

**Budget Committee Meeting**  
**Minutes**  
**May 14, 2008 6pm**  
**Civic Center, Council Chambers, 1175 East Main Street**

**CALL TO ORDER**

The Citizen's Budget Committee meeting was called to order at 6:05 pm on May 14, 2008 in Council Chambers at 1175 East Main Street, Ashland Oregon.

**ROLL CALL**

Committee members Chapman, Douma, Gregory, Hardesty, Hartzell, Heimann, Jackson, Morrison, Navickas, Silbiger, Slattery, 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  
                          JOE FRANELL, INFORMATION TECHNOLOGY DIRECTOR  
                          KEITH WOODLEY, FIRE CHIEF  
                          GREG CASE, FIRE DEPARTMENT  
                          SHAWN BRANAUGH, FIRE DEPARTMENT  
                          MARGURITTE HICKMAN, FIRE DEPARTMENT  
                          JIM OLSON, INTERIM PUBLIC WORKS DIRECTOR  
                          PAULA BROWN, PUBLIC WORKS DEPARTMENT  
                          DON ROBERTSON, PARKS DEPARTMENT DIRECTOR  
                          STEVE GEIS, PARKS DEPARTMENT  
                          RACHEL TIEGE, PARKS DEPARTMENT  
                          BILL MOLNAR, COMMUNITY DEVELOPMENT DIRECTOR  
                          ADAM HANKS, COMMUNITY DEVELOPMENT DEPARTMENT  
                          DICK WANDERSCHIED, ELECTRIC DEPARTMENT  
                          TERRY HOLDERNESS, POLICE CHIEF  
                          GAIL ROSENTHAL, POLICE DEPARTMENT  
                          COREY FALLS, POLICE DEPARTMENT  
                          RICHARD APPICELLO, CITY ATTORNEY

**PUBLIC INPUT**

None.

*Committee member Morrison arrived 6:07 pm*

Committee chair, Thompson read into the record an e-mail from absent Committee Member Everson. Full e-mail has been attached below.

**COMMITTEE DISCUSSION**

**“PARKING LOT” ISSUES**

Alternative method to balance the budget (Allen Douma outline)

Committee member Douma gave an overview of his proposal. Full proposal has been attached to minutes. Mr. Douma stated he dealt with all groups except for central services. He suggested perhaps it is time to dip into the contingency funds in order to balance the budget.

*Committee member Hartzell arrived 6:12 pm*

Mr. Tuneberg was asked for his thoughts on Mr. Douma’s proposal. He stated he was concerned that restricted funds were not removed from the spreadsheet. Also, he has concerns about state budget violations which he often has to handle through contingencies. If we have budget violations we could lose State Revenue Sharing funds. He gave an overview of the reasons why we maintain the contingency funds. Ms. Bennett stated her concerns in regard to lack of revenue generation for each fund in this spreadsheet.

Committee had discussion on the Douma proposal, ending fund balance requirements, and how they might reach the proper balance between raising property taxes and expense reductions. They reviewed the reasons behind the ending fund balance targets. Mr. Tuneberg clarified how they calculate the ending fund balance for each of the various departments and gave an overview of the necessity of contingency funds.

Committee had a discussion relating to how the Douma proposal might effect the overall budget process. Also, they discussed whether this would affect the City’s bond rating. The Committee asked Mr. Tuneberg his opinion of the Douma proposal. He stated he believes his proposed budget is where the City needs to be and the Douma proposal goes against most good budgeting practices. Ms. Bennett expressed her concern that the proposal doesn’t accurately reflect the revenue side of the budget, particularly in the General Fund.

Committee asked for and received clarification on the tax rate proposal and where the monies would go if the City levied the entire maximum amount. Committee decided to not pursue the Douma proposal but appreciate his giving the group some focus on alternate sources of funding.

Add Packages and Service reductions/increases in the General Fund and related property tax increase/decrease

Ms. Bennett handed out copies of all the spreadsheets related to cuts, increases, etc. (spreadsheets have been attached to the minutes) that have been mailed out during the last week. She gave an overview of the additional Parks Department information that she had previously not included and answered questions from the budget committee related to the handouts.

Mr. Tuneberg gave overview of the utility rate comparison handout (the handout has been attached to the minutes). He also gave overview of updated salary and benefits numbers and other changes to the budget figures which have occurred since this process was started.

Committee had a discussion about how to processed in order to reach a consensus on the budget.

**Heimann/Navickas m/s to take an up/down vote on each of the following cuts; code enforcement officer, fire inspector, one police officer – specifically the detective position, and a .4 reduction in the CERT program.** DISCUSSION: Committee asked for and received clarification on those cuts and

what those cuts mean financially. Committee asked for clarification on whether the committee has the ability to cut a position or if they only have the ability to cut a budget. Mr. Tuneberg clarified that their authority is only to cut a budget. Committee discussed the specifics of this motion and if or how the departments could alter their budgets to accommodate without following it to the letter.

Committee had discussion about the motion and whether the motion is to discuss the cuts or to actually approve the cuts.

Committee asked for clarification on the reduction in the CERT program. They were reminded that cutting the .4 FTE will likely result in zero help to the overall budget because in losing the position they will likely lose the grant funding which covers the salary for that position.

Committee each gave their opinions as to whether or not they would support the cuts as proposed. Committee determined they were not ready to vote at this time.

**Motion withdrawn by Heimann.**

**Navickas/Hartzell m/s to eliminate funding for the detective position from the police department.**

DISCUSSION: Committee agreed they needed more discussion about all of the options before any motions were made.

**Motion withdrawn by Navickas/Hartzell.**

Chair Thompson suggested the group go down the list submitted by each department and get a sense of a committee's agreement on items as a whole before making any further motions. Ms. Bennett suggested they work instead on a discussion of the range of reduction and not focus so much on specific positions for cutting unless they are willing to ask each department head if the choice they made will have the least amount of impact. Committee discussed how to handle the overall process.

Committee questioned whether they should be starting with discussions about cuts first or discussions regarding property tax increase. They discussed how the reductions in benefits relate to helping the bottom line and fund by fund.

Committee decided to build a "short list" of cuts they would like to discuss. Short list as follows:

Police

- 1) two positions
- 2) cost of hiring and training
- 3) medical treatment for reserve officers

Fire

- 1) one position valued at approx. \$108,000
- 2) reduce CERT FTEs by .4 \$24,000

Community Development

- 1) one assistant planner position valued at approx. \$75,000
- 2) housing specialist position valued at approx. \$71,000
- 3) building inspector position valued at approx. \$38,000
- 4) code enforcement specialist position valued at approx. \$58,000

Recorder

None

Administration

1) City Source Newsletter

Mayor and Council

None

HR and Court

None

Admin Services

1) one clerk or cashier position (or dollar amount equivalent)

IT

None

Electric Department

1) \$15,000 for Festival of Lights

Public Works

1) confirm TAP removal or delay

Committee had discussions on proposed public works cuts and CIP project delays with regard to how those do or don't affect the budget end line and the maintenance of the City streets and water lines. Committee discussed the TAP project and whether or not previous council decisions mean the committee should remove the funding for that project from the budget. Committee also discussed the CIP prioritization. Committee had discussion of prioritizing capital versus enterprise funds.

Committee asked for total dollar value if all cuts listed on the "short list" were taken. The total amount would be \$994,000. Committee asked for just the Community Development portion of that, which is \$242,000. Committee began discussion on which cuts they would be interested in taking and what target ending fund balance they are interested in achieving.

**Navickas/Hartzell m/s to maintain the two position funding cuts in the police department.**

**DISCUSSION:** Hartzell asked if this is the process committee would like pursue. Chair Thompson stated she would rather have a package focus rather than individual smaller cuts. Committee member Hartzell stated her discomfort in that process is that when they created the "short list" they were promised time to talk about each cut and with a package deal there is no time for discussion.

**Hartzell/ m to amend motion to include hiring costs and medical treatment of reserve officers. No second. Amendment to motion fails.**

**DISCUSSION** cont'd: Committee member Navickas gave reasons for supporting this motion including the reduction in crime. Staff confirmed that one of the positions is currently vacant and the detective position is set to retire before the end of the year. Committee member Chapman would rather only cut one position he feels two positions is too severe a cut. Committee member Silbiger pointed out that the Police budget has already cut one position and having low crime rate is a good thing—it shows they are doing well. He reminded the group that we are currently at the staffing levels we had in 2004. Crime does tend to go up during low economic times and so it would be unwise to reduce staffing levels at this time. Committee asked the Chief of Police for some clarification as to how he would handle a reduction in staffing levels.

**Heimann moved to amend motion to eliminate \$137,000 from the Police budget.** DISCUSSION: It was determined this was too great a substantive change and so the amendment was removed from consideration.

Committee member Navickas stated his reasoning for suggesting the original motion was that these are two vacant positions and he would rather cut those than an already occupied position.

Committee member Douma stated that he thought they were supposed to be focusing on funds rather than positions and can not support the motion as stated because of this.

**Roll Call Vote: Chapman, Douma, Gregorio, Hardesty, Heimann, Jackson, Morrison, Silbiger, Slattery, Stebbins, Thompson; NO, Hartzell, Navickas, YES. Motion Fails 11-2.**

**Hartzell/Heimann m/s to reduce police department budget by \$150,000.** DISCUSSION: Committee member Douma asked if by agreeing with this does it mean we can't come back later and look at more cuts. The committee agreed that until they approve the overall budget changes can always be discussed and made.

Committee member Morrison stated this motion is closer to the intent that they agreed upon at the beginning. He is uncomfortable because the committee doesn't know what the ultimate goal is for the overall budget. He would like more clarification on the overall process and where the group would like to end up. Committee member Slattery asked if they could just say the committee wants to cut \$500,000 in the overall budget and let staff do it. Ms. Bennett stated that yes the problem the Mayor was discussing is that we still don't have a clear sense of what policy objective the committee would like to reach in relation to property taxes, ending fund balance, etc. She would prefer the budget committee make that decision. Committee member Hardesty stated this is a good discussion. She believes the group can live with a certain amount of shortfall in the general fund ending balance but the group needs to talk about how much are would they be comfortable with. She believes property taxes will need to be raised but the group needs to determine by what amount.

**Chapman/Jackson m/s to amend motion amount to \$120,000.** DISCUSSION: Committee discussed how Committee member Chapman came up with this figure. **Roll Call Vote: Douma, Hardesty, Hartzell, Heimann, Morrison, Navickas, Slattery, Stebbins; NO, Chapman, Gregorio, Jackson, Silbiger, Thompson; YES. Amendment to Motion fails 8-5.**

Committee had discussion on whether they should table the motion until tomorrow in order to start over with a discussion about their end objective.

**Chapman/Gregorio m/s to table the motion. Voice Vote: 11 ayes, 2 no. Motion passes.**

Committee discussed how they will proceed with tomorrow's agenda.

#### **ADJOURNMENT**

This meeting adjourned at 10:02 PM.

Respectfully Submitted,

Diana Shiplet  
Executive Secretary

E-Mail from Deanne Everson, dated 5/1//08:

>>> "Dee Anne Everson" <[deeanne@jeffnet.org](mailto:deeanne@jeffnet.org)> 5/11/2008 7:39 PM >>>  
I know I cannot deliberate or participate in the process given my absence this week and I know this year there has been a flurry of email dialogue. I'm not engaging in that. I'd like to submit this email as part of the record. I'd like to share a couple of thoughts about the budget as deliberations begin. Thank you all for your consideration.

I hope very much there is serious consideration given to the City Administrator's original proposal. I recall from prior year's deliberations when the question of other cities in Oregon and how many are at the maximum allowable tax rates. I think it might be important to consider this so that no one is ever unclear that there is no more room. Everyone would understand living within the available taxable amount is all that can be done. I think the overriding question of can Ashland afford Ashland is incredibly important. Ashland voters do not hesitate to approve youth levies and libraries although hesitate deeply on fire stations and public services in general. It would be interesting to know how city residents think those things are paid for. I also think CERT is very important and not entirely in the event of a disaster but in daily practice of building civic engagement and commitment from citizenry. Cutting this seems foolhardy for a small amount of money. I want to say I have always operated on the belief that our staffs are professionals who know their work and know their budgets. They respond to residents every day with questions about service and my guess is some days are rather thankless. I hope, if for some unfortunate reason, the budget committee chooses to make cuts that those cuts are up to department heads who know best where to cut. I am perfectly willing to admit I do not know how to run a fire department, a police department, a community development department, etc. I trust that each of these individuals entrusted and paid to do so are more than capable. Ultimately my support would have been behind the City Administrator's proposal.

Thank you.

Dee Anne Everson

Fund	sec. 4 page#	expenditure				09 budget				contingency	FB 2008 est	FB 2009	FB 08 - 09
		08 amended	08 projected	08 amen. - proj.	Percentage	09 proposed	09 prop - 08 proj.	Percentage					
General	10	16,263	14,231	-2,032	-12.5%	16,643	2,412	17%	482	1,747	1,155	-592	
Street	18	5,899	4,471	-1,428	-24.2%	7,090	2,619	59%	93	1,715	3,637	1,922	
Airport	26	380	334	-46	-12.1%	383	49	15%	5	6	70	64	
CIP	30	1,318	1,068	-250	-19.0%	1,197	129	12%	50	1,271	1,787	516	
Debt Service	38	2,017	1,817	-200	-9.9%	2,252	435	24%	0	1,271	1,130	-141	
Water	42	7,611	6,626	-985	-12.9%	8,016	1,390	21%	133	4,381	3,060	-1,321	
Wastewater	48	6,695	5,971	-724	-10.8%	7,143	1,172	20%	135	3,502	4,085	583	
Electric	58	14,035	13,235	-800	-5.7%	13,273	38	0%	397	2,128	2,084	-44	
Telecomm.	62	2,153	1,937	-216	-10.0%	2,149	212	11%	100	800	389	-411	
Insurance	70	885	648	-237	-26.8%	892	244	38%	125	1,173	976	-197	
Equipment	74	2,253	1,911	-342	-15.2%	1,827	-84	-4%	48	1,335	1,091	-244	
Cemetery	78	25	45	20	80.0%	60	15	33%	0	770	790	20	
Parks	82	5,574	5,056	-518	-9.3%	5,208	152	3%	50	1,183	1,147	-36	
<b>Totals</b>		<b>65,108</b>	<b>57,350</b>	<b>-7,758</b>		<b>66,133</b>	<b>8,783</b>	<b>15%</b>	<b>1618</b>	<b>21,282</b>	<b>21,401</b>	<b>119</b>	
			<b>% change</b>	<b>-11.9%</b>									
Central Servi	66	6,079	5,733	346		6,204	471	8%	150	580	10	570	
YAL	90	2,577	2,400	177		457	-1,943	-81%	0	257	0	-257	

**Cut Packages in Addition to those included in FY 2009 Proposed Budget  
May 14, 2008 Short List - Revised**

Originating Fund	Department	Ref. #	Cut	Impact on Originating Fund	Status	Dollar impact on General Fund (GF)	GF Impact on Tax Rate Per \$1000
General	Police	1	School Resource Officer includes training supplies, dues and overtime	\$ 121,000	Tied to property tax increase in Budget Message	\$ 121,000	\$ 0.067
General			2	Detective (retiring not replacing) includes training, supplies and overtime	\$ 137,000	Tied to property tax increase in Budget Message	\$ 137,000
General		3	Hiring of new employees (testing, background, health screen)	\$ 12,400	Not taken	\$ 12,400	\$ 0.007
General		4	Medical Treatment for reserve officers	\$ 2,000	Not taken	\$ 2,000	\$ 0.001
			<b>TOTAL</b>	<b>\$ 272,400</b>		<b>\$ 272,400</b>	<b>\$ 0.151</b>
General	Fire	5	One Position	\$ 107,723	Tied to property tax increase in Budget Message	\$ 107,723	\$ 0.060
General			6	CERT Reduction of .40 FTE	\$ 30,000	Tied to property tax increase in Budget Message	\$ 30,000
			<b>TOTAL</b>	<b>\$ 137,723</b>		<b>\$ 137,723</b>	<b>\$ 0.077</b>
General	Com Dev	7	Eliminate Code Enforcement Specialist	\$ 58,000	Tied to property tax increase in Budget Message	\$ 58,000	\$ 0.032
General			8	Eliminate one building inspector position, and increase other inspectors to full time (net reduction of .4 FTE)	\$ 38,000	Not taken	\$ 38,000
General		9	Eliminate Housing Program Specialist	\$ 95,000	Not taken	\$ 71,250	\$ 0.040
General		10	Eliminate one assistant planner Position	\$ 75,000	Not taken	\$ 75,000	\$ 0.042
			<b>TOTAL</b>	<b>\$ 266,000</b>		<b>\$ 242,250</b>	<b>\$ 0.135</b>
Central Service	Administration	11	Eliminate City Source Newsletter	\$ 19,000	Not taken	\$ 4,400	\$ 0.002
			<b>TOTAL</b>	<b>\$ 19,000</b>		<b>\$ 4,400</b>	<b>\$ 0.002</b>
Central Service	Admin Services	12	Eliminate one Clerk position	\$ 60,125	Not taken	\$ 14,000	\$ 0.008
			<b>TOTAL</b>	<b>\$ 60,125</b>		<b>\$ 14,000</b>	<b>\$ 0.008</b>
Electric	Electric	13	Festival of Lights	\$ 15,000	Not taken	\$ -	\$ -
			<b>TOTAL</b>	<b>\$ 15,000</b>		<b>\$ -</b>	<b>\$ -</b>
Water	Public Works	14	Reduction of TAP	\$ 250,000	Not taken	\$ -	\$ -
			<b>TOTAL</b>	<b>\$ 250,000</b>		<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL CUTS ON SHORT LIST</b>				<b>\$ 1,020,248</b>		<b>\$ 670,773</b>	<b>\$ 0.373</b>

**City of Ashland  
Utility Revenue Projections**

Charges for Service	June 30, 2006	June 30, 2007	Mar 31, 2007	Mar 31, 2008	June 30, 2008	FY 2009 Rev	FY 2009 Rev	FY 2009 Rev	FY 2009 Rev	FY 2009 Rev	Increase From Growth	Rate Increase From Debt	Rate Increase From Ops
	Actual	Actual	Actual	Actual	Estimate	Growth	Debt	Ops	Total Change	Projected Total			
Storm Water*	\$ 325,063	\$ 342,095	\$ 260,594	\$ 369,579	\$ 493,053	\$ 5,000	\$ 5,000	\$ 20,000	\$ 30,000	\$ 523,000	1.0%	1.0%	4.0%
Transportation*	972,051	1,029,751	775,794	884,820	1,179,791	12,000	12,000	24,000	48,000	1,228,000	1.0%	1.0%	2.0%
Water	3,728,408	3,829,222	2,982,092	2,887,987	3,939,924	39,000	39,000	158,000	236,000	4,176,000	1.0%	1.0%	4.0%
Sewer	2,413,827	2,432,868	1,853,092	1,961,982	2,606,113	26,000	26,000	52,000	104,000	2,710,000	1.0%	1.0%	2.0%
Electric**	10,781,669	10,941,631	8,621,608	8,563,290	10,987,013	120,000	-	-	120,000	12,130,000	1.0%	0.0%	0.0%
Surcharge	1,135,060	1,111,676	874,067	865,033	1,022,862	-	-	-	-	-	1.0%	0.0%	0.0%
AFN Telecom (per business plan/Joe)	1,468,297	1,499,009	1,124,059	1,172,787	1,677,380	-	-	-	-	1,601,703	1.0%	0.0%	0.0%
AFN CATV (per business plan/Joe)	1,225,884	516,712	458,968	89,442	118,415	-	-	-	-	106,686			
	<b>\$ 22,050,259</b>	<b>\$ 21,702,964</b>	<b>\$ 16,950,274</b>	<b>\$ 16,794,920</b>	<b>\$ 22,024,551</b>	<b>\$ 202,000</b>	<b>\$ 82,000</b>	<b>\$ 254,000</b>	<b>\$ 538,000</b>	<b>\$ 22,475,389</b>			

Storm Water*	\$ 500,000	\$ 535,000	
Transportation*	\$ 1,185,000	\$ 1,235,000	
Water	\$ 4,085,000	\$ 4,300,000	\$ 275,000
Sewer	\$ 2,612,000	\$ 2,700,000	
Electric**	\$ 11,350,000	\$ 12,481,700	\$ 350,000
Surcharge	\$ 1,106,000	\$ -	

System	Rate Increase	\$\$ Generated
Storm Water*	5%	\$ 25,000
Transportation*	3%	\$ 36,000
Water	5%	\$ 197,000
Sewer	3%	\$ 78,000
Electric**	0%	\$ -
Surcharge	0%	\$ -
		<u>\$ 336,000</u>