

Public Testimony #1

Financial Update:

First:

The suggested plan violates what the voters approved, specifically and intent. Aside from the 25% which will still go to Parks, repaying the sewage treatment debt was the priority, and money in excess of that to be used for street maintenance. Siphoning money from debt repayment for roads wasn't part of the question. We have established the need to go to the voters to 'enact a Council-approved ordinance', changing that referenced ordinance in a way contrary to what the voters approved is pretty problematic. One can imagine trust for passing future anything will be lost. And, of course, the larger than 'approved' shortfall will have a considerable affect on rates, whether you delay them or not.

Second:

While re-treads of existing 'savings' were listed - like the Sale of B Street Yard (seriously, time to complete that and replenish the fund that the Hardesty property was borrowed from), I note one specific to F&B Tax and Sewage Treatment is conspicuously absent. Our property on the other side of I5 was purchased using F&B funds for sewage treatment. Obviously it never was, and represents substantial money just sitting there. Perhaps it is time for a reckoning. At some point, if you aren't going to use it for sh**, it's time to get off and return the money to the pot.

15-156

Approving use of food and beverage tax for street maintenance

QUESTION: Shall Ashland voters enact a Council-approved ordinance to use food and beverage tax revenue for street repair and rehabilitation?

SUMMARY:

The Ashland City council approved an ordinance increasing the share of Ashland Parks and Recreation Commission food and beverage tax revenue and dedicating a share of food and beverage tax revenue to a street repair and rehabilitation program. The ordinance becomes effective upon approval by the voters of Ashland. The ordinance does not change the current tax rate of 5% and does not change the tax's current sunset date of December 31, 2030. The City's current food and beverage tax ordinance directs 20% of all tax revenues to park land acquisition and development, and 80% of all tax revenues to debt service on the City's waste water treatment plant. The ordinance for which the city seeks approval would increase the share of tax revenue for parks to 25% and would set aside a fixed amount of revenue for waste water debt, with any revenues not required for that debt directed to the Street Fund for a pavement management program.

The City of Ashland first enacted a food and beverage (F&B) tax—a tax on prepared food and non-alcoholic beverages sold by restaurants and caterers—in 1993. The tax was created to provide a revenue stream for the acquisition of open space (park land). The City Council subsequently amended the F&B tax to allow its use for debt service on the City's waste water

treatment plant. Of the taxes collected, 20% goes to parks and 80% goes to waste water debt. Passage of this ballot measure will enact an ordinance approved by the Ashland City Council that amends the Ashland Municipal Code to redirect a portion of the City's food and beverage (F&B) tax revenue to street maintenance and to increase the portion of F&B tax revenue that is directed to the Ashland Parks and Recreation Commission from 20% to 25%. Enough revenue is generated by the F&B tax to fully fund current waste water treatment debt, a pavement management program to overlay or reconstruct all arterial and collector streets and to increase the share of F&B revenue for Parks from 20% to 25% of total collections. The ordinance does not change the current tax rate of 5% and it does not change the tax's sunset date of December 31, 2030. If approved, this ordinance will fix the amount of F&B tax provided for waste water debt at a specific number rather than a percentage, and direct tax revenues over that amount to the City's street fund, where it will be available to pay for street repair, rehabilitation and reconstruction. The street repair program would apply to the City's arterial and collector streets.

Russ Silbiger

Public Testimony #2

Mayor and Council,

As we are all aware, the fiscal impacts to the City of Ashland will be severe with a variety of revenue streams drastically reduced due to the current crisis. The city staff has transparently not analyzed reductions in property tax revenue that are highly likely to fall short of expectations as citizens facing their own financial shortfalls defer tax payments and foreclosures become a reality. J.C. Penney's recent bankruptcy is a bellwether of the financial crisis that is about to hit. The federal administration and Congress appear unwilling to take the necessary actions to keep the economy afloat with lawmakers even opening discussing allowing the bankruptcy of municipalities.

I respectfully disagree with the general conclusion of the Financial Update staff report which appears to emphasize short-term solutions of selling city assets and increasing fiscal risk through shrinking ending-fund balances. I know these decisions are difficult, but considering the crisis will continue without any end in sight, I believe the city has no choice but to consider significant structural adjustments and personnel layoffs.

Recent budget cycles have seen significant increases in the Police Budget through increased staffing levels that were previously addressed through intergovernmental agreements with our neighboring cities. There is no need for a Cadillac Police Department under these circumstances, we should immediately look to shared policing with Talent and Phoenix during low risk hours and make necessary layoffs.

An immediate and substantial reduction in building projects is also imminent as the economy retracts and readjusts. Although I personally hate to see cuts in the Planning and Building Departments, the needs for these services will undoubtedly drop off precipitously.

Additional revenue streams also need to be considered. I believe it is time to discuss an Ashland income tax. Taxing upper tier income earners who make over \$250,000 per year could keep our community intact while only affecting those who continue to have surplus income during this crisis. I believe the council should move to have staff analyze an income tax for potential revenue generation, tiering models, and the technical realities of implementation.

Again, selling off city assets and shrinking ending-fund balances are never real savings. The B-Street Yard is a valuable asset the city should not lose and high-risk budgeting through spending down ending-fund balances is not a safe or permanent solution.

I believe the Mayor and Council need to take leadership through finding solutions that consider the gravity of the crisis and the realities of a long recovery.

Respectfully,
Eric Navickas

Public Testimony #3

Anticipating the "well we have Street debt to pay", it is very clear that any Street Fund debt can be paid from existing revenue/ fund balance.

There is no reason to violate the voter approved ballot measure. 25% to Parks, 75% to Sewage Treatment Plant. Simple as that:

Special Revenue Fund-Street Fund

	BN 2013/15 Actual	BN 2015/17 Actual	BN 2017/19 Amended Budget	BN 2019/21 Proposed Budget	BN 2019/21 Adopted Budget	Change
Carry Forward Fund Balance	\$0	\$0	\$3,977,740	\$3,762,408	\$3,762,408	-5%
Taxes						
Food and Beverage Tax	0	255,202	1,126,100	1,438,000	1,438,000	28%
Franchise Fees						
Charter Franchise	91,234	93,847	96,700	96,000	96,000	-1%
Ashland Home Net Franchise	23,928	23,661	14,000	14,000	14,000	0%
Debt Revenue	126,991	133,837	11,747,162	11,060,000	11,060,000	-6%
Intergovernmental Revenue	2,342,776	2,536,631	5,311,945	5,007,336	5,007,336	-6%
Charges for Services	4,341,732	4,722,618	3,345,895	3,504,000	3,504,000	5%
Miscellaneous Revenues	361,634	225,754	353,304	168,290	168,290	-52%
Interest on Pooled Investments	48,419	90,529	60,000	200,000	200,000	233%
Total	\$7,336,713	\$8,082,079	\$26,032,846	\$25,250,034	\$25,250,034	-3%

Street Fund Expenses

The Street Fund employees the equivalent of 7.1 FTE. The Street Fund and Stormwater Fund split several employees between each other. The other expenses in the Streets Fund include Materials & Services for street maintenance, along with the cost of completing major street capital projects.

	BN 2013/15 Actual	BN 2015/17 Actual	BN 2017/19 Amended Budget	BN 2019/21 Proposed Budget	BN 2019/21 Adopted Budget	Change
Personnel Services	\$1,954,125	\$2,199,422	\$1,929,177	\$1,939,004	\$1,939,004	1%
Material and Services	3,248,971	3,659,190	4,341,121	4,929,258	4,929,258	14%
Debt Services	264,140	272,007	493,039	251,460	251,460	-49%
Capital Outlay	1,008,370	1,566,253	15,126,255	14,426,425	14,426,425	-5%
Transfer-Out, Contingency, Ending Fund Balance	0	0	4,143,255	43,700	43,700	-99%
Total	\$6,475,606	\$7,696,871	\$26,032,847	\$21,589,847	\$21,589,847	-17%

Russ Silbiger