

CITY COUNCIL STUDY SESSION
DRAFT MINUTES
Wednesday, February 13, 2019
Council Chambers, 1175 E. Main Street

The Mayor called the Study Session Meeting to order at 6:00 p.m.

Councilors Slattery, Graham, Akins, Seffinger, Rosenthal and Jensen were present. Budget Committee Members Hunter, Hyatt, Lucas, Moran, Runkel, Morris and Bachman were present.

I. Public Input (15 minutes, maximum)

None.

City Attorney David Lohman reminded all that this is not a Budget Committee Meeting and just a Study Session. He went over the protocol.

II. 6th Quarter Financial Report

Councilor Graham announced she may have a conflict of interest due to her sister working at the City of Ashland.

Administrative Services Director Mark Welch presented a PowerPoint to the Budget Committee (*see attached*).

Items discussed were:

- Financial Reports.
- City wide revenues.
- General Fund.
- Revenue increase.
- Property Tax increase.
- TOT increase.
- Food and Beverage Tax.
- Parks General Fund.
- AFN.
- Water Fund.
- Benefits with current employee's verses PERS Tier 1.
- PERS.
- Fund Balance chart.
- Property Tax.

Akins arrived at 6:42 PM

III. Budget Calendar

Mr. Welch went over the Budget Calendar.

IV. Council Goals-15 Minutes

City Administrator Kelly Madding went over the Council Goals (*see attached*).

Goal 1:

1. Develop current and long term budgetary resilience.
2. Analyze city departments programs to gain efficiencies, reduce cost and improve services.
3. Enhance and improve transparency and communication.

Ms. Madding went over Essential Services and Value Services.

Runkel announced that there is a Budget Training on February 20th in Medford from 9AM-3PM.

The Study Session was adjourned at 7:20 PM

Respectfully submitted by:

City Recorder Melissa Huhtala

Attest:

Mayor Stromberg

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

6th Quarter Financial Report

Financial Report

Introduction

This web page is designed to provide useful information to the community on a quarterly basis. The Administrative Services Department prepares quarterly financial reports that are discussed with the City Council and approved. The reports focus is on budget compliance and not analytics. This site is intended to provide both the budget compliance piece but also provide a means to evaluate the information in more details and provide additional information for decision makers.

Citywide Revenue

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Expand All	December 2017-18 Actual	2017-18 Original Budget	2017-18 Variance	2017-18 Variance	December 2018-19 Actual	2018-19 Actual
▶ Enterprise	\$ 18,670,484	\$ 55,012,152	-36,341,668	-66.06%	\$ 20,181,677	
▶ General Fund	20,092,822	32,361,079	-12,268,257	-37.91%	21,171,303	
▶ Internal Service	8,827,401	17,849,693	-9,022,292	-50.55%	8,754,003	
▶ Special Revenue Fund	2,269,041	12,196,389	-9,927,348	-81.40%	2,152,683	
▶ Capital Projects	1,265,824	6,448,260	-5,182,436	-80.37%	2,134,749	
▶ Debt Service	1,026,026	1,885,835	-859,809	-45.59%	1,132,992	
▶ Cemetery	12,201	32,000	-19,799	-61.87%	19,830	
Total	\$ 52,163,800	\$ 125,785,408	-73,621,608	-58.53%	\$ 55,547,237	

Overall Citywide revenue continues to track very close to the budget. Reviewing information on a Citywide basis does not provide much useful data since the City provides many different services with different funding sources. Overall the City revenue collections are in line with the budget and have increased year over year.

Citywide Expenses

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← Reports

Welcome to The city of Ashland's Financial Reporting Platform

This site is designed to help you understand more about the operations and performance of Ashland. Start exploring with these visualization and analytics tools to learn more.

You can read about [Multi-Fund Accounting](#) or view other topics in the Help menu.

[How To Use This Report](#) | [View Report](#)

Filters ↗

Expand All	December 2018-19 Actual	2017-18 Original Budget	2017-18 Variance	2017-18 Variance	December 2018-19 Actual	2018-19
▶ Enterprise					\$ 16,798,180	
▶ General Fund					17,394,625	
▶ Internal Service					9,265,953	
▶ Special Revenue Fund					2,119,027	
▶ Capital Projects					1,975,800	
▶ Debt Service					1,111,111	
▶ Cemetery					11,419	
Total					\$ 48,870,238	

Legend ↗

Overall the city is spending less money than budgeted. Through December the actual expenditures have increased 10% from the same time last year. The reason for this increase is due to spending more on capital projects.

General Fund

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Types

General Fund

No Project

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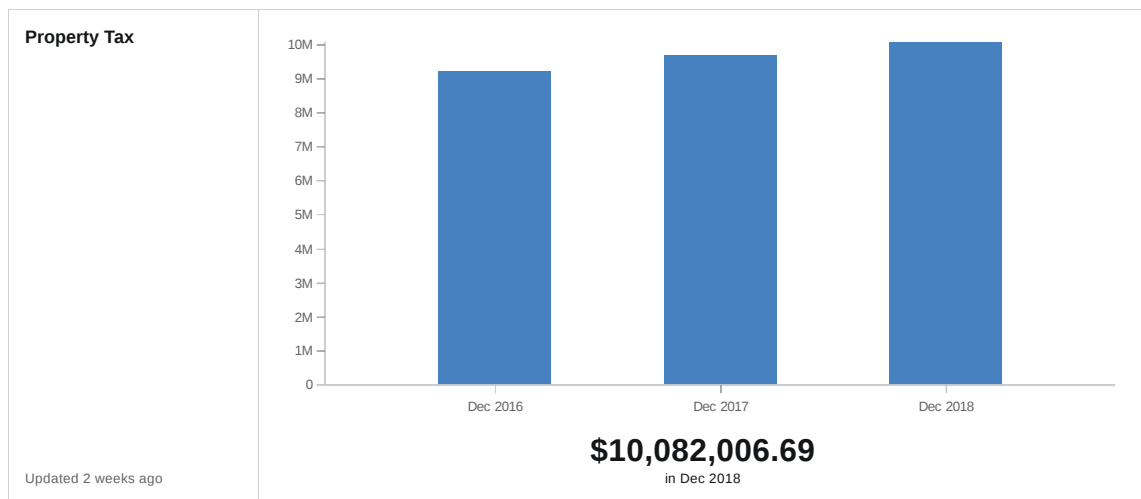
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Collapse All	December 2017-18 Actual	2017-18 Original Budget	2017-18 Variance	2017-18 Variance	Decem
▼ Revenues	\$ 17,060,613	\$ 25,956,879	-8,896,266	-34.27%	
▶ Taxes	13,004,046	17,377,580	-4,373,534	-25.17%	
▶ Franchise Fees	1,571,714	3,441,180	-1,869,466	-54.33%	
▶ Charges for Services	868,113	1,611,500	-743,387	-46.13%	
▶ Working Capital	0	0	0	0.00%	
▶ Licenses and Permits	598,813	1,073,350	-474,537	-44.21%	
▶ Intergovernmental Revenue	530,820	1,536,069	-1,005,249	-65.44%	
▶ Fines and Forfeitures	279,191	436,000	-156,809	-35.97%	
▶ Operating Transfers In	132,028	256,500	-124,472	-48.53%	
▶ Miscellaneous Revenues	46,039	187,200	-141,161	-75.41%	
▶ Interest on Pooled Investments	29,849	37,500	-7,651	-20.40%	
▼ Expenses	13,145,242	27,904,939	-14,759,697	-52.89%	
▶ Personnel Services	6,826,142	14,036,558	-7,210,416	-51.37%	
▶ Material and Services	6,152,249	12,947,881	-6,795,632	-52.48%	
▶ Transfer-Out, Contingency, Ending Fund Balance	166,851	905,500	-738,649	-81.57%	
▶ Capital Outlay	0	15,000	-15,000	-100.00%	
Revenues Less Expenses	\$ 3,915,370	\$ -1,948,060	5,863,430	300.99%	

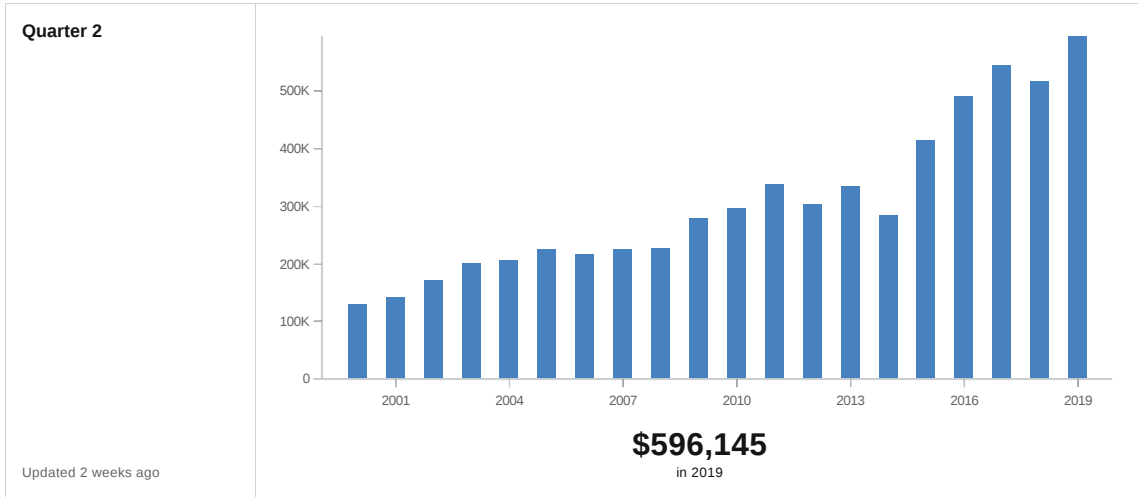
General Fund remains a closely scrutinized fund due to potential revenue reductions in TOT and also due to increased cost of Employees. The General Fund revenue grows \$900,000 from the previous 6-months ending December 31st whereas expenditures have increased \$1.1 million.

Property Tax



Property Tax collections continue to improve year over year. From 2016 to 2017 collections grew 5.27%, reflective of the growth in assessed valuation along with the increased property tax levy. From 2017 to 2018 the collections have grown 3.47%, in line with the growth in assessed valuation.

Transient Occupancy Tax



Transient Occupancy Tax grew in the second from the previous year. When we normalize for the rate increase, TOT grew 3.7% from the previous period, with a 1.5% reduction from the same quarter 2 year ago. TOT remains closely watched as it can forecast future concerns in the tourism industry and one the City will continue to monitor closely. The future forecast of TOT remains challenging as a change in weather and wildfire smoke could improve the numbers, or reduce the collections. The current assumption is for the smoke events to continue with a flat TOT collection going forward.

Food and Beverage Tax



Food and Beverage collections have decreased in the second quarter down 2.4% over the same period last year. Food and Beverage collections are first used for Wastewater Debt and then split between Parks and Streets. A downward trend in this revenue has the potential to impact capital projects long term.

Parks General Fund

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Collapse All	December 2017-18 Actual	2017-18 Original Budget	2017-18 Variance	2017-18 Variance	Decem
▼ Revenues	\$ 3,032,210	\$ 6,404,200	-3,371,990	-52.65%	
▶ Charges for Services	3,017,781	6,267,200	-3,249,419	-51.85%	
▶ Operating Transfers In	0	85,000	-85,000	-100.00%	
▶ Working Capital	0	0	0	0.00%	
▶ Miscellaneous Revenues	11,512	30,000	-18,488	-61.63%	
▶ Intergovernmental Revenue	0	15,000	-15,000	-100.00%	
▶ Interest on Pooled Investments	2,917	7,000	-4,083	-58.33%	
▼ Expenses	2,857,834	6,595,140	-3,737,306	-56.67%	
▶ Personnel Services	1,838,286	4,074,590	-2,236,304	-54.88%	
▶ Material and Services	1,016,865	2,315,550	-1,298,685	-56.09%	
▶ Transfer-Out, Contingency, Ending Fund Balance	0	195,000	-195,000	-100.00%	
▶ Capital Outlay	2,682	10,000	-7,318	-73.18%	
Revenues Less Expenses	\$ 174,376	\$ -190,940	365,316	191.32%	

The Parks General Fund continues to maintain its positive fund position in the 2nd Quarter of 2019. The Parks Fund has revenue that exceeds expenses.

Ashland Fiber Network

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Types

▼ Ashland Fiber Net (AFN...)

▼ No Project

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Collapse All	December 2017-18 Actual	2017-18 Original Budget	2017-18 Variance	2017-18 Variance	Decem
▼ Revenues	\$ 1,088,142	\$ 2,141,010	-1,052,868	-49.18%	
▶ Charges for Services	1,084,541	2,139,010	-1,054,469	-49.30%	
▶ Working Capital	0	0	0	0.00%	
▶ Interest on Pooled Investments	3,112	2,000	1,112	55.61%	
▶ Miscellaneous Revenues	489	0	489	--	
▼ Expenses	996,007	2,250,163	-1,254,156	-55.74%	
▶ Material and Services	674,757	1,358,763	-684,006	-50.34%	
▶ Personnel Services	320,887	711,400	-390,513	-54.89%	
▶ Transfer-Out, Contingency, Ending Fund Balance	0	105,000	-105,000	-100.00%	
▶ Capital Outlay	363	75,000	-74,637	-99.52%	
Revenues Less Expenses	\$ 92,135	\$ -109,153	201,288	184.41%	

Water Fund

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Types Water Fund No Project

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Updated On 27 Feb, 2019

Collapse All	December 2017-18 Actual	2017-18 Original Budget	2017-18 Variance	2017-18 Variance	Decem
▼ Expenses	\$ 3,697,653	\$ 23,217,226	-19,519,573	-84.07%	
▶ Capital Outlay	618,535	15,700,449	-15,081,914	-96.06%	
▶ Material and Services	1,586,067	3,563,616	-1,977,549	-55.49%	
▶ Transfer-Out, Contingency, Ending Fund Balance	125,000	1,060,000	-935,000	-88.21%	
▶ Personnel Services	896,803	1,998,904	-1,102,101	-55.14%	
▶ Debt Services	471,248	894,257	-423,009	-47.30%	
▼ Revenues	5,350,517	23,474,910	-18,124,393	-77.21%	
▶ Debt Revenue	425,491	15,496,588	-15,071,097	-97.25%	
▶ Charges for Services	4,868,002	7,921,322	-3,053,320	-38.55%	
▶ Working Capital	0	0	0	0.00%	
▶ Interest on Pooled Investments	56,515	32,000	24,515	76.61%	
▶ Miscellaneous Revenues	510	25,000	-24,490	-97.96%	
Revenues Less Expenses	\$ 1,652,865	\$ 257,684	1,395,181	541.43%	

Links

[6th Quarter Financial Report](#)

[Department View of 6th Quarter Financial Report](#)

[Fund Balance as of 12.31.18](#)

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CITY COUNCIL GOALS AND PRIORITIES 2019-2021 BIENNIUM

Presentation to City Council

February 13, 2019

Kelly A. Madding, City Administrator

GOAL I: DEVELOP CURRENT AND LONG-TERM BUDGETARY RESILIENCE

- Continue to improve the budget process: transparency, rigor, innovation, community involvement, and collaboration
- Evaluate revenue streams

GOAL 2: ANALYZE CITY DEPARTMENTS/ PROGRAMS TO GAIN EFFICIENCIES, REDUCE COSTS AND IMPROVE SERVICES

- Develop a new (revised) strategic and marketing business plan, with goals, objectives and performance measures for AFN
- Develop a space needs and asset management plan, evaluate real property and facility assets
- Develop a timeline to review and update the Comprehensive Plan
- Continue to make Community Development more user-friendly
- Evaluate the Code Compliance program

GOAL 2: ANALYZE CITY DEPARTMENTS/ PROGRAMS TO GAIN EFFICIENCIES, REDUCE COSTS AND IMPROVE SERVICES

- Implement a cost recovery plan and analysis for each department that coincides with the annual review of fees and charges and revenues
- Examine the City's grant programs to ensure that their processes and outcomes align with council goals
- Evaluate and communicate street program timelines and funding security
- Examine community service alternatives within the Municipal Court program

GOAL 3: ENHANCE AND IMPROVE TRANSPARENCY & COMMUNICATION

- Develop a robust program to engage with Ashland citizens about City priorities and our progress on those priorities, public input opportunities and processes, how individual citizens can help meet City goals, budgeting and decision-making processes, etc.
- Strengthen partnerships with local organizations around our value services so we can effectively assist with community-wide challenges by leveraging the assets of the City and the knowledge of local people in creating shared solutions.

ESSENTIAL SERVICES

ESSENTIAL SERVICES ARE THE FUNDAMENTAL SERVICES PROVIDED BY THE CITY OF ASHLAND WITHOUT WHICH ASHLAND WOULD NO LONGER FUNCTION AS A COMMUNITY.

THE PROCESS OF ALLOCATING CITY OF ASHLAND RESOURCES WILL ENSURE THAT THESE SERVICES MEET THE NEEDS OF ASHLAND RESIDENTS.

ESSENTIAL SERVICES

UTILITIES & INFRASTRUCTURE

- Electric System
- Wastewater System (sewer)
- Street Repair and Maintenance
- Drinking Water System
- Stormwater System

PUBLIC SAFETY

- Fire
- Police
- Municipal Court

COMMUNITY DEVELOPMENT

- Planning & Building Inspections/Plan Review
- Parks Maintenance

VALUE SERVICES

THE CITY OF ASHLAND CURRENTLY PARTNERS WITH OTHER LOCAL ORGANIZATIONS TO PROVIDE VALUE SERVICES, WHICH STRENGTHEN THE COMMUNITY BY HELPING TO ADDRESS SPECIFIC CHALLENGES. THE CITY OF ASHLAND WILL CONTINUE TO LEVERAGE ITS RESOURCES TO DEVELOP AND/OR ENHANCE ITS VALUE SERVICES. NOTE THAT ALL VALUE SERVICES ARE IMPORTANT.

THE LIST REPRESENTS THE PRIORITY COUNCIL IS PLACING ON THESE VALUE SERVICES AS THE 2019-2021 BIENNIAL BUDGET IS PREPARED, GIVEN THE PROGRESS THAT HAS BEEN MADE TO DATE TO ADDRESS THEM AND THE URGENCY WITH WHICH THEY NEED TO BE ADDRESSED.

VALUE SERVICES

TIER 1: HIGHER PRIORITY

- Emergency Preparedness
- Address Climate Change

TIER 2: MODERATE PRIORITY

- Reduce Wildfire & Smoke Risk
- Economic Development
- Housing Needs
- Multi-Modal Transportation
- Homeless Services
- All-Age Friendly Community

TIER 3: LOWER PRIORITY

- Acquisition of New Parks
- Downtown Parking
- Water Conservation

QUESTIONS?