

**City of Ashland Budget Committee Meeting
Draft Minutes
May 17, 2007 6:00pm
Civic Center Council Chambers, 1175 East Main Street**

CALL TO ORDER

Committee member Levine called the Citizen's Budget Committee Meeting to order at 6:02 pm on May 17, 2007 in Council Chambers at 1175 East Main Street, Ashland, Oregon.

ROLL CALL

Mayor Morrison was present. Councilors Chapman, Hardesty, Hartzell, Jackson, Navickas and Silbiger were present. Budget Committee members Bond, Heimann, Stebbins, Everson, Levine, and Gregorio were present.

STAFF PRESENT: MARTHA BENNETT, CITY ADMINISTRATOR
LEE TUNEBOG, ADMINISTRATIVE SERVICES/FINANCE DIRECTOR
PAULA BROWN, PUBLIC WORKS DIRECTOR
ANN SELTZER, MANAGEMENT ANALYST
RICHARD APPICELLO, ASSISTANT CITY ATTORNEY
KEITH WOODLEY, FIRE CHIEF
GREG CASE, DIVISION CHIEF-EMS
MARGUERITTE HICKMAN, DIVISION CHIEF-FIRE & LIFE SAFETY
DON ROBERTSON, PARKS DIRECTOR
DAVID STALHEIM, COMMUNITY DEVELOPMENT DIRECTOR
BRYN MORRISON, ACCOUNT REPRESENTATIVE
MIRANDA IWAMOTO, ACCOUNT CLERK II

APPROVAL OF MINUTES

Approval of Budget Committee minutes dated: 04/30/07

Everson/Bond ms to approve the minutes as presented. All Ayes.

PUBLIC INPUT

Don Laws, 968 Hillview Drive, Ashland, OR: Mr. Laws talked about the importance of supporting the Ashland Parks & Recreation Department and in particular, the Senior Center Program. He said that Parks has grown because the City of Ashland asked for the Open Space Plan. He also spoke about the need to make the parks a higher priority. Mr. Laws fully disclosed that his wife is the Senior Center Manager but said that she is retiring June 30th and therefore, her job won't be affected by the committee's decision. Mr. Laws spoke about the Senior Center and how it provides a support system for many elderly people in Ashland. He said he helped start the Senior Center Program in the 1970's because there were so many Ashland seniors who were not able

to get the assistance they needed. Mr. Laws also talked about the multiple programs that the Senior Center Program provides such as visiting the elderly and providing low-income assistance. He asked the committee to consider the needs of the seniors before cutting the program. Mr. Laws said he could be emailed at donlaws@mind.net.

Jack Altman, 424 Laurie Lane, Ashland, OR: Mr. Altman asked whether or not the library would be discussed. It was answered yes, after the Staff Report was given.

Josh Gordon, 945 Cedar Way, Ashland, OR: Mr. Gordon was a volunteer coordinator for the Ashland Public Library. He expressed his concern for the people of the community. Mr. Gordon reminded the committee of the 70% majority vote in favor of the library system and said that the additional \$40,000 should be included to get access to the full collection.

Ann Billeter, 4999 Griffin Creek Rd., Medford, OR: Ms. Billeter was a Regional Manager for the Jackson County library system and was also the manager for Children's Services and Young Adults Services. Ms. Billeter said that being open 40 hours per week was not enough and that the Ashland community wanted even more hours. She talked about reducing the cost of staff by reducing a day and recommended being open Tuesday – Saturday. She also expressed her appreciation for the volunteers at the Ashland library.

Charu Colorado, 1026 Henry St. #6, Ashland, OR: Ms. Colorado said that the library is vital to the community. She wanted the County to consider making the library into a private, non-profit membership organization. She said that the biggest need is to keep the library open and that it should be run for the benefit of everyone who is interested in participating. Mr. Levine thought that was a very interesting idea but reminded everyone that the Citizen's Budget Committee doesn't have the authority to decide.

Jim Olney, 361 Wiley St., Ashland, OR: Mr. Olney is the Executive Director of the Jackson County Library Foundation. Mr. Olney said that the Library Foundation (a non-profit) is willing to help fund and raise money for programs. Mr. Olney said that some of the programs he's referring to are Summer Reading, Babies in the Library, and Storyteller. It was reported that books can be purchased with the donated money.

Esther Mortensen, 936 Cedar Way, Ashland, OR: Ms. Mortensen worked in the children's section of the Medford library. She encouraged City Council to consider opening in July because the Summer Reading Program. Ms. Mortensen also said she recently won the national scholarship for Children's Librarian and that the American Library Association is aware and concerned about the situation in Jackson County.

Claudia Law, 762 B St., Ashland, OR: Ms. Law stated that if we give up our libraries then we give up our civilization. Ms. Law spoke about the need to keep the library open for children who are home schooled.

Amy Blossom, 140 Susan Lane, Ashland, OR: Ms. Blossom was a librarian for the Ashland Public Library and in charge of the reference section. Ms. Blossom reported that citizens can use the SOU library and the SOU computers for \$35, but cautioned that the collection of books is very different from those at the Ashland Public Library. Ms. Blossom reported that during the summer, half of the internet use was by tourists. She also addressed the idea of an out-of-city fee and explained that those from outside the City of Ashland will only be allowed to have short-term internet access because library cards are required for long-term internet use. She also spoke about the social programs provided by the library and explained that they are well attended programs. Ms. Blossom reported that the meeting rooms are used on a daily basis by various groups. She spoke about losing staff and explained that (if reopened) Jackson County will take senior public library staff, not necessarily the current Ashland staff.

STAFF REPORT

City Administrator, Martha Bennett, and Administrative Services/Finance Director, Lee Tuneberg, gave the staff report highlighting outstanding issues. Mr. Tuneberg called attention to the Summary of Outstanding Issues Memorandum located in the handout. The memo summarizes the department budgets that have been approved and the ones with pending questions. It also outlined the property taxes for the City of Ashland. Mr. Tuneberg talked about how some projections may need adjustment but that they will not have a net effect on the budget. Mr. Tuneberg explained that although the May 15th Jackson County library measure failed, the majority of Ashland residents voted in favor of it. Therefore, a presentation about library funding options will be given to the committee.

Ms. Bennett gave the Interim Library Funding presentation. She explained that City Council wanted the issue of library funding to come before the budget committee. Ms. Bennett said that the presentation is based on a list of assumptions. The assumptions are that a countywide system would provide better service, that the Ashland branch would be open for up to 2 fiscal years and that the City can negotiate a contract with Jackson County so that the county provides operation services.

Ms. Bennett also explained that the City is considering interim library funding because the majority of votes in Ashland were in favor of the measure(s). Ms. Bennett said that in both the November 2006 and May 2007 elections, approximately 70% of Ashland votes were in favor of a library levy. However, Ms. Bennett did state that the May 2007 results are preliminary and won't be certified for months.

Ms. Bennett also stated that the caveat with the interim library funding is that the service will need support and approval from the Board of Commissioners to proceed.

Ms. Bennett said the City of Ashland will have a formal contract with Jackson County that states that Jackson County will operate the library. This, in turn, means that staff is already trained and knows how to run a library. Mr. Levine asked if Jackson County is

willing to work with the City of Ashland. Mayor Morrison reported that he spoke with county officials and they are willing to work with the City.

Ms. Bennett spoke about the services provided by the interim funding. She said that the services will include 40 hours per week with the same level of staffing (with the exception of an on-site supervisor), existing internet access, same newspaper and magazine subscriptions, 400 replacement books, and access only to material in the Ashland Public Library. The funding will not provide central support services for children nor access to the on-line databases.

Ms. Bennett said the cost will be approximately \$1,005,000. These figures are based on numbers provided by Jackson County as a courtesy to the City. It will cost approximately \$730,000 for Personal Services, \$30,000 for Materials & Services, \$127,000 for Facilities, \$53,000 for Jackson County overhead, \$35,000 for SOLIS subscription (card catalog system) and \$30,000 for City Central Services (contract negotiations). Ms. Bennett also spoke about additions to the base service and the costs associated with these additions (see attached handout).

Ms. Bennett highlighted two questions that need to be resolved with Jackson County. The first was whether or not the City can charge out-of-city fees. The other was how many people from other communities will use the library. Mr. Levine pointed out that parking would be a problem. Committee member Bond inquired about inter-library loans without accreditation. Ms. Bennett said she would research the loans. Committee member Heimann asked if the City owns the building (library). It was answered yes, the City owns the building. Ms. Bennett explained that the City has an intergovernmental agreement with Jackson County that stipulates that the City can repossess the building only if the County fails to operate it.

Ms. Bennett explained the two funding options for the library. The first option she spoke about was a \$.32000/\$1000 property tax with a 2% surcharge on utility bills. Ms. Bennett reported that the impact on an average Ashland household would be approximately \$80 in property taxes and \$58 in surcharges. Ms. Bennett told the committee that if this option is chosen then any other restorations for General Fund services are eliminated. The second option given was a property tax through a local option levy of \$.58000/\$1000. The impact on the average Ashland household was reported to be \$150 per year. It was reported that this levy would go to the voters in September 2007. Ms. Bennett also said that a levy should be for the library only, taxes would not be levied if other funds are found and that City Council has to decide on the levy by June 27th.

The committee asked why this issue was before the budget committee and not just the City Council. It was reported that if the voters approve to levy property taxes to fund the library, it has to be included in the approved tax rate set by the budget committee. The committee continued to discuss the appropriate process for a local option levy and the time involved. It was reported that the budget committee has to approve a budget, it

needs to be advertised and then it has to be adopted by City Council by June 30th. It was also reported that the tax rate will be certified after the election in September 2007.

Councilor Hartzell inquired about possible library proposals that may be less costly (less hours, less staff). It was answered that less than 40 hours wasn't proposed because City officials are predicting a large influx of people from surrounding communities. Councilor Hartzell also inquired about the use of the schools for various programs. It was reported that the both the school district and Southern Oregon University have been and will be contacted in an attempt to identify opportunities regarding library services. The committee continued to discuss ways to economize. Mayor Morrison said he wants the highest level of service for the least amount of money and that in talking with County officials, each point of cost seems negotiable. Mr. Levine said volunteers will have to be trained. Councilor Navickas asked about different taxes other than those that affect property owners. It was answered that other options are available but that they are very complex. The committee asked about charging a fee. Ms. Bennett reported that according to the state librarian (where many of the grants come from), the City cannot charge a fee to enter and still call it a public library. Councilor Navickas asked about the Transient Occupancy Tax (TOT). It was answered that it wouldn't generate enough money to offset the cost and that the majority of TOT funds are restricted.

Ms. Stebbins spoke metaphorically about how Jackson County didn't do what they needed to do 7 years ago when they found out there would be a problem with funding and that the entire Jackson County library system needs to be fixed.

The committee discussed the economic impact of a closed library on the community.

Committee member Everson asked what happens if the O&C funds are extended for 1-year. Ms. Bennett stated that no formal action has been taken by Jackson County. However, Ms. Bennett said that she has been told that if the O&C funds are extended for 1-year only, then Jackson County will not reopen the libraries and instead, use that money to pay debt.

The committee discussed the practicality of charging a fee to check out library materials or impose an out-of-city fee.

It was reported that the cost of the election is included in the \$1,005,000.

Councilor Navickas said his preference is to approve the 32 cents so that library will open sooner. He spoke about his concern for Ashland citizens and library employees.

The committee discussed the importance of and various ways to write a local option library levy so that monies are spent for what they are intended. They also discussed what to do if there is excess money.

Councilor Jackson said that she wants the library to open as soon as possible and that the countywide system is still the best system. However, considering the election results, Councilor Jackson said that she supports a local option levy that is restricted for the library.

Mr. Heimann stated that he agrees with the local option levy but is concerned about all the unanswered questions.

Bond/Silbiger ms to approve the staff recommendation for the Budget Committee to include a levy of 0.58000/\$1000 on the September 2007 ballot and FY 2007-2008 budget.

Councilor Hartzell said that her commitment as a councilor is to work and try to reduce the amount from .58000 /\$1000. Councilor Silbiger said he supports a local option levy.

Gregorio/Hartzell ms that the previous motion be tabled until Monday, May 21, 2007. Gregorio, Hardesty, Hartzell, Heimann, Levine, Navickas, and Stebbins yes. Bond, Chapman, Everson, Jackson, Morrison, Silbiger no. Motion passed 7 to 6.

PARKS

Along with the support of the Ashland Parks & Recreation Commission, Parks Director, Don Robertson, and Ashland Parks & Recreation Commission Chair, JoAnne Eggers, presented the Ashland Parks & Recreation budget reductions. Ms. Eggers said that the commission focused on its highest priority which is carrying out the mission of Ashland Parks & Recreation. Ms. Eggers talked about the difficulty involved with cutting 5%.

Both Mr. Robertson and Ms. Eggers spoke to the Proposed Budget Reduction list (see attached handout). It was reported that the handout is in order of community needs.

Councilor Jackson asked how much the department was aiming for in cuts. It was answered that the motion was stated as "up to 5%" and that the overall decrease was approximately \$280,000. It was clarified that was \$280,000 from the proposed budget.

Ms. Bennett talked about the guidelines of the budget and about the restrictions of enterprise funds. It was reported that this is not an enterprise fund.

Ms. Bennett also reported that the Ashland Parks & Recreation proposed budget balanced and, therefore, the department was not asked to cut an additional 5%. Councilor Hartzell started a conversation as to why the committee asked the Ashland Parks & Recreation Department to cut an additional 5%. She also said that the first two items on the list (transfers) made a lot of sense.

Mr. Robertson spoke about the YAL and how that money is used. He also spoke about trying to hold the line on property taxes.

Hartzell/Chapman ms to tentatively approve the Ashland Parks & Recreation budget with the modification of Number(s) 1 and 2 from the Proposed Budget Reductions Memorandum. All Ayes.

FIRE

Keith Woodley, Fire Chief, gave a presentation on alternative cuts to the Fire budget. Instead of the cuts previously proposed, Mr. Woodley proposed that the funds from the vacant Division Chief position (\$116,000) be used to restore scheduled overtime, the CERT Program and firefighter training (see attached handout).

Mr. Woodley also spoke about the ending fund balance. It was reported that the ending fund balance was overestimated by about \$300,000. Mr. Woodley listed the reasons for the overestimation as a grant, design costs for Fire Station #2, and an increase in salaries & benefits (see attached handout).

Division Chief, Greg Case, presented the committee with a list of governing bodies that regulate ambulance fees (see attached handout). Mr. Case spoke about demographics and transport revenue. Mr. Case said that 56% have Medicare, 8% Medicaid, 6% private pay and 2% don't have insurance. He explained that both Medicare and private insurance (if available) will be billed for all applicable services. Mr. Case spoke about the difference between medical practices and emergency services; he explained that the Fire Department responds to all emergency calls regardless if the injured can pay or not.

The committee asked about the impact of not funding the Division Chief position. Mr. Woodley said that he, Mr. Case and Ms. Hickman will have to take the burden and that some things will have to be shelved.

Councilor Hardesty asked about community events overtime and whether or not it includes walking the students to school. It was answered yes. Councilor Hardesty also inquired about the amount of overtime for technical rescue training and the need for a certificate. Mr. Woodley explained that the overtime for technical rescue training is for all types of rescues, not just confined space rescue. It was reported that the hours are the minimum required for trainings per month.

Councilor Hartzell asked about CERT and the \$64,000. It was answered that it moves the coordinator to full-time and provides a minimum of Materials & Services to maintain the program. Councilor Hartzell asked about turnover and the impact of reduced training on the employees. Mr. Woodley said it's about every 18 months and that exit interviews have not revealed that training is a factor.

Everson/Bond ms approval of the changes to the Fire budget as presented. All Ayes.

COMMUNITY DEVELOPMENT

Community Development Director, David Stalheim, talked about the Building Division add package. Mr. Stalheim reported that the intergovernmental agreement with the State of Oregon Building Codes Division might not generate as much revenue as previously thought. Mr. Stalheim said that the anticipated revenue has been changed from \$58,000 to \$22,780, leaving approximately \$19,220 to be reduced from the Community Development budget. Mr. Stalheim proposed that the FTE reduction be implemented (which will reportedly save about \$24,000) but maintain benefit coverage for the two employees.

Bond/Stebbins ms approval of the changes to the Community Development budget as presented. All Ayes.

Ms. Bennett called attention to the Restorations & Additions spreadsheet (see attached handout). It was reported that the spreadsheet may be helpful in determining a tax rate. Ms. Everson asked about how the spreadsheet is affected by the changes from tonight. It was answered that the Alternative column has tonight's actions, so look at Remaining column. It was clarified that the 0.3968 at the bottom of the page was the remaining amount authorized that could be used to fund other programs.

ADJOURNMENT

Meeting adjourned at 9:29 pm.

Respectively Submitted,
Miranda Iwamoto
Account Clerk II

Interim Library Funding City Of Ashland

Proposed Budget for 2007-2008
May 17, 2007



Interim Library Funding Assumptions



- A countywide (regional) system is a higher quality service for Ashland and Jackson County. A broader discussion is needed.
- City intent is to keep the Ashland branch open for the two fiscal years needed to develop a regional funding solution
- City and County can negotiate a contract for the County to operate during the interim (including all relevant details)

Ashland Results Countywide Levies



- In November 2006 – Approximately 70% of votes in the Ashland precincts were in support of the 66 cent levy
- In May 2007 – Ashland turnout was more than 60% in every precinct except for SOU, and approximately 70% of votes were in favor of the library levy (these are preliminary, uncertified numbers)

Interim Library Funding Caveat



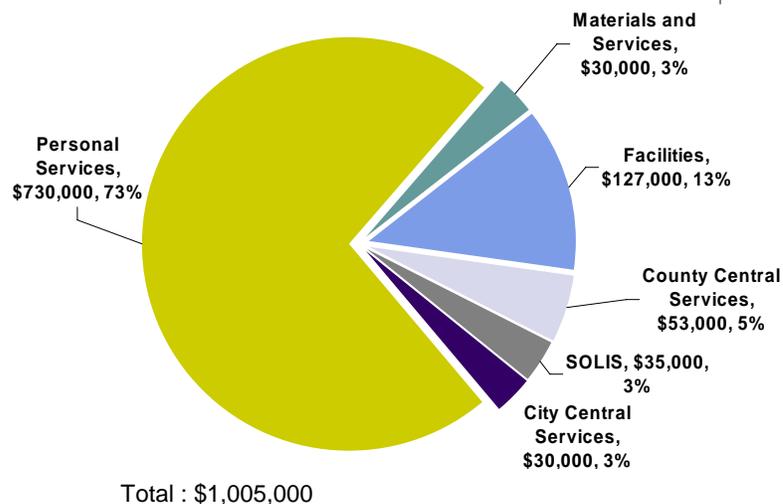
- This service will need support and approval of the Board of Commissioners to proceed
- Information was provided by Jackson County as a courtesy and does not indicate a commitment by the Board of Commissioners.

Interim Library Funding Service “base” level



- Includes 40 hours per week with former staffing, plus minor increase for on-site supervisor
- Includes existing public access terminals for internet
- Includes previous newspaper and magazine subscriptions
- Includes 400 replacement books, which means very little new materials
- Includes access to only material in Ashland public library,
- Does not include central program support for childrens services or reference services
- Does not include on-line databases (e.g., Chiltons)

Interim Library Funding General cost categories



Interim Library Funding Potential Additions



- County staff recommend adding \$150,000 for new materials. Includes additional staff to process materials.
- County recommends one additional clerk for additional workload at cost of \$40,000
- County recommends additional Internet workstations (PC, desk, connectivity)
- City could add access to Central Library collection for \$40,000

Interim Library Funding Significant Questions



- Can Ashland charge out-of-City fees (for library cards) if City pays operational costs but County owns materials?
- How many people will use the Ashland library if it's the only public library in Jackson County

Interim Library Funding Funding Options



Property Tax Through Local Option Levy	Property Tax with Utility Surcharge
Rate = 58 cents per thousand	Property Tax = 32 cents per thousand (generates approx. \$570,000) Utility Surcharge of 2%, which includes increase in low income utility assistance (generates approx \$400,000)
Impact on Ashland household with Assessed Value of \$250,000 is approx. \$150 per year	Impact on Ashland household with Assessed Value of \$250,000 is approx. \$80 per year in property taxes and approximately \$50 per year in surcharge
This option requires voter approval in September 2007. Library could be reopened in mid-October 2007	Does not require voter approval, so could be approved by Budget Committee. Reopen in July 2007.
Preserves ability to use existing tax authority to restore cut services	Eliminates ability to restore any reduced GF services.

Interim Library Funding Staff recommendation



- The Budget Committee include a levy of 58 cents per thousand on the September 2007 ballot in FY 2007-2008 budget (details on next slide)
- That the City work with Jackson County to develop contracts that would open the library in mid October 2007 if the levy passes.

Interim Library Funding Local Option Levy thoughts



- Levy would be proposed for two years to allow interim financing. Staff assumes City funding will be needed until July 1, 2009
- Levy would be for library only and could not be converted to other City services
- Taxes would not be levied if other funding is found for the library
- Council has to decide on the levy during the last week in June (special meeting scheduled for June 27)

Memo

TO: Budget Committee
 FROM: Lee Tuneberg, Budget Officer
 RE: Summary of FY 2007-2008 Outstanding Issues
 DATE: May 17, 2007

All department presentations are complete and most have been tentatively accepted with a few unresolved issues remaining. In an attempt to facilitate tonight's discussion I have summarized the outstanding issues below.

Summary:

- A. Administration, Administrative Services, City Recorder, Police, Public Works and Electric budgets are tentatively approved with no outstanding issues.
- B. Information Technology, Fire, Community Development and Parks & Recreation budgets have a few issues to resolve and they are listed below.
- C. Debt Service, Operating Transfers, Contingencies and Unappropriated Ending Fund Balances are as presented and unchanged unless revised by Committee action on the outstanding issues.
- D. Property taxes for the City of Ashland, including the General Fund, Parks & Recreation,

Youth Activity Levy and Debt Services are "as proposed" but have not been approved.

General Fund	\$1.79690 (includes \$.175 internal technology debt)
Parks & Recreation	\$2.09280
Youth Activity Levy	\$1.38000
Debt Service	\$0.20030 (to meet voter approved, tax-supported debt service)
Total	\$5.47000/\$1000 of valuation

- E. Ashland Library operations remain unresolved.
- F. Other changes from staff – As we get closer to June 30 projections and estimates may warrant adjustments for FY 2007-2008. An example is the Electric Fund solar panel construction project has been delayed and should be re-budgeted at the revised amount of \$800,000. The Committee should reserve time on May 21st to address these.



Memo

Outstanding Items:

1. Ashland Library - With the May 15th Jackson County election on this initiative being defeated yet the majority of Ashland votes being in favor, the question remains as to what level of service, if any, is to be included in the FY 2007-2008 city budget. Council asked that this issue be brought forward as part of the budget process. Revenue streams and appropriation levels will need to be identified and approved by this committee for this service to go forward. Attached is a presentation from Administration.
2. Parks & Recreation – The Committee asked Parks to consider 5% in reductions with an emphasis toward capital expenditures. The Parks Commission has evaluated alternatives and has a proposal to share. Attached is a report from the Parks Commission.
3. Fire Department – The Committee requested alternate cuts for the 5% reduction in lieu of those offered and more information regarding the anticipated under expenditure in FY 2006-2007. Attached are two memos from the Fire Department.
4. Community Development – The department has identified a potential agreement with the State of Oregon to do additional inspections in Southern Oregon, generating sufficient revenue to maintain building inspectors at reduced hours. This would add revenue and appropriations back to the General Fund, maintaining the projected ending fund balance and helping to make up for the reduction in building activity in Ashland. Attached is a memo from Community Development.
5. Other issues - Add packages or revisions from the Committee or staff.

The above represent the issues to be resolved to approve the budget for next year. Some of these may overlap or compete with other things tentatively approved and such conflicts should be addressed as the Committee takes action.

Staff has "heard" concerns from the Committee on longer-term issues including (but not limited to) wage and compensation, the cost of services as compared to revenue streams, capital improvements and financing, Council goals and city-wide priorities. We recommend that the longer-term and policy issues be considered as an Agenda item at the final "debrief" meeting scheduled for May 22nd. Your comments and recommendations on these will be useful to Council and staff as we prepare for the following budget processes.



ASHLAND PARKS AND RECREATION COMMISSION

340 SO PIONEER STREET

ASHLAND, OREGON 97520

COMMISSIONERS

JoAnne Eggers
Michel Gardiner
Jim Lewis
Melody Noraas
Rich Rosenthal



Don Robertson
Director

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MEMORANDUM

TO Citizens' Budget Committee

FROM JoAnne Eggers, Chair, Ashland Parks and Recreation Commission

DATE May 16, 2007 *JoAnne Eggers*

SUBJECT : Budget Narrative

Since the April 30th budget meeting, the Parks Commission has met twice to review our proposed budget. Lee Tuneberg and Martha Bennett attended our May 10th study session. We appreciated their input. At the study session, we spent time reviewing the motion passed by the Budget Committee. We also reviewed a number of suggestions Parks staff presented for consideration. In the end, we were able to create a prioritized list of potential cuts.

In developing our list, four factors required special consideration. First was protection of our mission, second was protection of our millage, third was protection of our ending balance, and fourth was protection of our capital. Unfortunately, we found that every option resulted in the harm of at least one of those four categories. What we have compiled is a twelve-point list. Other than the first two items, we believe the balance of the items directly impact our ability to carry out our mission.

We also reviewed our expenditure projections and determined that an error was made in two areas. The first error was in our Parks Division Materials & Services line item. Staff had projected this expenditure to be \$987,000 for the current year. This number should read \$1,300,000. The second error was in our Parks Division-Capital Outlay line item. Staff had projected this number to be \$325,000. This number should read \$150,000.

What follows is a narrative of our prioritized list of proposed budget reductions: **Items 1 and 2** are portions of the new Ashland School District contract that will now be charged against the YAL. These represent new expenditures in the proposed budget over the current budget but are the result of a contract approved by both the commission and council. The total contract is \$145,230. That leaves \$52,230 eligible for YAL school maintenance expenses still in our general fund.

Item three is a reduction of staff for the Senior Center. Currently there are three employees at the center, none of whom are full-time. This proposal would eliminate one of those positions, the Senior Program Specialist. In order to continue operating the facility, especially during sick or vacation days, we are proposing to replace the lost position with a part-time position. The result would still reduce operations of the center by one hour per day and require a restructuring of the administration of the city utility discount program and the heating assistance program. This reduction would also drastically impact center staff's ability to conduct home visits and assessments. Operations of the Senior Center were transferred to Parks and Recreation two years ago without any revenue to support it. This was done for two reasons: First—because it was determined that the Parks Department could better support the operations of the center; and second—to provide some relief for the city's budget.

Item four is a contribution we have made for the past six years to the Siskiyou Field Institute's Summer Outdoor Program. This program provides wilderness experiences to older teenager within Ashland who may not be served by our other programs.

Item five is a contracted service with the YMCA to operate senior field trips.

Item six reduces our non-native vegetation removal and our fuels reduction programs by about 33%. It also requires some general reductions for the maintenance division. We are very concerned about the long-term effects of reducing both programs, but we also recognize that they are long-term programs that will need to continue and feel that a temporary slowdown may be less damaging than the effects of other items on this list. This item will impact Lithia Park and the forest interface areas maintained by the Parks Department.

Item seven reduces our equipment transfer. This savings would result in another year of use of the recreation van. We are anxious to move forward to a greener fleet, but recognize that the van has remaining serviceable miles.

Item eight eliminates the capital that has been historically carried in the golf course budget. This money is typically used for major repairs that may be needed in the event of storm damage, wear and tear, or use of the course, or major repairs associated with our restaurant equipment, clubhouse, or cart storage area. During the current fiscal year, it was used to replace an ice machine and clubhouse door.

The commission does not recommend items 9 – 12. It is our feeling that, while possible, these reductions would harm the balance of the city, harm our mission, or harm our ability to move forward with our non-tax revenue enhancement efforts.

Items 1 – 8 will reduce our original proposed budget by \$213,000, bringing it to \$5,454,321. Further, if you back out the \$52,230 of non-YAL eligible expenses as a result of the new school maintenance contract, our proposed budget becomes \$5,402,091. That is a difference of \$10,641 or a budget increase of 0.2% from this year's budget to next year's budget, including cost-of-living adjustments and benefit cost increases.

With regard to the concern about our spending, on average, 91% of our annual budget, the cost of bearing M & S inflation along with increased employee costs will increase that percentage considerably. Unlike the city, we need to ensure significant carryover between July and October. We rely only on ourselves for this, not the city. However, if we do not have adequate carryover, we will need to borrow from the city to continue our operation during this period of time.

Proposed Budget Reductions

Prioritized

1. Transfer \$45,000 from M & S to YAL
 - Preserves the expenditure but reallocates based on YAL final year
2. Transfer \$48,000 from Parks personnel to YAL
 - Preserves the expenditure but reallocates based on YAL final year
3. Eliminate Senior Program Specialist /Add \$20,000 temporary employee
 - Impacts include loss of Senior City Utility Discount involvement, Heating Assistance program involvement, reduced hours of operations at Senior Center. Would require City to restructure these programs. This will also impact the Outreach Program.
 - Saves \$30,000
4. Eliminate \$3,000 for Summer Outdoor Program (Siskiyou Field Institute)
5. Eliminate \$2,000 for contracted senior field trips with YMCA
6. Remove \$60,000 from Parks Materials & Services
 - Reduce non native vegetation removal (Lithia Park & forest interface)
 - Reduce fuel reduction program (Lithia Park & forest interface)
 - Reduce park maintenance materials (all parks)
 - Saves \$60,000
7. Reduce Parks transfer to Capital budget by \$20,000
 - Retains recreation van that was planned to be replaced by hybrid vehicle
8. Reduce \$5,000 from Golf budget
 - Eliminates \$5,000 in capital improvements
9. Eliminate \$32,000 (100% of Parks funding) for CSO from Maintenance Materials & Services
 - Reduces graffiti removal program and skate board/general park rule enforcement
10. Eliminate \$50,000 (50% of Parks funding) for CAP Officer program
 - Reflects potential reduction in time spent with Park Patrol rule enforcement
11. Remove Promotions Coordinator position / add back Admin Assist position; remove Reception position / add back \$30,000 to contracted services
 - Reduces capabilities for department-wide position
 - Eliminates a temporary employee
 - Restricts program capabilities of Nature Center
 - Saves \$20,200
12. Reduce Capital Improvements by \$100,000
 - Reduces/delays construction of neighborhood parks

Memo

TO: Citizen's Budget Committee
FROM: Keith E. Woodley, Fire Chief
DEPT: Ashland Fire & Rescue
RE: Fire Department Budget Ending Fund Balance
DATE: May 17, 2007

During the presentation of the FY 2007108 fire department budget, the Budget Committee requested staff to determine the amount of ending fund balance expected for the current fiscal year budget within the fire department. This memo is provided in response to this request.

Early estimates made by staff suggested a carry over of over \$400,000. The ending fund balance for the fire department budget is now projected to be \$100,000, which reflects normal expenditures throughout the fiscal year.

The reasons for the over-estimation error were as follows:

1. The presence of a \$400,000 FEMA grant in Capital Outlay that will be fully expended by June 30, 2007, but was shown as unexpended at the time ending fund budget estimates were completed.
2. Preliminary design costs for fire station no. 2 were to be reimbursed upon successful passage of the fire station bond levy last November. The bond issue failed and so \$43,000 was charged back to the fire department budget.
3. Salaries and benefits for firefighter union positions were calculated at a 3% increase at budget time as contract negotiations were still in progress. The labor contract was eventually settled at 5% after budget approval.

Given these factors it is anticipated that expenditures will trend at 98% of approved budget by the end of the fiscal year.



City of Ashland
Departmental Expense Report
For the tenth month ended April 30,2007

	Year-To-Date Expenditures	Budget	Percent Expended	Balance	Actual YTD Prior FY	% of Budget Prior YTD
Fire Department						
Operations						
Personal Services	\$ 1,532,866	\$ 1,918,898	79.9%	\$ 386,032	\$ 1,467,154	71.7%
Materials and Services	595,833	699,046	85.2%	103,213	513,502	75.6%
Capital Outlay	41,592	400,000	10.4%	358,408	63,952	22.8%
	<u>2,170,291</u>	<u>3,017,944</u>	71.9%	<u>847,653</u>	<u>2,044,608</u>	68.0%
Emergency Services						
Personal Services	1,256,854	1,460,405	86.1%	203,551	1,206,454	80.2%
Materials and Services	517,687	575,240	90.0%	57,553	425,150	78.7%
Capital Outlay	2,520		NIA	(2,520)	199,058	NIA
	<u>1,777,060</u>	<u>2,035,645</u>	87.3%	<u>258,585</u>	<u>1,830,662</u>	89.6%
Fire & Life Safety Division						
Personal Services	87,501	187,248	46.7%	99,747		NIA
Materials and Services	16,576	21,535	77.0%	4,959		NIA
Capital Outlay			NIA			NIA
	<u>104,077</u>	<u>208,783</u>	49.8%	<u>104,706</u>		NIA
Total						
Personal Services	2,877,221	3,566,551	80.7%	689,330	2,673,608	7.3%
Materials and Services	1,130,095	1,295,821	87.2%	165,726	938,652	77.0%
Capital Outlay	44,112	400,000	11.0%	355,888	263,010	93.6%
	<u></u>	<u></u>		<u></u>	<u></u>	
Total Fire Department	\$ 4,051,428	\$ 5,262,372	77.0%	\$ 1,210,944	\$ 3,875,270	76.7%

Memo

TO: Ashland Citizen's Budget Committee
 FROM: Keith E. Woodley, Fire Chief
 DEPT: Ashland Fire & Rescue
 RE: FY 2007108 Fire Department Budget Reductions
 DATE: May 17, 2007

During the presentation of the proposed 2007108 Fire Department budget, department staff was directed to review the anticipated budget reductions to determine if alternatives existed to reduce service level impacts within the fire department. This memo is provided in response to that direction.

Redirect funding for the vacant Operations Division Chief position (\$116,001.37) as follows:

1. Scheduled Overtime

Restore Overtime For Technical Rescue Team Training	\$12,000
Restore Overtime For Firefighter Skills Maintenance Training	\$ 6,000
Restore Overtime For CERT Volunteer Training by Staff	\$10,000
Restore Overtime For Special Community Events -	<u>\$ 7,000</u>
	\$35,000

2. CERT Program

Restore CERT program personnel services	\$54,000
Restore CERT program materials & services	<u>\$10,000</u>
	\$64,000

3. Firefighter Training

Restore Technical Team Instructor Training	\$ 3,000
Restore Firefighter Skills Maintenance Training	<u>\$14,000</u>
	\$17,000

TOTAL	\$116,000
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These adjustments will restore these programs as indicated.



May 17, 2007

TO: Martha Bennett, City Administrator
Lee Tuneberg, Finance Director

RE: Building Add/Cut Package

As part of the budget presentation, we had proposed to restore the cuts in the building division (\$42,000) by replacing those funds with additional revenue from outside work with the State Building Codes Division (BCD). To ensure that our revenue estimates were accurate, we had additional conversations with BCD regarding their expectations regarding the need for our services. As a result, we believe that our revenue estimate is likely high and would propose an alternative cut/add package as outlined below.

Revenue Add:

	Volume	Rate	Billable Hours	Monthly Revenue	Annual (4 mo.) Revenue
Plan Review	4 per week	\$150/hr	8	\$ 5,100	\$ 20,400
Inspections	4 hrs/week	\$86/hr	10	\$ 595 ¹	\$ 2,380
TOTALS					\$22,780

Revenue Reduction:

To meet the reduction target of \$42,000, less the projected revenue add identified above, the building division would need to reduce their expenses by \$19,220. This can be accomplished by continuing to implement the FTE reduction, while maintaining the benefits. The value to this approach is if either Ashland or the State building permit activity picks up significantly, with additional revenue obtained, the city will be in a position to increase hours and provide coverage.

Current FTE	New FTE	Current Pay	New Pay	Impact	Hours	New Hours
0.80	0.67	50,538.40	42,325.91	(8,212.49)	32.00	26.80
1.00	0.87	60,173.29	52,374.18	(7,799.11)	40.00	34.80
1.00	0.87	60,173.29	52,374.18	(7,799.11)	40.00	34.80
				\$(23,810.71)		

¹ Inspections are billed portal to portal and would include in the billable hours mileage expenses. It is estimated that the inspector(s) would drive 300 miles per week, with a cost of \$720 per week. These expenses are deducted from the revenue projections.



Memo

TO: Ashland Citizen's Budget Committee
 FROM: Keith E. Woodley, Fire Chief
 DEPT: Ashland Fire & Rescue
 RE: FY 2007108 Fire Department Budget Reductions
 DATE: May 21, 2007

During the presentation of the proposed 2007108 Fire Department budget, department staff was directed to review the anticipated budget reductions to determine if alternatives existed to reduce service level impacts within the fire department. This memo is provided in response to that direction.

Redirect funding for the vacant Operations Division Chief position (\$116,001.37) as follows:

1. Scheduled Overtime

Restore Overtime For Technical Rescue Team Training	\$12,000
Restore Overtime For Firefighter Skills Maintenance Training	\$ 6,000
Restore Overtime For CERT Volunteer Training by Staff	\$10,000
Restore Overtime For Special Community Events -	<u>\$ 7,000</u>
	\$35,000

2. Firefighter Training

Restore Technical Team Instructor Training	\$ 3,000
Restore Firefighter Skills Maintenance Training	<u>\$14,000</u>
	\$17,000

3. CERT Program

Restore CERT program personnel services	\$54,000
Restore CERT program materials & services	<u>\$10,000</u>
	\$64,000

TOTAL	\$116,000
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These adjustments will restore these programs as indicated.



Proposed Budget Reductions
Prioritized

15/5/15
/(Transfer \$45,000 from M & S to YAL

- Preserves the expenditure but reallocates based on YAL final year

2. Transfer \$48,000 from Parks Personnel to YAL

- Preserves the expenditure but reallocates based on YAL final year

3. Remove Sr. Program Spec./Add 20k temporary employee

- Impact loss of Sr. City Utility Discount involvement, Heating Assistance program involvement, reduce hours of operations at Sr. Center
- Saves us \$30,000

4. Eliminate the \$3000 for outdoor program

5. Eliminate the \$2000 for contracted senior field trips with YMCA

6. Remove \$60,000 from Parks Materials & Services

- Reduce non native vegetation removal
- Reduce fuel reduction program
- General belt tightening
- Saves \$60,000

7. Reduce parks transfer to Capitol budget by \$20,000

- Retains rec. van that was going to be replaced by Hybrid

8. Reduce \$5000 from Golf Budget

- Eliminates \$5000 in capitol improvements

9. Eliminate \$32,000 for CSO from Maintenance Materials and Services

- Reduces Graffiti removal and skate board/general park rule enforcement

10. Eliminate \$50,000 for CAP officer program

- Reflects potential reduction in time spent with park patrol rule enforcement

11. Remove Promotions Coordinator Position/Add back Admin Assist position, Reception position, and Add back \$30k contract services.

- Reduce capabilities for Department wide position
- eliminates a temporary employee
- Restricts program capabilities of Nature center
- Saves us \$20,200

12. Reduce Capitol by \$100,000

- Reduces construction of neighborhood park

Memo

DATE: May 17, 2007
TO: Budget Committee
FROM: Greg I. Case, Division Chief
RE: City of Ashland Ambulance Revenue Receipts Limitations

This is in response to the Budget Committee's request for the regulations that limit the revenue collection of ambulance fees for service.

A number of governing bodies regulate the provisions of cost recovery that affects the amount the ambulance service can collect for services. The following is a brief summary of some of the regulating bodies and regulations limiting the full collection of ambulance fees for service.

The Federal register part four. Department of Health and Human Services, 42 CFR parts 410 & 414 outline the requirements, fee schedule and payment limits of ambulance services.

The Centers for Medicare and Medicaid services regulate the reimbursement by setting the limits in the "Revised National Fee schedule" in section 1834(I) that states "Ambulance providers and suppliers must accept the Medicare allowed charges as payment in full and not bill or collect from the beneficiary any amount other than any unmet Part B deductible and PART B coinsurance amounts." We currently bill all PART B beneficiaries.

The state through the Oregon Revised Statutes, the Oregon Department of Human Services and Oregon Administrative Rules section 410-120-1280 also outline and **limit** the billing of participants of the Oregon Health Plan.

