

**DRAFT BUDGET COMMITTEE MEETING
MINUTES
May 15, 2019
Council Chambers
1175 E. Main Street**

Budget Committee Chair Paula Hyatt called the meeting to order at 6:01 p.m. in the Civic Center Council Chambers.

ROLL CALL

Present:

Julie Akins	David Runkel
Jim Bachman	Stefani Seffinger (Arrived at 6:02 p.m.)
Paula Hyatt	Dennis Slattery
Tonya Graham	John Stromberg
Shaun Moran	Rich Rosenthal
Mike Morris	Shane Hunter
Stephen Jensen	Pamela Lucas

Absent:

None

DECLARATION OF CONFLICT

Jim Bachman, Budget Committee Member and Councilor Tonya Graham both declared possible conflicts of interests.

APPROVAL OF MINUTES

Slattery/Bachman m/s to move approving the April 17, 2019 and April 24, 2019, meeting minutes as presented. All approved.

PUBLIC FORUM

Hulez Gutechon-Ashland- Spoke to measuring carbons and the efficiency that BPA uses. He also spoke to needing education and energy as another part of recycling. He ended by talking about property values and stating that he would be running for Community Development Director.

Catherine Shaw-Ashland- Spoke to related background and the talk of funds being mismanaged. She added that much of this is due to PERS decisions, Measure 50 and other taxes.

ECTS PROPOSED GRANT ALLOCATIONS

Hyatt explained to the Committee the process that the ECTS subcommittee used and the list of allocation presented to the committee. (Proposed Allocations Attached)

Dave Lohman, City Attorney to explained the committee how the declaration of conflicts would need to be stated in relation to the ECTS grants.

David Runkel, Budget Committee Member, noted a potential conflict stating he would not be voting on a motion of Grant Allocations.

Shane Hunter, Budget Committee Vice Chair, Councilor Stefani Seffinger, Budget Committee Member, Mike Morris, Budget Committee Member, Dennis Slattery, Budget Committee Member Bachman, and Hyatt, all noted a potential conflict.

Councilor Julie Akins, Budget Committee Member declared a direct conflict of interests, stating that she would not be voting on the Grant Allocations due to her employment with one of the applicants.

Councilor Tonya Graham, Budget Committee Member declared a direct conflict of interest, stating that she would not be voting on the Grant Allocations due to a member of her household being a vendor of the Artisan's Market.

Stromberg/Morris m/s to move to approve the ECTS Grants as presented to the committee.

DISCUSSION: Mayor John Stromberg, Budget Committee member spoke to the excellent job the subcommittee had done. He also spoke to the spectrum of the organizations presented as representing the heart of what this community is about. Morris agreed with Stromberg's comments. Councilor Stephen Jensen thanked staff for their work in this process. Rosenthal commented that he believes that these grants are what makes Ashland unique, adding quality of life to the community. He added that the funding that some organizations receive helps for them to get their start and that he is pleased to see this go on again for another cycle. **Roll Call Vote, Bachman, Hunter, Hyatt, Jensen, Lucas, Moran, Morris, Rosenthal, Slattery, Stromberg, Seffinger, YES. None, NO. Akins, Graham, Runkel, ABSTAIN. Motion Carries 11-0. STAFF REPORT**

STAFF REPORT

Mark Welch, Administrative Services Director began by presenting the Committee follow up on information requests on the City Band and the Food & Beverage Tax. **(Presentation Attached)**. Jensen asked if the City Charter required the existence of the band to which Welch stated that it does. Stromberg also made comment to the salary of the band director. Moran asked about the basis of the assumptions for the amount presented. Welch responded that it was based on budget projections.

Welch also presented to the committee the previously presented proposal for balancing the budget. He explained what changes have been made based on Committee decisions and new revenue from Fire. Stromberg clarified that the increased revenue was a revenue stream and not one-time revenue. Runkel also asked if a motion was needed for these changes to which Welch stated that it was not needed due to a summary of changes list.

Two items still needed to be decided on, Welch explained were the Public Safety Support Fee and adding back to Police Officers. Funding ideas in relation to this were presented **(Presentation Attached)**.

Stromberg clarified what amounts of funding was needed to achieve the goal of keeping two police officers and three firefighters. Slattery and Akins also asked for clarification on funding for positions and a conversation about adding back police officers. Hyatt and Kelly Madding, City Administrator responded that a School Resource Officer had been discussed. Madding also added that when she had previously spoke about speaking with the School District Superintendent about an agreement on this, she feels doubtful that they will be to come up with half the funds needed. She also discussed other possible options for funding Police and Fire.

Runkel asked about the Operational Levy Option and when it goes to the voters. Welch responded that it could be on the November ballot and it would be collected in 2020. Runkel added that it does not balance the budget in the first year and that there would be a gap in the first year. Akins also clarified that this would need to go back to the voters every five years.

Graham spoke to the process and resolution from previous conversations on 5 eliminated positions and other ideas presented. Hyatt responded that the above ideas from Welch would be added to list but that the committee would move through the budget as they had in previous meeting.

Stromberg commented on the budget situation in regards to Police and Fire positions, revenue enhancements and possible solutions presented. Welch responded that at the previous meeting that most items listed in the proposal were agreed upon, with the exception of the Public Safety Support Fee and the elimination of 6 positions. Welch added that as presented a representation was given if two Police positions were added back in.

Moran spoke to the options given to the committee, asking for more information on using ending fund balance. Welch stated the funds would come out of the ending fund balance to cover costs of operations, stating that this would be similar to using one-time money. Moran also asked about FTE's and looking at Administrative positions as a way to solve presented issues. Welch responded that everything was looked at including what would impact the public the least. Moran further asked about looking at the rank and file of Administrative positions to address the Public Safety Support Fee. Welch explained that this was more of an operational and policy issue, explaining the advantages of having such positions.

Slattery questioned what would have to be done if the Public Safety Support Fee was not increased. He went on to state although Fire and Police are being looked at that the committee could also be looking at Community Development in lieu of revenue enhancements or additional raising of fees. Madding and Slattery discussed what impact looking at a combination of reducing General Fund Departments would look like if Community Development was included. Madding further added that it would have to be looked at as a prioritization of areas by the City Council. Moran also clarified that the reduction was related to the \$860,000 previously presented. Welch also clarified that if two Police positions were not added back into the budget that this number would be \$600,000.

Welch went on to present to the committee on items of Policy Directions (**Presentation Attached**). Hyatt clarified that that these points were ones that were heard from the Committee but that many of them are wrapped in policy that cannot be acted upon by the Citizens' Budget Committee. She also referenced a memo from Lohman on the role of Budget Committee Members (**Memo Attached**).

Lohman also explained the above referenced memo (**Memo Attached**). Hyatt noted that this would be similar to how the Parks allocation is handled, with staff and City Council using the committee's decided on amounts to say how funds would be used. Runkel thanked Lohman for the memo noting that it aligned with State Budget Law as to the role of the Committee. Stromberg clarified the subject of FTE's being reduced by the committee as he believed this would not be in the scope of the budget committee. Lohman clarified ways that such a recommendation could be made by the Committee. Lohman also clarified the recommendations that a Budget Officer can

make as opposed to the committee. Akins asked questions on what could be mentioned. Seffinger also questioned as to the specificity of items like FTE when amounts are motioned. Madding and Lohman clarified to the committee how a motion and discussion could note both. Hyatt also explained to the committee her understanding of how the motion versus the details would look as the committee discussed items.

Welch clarified a previous point in that the target policy to keep ending fund balance at \$3.7 million with a current balance of \$4 million would end at \$2.8 million if \$600,000 a year was used. Hyatt clarified that there are no penalties for going below this limit.

Welch went on to present all the proposals that had been received (**Presentation Attached**).

BUDGET

Hyatt/Slattery m/s to cut additional resources from the General Fund of \$1,006,310 applying cuts to the Fire Department and the School Resource Officer with a remaining deficit of \$356,339.

DISCUSSION: (Handout attached) Hyatt spoke to the presented motion with a handout of details of the funding balance. She added that she took into consideration items discussed previously, starting with the number presented by the Budget Officer and adding funding for Firefighters and the School Resource Officer. She also proposed with her motion a cut of 2.6% to the Parks Contribution, cutting the Economic Development Programs, eliminate 5 FTE's, eliminate \$75,000 of ECTS funding and reducing General Fund Materials and Services by 1%. She added that when she made it she took into consideration of Council goals. Adding that Public Safety was high on the list but that Parks and Economic Development are important and good uses of funds but that looking at the goals hard choices had to be made. The goals Hyatt noted where ones were feedback was given from the community. She added that she does not want a \$5.00 fee to keep firefighters. Runkel asked about a clarifying question to a revenue portion of the proposal in the amount of \$100,000 in the Fire Department. Welch responded that this amount had already been included under the GEMT program. Runkel clarified that another \$100,000 that had been previously presented. Welch responded that they had been overly optimistic, with the \$100,000 being the closer number with all new Fire revenues taken into consideration. Slattery thanked Hyatt for the thought that was put into this adding a point of clarification on the \$75,000 on the School Resource Officer position with funding needing to be at \$150,000. He also added that discussion still need to be had about the final remaining deficit of \$356,000 by looking at all the already noted cut. With this he added there remains \$700,000 in cuts that would need to be made. Slattery agreed that he liked most of the recommendations listed but that he would not support the Parks allocation being cut. As work has already been done to get it right and it would be taking back an already negotiated amount. He also added that he would make a case for Economic Development and Grants. Grants he added can be seed money for many organizations. Slattery went on to say that as he was involved in setting priorities, a discussion was had to fund value added services but that essential services would be given more respect. Jensen stated that he could not support the motion because of the Parks element. He stated that Parks has delivered a bare bones budget through hard work and cuts. Graham asked of staff what concerns they would have about reducing the materials and services by 1%. Welch stated that it would be tough in that much of it is not in department hands including Central Service Charges and the ESCO contract, Ambulance Supplies and legally obligated contracts. Seffinger noted that overtime added value services have been added in departments. Such departments she noted was fire prevention which she added was not the same as essential service but that the position of a School Resource Officer was the same type of reality. She also noted that a position was added to implement CEAP goals, in addition to other various positions that have increased the Budget. Adding that these are the type of positions that need to be looked at to see if the community wants to support a proposal to fund

these, Seffinger noted that positions in Fire and Police make for emotional decisions. Runkel thanked Hyatt for her plan adding that the Committee had to balance the budget and that producing a balance during these times needed careful attention. He also added that reducing spending should be a priority but that everything in the budget has its supporters and that it is hard to reduce spending. He ended by saying that he likes a comprehensive proposal as a starting point and that some parts will be liked and other will not be but that he overall would support reductions. **Hyatt/Slattery m/s to amended the motion to cut additional resources by \$864,000 to fund the Fire Department and School Resource Officer. DISCUSSION:** Slattery clarified what funds were being put back in order to maintain the stated reduction in cuts. Hyatt stated that this would be the parks contribution. Hyatt added that she did not expect the line items presented to be followed by the council. Stromberg spoke to the Public Safety Fee noting that it had been stated as being leveraged. Hyatt clarified that what she presented was that there would be no Public Safety Fee. Stromberg responded that the whole gap would not be reduced through Hyatt's plan. Hyatt stated that this was true that the gap would solve only \$864,000 with close to \$500,000 needing to be solved. Madding asked for clarification on the stated assumptions listed to employ a structure stated by Councilor Graham to put items back to the voters. Hyatt responded that she wanted to structure for the community to engage their opinion but did not include it in her motion. Rosenthal asked if the \$5.00 fee was included in the motion to which Hyatt stated that it was not but that the cuts are to avoid the fee. Rosenthal clarified the motion and asked that it be reread as stated above. Akins asked if the motion as stated would allow the Fire Department to make their own decision on cuts. Hyatt responded that this was correct per what the role of the Budget Committee is. Akins also spoke to the School Resource Officer and noted that if the School District did not seem interested that it should be something that is not funded. Akins further commented on a comment from Councilor Graham on dedicated jail cell funding adding that the funding for this is worth looking at. Madding clarified that her previous discussions with the School District have been more about funding and that if this is direction of Council more talks could be had with the School District to facilitate this. Slattery clarified the total amount needed for a balanced budget after this would be closer to \$500,000. Hyatt went on to state that with a heavy heart that she added the line item in regarding the ECTS grants, adding that she had a solution for council to fund this. This campaign was outlined by Hyatt to the committee (**Handout attached**). Moran asked of Hyatt why she had chosen \$75,000 in Economic Development. Hyatt and Welch explained that this was due to other expenses such as those in Materials and Services, Personal Services and how those related to Council decisions. Jensen clarified that under the proposed plan that the work already done on the ECTS grants would stay intact but that cuts would be looked at in the second year. Hyatt noted that the proposal presented would allow for a funding program to be in place to support the ECTS program. Jensen clarified that a similar strategy would be used for the School Resource Officer position. Rosenthal questioned the funding stated for the School Resource Officer Position and if funding would be restricted to the position. Hyatt noted that she could not do that based on the role of the Committee. Stromberg asked about the community engagement to fund the ECTS grants and what resources from staff would be needed. Hyatt added that she considered this when looking at not cutting more in Economic Development. Moran commented on the \$75,000 and the viability of it should programs be cut. Madding responded that staff help to facilitate many of these programs with some of the funds going to the Chamber of Commerce. She added that this takes up a small part of the FTE allocated for this program. She also stated the importance of the program. Adam Hanks, Assistant to the City Administrator stated although there may be an offer to participate in some programs the offer may not come without a contribution. He also spoke to projects that for regional economic development, including projects in ecommerce and projects with AFN. Rosenthal commented on return of the investment and how it is hard to see what the actual results are although the funding is needed. He added to not continue with funding would be embarrassment around the region.

Akins responded to reducing materials and services by 1% and asked if this would be realistic. Welch responded that this would need a plan that staff would have to come back with but that much of the funds are not discretionary and are out of the control of the departments, translating to 5% to 10% in discretionary spending for departments. Hanks commented that in relation to Economic Development the materials and services budget takes into consideration internal service fees and dues. Bachman added that he thought it might be best to break the motion up into smaller motions as it was becoming too hard to follow with all of the details being discussed. He added that he would have trouble supporting a motion with so many moving parts. Stromberg agreed adding that the ideas are very conceptual but are being applied to a complex organization, but that there also needed to be a sense of the impact that would be had. He also added that when this comes back to the Council that they will need to take into consideration the financial lenses of what the goals are. Runkel commented that although Economic Development is on the Council's priority list, restrictions placed on developers is the reason why things have not been moved forward and that a decision was previously made not expand the urban growth boundary. This decision he added will limit the amount of land that can be used for development and that many businesses with the potential for job creation are going elsewhere. He suggested a two-year hiatus for the City and the Chamber of Commerce to come up with a plan for economic development and studies to be completed. He also stated that this was the reason for his suggestion in the previous week for funding only the Festival of Lights Parade, as his understanding is that the City's priority is low for Economic Development. He commented as well that the SOREDI program was very valuable, as he has borrowed for his own business expansion. Seffinger clarified that the motion was still being debated or if smaller motions are now being debated. Hyatt asked of Lohman if the motion divided into smaller parts would cause problems. Lohman responded that he believed it would but that by taking each appropriation individually by the department it would be better. Slattery added that he was concerned that as a motion is on the table and other downline motions are being talked about that it may be best to have the motions seconded, amended or voted on. Hyatt suggested that the motion be voted on and then bifurcated and Stromberg clarified that a point of clarification during a motion was something that could be asked. Slattery added that he was trying only to keep the meeting going as there was a motion on the table. Moran suggested that the motion be withdrawn and that the committee could then take up the individual points, looking at more as census view. Graham suggested looking at the motion how they had in a previous meeting by and agreeing on each line item. **Hyatt withdrew the motion as stated.**

She went on to say that she would like the committee to go line by line as suggested by Graham. Bachman suggested to this that he would like the committee to consider a vote on large parts of the proposal that are within the authority of the Committee.

Bachman/Hyatt m/s to move to approve additional resource cuts as proposed of \$462,260.

DISCUSSION: Bachman spoke to the motion stating that with previous complex motion he supported parts of them but could not cope with them as a package. He went on to state that he believed the cuts he proposed passed a committee consensus the week before, so he would like the Committee to now vote on it. Hyatt added that she agreed and had nothing to add. Akins clarified that this would entail the first three items of holding the Parks Contribution Flat, Reducing, Fire OT, and the GEMT Program. Bachman confirmed. Hyatt also confirmed that the GEMT program was actually a revenue as also confirmed by Welch. **Roll Call Vote, Rosenthal, Hunter, Graham, Moran, Hyatt, Jensen, Morris, Akins, Bachman, Slattery, Stromberg, Lucas, Runkel, Seffinger, YES. None, NO. Motion Carries 14-0.**

Bachman/Jensen m/s to move to approve revenue enhancements listed totaling \$397,698.

DISCUSSION: Bachman spoke to the motion adding that his reason for the motion was the same as his previous motion, reiterating that this was discussed before and that he would like to make it official. Jensen agreed. Rosenthal asked for clarification on the AFR fee, as he questioned if it would also include funding for staffing. Welch responded that it could. Akins also asked what exactly this would include in the fee. Chris Chambers, Forestry Division Chief explained that these fees would help pay increases in operational costs, expanding the resolution for spending of the fee to include staff to help offset the general fund. Madding expanded on this stating that there would be an expansion in the resolution as well for money to be spent on State and private lands. This resolution would also be based on Council approval, she added. Lohman asked if Akins would need to declare a potential conflict. Akins stated that she believed her place of employment is connected to the Ashland Forest Resiliency plan and that she believed that she does not personally benefit, but she is unsure, as she believes her position is funded by another grant. She believed it was best to disclose this and that it would be up to the Committee to decide if it was an actual conflict. **Roll Call Vote, Lucas, Graham, Hyatt, Jensen, Morris, Akins, Bachman, Stromberg, Rosenthal, Runkel, Seffinger, Hunter, Slattery, YES. Moran, NO. Motion Carries 13-1.**

Hyatt recapped with the committee that the remaining deficit was at \$1,190,281.

Rosenthal requested and that the Committee take a five-minute recess. The committee then took a short break.

Hyatt called the Meeting back to order and explained to the Committee where they were at prior to votes being formalized with cuts of \$462,260 and new revenues at \$397,698. With the remaining deficit was at \$1,190,281. Welch confirmed this total.

Runkel/Moran m/s to move reduce the Administration Budget by \$316,909 in the two-year budget. **DISCUSSION:** Slattery disclosed a potential conflict of interest. He added that although these are services purchased not granted that he would be able to make an unbiased decision would not be true. He stated that he would abstain from voting. Runkel stated that he would like to reserve \$35,000 of funds for the annual Pre-Christmas parade, as it is important to downtown business. Moran asked of staff to clarify what the remaining budget to would be. Welch responded that this would remove everything but the Festival of Lights cost. Runkel confirmed that this was correct. Madding went on to note that if \$316,909 was removed from the total budget of \$366,909 total funds of \$50,000 would remain at \$25,000 a year. Runkel stated that after looking at the numbers he thought that the total for the biennium was \$50,000. Welch clarified with Runkel that his intent was to cover the costs for the festival of lights at a total two-year cost of \$70,000. With the total the remaining amount being \$331,904. Moran asked if this was over the biennium and Welch confirmed. Moran stated that this was a large amount and that if Safety, Fire and Police were prioritized and gave Economic Development a two-year hiatus, that in getting to the \$500,000, \$331,909 could be used. Hyatt clarified with Moran that this amount was actually over \$1,000,000 not \$500,000. He also stated that his other concern was in the original motion, \$75,000 was proposed to be cut and that this would then cut programing itself which he did not think it would then be valid to continue to fund the rest of the program, as there is nothing left to fund. Essentially he noted that by cutting \$75,000 the program is no longer funded. Hyatt asked of Welch that if the \$75,000 was cut that her understanding from Hanks was that the Materials and Service dues would still remain. Welch confirmed that this was true. Hyatt also asked to confirm that there would still be functionality within the Materials and Services and Personnel funds with reduced contributions having to be made. Moran confirmed that although Fire and

Police is wanted that Economic Development and Tourism is essential to our Economy, but that if it came down to deciding he would have to look at this as a better option, then cutting Police or Fire. Morris stated that he could not support the motion due to the basis of income that comes from tourism and related activities. **Runkel/Slattery m/s to amended the motion to state that a motion be made to** reduce *the Administration Budget by \$331,909 in the two-year budget.*

DISCUSSION: Jensen stated that he would be able support some cuts but not as many cuts as stated. Akins asked what it would mean if this many funds were taken out. Welch responded that the program would be no longer and that the 2.5 FTE that it is funded through it would be allocated in other ways. Materials and Service funds as noted before that help to fund Central Services, would make then be under-funded. Another quarter of an FTE would have to be reallocated to another function most likely in Central Services. Madding also stated that if there is traction to cutting some and leaving some that she would like to keep items such as Festival Lights and Business Retention and expansion. The Business Retention and expansion allows the City to go out and speak with businesses on what their plans are. She added that this program in the past has been able to find solutions for business that were thinking about leaving Ashland. She also stated that this is the one of the only ways that direct contact in the business community and that these would be the major items that would not been done. Other items she noted that would also not take place were the video/production portal and the Living and Doing Business Guide, which is an item that may not be able to happen without a City contribution. These items she added had not been vetted. Akins added that she thought it would be helpful to speak to a business professional who has been effected by these funds. Seffinger added that as the liaison to the Chamber, she sees small parts like working with Wellness, as things that others do not know occur and would have an impact on the tourism industry, ultimately effecting the tax base. This tax base she added would also effect a way to pay for services like Fire and Police, as it is depended on. Runkel added that this is a program that needs to be improved on and given more attention to as opposed to letting it go and that items like surveys have had very little impact. He also added that if more funds were available he would propose adding more funds allowing for obstacles created by the City to be looked at but that in leaner times this would be less of a priority. Stromberg stated that the Economic Development relationship between the City, the Chamber and other organizations is something that he has been following for years and with his experience it deals in very fine way with all kinds of economic activity within the Community. Through the program he added the Chamber and the City attending to the health and the needs of a very wide spectrum of business and providing tools and information for those who want to start business here. He also went on to say that when Madding explained a project in which every 5-years members of the Chamber collaborating with the City have confidential conversations with business and ask questions on each business venerability and plans for expansion information can be used to look at key resources. This he added is a remarkable program and not one that many areas are able to achieve, as it is done on such a personal basis due to the years of relationships. He stated as well that this is not a program where items like widgets could be added to achieve results, its results go to the heart of individual businesses that make up the heart of the community. Adding that when you get into the details of the program and you see the examples you see how concrete, sophisticated, valuable and is essential it is to the community, Stromberg also stated that although prioritization had been done the Council they will look at the budget and compare it very general ideas and what happens when pieces are pulled out of an integrated organizational activity. He also stated that he believes that is one of the most valuable and cost effective things that is done and that he does not believe that this is an inadequate program that needs to be beefed up, and what it is doing has made the community what it is and that this vital. Moran stated that he appreciates what was said by Stromberg but that he suggesting that because there are no details and definitive clarity behind what programs achieve what results, and no focus on this that this is the reason why he would like to make cuts. He added

that he believes the Community has invested in this at over one million dollars, and that he would expect there to be a tangible return and that he has not been able to see this, as more specifics are needed. He also added that he would agree with what Runkel said in that in plush times you can invest in this, but that when it comes down to prioritizing Fire and Safety, that having over \$300,000 on the table that can't be qualified makes no sense to him as a business person. Hyatt stated that she agrees with Jensen in that she would support a lesser cut as there is opportunity and that she sees the educational points that have been made. She then stated to the committee that she would take the final round of questions. Akins commented that she sees how heartbreaking this process is and that is not for the faint of heart, but that added that a building fee increase and increases to AFR fees was just passed and that these will have an impact on people, but that with all of the decisions it will help some and impact others. Looking at this she added that as she talks with business that if utility fees are increased that some of them will go out as they cannot afford it. She further explained that if not increasing fees helps these businesses and cutting then this is very important, as they already pay large amounts in rent and utility fees. She is concerned and added that if she could be assured no fees like those associated with utilities would be added it would be easier choice but that she is not convinced of this.

Jensen/Bachman m/s to move the question. Hyatt explained to the Committee what it means to move the question. **Roll Call Vote on motion called to be moved. Hyatt, Jensen, Morris, Graham, Bachman, Stromberg, Runkel, Seffinger, Hunter, Rosenthal, Akins, Lucas, Moran YES. None, NO. Motion Carries 14-0.**

Roll Call Vote on Motion, Runkel, Akins, Lucas, Moran, YES. Jensen, Morris, Stromberg, Bachman, Hunter, Rosenthal, Graham, Hyatt, Seffinger, NO. Slattery, ABSTAIN. Motion Fails 9-4.

Morris commented on a statement made tying utility fees to other fees saying that he would like to understand from staff the connect between these fees and General Fund. Welch explained that the point that was trying to be made by Akins was that the proposed budget includes a \$5.00 Public Safety Support Fee and that if this fee was not enacted that an amount of \$600,000 would need to be come up with. One way he explained that funds could be raised would be a reduction on the Economic Development Program. Morris commented that this would then be related to the Public Safety Support Fee and not Utilities and Stromberg added that these would be tied to people with Utility Meters.

Hyatt/Runkel m/s to move to reduce the Administration Department Funds in the amount of \$75,000 annually and \$150,000 total for the biennium. DISCUSSION: None **Roll Call Vote, Runkel, Akins, Moran, Hyatt, YES. Stromberg, Bachman, Hunter, Rosenthal, Morris, Graham, Seffinger, Lucas, Jensen, NO. Slattery, ABSTAIN. Motion Fails 9-4.**

Runkel m/ to move to reduce Community Development by \$720,000 and increase the Fire and Rescue Budget by a similar amount. DISCUSSION RELATED TO MOTION WORDING: Welch clarified to the Committee that the firefighters are already in the proposed budget so it would not change the Fire Department apportions only allowing an add up of three and that what he thought was trying to be said what to reduce Community Development by \$720,000 over the biennium. Hyatt asked Lohman if this needed to be worded differently. Lohman stated that a clarification was needed as there are a number of Community Development appropriations with those being Community Development Planning Division, Community Development Building Divisions and Community Development Social Services Grants. He suggested that it was not known what line

items would be reduced. Hyatt asked of Welch if some of the allocations are necessary by State Regulations with staff needing to be in place to address regulated activities. Welch responded that some of it is, to which Hyatt then asked which of the funds this amount would be located in. Welch went on to say that you be looking at the Building and Planning divisions with Social Service Grants being apart of Grants. **DISCUSSION:** Runkel stated that the motion would allow for the Community Development Department to decided where reductions would be made in keeping with State Law. Lohman stated that the motion may still be in a gray area by which it is still being left to staff to decide what appropriations would be cut into, but he thought that the intent was to be more specific than that. He added that especially within the building division an understanding of what the consequences would be. Runkel responded that he did not think that sitting at this table that they were prepared to decide were those cuts would be and how the departments should implement a cut, but that a targeted number was appropriate to leave to the departments to be decide. Lohman suggested changing the motion to reflect the appropriate funds that reductions would come from, what the amount is, and that it would be left to Administration to determine how those cuts would be split. Runkel clarified the motion as stated, **Runkel/Moran m/s to move for a reduction of the Community Development Departments Budget by \$720,000 in the Planning and Building divisions over two-year period under the direction of the department.** **DISCUSSION:** Runkel stated that as the Committee is trying to find ways to reduce City spending instead of raising taxes, fees and charges and that in the General Fund there are limited places to this, with Departments such as Police, Fire and Rescue, Community Development, and Administration. He added that this was a way that the City could save money and that with the Urban Growth boundary not moving for the next 10 years that there is not a need for this as expanding will not take place. He went on to say that many like the City the way it is and the activities of Community Development are a lower priority than those of Fire and Police. In all he added this would eliminate the need for a surcharge, saving electric payers \$600,000 a year, he urged its approval. Moran agreed with a similar comment to Runkel's made by Slattery, adding that he would agree that if \$600,000 in surcharges could be saved he would support that. Morris added that he could not support this, stating that the work of Community Development is tied in very closely to the work of Economic Development. He added that if one is cut Community Development will have an effect on Economic Development as well, as they are service organization. The building department he added may be contracted out the County, and that arbitrarily taking out this amount of money would be a hard thing to do. Slattery asked if you don't increase the Public Service Fee at \$500,000 to \$600,000, and the Fire Department is kept whole, and Police is kept without the 2 FTE positions discussed, where would cuts come from after that. He went on to say that that he would leave this for the Administration to figure out whether this be cuts to other Administration positions and/or making a smaller Community Development Department. He added that they are in a challenging environment and that there needs to be a way to right size this as the General fund has a long way to go with keeping the priorities in line. If cuts are not what is wanted, then the people of Ashland can be given a choice to vote, he noted. He also stated that too often a Public Safety Levy is gone after and that it would seem that if this is not passed that firefighters would be cut which he does not like. Seffinger commented that she would look at it like Slattery and looking at positions that are not currently filled or will be vacated soon, that the City has gone without. She added that this would apply to a number of departments and would like it to not apply to just one department. Stromberg spoke on the topic of cutting hundreds of thousands of dollars out of the budget and his recent experience with a developer working on an important project with Community Development. The developers experienced with Community Development is a process that is going well with there being a lot of details to the project. He added that other things that department does in regards to what is regulated includes planning actions that they have to approve according to regulations. One such regulation is the timing of when a decision is rendered, and if not approved probably can cause a written approval

from a Judge, which makes it approved as submitted. If understaffed, he stated staff working through these projects could not have deadlines met, even at only 20%. This would then cause what he explained as projects defined by the developer and not by the land use laws. He added in the big picture of all the details and his experience he has seen things cut out adding that the City has gone beyond what can be done without, which has added to the level of quality. One example he added was with the Police and having enough officers on the streets to deal with situations and build relationships that draw people into self-managing rather than using laws and arrests. As the City does not have a Public Information Officer, it often is a scramble to get information out from employees doing other kinds of work he also commented. Because of these situations he is hoping that some other forms of funding can be used to get the City through the next two years adding that the cost of Government is going up. Looking at other ways he also stated that some in the Community may be willing and able to meet these costs increases, but also looking at those who cannot afford these increases. Runkel stated that he would like to call the question, but first added that his motion does not gut the Department as its total budget is over \$5 million with a needed \$4.3 million to carry out its functions for the next two years. He also added that the job needed to be done as commented by Stromberg can still be done. Morris added that this has been done before and a Code Compliance Officer was eliminated and the Bed and Breakfast Network was the first to complain. A salary of one person was saved but there was no code compliance for Air B&B, he stated. He also commented that the City needs to be careful in taking this much money out of the Department. Akins commented that she needed more information from the Department in order to make a decision. Madding added she has conversations with the Community Development Director and Staff on what cuts would look like. The Department she noted is small with 15 employees at about \$360,000 per year and with cuts four to five people would be eliminated, leaving 10 employees. She further explained that those 10 people can continue a building program, adding that this is important to be able to either contract out with the County, a private company or turn the program back over to the State. If local jurisdictions do not take the program then the state would have to take it, Madding added as well as this would have to be administered from Salem. She also commented that other ramifications included would be with collected fees and spending associated with them. In the case of planning she added that what would be left would be a Department that could process current applications within the statutory timelines, but she is not sure based on workload that is currently at pre-recession levels that Long Range Planning, Code Enforcement, and Housing planning could not be done. She added that items like those associated with House Bill 2100, that requires planning for an increase to housing supply, would require a code change. These items would be different from land use applications and would require staff to complete. She also responded to Slattery's comments adding that a combination of solutions could be looked at as well. Moran asked Madding to clarify about the cost of \$360,000 for staff and that he thought if the Director position was not filled it would be a savings of \$230,000. Madding responded that was correct, to which Moran added that they were talking about a \$112,000 difference per year. He added that this was a substantial difference and that if the position was cut that 4 to 5 people would not have to be cut. Madding responded that it could be looked at to do something different from an Administrative perspective, adding that there are pros and cons with more pros than cons. She went on to say that if the Budget Committee did recommend these cuts to City Council, that staff would provide to the Council ideas on what to do. Moran commented that he just wanted to quantify this. Jensen added that he thought this was too large of a cut but he would support an amount closer to \$100,000 as opposed to the amount on the table. Bachman added that he agreed that he was not in support but went back to an amount of \$30,000 in cuts at the direction of Staff and he would not support the motion. **Roll Call Vote on motion called to be moved. Runkel, Moran, YES. Seffinger, Slattery, Lucas, Rosenthal, Akins, Morris Bachman Hyatt, Stromberg, Jensen, Hunter, Graham, NO. Motion Fails 12-2.**

Bachman/Seffinger m/s to move to accept the Budget Officers recommendation to remove \$530,000 from the Personnel Budget in the General Fund. DISCUSSION: Bachman added that this is a similar amount to that proposed by Runkel. Seffinger added that leaving it to the discretion of staff is best as they know it better of the specifics of what is legally needed and that she does want to leave out a non-line staff position in Fire, as it would not affect essential services. Hunter added that he trusts that a lot of work has been done to come to this number in analyzing and figuring out where best this cut can happen and that as much as could be done has been done to balance to the budget including talking to Departments. He stated that he would support this. **Roll Call Vote, Hunter, Runkel, Moran, Bachman, Hyatt, Stromberg, Jensen, Graham, Seffinger, Slattery, Lucas, YES. Rosenthal, Morris, Akins, NO. Motion Carries 11-3.**

Hyatt recapped with the committee what the remaining deficit was at \$660,281. Welch added that this was correct and that the total was now close to that of a Public Safety Support Fee from the original proposal.

Graham asked to the Materials and Supplies reduction at half the amount previously reported. Welch responded that whatever Budget Committee was to adopted and Council adopted Staff would figure out a way.

Graham/Slattery m/s to move to that a reduction be made to General Fund Materials and Services by 0.5% at an estimated \$132,000 DISCUSSION: None. **Graham Withdrew Motion as stated.**

Graham suggested taking each budget by line item in order to inform staff on the how a total number was achieved. Moran asked for clarification on what this would mean for the Committee and Hyatt explained.

Slattery explained what these totals would look like. Graham suggested again doing a line item review of each individual items so it can be taken as a package.

A reduction in General Fund Materials and Services by \$132,000. *Support of the elimination of \$132,000 in General Fund Materials and Services had a majority in favor.* Moran clarified that a larger amount at \$363,000 or a 1% cut could no longer be voted on, to which Hyatt stated that a motion could still be made but that the Committee was currently trying to see where agreement was and that based on the consensus made that there is likely support for a 0.5% reduction. Stromberg asked if the item could be deliberated on and Hyatt said they could proceed. Stromberg stated he thought this meant that it was saying that there was not an idea on how this would work out but that somehow it must be possible, and this is where you get as he explained schools were teachers are buying their own supplies and that it is abstract. Moran responded that there is no proof that 1% couldn't work and that it should be looked at how to get there. Hyatt added that she appreciated all perspectives but that the conversation needed to start somewhere, so that motions could be made in generality.

Slattery also discussed the options previously stated adding that at some point it has to be figured out and that it would help to put other items on the list.

Bachman brought a conversation to the committee regarding the Public Safety Support Fee adding that if it was not supported by the Committee it may be the time to on the record to say that. Slattery commented that he thought it would be best to do this by way of motion.

Rosenthal/Morris m/s to move *that the following adjustment be made, that the two Police Officers proposed to be eliminated be added back understanding that this will increase the budget with also adding commiserated revenue in the form of an increase to the Public Safety Support Fee to cover the remaining balance.* **DISCUSSION:** Hyatt and Slattery confirmed that this remaining balance would be somewhere in the \$7.12 range. Welch confirmed. Stromberg also asked and confirmed with Welch that this would be per meter. Rosenthal commented that although there is a philosophical divide on the issue and he respects all sides and he believes that the Budget needs to get balanced. He added that when talking about levels of service, that this has been gotten to over the years based on what the Community has wanted, as this is important to them. He added that he understands that this will bring a sharp divide in the Community, along with some no votes. He also stated that they are talking about right sizing the Community but that this would mean reductions and that reductions mean lowering the levels of service including three full time Firefighters and two Police Officers. He added that he is speaking to the Public Safety part of this and that the philosophical decision that has to be made impacts the Heart and Soul of Ashland as we know it and like it. The question he asked is to cut now and then at a future point in November ask voters if they agree with the decisions to cut, adding that he believes it may be more difficult to cut and add back. He also stated that he believes that this needs to go to the voters, but that the best way to do this would be to maintain the level of service as it is now, make the adjustment in the Public Safety Support Fee acknowledging it will not be great for some people in the community and knowing that others would like positions to be retained. If the Voters are to vote he added, then majority of people have spoken and cuts are made and the budget is balanced without a fee. He went on to say that those in favor of this fee are not necessarily always heard from and that the Budget needs to be balanced even as he respects any no votes. He added that he knows he will receive criticism but that believes that it will tear people apart if not solved or not looked at in a different approach. Morris added that he agrees with this, adding that he too hates cutting and adding items back, especially things that are unknown. He also suggested that at one time things like a ticket tax were being considered but does not know what happen to them. He added that he likes and supports the idea because you know where the fee is going to. He also stated that he hears from a lot of people on this and that in this situation items like PERS and other external items cannot just be wrote off. Jensen also commented that he would support the motion clarifying the that the amount of \$7.12 would be the total. It was clarified by the committee that this would actually bring the total to around \$8.50. Jensen also added that there are ways to help those with high utility bills that are needed in the Community. He went on to say that there is some resistance to the fee from a philosophical and pocketbook standpoint but that when it comes down to it that many in the Community have seen the light with emails and other communication noting overwhelming support for this and this needs to be listened to. Seffinger commented that by saying that the fee is for Public Safety that other reductions cannot be made as and that she does not want to see Police and Fire reduced she believes that there are other ways of making reductions. She added that by calling it a Public Safety support fee without looking at other positions would not impact the City's operations to that degree that would impact essential City services. And that it ought to be considered. Runkel commented about Rosenthal's previous comment about the effects to the heart and soul of the Community adding that that those that are being talked about are the ones on the edge as this is a fee that goes on the Utility Bill and that it will hurt the people in the community leading to a reduction of low to moderate income people living in Ashland. He went on to say that those who can pay for this do not see this as a big concern but to others in the Community this is very important. To Jensen's point Runkel also added that although there is support his understanding is that assistance only applies to those making under \$12,500 a year, which does not help a lot

of low income people. He also stated that he believed that such assistance was limited to \$200,000 a year with the City only helping the very low end but those who are not in other low income situations. He also commented that the Committee needs to keep in mind that people who work here should be able to live here and that by raising fees the City becomes less affordable. He added that he will oppose the motion as he would like to see how money could be saved rather than continue to raise rates, fees and taxes. Slattery thanked everyone involved adding that these are tough decisions and that it is important that everyone remembers that this is the democratic process, which is why the group of 14 is there. He went on to say that this is collective wisdom so that thoughts and ideas are put out and discussed and stated that although he supported the motion be brought forward that he would vote against it. He stated that he comes at this as being part of an organization that had cuts through retrenchment and that getting to this gives way for opportunity, looking at what is being given back for every dollar spent. Looking at the opportunity in front of the Committee now he is attached to including Police Officers rather than using fees to pay for them. He added that another opportunity is to work resources to their fullest without constantly reaching for more revenue enhancements, as this is becoming challenging. The opportunity he stated is to learn how to live within the City's means, adding that he is not in favor of revenue enhancements in general and that no matter how new revenue is received it will cost people money. He then commented that the Committee needs to decide how to overall live within the resources it has. Stromberg stated that he disagrees adding that the situation that Slattery spoke of about the two different institutions. The City he added does many foundational items that enables the rest of the City to exist allowing Ashland to be Ashland. He went on to say that the Council needs to have a clear understanding of the responsibilities for the services that have been provided and have then be trimmed and cut as costs have had to be absorbed. Infrastructure he added is another item that needs to be looked at as is the most vulnerable part of the budget and when arguments are made to put this work off the ability to rebuild a crumbling infrastructure is lost. He added that the focus should be focused on services that are being provided and that services are just not dialed back but some are gradually scaled back as it is explained to the Community. He added to Runkel's point that explaining to the Community means also looking at the subsidy program is something that Council should be looking at as they bring it to Community to refine. He also added to Rosenthal's point of bringing a cut or broken budget and then saying to the Community it will be restored to health needs if the Community decides. Akins commented that she appreciated the tone of the conversation being on a human scale and that finding a compassionate way is difficult. She spoke to Seffinger's comment of going the middle way and added that she felt that this was the way to go. She went on to say that although she appreciated the way the motion was made she cannot support it at this point, as she feels rushed adding that she would like to look at other small ways as presented by the Committee to reduce the budget. Adding that this would be tedious she stated that she wanted to look at these ways before adding any new fees. She stated that she has heard from people that do want to lose firefighters and she understands, but that more work needs to be done before any fees are added. Bachman commented that he agrees with Akins that this does feel rushed and that the Committee has one more week in until the City Administrators hard stop. He added that he did want to make a decision just to make a decision and that he would like to consider tabling this until the next meeting, looking more at the middle path option and looking at a portion of using ending fund balance. Stromberg clarified and Bachman responded that he was not making a motion but that he was agreeing with Akins to slow the process down. Stromberg stated because he feels that a conversation regarding this motion has started he would like to motion to table it.

Stromberg/Bachman m/s to table the previous motion to the next weeks Committee Meeting.
DISCUSSION: None **Roll Call Vote, Akins, Bachman, Graham, Hunter, Hyatt, Moran, Morris, Rosenthal, Runkle, Seffinger, Lucas, Slattery, YES. Jensen, NO. Motion Carries 13-1.**

Madding asked the Committee in preparation for next weeks meeting if there was anything that Staff could do to help the Committee. She added that these questions could be emailed and then circulated and comment on them. Slattery clarified where the next meeting would open with the motion that was tabled. Lohman responded that the motion should be stated more as a motion to postpone to a date certain. Slattery further clarified that the Committee would not be walking into a meeting next week with the motion open to which Loham stated that the motion would just need to come up in the meeting. Hyatt asked for more information on a potential cut to Materials and Services. Madding responded as to this being more discretionary, but that information would be brought back on this. Hyatt added that the best format may be to look at what is discretionary and what is not. Seffinger requested more information on unfilled positions. Akins asked for more information on a previously carried motion at \$530,000. Welch and Hyatt explained that the details to this were in the Budget Officers message. Hyatt went on to confirm with Welch that the remaining deficit was at \$660,000.

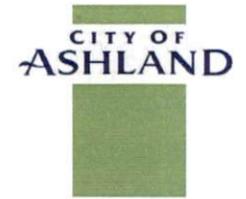
ADJOURNMENT

Seffinger/Graham **m/s** to adjourn. Meeting adjourned at 9:45 p.m.

Respectfully submitted,
Natalie Thomason
Administrative Assistant

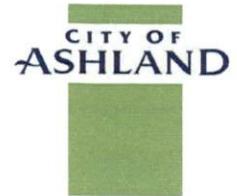
City of Ashland Budget Presentation

MAY 15, 2019



Introduction

- ▶ Tonight's Agenda
 - ▶ Follow up on received informational requests
 - ▶ Deliberations
 - ▶ Recommendation of Budget/Property Taxes



City Band

- ▶ \$66,000/year

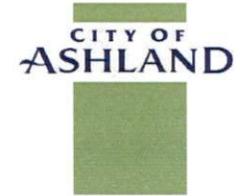
- ▶ \$4,000 for Band Director

- ▶ \$41,500 Band Stipend

- ▶ \$20,500 Supplies (including Central Service Charge)

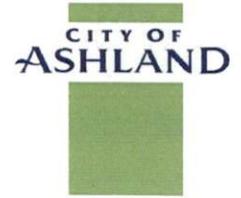
- ▶ City Charter

- ▶ ARTICLE 21 City Band Section 1. At the time of making the tax levy for general City purposes each year, the Council shall cause a careful estimate to be made of the money required for the purpose of a City Band for the ensuing year, such estimate shall be presented and considered with the other items in the annual budget and there shall be included in the general levy for the ensuing year not to exceed six-tenths (.6) mills on the dollar for such band requirements, which fund, when collected, shall be deposited with the City Recorder, subject to the order of the Council.



Food and Beverage Tax

- ▶ Each 1% increase generates approximately \$600,000
- ▶ Council placed the tax on the Ballot in 2016 for voter approval for a change in both the sunset date and allocation of the revenues
- ▶ Council able to modify the Tax without voter approval



Budget Officer Proposal

Expenditure Reductions

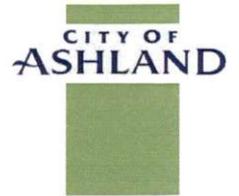
Revenue Enhancements

Budget Officer Proposal			
Parks Contribution Held Flat	262,260	Increase Building Fees	95,000
Eliminate 6 FTE (2 Police, 1 Admin, 1 Admin Services, 1 Court, 1 Community Development)	530,000	Utilize Health Benefits Reserve	100,000
Reduce Fire OT	100,000	AFR Fee Increase	202,698
GEMT Program and Ambulance Billing Changes	100,000	Public Safety Support Fee (\$5)	600,000
Total Expenditure Reductions	992,260	Total Revenue Enhancements	997,698

Total Exp. Reductions & Rev. Enhancements 1,989,958

Local Marijuana Transferred to Housing Trust Fund.

GEMT and Ambulance Billing replaced



Budget Officer Proposal

Expenditure Reductions

Revenue Enhancements

Budget Officer Proposal			
Parks Contribution Held Flat	262,260	Increase Building Fees	95,000
Eliminate 6 FTE	530,000	Utilize Health Benefits Reserve	100,000
(2 Police, 1 Admin, 1 Admin Services, 1 Court, 1 Community Development)		AFR Fee Increase	202,698
Reduce Fire OT	100,000	Public Safety Support Fee (\$5)	600,000
GEMT Program and Ambulance Billing Changes	100,000		
Total Expenditure Reductions	992,260	Total Revenue Enhancements	997,698

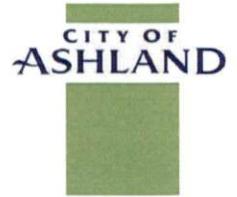
Total Exp. Reductions & Rev. Enhancements **1,989,958**

\$860,000

Budget Options

\$860,000

Operating Levy: \$0.30 per
\$1,000 of Assessed
Valuation



Budget Options

Operating Levy: \$0.30 per
\$1,000 of Assessed
Valuation

\$860,000

Public Safety Support Fee:
\$7.12



Budget Options

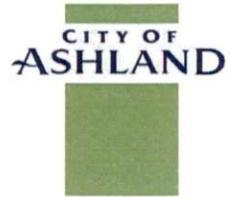


\$860,000

Operating Levy: \$0.30 per \$1,000 of Assessed Valuation

Public Safety Support Fee: \$7.12

Additional Expenditure Reductions

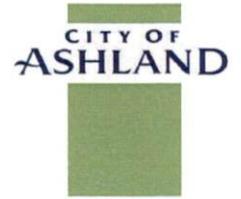


Budget Options



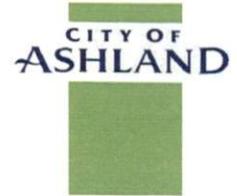
Budget Options





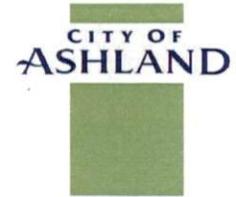
Policy Directions

- ▶ Ambulance Analysis
- ▶ Labor Contracts (Compensation Committee)
 - ▶ PERS
 - ▶ Healthcare
- ▶ Capital Projects (CIP)



Follow Up/Information Received (annual numbers)

- ▶ Proposal to Reduce Community Development \$360,000/year
- ▶ Proposal to Reduce Administration \$125,000/year
- ▶ Proposal to Reduce Economic Development Program \$158,455/year
- ▶ Proposal to add back to the budget 2 Police Officers and ask the voters to decide on an Essential Service Fee
- ▶ Proposal to balance General Fund and also to ask voters for approval of revenue sources
- ▶ Proposal to reduce Enterprise Fund \$6.4 million
- ▶ Reduce Allocation, Eliminate Econ. Dev. Program, Eliminate 5 FTE's, Eliminate ECTS & Social Service Grants (year 2), Reduce GF (materials & services 1%)
- ▶ Proposal to reduce the CIP for City Hall from \$400,000 to only what is required to nominally fix City Hall
- ▶ Resilience Bond Proposal



Budget Approval Motion

- ▶ *"I move to approve the City of Ashland 2019-21 biennial budget and recommend the budget to the City Council for adoption, approve the property tax levy in the amount of \$4.2422 per \$1000 of assessed value for fiscal year 2019-20 and fiscal year 2020-21 respectively, approve property taxes for the payment of general obligation principal and interest bonded debt in the total of \$512,987 for fiscal year 2019-20, and \$219,173 for fiscal year 2020-21.*

(If budget has been revised, then "as revised" should be added to motion)

Memo

DATE: May 14, 2019
TO: Budget Committee members
FROM: Dave Lohman
RE: **May 8, 2019 Questions About Budget Committee Role in Proposing Changes to Utility Rates and Capital Improvement Projects**

In hopes of illuminating relatively fine but important legal distinctions, I have taken the liberty of re-stating slightly the inquiries near the end of the 5/8/19 Budget Committee meeting about the legal appropriateness of focusing on particular utility rates and capital improvement projects.

QUESTIONS AND RESPONSES

- A. Question: Does the Budget Committee have legal responsibility or legal authorization to make recommendations to City Council concerning specific utility rates?

Legal Opinion: No. Only the governing body (City Council) can set utility rates. Because setting utility rates is outside the legal authority of the Budget Committee, a motion from a member of the Budget Committee to change a utility rate would be subject to a Point of Order.

A motion to decrease the proposed appropriation for a particular fund by \$X could be in order and could be supported in deliberation on the motion by arguing that Council has the ability to reduce revenues from rates – or from a particular rate -- by the same amount, so as to balance the revenues and expenditures for that particular fund.

But a motion to revise a utility rate already adopted by Council would be improper.

- B. Question: Does the Budget Committee have a legal obligation or legal authorization to make recommendations to City Council concerning specific capital improvement projects?

Legal Opinion: No. Council has already approved a list of capital improvement projects based on masterplans, rate studies, and other long-range plans. Only Council has legal authority to change this list. For each capital improvement project in each fund, the expenditures for the portion of the project expected to be undertaken in the next biennium are summarized in the budget. Because deciding which capital improvement projects to undertake and when to do so is outside the legal authority of the Budget Committee, a motion from a member of the Budget Committee to delete



funding for a particular project would be subject to a Point of Order.

A motion to decrease the proposed appropriation to a fund for a particular organizational unit or project by \$X could be in order. Such a motion could be supported in deliberation on the motion by arguing that Council has the ability to postpone funding for the organizational unit or project for the coming biennium or delete it altogether, so as to obviate the need for \$X in the appropriation for the fund identified with that organizational unit or project.

But a motion to limit or eliminate funding for a specific capital improvement project already approved by Council would be improper. Similarly, possibly adjusting personnel services funding for particular persons or a labor group within an organizational unit is solely for the Council decide based on labor negotiations, class comparison studies and retention and recruiting concerns outside the purview of the Budget Committee.

- C. Question: Does the Budget Committee have a legal obligation or legal authorization to approve the City's capital spending fund?

Legal Opinion: There is no "capital spending fund" in the budget. Presuming the question posed near the end of the May 8, 2019 Budget Committee meeting about the role of the Budget Committee concerned the "capital outlay" in the proposed budget, the answer is similar to that provided for Question B above.

ORS 294.438(3)(c) provides that the financial summary to be approved by the Budget Committee pursuant to ORS 294.438(1) must "state separately the total amount of expenditures and other requirements included in the budget" for "capital outlay." The "capital outlay" category described in ORS 294.438(3)(c) is a grand total of the proposed biennium expenditures on all the capital projects in all the funds in the budget. Similar to the conclusion in Question B above, a motion by a member of the Budget Committee to increase or decrease funding for a particular component project within the "capital outlay" grand total would be outside the legal authority of the Budget Committee and therefore subject to a Point of Order.

But a motion to decrease the proposed amount for "capital outlay" by \$X could be in order. Such a motion could be supported in deliberation on the motion by arguing that Council has the ability to postpone or delete funding for specified – or even unspecified – projects, so as to obviate the need for \$X in the "capital outlay" summary.

POINTS AND AUTHORITIES

1. Council is the final decision-making body on all City policies and the use of City resources. AMC 2.10.090. Council is the authorized City policy-making body, elected to establish the overall direction and priorities for City government, and is the body uniquely subject to voter disapproval if unacceptable decisions are made and subject to potential legal action for breach of fiduciary duty.



2. As the elected governing body, the Council “shall enact the ordinances or resolutions necessary to adopt the budget, to make the appropriations, to determine, make and declare the ad valorem property tax amount or rate to be certified to the assessor for... each of the years of the ensuing budget.” ORS 294.456(1)(a).
 - 2.1. Clarification of terms:
 - 2.1.1. “Adopt” means “make the final, legally challengeable decision.”

3. As a non-elected body, the Budget Committee’s role is limited: Its role is to “approve the budget document as submitted by the budget officer or the budget document as revised and prepared by the budget committee,” which document must “specify the ad valorem property tax amount or rate for all funds.” ORS 294.428(1). The Budget Committee must also approve a financial summary of the budget. ORS 294.438(1). This summary must state the estimated total amount of expenditures and other requirements and the estimated total number of employees stated in full-time equivalent positions for the ensuing...budget for each organizational unit or program of the municipal corporation.” ORS 294.438(4)(a).
 - 3.1. As Oregon is a constitutional “Home Rule” state, the state’s Local Budget Law confers powers and duties on a Budget Committee only to the extent clearly set forth in statute. The Local Budget Law does not contain any express or implied grant of authority to the Budget Committee to set specific rates or fees for municipal enterprises or to make decisions or recommendations on specific City policies or projects.
 - 3.2. “Generally, the budget committee’s role is not to directly establish or eliminate specific programs or services.” *Local Budgeting in Oregon*, p. 11.
 - 3.3. “Budget committee influence on programs and services is most often exerted at a higher level, when it improves the overall budget and establishes the tax levy.” *Local Budgeting in Oregon*, p. 11.
 - 3.4. “The budget committee does not approve new personnel, employee contracts or salary schedules, nor does it negotiate salary contracts.” *Local Budgeting in Oregon*, p. 11.
 - 3.5. Clarification of terms:
 - 3.5.1. “Approve the budget document” means “recommend dollar figures for appropriations and employee count for each fund established for the City’s organizational units or projects and recommend the ad valorem tax amount or rate for all funds. ORS 294.428.
 - 3.5.1.1. “To approve” means “to vote in favor of advancing a recommended budget to City Council for legal adoption.”
 - 3.5.1.1.1. A decision of the Budget Committee to approve a proposed or revised budget is not a legally challengeable final decision; only City Council can make a final decision on the recommended dollar figures for appropriations for each fund and the ad valorem property tax amount or rate for all funds.
 - 3.5.1.2. “Have legal obligation to” means “is required by Oregon’s Local Budget Law to” or “must.”
 - 3.5.1.3. “Have legal authorization to” means “has been expressly or impliedly granted power to” or “may.”

4. The City budget contains 21 funds. Some of these funds reflect a discrete organizational unit or program; other funds comprise multiple organizational units or programs, such as the Police



Department and the Administration Department – both are components of the General Fund. Within each organizational unit or program, statutorily-identified categories are shown whenever appropriate: “resources”; “personnel services”; “materials and services”; “capital outlay”; “debt service”; “special payments”; and “ending fund balance and reserves,” are the typical categories. See ORS 294.438(2) and (3). The summary “capital outlay” category described in ORS 294.438(3)(c) is a grand total of the proposed expenditures for all the capital projects in all the funds in the proposed budget.

5. “Motions that conflict with the corporate charter, constitution, or bylaws of a society, or with the procedural rules prescribed by national, state, or local laws, are out of order, and if any motion of this kind is adopted, it is null and void.” Robert’s Rules of Order Newly Revised (11th ed.), §39, p. 343 (Improper Motions).

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Current Status of General Fund Balancing Effort

Total Deficit	\$	(2,050,239)
Cuts		
Hold Parks Contribution Flat	\$	262,260
Reduce Fire OT	\$	100,000
GEMT Program	\$	100,000
Cuts Sub Total	\$	462,260
Revenues		
Building Fee Increase	\$	95,000
HB Reserve Fund	\$	100,000
AFR Fee from \$1.39 to \$3.00	\$	202,698
Revenues Subtotal	\$	397,698
Remaining of Deficit	\$	(1,190,281)

Proposed Cuts to Address Fire Fighters and SRO:*

Resource	Proposed Cut
Cut Parks Allocation 2.6% to \$1.84 per 1000 of valuation**	\$ (142,384)
Cut Economic Development Programs (\$75K per year)	\$ (75,000)
Eliminate 5 FTEs (excludes .5 FTE SRO)	\$ (450,000)
ECTS and Social Service Grants (Year 2)	\$ (142,000)
Reduce General Fund Material & Services by 1%	\$ (263,926)
Total Proposed Resource Cuts	\$ (1,073,310)
Allocation of Resource Cuts:	
Fire Department 3 FTEs	\$ 600,000
Police Department 0.5 FTE (SRO) for 1 year***	\$ 75,000
Remaining General Fund Deficit	\$ 116,971
Subtotal	\$ 791,971
Remaining Deficit	\$ 281,339

ASSUMPTIONS

*Employ Councilor Graham's Structure to put before voters the add back of the above cuts in a November
 Thus allowing the community to have a voice in the priority of the above listed items

**Note, Parks maintenance is a top priority for Council. However the allocation cannot be directed to specific
 parks costs. The 2.6% cut is predicated on the assumption park maintenance continues at appropriate levels
 and the cuts would impact recreational opportunities

*** Assumes it would take approximately 12 months to work with the school district, recruit, hire & train.
 Implement Lot meter parking to address ongoing funding need - leverage pay by phone parking similar to SOU

Ashland Cares Campaign -- Proposal and Rough Outline

Goal:

Match donors to Ashland specific philanthropic opportunities with the intent of enabling taxpayers first, to choose if they wish to contribute and second, to give to those organizations they feel strongly about supporting.

Motivation:

If our city grant program must be cut, provide a conduit to match donors with organizations that operate in their community and align with an individual's philanthropic goals and ideals. Often those who wish to give like to see their funds put to work "at home." By uniting worthy causes, (fully vetted as 501 (c) (3) non-profits,) with willing supporters, we invest in our community and put our dollars to work aiding our neighbors and supporting our collective community goals.

Timing:

Utilize the holiday season where individuals are likely to give to causes that align closely with their respective values and beliefs.

- Leverage Give Back Tuesday (Tuesday after Black Friday) to kick off the donation drive.
- The donation window remains open for the duration of the holiday season and closes New Year's Eve.

Format:

- The Ashland based organizations would submit an application much like the ECTS application. This would be the basis for individuals to review the organizations goals and needs.
- Ideally the donations would be collected through an interface much like Go Fund Me. There would be a "Parent" Ashland page with subpages for each Ashland Based giving opportunity.
- Donation can be made by the philanthropist in their name or as a gift on behalf of a friend or family member. If given as a gift on behalf of a third party, provide an option to print a card allowing the donor to present the gift to the individual(s) from whom they gave.

Get the Word Out:

- Leverage the newsletter sent in combination with the Essential Services Bill mid-November to highlight the giving campaign.
- Partner with Ashland specific social networking sites to announce and periodically highlight the campaign. Initial kick-off post, spotlight organizations that may be of special interest to a given social media group, weekly updates of total campaign dollars donated (in aggregate not at an individual donor level,) and a thank you post at the end of the campaign.
- Link to the campaign from the City of Ashland Home Page
- Press Release to Rosebud Media / Sneak Preview

- Page in the Holiday Coupon Book
- Posters in high traffic locations – Co-op., Rogue Credit union, Grange, Ace, City Hall, Ect.

Additional Benefits:

- Donors have an option to be placed on the organizations' mailing list for those entities to whom they give
- Volunteer options – donors can offer their contact information should they wish to give time to the organizations of their choosing

Administration:

- The administration of the program could leverage a giving clearing house web page such as Just Giving (<https://www.justgiving.com/>)
 - There are many sites like Just Giving; this page was offered for example purposes. Additional research would be required.
- With fewer grant responsibilities the FTE resources dedicated to administering the grant programs could potentially facilitate the giving campaign
- Place the onus for the donation web page on the requesting organization but link to it though a City of Ashland supported page
- Leverage college students from SOU / RCC to help develop the program for course credit