of Ashland

Summary by Type	June 30, 2010	Retirements	New Debt	June 30, 2011
External Obligations:				
General Obligation Bonds	\$ 17,553,698	\$ 953,623	\$ -	\$ 16,600,075
Revenue Bonds, Loans and Notes	21,203,832	2,209,898	4,047,696	23,041,630
Notes Payable	950,274	134,857	-	815,417
	39,707,804	3,298,379	4,047,696	40,457,122
Total Obligations	\$ 39,707,804	\$ 3,298,379	\$ 4,047,696	\$ 40,457,122

Budgeted Indebtedness



Overview

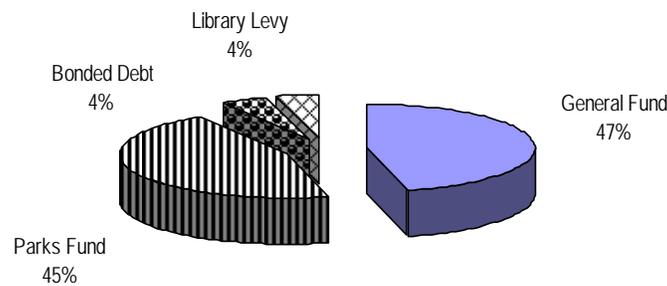
Property taxes are distributed to the General Fund, Parks Fund, and Debt Service Funds for payment of bonded indebtedness. The estimated tax rate for FY 2010-11 is \$4.6052, which is an increase from the prior year's rate of \$4.5871.

PROPERTY TAX SUMMARY

	<u>Amount Authorized 2010-11</u>	<u>Unused Authority (unallocated)*</u>	<u>Adopted Levy 2010-11</u>	<u>Estimated Uncollectible</u>	<u>Estimated Current Year Taxes</u>	<u>Estimated Tax Rate 2010-11</u>
Permanent:						
General Fund- Operations	\$ 4,055,000		\$ 4,000,726	\$ 330,426	\$ 3,670,300	1.9455
General Fund- Technology Fee	360,000		360,000	19,500	340,500	0.1750
Parks Fund	4,400,000		4,303,634	349,534	3,954,100	2.0928
	<u>8,815,000</u>	183,400	<u>8,664,360</u>	<u>699,460</u>	<u>7,964,900</u>	<u>4.2133</u>
Local Option Levies:						
Ashland Library	394,999	-	394,999	29,259	365,740	0.1921
Bonded Debt:						
2005 GO Bonds	410,805	-	410,805	30,430	380,375	0.1998
	<u>410,805</u>	-	<u>410,805</u>	<u>30,430</u>	<u>380,375</u>	<u>0.1998</u>
Total	<u>\$ 9,620,804</u>	<u>\$ 183,400</u>	<u>\$ 9,470,164</u>	<u>\$ 759,149</u>	<u>\$ 8,711,015</u>	<u>4.6052</u>

*Unused authority before estimated uncollectible and discounts

**Distribution of 2010-11
Property Tax**



The City of Ashland levies property taxes for the funds and activities in the amounts shown in the table above. The City has assumed an uncollectible rate of 8% for budgetary purposes. The chart above shows the distribution of property taxes as a percentage of total taxes levied.

