

**Budget Committee Meeting
Draft Minutes
May 1, 2008 6pm
Civic Center, Council Chambers, 1175 East Main Street**

CALL TO ORDER

The Citizen's Budget Committee meeting was called to order at 6:06 pm on May 1, 2008 in Council Chambers at 1175 East Main Street, Ashland Oregon.

ROLL CALL

Committee members Chapman, Douma, Gregorio, Hardesty, Hartzell, Heimann, Jackson, Morrison, Navickas, Slattery, Silbiger, Stebbins, and Thompson were present. Everson was absent.

STAFF PRESENT: MARTHA BENNETT, CITY ADMINISTRATOR
 LEE TUNEBERG, ADMINISTRATIVE SERVICES/ FINANCE DIRECTOR
 BRYN MORRISON, ACCOUNT REPRESENTATIVE
 DIANA SHIPLET, EXECUTIVE SECRETARY
 BILL MOLNAR, COMMUNITY DEVELOPMENT DIRECTOR
 MIKE BROOMFIELD, BUILDING OFFICIAL
 ADAM HANKS, PERMIT CENTER MANAGER
 BRANDON GOLDMAN, SENIOR PLANNER
 JOSEPH FRANELL, INFORMATION TECHNOLOGY DIRECTOR
 DICK WANDERSCHIED, ELECTRIC DEPARTMENT DIRECTOR
 SCOTT JOHNSON, ELECTRIC SUPERINTENDENT

STAFF REPORT

City Administrator, Martha Bennett, handed out some information previously requested by the committee from Municipal Judge, Pam Turner regarding the history and monies of cases processed through the court in the last calendar year. She also handed out a proposal regarding the remainder of the budget committee meetings. She is hoping that on the meeting of the 8th the committee will take that "parking lot" list and prioritize it as well as add to it any items which they deem necessary in order to create an agenda for the 14th and 15th. Committee agreed that this process was suitable as long as they are still able to submit and receive answers to questions where they need clarification.

COMMUNITY DEVELOPMENT

Department Presentation

Bill Molnar, Community Development Director, presented an overview of the Community Development budget and the major accomplishments from this fiscal year.

Committee asked for clarification of the housing trust fund platform. Brandon Goldman, Senior Planner, stated this was the development of the processes for establishing the parameters for a housing trust fund (a pool for funds for providing affordable housing.) Next, they will need to develop a funding process

and identifying potential revenue sources. Committee asked and received clarification on the amount of revenue gained through the IGA for building inspection services with other agencies.

Mr. Molnar gave an overview of the general trends regarding permit activity. Single-Family home permits have gone down however over the counter and commercial activity has been quite active. Largest reduction in permit levels has taken place in large-scale commercial or residential projects. Committee asked and received clarification about the tracking and long-term view of activity levels. Committee asked and received clarification on what Community Development's estimate is on how close to budget they will be for FY08. They estimate they will be under budget for expenditures and that revenues will be greater than budgeted.

Mr. Molnar gave overview of the significant budget changes for Fiscal Year 2009. Committee asked and received clarification on the proposed change in the staffing levels. Some of the challenges the department sees for the future include; implementation of new procedures from the land use permit process, completion of the Croman Mill master plan, completion of the railroad master plan and code revisions, adoption of the new housing work program, participation in the City of Portland's Sustainable Ordinance project, establishing a Green Building policy with code amendments, and expansion of Facility Master Permit Program.

Committee asked for clarification regarding our involvement with the City of Portland's Sustainable Ordinance Project. Our participation is currently funded through Ashland but costs really are just Building Official Mike Broomfield's time away. The goal is to have an adoptable ordinance for other jurisdictions as well as for adoption in Ashland. Ashland would like to be a part of the planning of those codes to ensure the things that are important to Ashland are included in this potential state-wide model ordinance.

Committee asked and received clarification regarding the role of the code compliance taskforce. Committee asked about the potential loss of the code compliance specialist and how that will impact the department's goals and functions. Mr. Molnar stated that in determining this cut he looked first at the state rules they had to stay in compliance with and then the council goals - most of which relate more to planning issues than building issues. However, all parts relate to one another. Without the code compliance specialist other departments would have to take on much of the responsibility for code issues and planners will have to take the rest of the code compliance workload.

Committee asked and received clarification on certain details in the budget documents, particularly relating to benefits and health care costs.

Committee asked if it were possible for building inspectors to take on the code enforcement responsibilities. Mr. Molnar stated some of that has already been taking place but certain tasks are very specific to code and not in the expertise of the building inspectors. Committee asked for clarification on the role of the new housing specialist and if they are able to take on planning functions. Committee member Hartzell stated that is what they had before, but the Housing Committee pushed hard to move away from that because it caused most of the housing projects to be put on the back burner in favor of the more time sensitive planning issues.

Public Input

Darrel Bodt spoke in favor of maintaining the service levels that Community Development currently provides. Construction goes on, planning requirement goes on and the community development department activities are still necessary. He wanted to encourage the committee to maintain as much as possible, with as small budget changes as possible. Reminded the group that building is cyclical and we should not rush to reduce services. Committee asked how the loss of a code compliance specialist would

affect his business. He stated that it all depends upon who would be taking over the responsibilities. He does deal with the code specialists often particularly to get detailed information on requirements. It would all depend upon how the department was re-structured as to this would effect.

Discussion

Committee asked why, in this low building time, planning isn't incrementally reducing staff. Mr. Molnar stated that the problem is that with high development time there is no long-range planning ability. Now with development constant but not as financially valuable there is much more time to focus on the long-range planning. He did not focus on planning reductions in order to address the concerns from the Council and the community regarding lack of long-range planning.

Stebbins/Douma m/s to tentatively approve the Community Development budget as presented.

DISCUSSION: Committee asked and received clarification regarding Community Development's involvement in the visioning process and the department's focus on longer-range planning projects. Committee member Hardesty reminded the group that there is a cost to not planning. Committee asked and received clarification regarding the number of employees in relation to how they are funded. Committee asked about the possibility of employees going to part-time work. Mr. Molnar stated that he did ask all members of his staff but there haven't been many interested in this option.

Voice Vote: All Ayes. Motion Passes.

INFORMATION TECHNOLOGY

Department Presentation

Joe Franell, Information Technology Director, presented an overview of the Information Technology budget and the major accomplishments from this fiscal year. Mr. Franell gave overview of some of the performance tracking measures they have implemented to improve efficiencies.

Committee raised concerns over lack of budget and revenue sources for the WiMax program. Mr. Franell informed the group that there is a positive side to this beyond revenue in assistance with City programs we currently can not use due to lack of wireless. Committee member Hartzell reminded the group that this is being proposed as a cut and therefore IT and the group shouldn't focus too greatly on a program we will not be currently implementing. Committee member Chapman expressed his frustration over the cutting of this program.

Committee asked what the impact of this budget is on the recently adopted business plan for AFN and if the IT Department has looked at the potential for a public/private partnership similar to the solar project in the Electric Department. Mr. Franell stated he has been aggressive in seeking out public and private partnerships. Mr. Franell feels he needs to re-do the business plan already because of the rapid, recent changes in the economy. He assumes that revenue is going to flatten out for awhile while people struggle with paying for their basic necessities.

Committee raised concern about the elimination of the travel and training budget. Mr. Franell stated that the reduction is really in the travel and training for the people who are working in the computer department. This does not affect his travel and training, which comes from the AFN budget.

Mr. Franell gave overview of the High Speed division budget.

Committee asked for and received clarification on the change in the revenue amount in the High Speed division. Committee asked for and received clarification on the location of the advertising budget numbers and clarification on how the changes made may affect revenue.

Committee asked and received clarification on installers work time, budget reimbursement for installations and other work activities done by installers. Committee asked and received clarification regarding the business plan and how that relates to the policy related to the ending fund balance.

Public Input

None.

Discussion

Hardesty/Slattery m/s to tentatively approve the Information Technology budget as presented.

DISCUSSION: None. Voice Vote: 13 Yes, 1 Opposed. Motion Passes.

ELECTRIC AND CONSERVATION

Department Presentation

Dick Wanderscheid, Director of Electric Utility, gave overview of Electric Department budget, major accomplishments from this fiscal year, and the budget over time.

Committee asked about why we are looking at purchasing more expensive power. Mr. Wanderscheid informed the group that there is a state mandate that part of the electric load has to be met with renewable resources and Bonneville's Hydro Electric Plant does not qualify. Committee member Jackson asked how many of our current solar projects would have to be implemented to equal the state mandate for renewable resources. Mr. Wanderscheid said about 1000 times. He reminded the group that Ashland is ahead of the curve with our energy efficiency standards and conservation programs.

Mr. Wanderscheid gave an overview of the council study session relating to the council goal of increasing effectiveness of city's conservation project and the projects they will be working on based on that study session. He gave an overview of the focus for the next year relating to the new BPA agreement. This may necessitate doing a rates study. Another large concern for the Electric Department is succession planning especially considering 50% of the electric workforce is eligible for retirement in the next 2-4 years and there is already a considerable lack of skilled workers in the market.

Committee asked and received clarification regarding the high amount of dues and the increase in rental, repair and maintenance costs in the budget. Committee asked for and received clarification on demand (peak volume) versus total energy rates.

Public Input

None.

Discussion

Heimann/Slattery m/s to tentatively approve the Electric Department budget as presented.

DISCUSSION: None. Voice Vote: All Ayes. Motion Passes.

ADJOURNMENT

This meeting adjourned at 10:03 PM.

Respectfully Submitted,

Diana Shiplet
Executive Secretary