

Council Business Meeting

January 5, 2021

Agenda Item	Biennium 2021-2023 Budget Calendar and Assumptions	
From	Melanie Purcell	Finance Director
Contact	Melanie.purcell@ashland.or.us	(541) 552-2003

SUMMARY

Staff is proposing the process to focus on those program areas that are not mandated by law or otherwise specified in policy or plan. The intent is to maximize efficiency and provide City Council and the Budget Committee with the most effective information and support for their time. While data is rapidly changing and projections are uncertain, the upcoming budget will require careful evaluation and likely reductions in service along with utility rate increases to accommodate necessary capital investment. The meetings highlighted in blue indicate Citizen Budget Committee meeting dates to be scheduled.

Date	City Council	Budget Committee
01.04.2021	<i>Regular Council Study Session</i>	
01.05.2021	Budget Process Calendar introduced	
01.19.2021	<i>Regular Council Meeting</i>	
02.01.2021	<i>Regular Council Study Session</i>	
02.02.2021	<i>Regular Council Meeting</i>	
02.16.2021	Mid-Year Budget Update	
03.01.2021	<i>Regular Council Study Session</i>	
03.02.2021	<i>Regular Council Meeting</i>	
03.15.2021	<i>Regular Council Study Session</i>	
03.16.2021	<i>Regular Council Meeting</i>	
03.30.2021		Kick-off Meeting/ Budget Introduction
04.05.2021	<i>Regular Council Study Session</i>	
04.06.2021	<i>Regular Council Meeting</i>	Department Videos Available online
04.13.2021		Governmental Funds Review
04.19.2021	<i>Regular Council Study Session</i>	
04.20.2021	<i>Regular Council Meeting</i>	
04.27.2021		Enterprise Funds Review
05.03.2021	<i>Regular Council Study Session</i>	
05.04.2021	Review Utility Rates	
05.11.2021		Adopt Recommendation to City Council
05.17.2021	<i>Regular Council Study Session</i>	
05.18.2021	Budget Recommendation from Budget Committee	
06.01.2021	Budget Adoption; Tax Rate 1st Reading	
06.14.2021	<i>Regular Council Study Session</i>	
06.15.2021	Tax Rate 2nd Reading	
07.01.2021	Happy New Fiscal Year!	

POLICIES, PLANS & GOALS SUPPORTED

Administrative/Governance goal:

“To ensure on-going fiscal ability to provide desired and required services at an acceptable level”

PREVIOUS COUNCIL ACTION

Each biennium, Council must adopt a balanced budget in which resources equal or exceed uses. Council adopted updated Financial Policies at its December 1, 2020 meeting which includes increased minimum and maximum fund balances over the next three years to ensure greater stability and flexibility to meet service demands and revenue fluctuations. State law provides the specific requirements for public participation in the budget process through public hearings and the Citizens’ Budget Committee.

BACKGROUND AND ADDITIONAL INFORMATION

With the reduction in resources and emphasis on non-traditional communication methods, staff recognize that additional tools will be necessary so are proposing departments prepare video podcasts in addition to the more typical written budget summaries and continued and expanded use of the OpenGov platform. In addition, the calendar provides time between meetings for Councilors and Committee members to submit questions and staff to prepare detailed and complete responses for optimal consideration. The proposed process focuses energy and effort on those decisions Council must make to determine which programs, services or activities remain at current levels and which are reduced or eliminated. Potential new revenue opportunities will also be presented for Council consideration. The emphasis throughout the analysis will be on long-term sustainability and generational resilience.

In accordance with State law, the Citizens’ Budget Committee is asked to:

- 1) receive the proposed budget and budget message;
- 2) hold one or more public hearings following the presentation of the proposed budget; providing citizens the opportunity to comment prior to Council adoption of the budget; and
- 3) approve the budget and set the ad valorem property taxes.

Please note all meetings include public comments as well as the opportunity to comment on specific items presented. Other tools are being evaluated to solicit public input now and for future planning.

Key factors influencing the upcoming budget development include expected and contracted moderate increases in pension contributions, healthcare, materials and supplies, and wages. The current market volatility is making more elastic or consumer driven revenues such as Transient Occupancy Tax, Food & Beverage Tax, and permits and licenses less easily predicted. This instability is partially offset by other inelastic revenues that are less influenced by market volatility and relatively consistent year over year including utilities fees and charges and property tax. Council did not adopt the utility rate increases projected for Fiscal Year 2021 and with planned capital needs, rate increases are anticipated for this biennium.

FISCAL IMPACTS

None at this time

STAFF RECOMMENDATION

Staff recommends that Council accept the budget calendar for the Biennium (BN) 2021-2023 Budget process.

ACTIONS, OPTIONS & POTENTIAL MOTIONS

I move to accept the budget calendar for the BN2021-2023 Budget process.

REFERENCES & ATTACHMENTS

None