



**Budget Committee Meeting
Draft Minutes
May 22, 2006 7:00pm
Civic Center Council Chambers, 1175 East Main Street**

CALL TO ORDER

The Citizen's Budget Committee meeting was called to order at 7:02 pm on May 22, 2006 in Council Chambers at 1175 East Main Street, Ashland Oregon.

ROLL CALL

Mayor Morrison was present. Councilor Jackson, Silbiger, Hartzell, and Chapman were present. Budget Committee members Bond, Everson, Stebbins, Thompson, Levine, and Gregorio were present. Councilors Amarotico and Hardesty were absent. Committee Member Mackris was absent.

STAFF PRESENT: MARTHA BENNETT, CITY ADMINISTRATOR
LEE TUNEBERG, AMINISTRATIVE SERVICES DIRECTOR
MIKE MORRISON, PUBLIC WORKS SUPERINTENDENT
JIM OLSON, ENGINEERING SERVICES MANAGER
KEITH WOODLEY, FIRE CHIEF
CHRIS CHAMBERS, WILD FIRE FUELS PROGRAM
COORDINATOR
CINDY HANKS, PROJECT MANAGER
BRYN MORRISON, ACCOUNT REPRESENTATIVE

APPROVAL OF MINUTES

None

PUBLIC WORKS

Lee Tuneberg, Administrative Services Director, Jim Olson, Engineering Services Manger, and Mike Morrison, Public Works Superintendent presented the budget. Mr. Tuneberg spoke to the Capital Improvement (CIP) section first. He stated that the Committee should focus on setting appropriations for the projects for next year however the some projects extend into the future. The CIP is broken into several sections; transportation, water, wastewater, storm drain, electric, administration, and parks and recreation. He spoke to the summary of CIP for 2007, and the largest section is water. Projects are identified throughout the section with the cost of each year and the total project cost. Transportation projects are street related, local improvement districts, and airport. He spoke to the Jefferson Street extension, \$900,000 is budgeted to extend Jefferson Street through an Oregon Economic and Community Development

Department (OECDD) grant for half and a loan to be paid back by the developer for the other half. The Committee clarified that no tax rate increase will be used for this project. The Committee questioned the railroad project and the funding that will be needed for it. Mr. Tuneberg responded that the City will have to look into the priorities and decide how to fund it.

Mr. Tuneberg spoke to the LID's that are anticipated in the next year. He added that the Committee could propose to use the funding from some of the LID projects that will not be completed to use for miscellaneous concrete repairs. The Committee clarified that the middle part of Clay street will not be a LID. Mr. Tuneberg spoke to the Water Fund, and that the TAP project will need to be completed sooner than they expected. He spoke to the waterline replacements, wastewater plant improvements, and storm drains. He spoke to enclosing the equipment building for the Electric department. He stated that it is an administrative project, but listed in the Electric section. It should be under administration not electric since it will not be funded through electric rates. Telecommunications is ongoing repairs and upgrades. Administration is the remodel of Council Chambers and the Fire Station #2 construction dependent on the vote of the people in November.

The Committee questioned if the archive building has to be separate from other City buildings. Mr. Tuneberg responded that it is not a requirement and it needs to be safe and protected. Parks Open space is normally budgeted at \$200,000 and comes from the CIP Fund and goes to open space acquisition for Parks. The Committee questioned why computers were not included on this list. Mr. Tuneberg responded that the scheduled replacement for computers is 3 years and costs approximately \$1,500 and does not meet the City's capitalization policy. The Committee questioned if there was a way to see what projects are funded through grants or other sources. Mr. Tuneberg responded that the funding is shown on each project page. He explained that in the administration section, except for the fire station, all will be funded through a portion of internal charges. Improvement of Council Chambers will come from internal charges or the City could borrow money. The Fire station will be the only one bonded by vote. The Committee asked when the remodel of the chambers was authorized. Mr. Tuneberg responded that he thought it was two years ago when the City started the process to study it. The City hasn't decided what the project is yet and whether it is a sound and lighting remodel or a grander improvement. It has not been approved as a project yet. The Committee asked when the archive building was approved. Mr. Tuneberg responded that it was proposed through the City Recorder department for upgrades or replacement of the current storage facility. Mr. Morrison explained that it is located at the Cemetery and all records are taken there. The City is using only an insulated shed and shares space with the Cemetery office. The Committee questioned why it would cost \$100,000 to evaluate if it can be expanded. Mr. Tuneberg responded that the City will need to look at if they need an entirely new site or if the current site can be modified. There is great need for a temperature control larger setting for the City's required documents that are required to be retained by law. The Committee questioned why this problem could not be solved through electronic record retention. Mr. Tuneberg

responded that the City does use the Laserfiche system but not all documents are conducive to that.

The Committee asked if the proposal to increase water rates 6% is for capital projects. Mr. Tuneberg responded that the City is seeing pressures operationally that require a raise in rates. Indirectly it may pay for revenue bonds to pay for debt service. Personal Services and Materials and Services are driving the rate increase. The Committee questioned the round numbers in the CIP and asked how many were rough guesses. Mr. Tuneberg responded that the people with the experience working on these projects make the estimates and that some years they have been above and some below. The estimates are based on square footage and the true cost is not known until you have the engineers report and get bid. The Committee suggested that staff revisit the costs annually and readjust.

The Committee questioned the park and ride and if the City owns the land. Mr. Tuneberg responded that the City can utilize the land. The City has received federal grants and will receive contribution from RVTD. The City needs authorization from the county to upgrade the parking area. Councilor Chapman added that he does not want to spend \$1 million for parking spots. The Committee asked if in the future, if the previous years costs could be shown. Mr. Tuneberg responded that in each project, it show the previous years costs.

Mr. Tuneberg gave an overview of the Public Works department budget. He stated that the Public Works Superintendent manages operations while Engineering, GIS and support staff are in another area of Public Works. He spoke to the mission statement. One of goals is to maintain the infrastructure and facilities. Capital improvements are the biggest swing each year. The Committee questioned what the transportation fee was. Mr. Tuneberg responded it is the utility fee the City charges for the use and care of the streets. The City is anticipating a 15% increase based on a flat amount per household. Storm drain is proposed for a 100% increase.

Mr. Tuneberg spoke to the overall Personal Services increase due to a new position as a Water Treatment Plant Operator and the Director returning being included in the budget. The Directors wages were omitted in the previous year and Materials and Services was increased to pay for contracted work in her absence. It was clarified that the Directors position was included in the position profile in 2006, although her wages were not.

Mr. Tuneberg spoke to the Airport Fund. The City has an airport and the fund has been pretty stable between years. The budget is susceptible to projects that can be funded through federal grants. The Committee asked if a goal is to encourage growth at the airport and if the City had encountered noise problems. Mr. Olson responded that they have noise controls for take offs and there have not been many complaints. He explained that through the application of the land use, the City has a hold harmless agreement where the City cannot enforce noise control. Mayor Morrison added that

there have not been many complaints and the match that the City receives on the federal funding is 90%, but there are limits on what the funds can be used for.

Mr. Tuneberg spoke to the Street division. RVTB is budgeted in this division at \$290,000. He stated that the budget will need to be modified because the City has been notified by RVTB that it could cost near \$800,000 which there is no additional funding for. The Committee questioned what the City is doing to leverage costs for sweeping as shown on page 3-71. Mr. Tuneberg responded that it is his understanding that the City is looking at maintenance programs to minimize costs. Mr. Tuneberg spoke to the operations division and that it is somewhat driven by projects and some staff are shifted to where the need is. The Committee notes that Public Works makes a substantial contribution to central service fees. Mr. Tuneberg will provide a table showing all departments contributions. Councilor Hartzell arrived at 8:06 pm.

Mr. Morrison added that he approves of the charges for facilities. For example the water plant needs repair and by charging the facilities fees, the funds will be put aside for it. The Committee spoke to the free rider program and questioned if there is a contract with RVTB. Mr. Tuneberg added that the City has already been told that the free ridership will end. The Mayor added that the contract says either party can terminate.

Mr. Tuneberg spoke to the Grounds maintenance in the Street division. It pays to take care of the plaza and the boulevard and the City pays Parks to do the work. The Committee questioned where the income is shown in Parks. Mr. Tuneberg responded that it is shown in the Parks and Recreation Fund in the long term section. The Committee questioned the seventeen new accounts. Mr. Morrison responded they include parking lots, the islands, and the downtown planters.

Mr. Tuneberg spoke to the Water division. He explained that the Water Fund is a very significant enterprise fund. He pointed to the graphs showing comparison to population. The budget growth cannot always be compared to population growth. Treatment division increases include materials and services, and internal charges. Personal services shows the new position treatment plant operator. He pointed to the need for succession planning and coverage during training and absences. The Committee questioned when the rate increase would take place. Mr. Tuneberg responded that they will hold off on increases until August to see how they finish the year, and are hoping to propose less than the 6% increase in August. The Committee questioned if TAP affects this increase. Mr. Tuneberg responded that project will be paid through SDC's or borrowings. The increase is for staffing costs and a grant that went away for the forest interface program. The Committee questioned if the portion of TAP that was moved ahead by Council was for maintenance or emergencies, page 3-78. Mr. Tuneberg responded that he would have to look into that. Councilor Hartzell added it was for emergencies not maintenance. Staff will look into.

Mr. Tuneberg spoke to the Forest Interface division and that it is located in the Water Fund, but operated by the Fire department. The budget includes the existing position

and benefits. Mr. Woodley added that the position has in the past been funded through grants. The grant money has decreased significantly and they are proposing the City pick up the remaining portion that the grant does not cover. Mr. Woodley gave the history of the program and it was established without a funding source. He explained that it is located in the Water Fund due to the great concern of the water shed. He explained they have an annual contract with a forest consultant which will end this next fiscal year. The Committee questioned how much of the grant remains. Mr. Chambers responded \$150,000 in total where 25% is only for the position. The Committee asked staff to look into assessing a fee to help in the guarding of that area or other sources to pay for it. Mr. Woodley explained that the City does not have legal authority to make assessments outside the City limits, they would have to voluntary pay. The Committee questioned the role of the position without the grant funding. Mr. Chambers explained that he informs land owners, and they need to keep relationships established and maintenance up. Councilor Hartzell stated that she is supportive of the position but would like it to come back to them with fees proposed or other support.

Mr. Tuneberg spoke to the Wastewater division history. They still have a temperature control issue at the plant and there is one project identified towards that. The Committee asked what are the franchises. Mr. Tuneberg responded it is a fee for being in operation, paid to the General Fund. The Committee asked if the loan for the plant has a fixed interest rate. Mr. Tuneberg responded that it does. Councilor Chapman stated that these numbers looked reasonable compared to the other budgets.

Mr. Tuneberg spoke to the Administration and Engineering divisions and that they are in the Central Service Fund. The Personal Services increase is due to the return of the Director as mentioned before. Contractual Services decreased from 2006 as well.

The Facilities Maintenance division was in the Central Service Fund last year, now in Capital Improvement Fund. Departments pay rents to this division for maintenance, records storage. The Committee questioned the facilities fees. Mr. Tuneberg explained that he will provide a table detailing the fees. The Committee questioned what Rental, Repair, and Maintenance was. Mr. Morrison responded that they pay for all the electricity and utility bills for all the City buildings and the custodial contract. Mr. Tuneberg spoke to the Cemetery division. He explained that they use temporary employees through the peak season. The Committee asked to clarify the substantial increase in wages. Mr. Tuneberg will look into it and get back to them.

Mr. Tuneberg spoke to the Fleet Maintenance and Acquisition division. Each department pays into the fund to replace equipment. Page 3-98 identifies the pieces. If a piece of equipment is needed and not part of program, the department pays for it and then it becomes part of the fleet. They are looking at cost effective vehicles. The Committee questioned if the IT department was doing the utility billing upgrade and if the \$250,000 was needed. Mr. Tuneberg responded that he will propose that as a cut, they anticipated buying that from a third party and now the City's programmers will implement their own. The \$250,000 will go to the fund balance. The Committee asked if the City sells off existing stock and recognize it as revenue. Mr. Tuneberg responded

that they do sell surplus equipment with Council's approval. The revenue is put back into this fund and the departments that surplus was taken from, gets a credit toward future purchases.

Councilor Silbiger expressed his opinion that the City needs to look at purchasing more hybrid vehicles. The Committee questioned why more had not been purchased. Mr. Morrison responded that in the Police's case, they need the power that a hybrid would not have. They are looking at retro fitting diesels, but it an expensive option. The City needs the diesels for performance.

Mr. Tuneberg spoke to the handout for the aerial ladder. See attached. It is not in the budget and the question has been raised if it should be part of the Fire Station #2 bond issue. The Committee questioned if it was possible to have large facilities surcharge to pay for it. Mr. Tuneberg responded it would be. The Committee questioned if this had been part of previous budgets. Mr. Woodley responded that it was proposed in 1993 but removed before it reached the budget committee. It has been part of public discussion and in his research, Ashland is the only city in comparison that did not have this equipment with equivalent buildings to the other cities. Ashland does not have unordinary buildings. The Committee asked what type of ladder it would be. Mr. Woodley responded it would be a 100 foot platform or ladder. The Committee asked if some communities fund equipment like this in partnership with the owners of these larger buildings. Mr. Woodley responded that some developers in other cities have given money to purchase that type of equipment. It was mentioned that throughout the budget, Council goals are not shown in each department. Mr. Bond expressed the need for a significant discussion of the ladder truck at the next meeting before it goes to Council.

**Everson/Bond ms to accept the Public Works budget as presented.
Everson/Bond amended the motion to approve the budget less the \$250,000 for the utility billing software. 10 yes, Chapman opposed.**

The Committee asked to clarify which position was included as an addition in the budget. Mr. Tuneberg responded only the water plant operator, the forest interface position remains, only the grant funding was eliminated. Mr. Tuneberg spoke to the handouts for Wednesday night. See attached. He explained that he will try to have bussing program options as well. Dee Anne Everson, Committee member asked about the positions that have been asked for and the corresponding property tax rate increase. Staff will provide.

ADJOURNMENT

The meeting was adjourned at 9:45 p.m.

Respectively Submitted,
Bryn Morrison
Account Representative

Memo

TO: Budget Committee
FROM: Keith E. Woodley, Fire Chief
DEPT: Ashland Fire & Rescue
CC: Lee Tuneberg, Budget Officer
DATE: April 7, 2006

RE: Addition is Aerial Fire Apparatus
IN: General Fund
DEPT: Fire
DIVISION: Operations
FY 2007 IMPACT: \$900,000

Justification:

During the August 2005 fire protection services review by the Insurance Services Office (ISO), the City of Ashland received deficiency points toward our community fire protection services rating because the fire department emergency vehicle fleet did not include an aerial apparatus (elevating platform or aerial ladder). ISO establishes fire protection ratings for communities which are used by insurance companies to set insurance rate schedule with our community. The purpose of an aerial apparatus is to improve the fire department's ability to confine fires occurring in larger buildings from spreading to adjacent structures. Examples of these buildings where this risk is present are commercial buildings located within the downtown business district, Southern Oregon University campus, Shakespeare Festival grounds, railroad district, Safeway, Albertsons, Rite Aid, Bi Mart, Shop & Kart, YMCA, Ashland Street Shopping Center, hotels and motels and large craftsman style homes and B&B's. The fire protection risk factors considered here are driven by square footage of roof area, as well as building height. Presently, the maximum vertical height reachable by the fire department is 30 feet. Even assuming that some roofs could be reached by firefighters working from fire department ground ladders, attempting to control serious interior commercial building fires by placing firefighters on the roof of the building is a major contributing cause of firefighter fatalities within the U.S. on an annual basis.

Funding:

The following funding options exist:

- (1) Include in general obligation bond proposed to finance replacement of fire station no. 2.
- (2) Enter into a lease-purchase agreement through a commercial lending institution.



Impact Following Years:

If the general obligation bond were not approved by voters, some other funding means would need to be identified to fund purchase of this essential equipment. The addition of an aerial apparatus in the fire department emergency response fleet will increase annual equipment maintenance costs by \$2,500 annually. The City equipment replacement schedule would need to address replacement of the aerial apparatus every 15 to 20 years.



To: Budget Committee Members
From: Richard Brock, Chair, Ashland Forest Lands Commission

May 7th, 2006

Re: Proposed New City Staff Position

I am writing on behalf of the Ashland Forest Lands Commission to wholeheartedly endorse the funding for the position of Forest Resource Specialist to include the job description currently performed by Chris Chambers. For the past 3 1/2 years he has done an excellent job of administering more than \$800,000 in grant money for fuels reduction work on private lands in the City and it is essential that this work continue as well as the follow-up monitoring and maintenance that is necessary to ensure lasting benefit.

Ashland's landscape is unique in that the Wildland Urban Interface (WUI) comes right into town and leads right into our watershed. Fire prevention through fuels management therefore is critical to the health of our community and our water supply. Just four years ago there were only a few landowners aware of the difficult realities and necessity of managing the forest in this interface, and therefore very little was being done to reduce hazardous fuels on private lands in the WUI. We were thinning on City-owned lands and the Forest Service was thinning on their ownership but it was assumed that a major ignition source was the private lands in the WUI that were mostly not yet being managed. Since Chris Chambers was funded to administer National Fire Plan grants, however, he has put together a highly successful program of thinning, brush clearing, invasive weed management and landowner outreach and education. His list of accomplishments is impressive. It is extremely important that this work be continued. It is too large and diverse for existing staff and hence the need for a new staff position.

In addition to continuing the work coordinating grant-funded fuels reduction work, and control of invasive weeds, the new position would provide an important coordinator for implementing the Community Wildfire Protection Plan (which Chris helped to create), for working with the County as they create a countywide Wildfire Protection Plan, and for ensuring clear communications between the Forest Service and the City as the Ashland Forest Resiliency Project is implemented on Forest Service Lands. So, while there is always reluctance to increase staff size, this is one position that is extremely important.

Sincerely,
Richard Brock

Neil Benson
363 North Laurel St
Ashland, Oregon 97520
nbenson@jeflnet.org

May 19, 2006

Ashland Budget Committee
C/O Chief Keith Woodley
Ashland Fire & Rescue
455 Siskiyou Blvd
Ashland, Oregon 97520

Ashland City Budget Committee:

I am writing to urge you to fund the proposed Forest Resources Coordinator position. Ashland Fire and Rescue has done an excellent job of working with the U.S. Forest Service and private landowners to reduce flammable forest fuels in the Ashland Wildland Urban Interface (WUI) and in the Ashland Watershed. There is still much to be done to make city residents safer and to protect our city water supply.

The city of Ashland and Jackson County have completed Community Wildfire Protection Plans that give good direction for mitigating wildfire's effects. The Forest Resources Coordinator is critical to ensure these plans are implemented.

I have worked in wildfire management in Ashland for over 30 years. The city is in much better shape to live through a wildfire than it has been in those 30 years. However as the city experienced in 1959 and 1973 large wildfires do happen here. The more fuels mitigation and public awareness we complete the less devastation and cost when we have our next wildfire. "An ounce of prevention is worth a pound of cure" has been demonstrated many times in wildfires over the past several years. The investment in the Forest Resources Coordinator now will save the city money for years to come.

Sincerely,
Neil Benson

MEMORANDUM

DATE: April 7, 2006

TO: Ashland Budget Committee

FROM: Gino Grimaldi, City Administrator
Lee Tuneberg, Budget Officer

RE: 2007 Budget Considerations

OVERVIEW

As part of our budget process we have identified departmental positions and programs that we did not include in the budget because of financial constraints or timing. We would like you to consider these as you review the proposed budget.

Below is a summary of each which is supported by an attached memo. The City Administrator and affected Department Heads reviewed staffing requests as a team and identified priorities to be used in additions to the budget. Two positions funded by utility rates were added to the proposed budget. Except for the last item (Forest Interface Position) the items below (their costs and related revenues, if any) are not included in the Proposed Budget.

2006-2007 Budget Considerations

Administration, Assistant City Administrator, add 1.0 FTE:
Provide administrative support to City Administrator to manage city issues at \$150,000.
Department Head rated as Priority # 6.
Impact: Increase Central Service fees to other budgets.

Administration, Legal Department, Legal Secretary, add .5 FTE:
Provide added support to 2.0 FTE attorneys at \$19,050.
Department Head rated as Priority # 5.
Impact: Increase Central Service fees to other budgets.

Administration, add Community Visioning:
This is the second budget year this project has been omitted. This could be budgeted in General Fund or Central Service Fund. Estimated cost is \$100,000.
Not rated by Department Heads.
Impact: Increase Central Service fees to other budgets or add \$.052 property tax.

Administration, add Public Arts Master Plan:
This is new project suggested during the year to establish a proposed program. This could be budgeted in General Fund or Central Service Fund. Estimated cost is \$10,000.
Not rated by Department Heads.
Impact: Increase Central Service fees to other budgets or \$.006 property tax.

Administration, add Ad Hoc Economic Development Commission:
This was identified as a goal in the 2006 process. This could be budgeted in General Fund or Central Service Fund. Estimated cost is \$2,000.
Not rated by Department Heads.
Impact: Increase Central Service fees to other budgets or \$.001 property tax.

Administrative Services, Human Resources Division, Administrative Assistant, add 1.0 FTE:
May reduce overtime, temporary employees and other costs providing added support to Personnel and Risk Management at \$58,500.

Department Head rated as Priority # 3.

Impact: Increase Central Service fees to other budgets.

Police, Operations Patrol Division, Add 3.0 FTE Patrol Officers:

Provide added patrol staff and community support at \$61,900 per officer, total of \$185,700. This may need to be deferred until a Chief is hired and other elements of PERF report implemented.

Department Head rated as Priority # 2.

Impact: Increase in General Fund property taxes of \$0.11.

Police, Investigations, Add 1.0 FTE Detective:

Provide additional investigation effort at \$78,500. This may need to be deferred until a Chief is hired and other elements of PERF report implemented.

Department Head rated as Priority # 7.

Impact: Increase in General Fund property taxes of \$0.047.

Police, Support Division, Computer Technician, Increase .5 to 1.0 FTE:

Proposed increase in time supports the MDC and other technology operations of the PD at \$37,145.

Department Head rated as Priority # 9.

Impact: Increase in General Fund property taxes of \$0.022.

Fire, EMS Division, CERT program, Increase .63 position to 1.0 FTE:

Provide full time service and maintain ongoing support for CERT at \$20,000.

Department Head rated as Priority # 4.

Impact: Increase in General Fund property taxes of \$0.012.

Fire, Operations Division, add Aerial Fire Apparatus to Fire Station #2 Project & Financing:

Improve Fire Department's ability to confine fires in large buildings. Estimated cost is \$900,000.

Not rated by Department Heads.

Impact: Increase in General Obligation Bond and resultant property taxes.

Public Works, Street Division, Utility Worker, add 1.0 FTE:

This position will provide support to the maintenance and operations of street and storm drain projects and divisions.

Not rated by Department Heads.

Impact: Increase to Street Utility Fees.

Public Works, Facilities Division, Utility Worker, add 1.0 FTE:

This position will provide internal support to the other departments in maintaining and managing buildings and grounds.

Not rated by Department Heads.

Impact: Increase to (included in) Facility Use Fee paid by departments.

Community Development, Associate Planner, add 1.0 FTE:

This is to meet Council goals and is estimated at \$68,000 but may need to be deferred until a Director is hired and other elements of the Zukor report are implemented.

Department Head rated as Priority # 1.

Impact: Increase to General Fund Planning fees.

This position is in the Water Fund as part of the FY 2007 Proposed Budget:

Fire & Public Works departments, Water Fund, Forest Interface Program, Maintain 1.0 FTE position:

This position provides support and management of forest interface work and was previously funded by a grant. The grant ended in FY 2006. The estimated cost for this position is \$79,000 which is a 2.0% water rate increase. Ongoing costs for the program in the proposed budget total \$117,000.

Not rated by Department Heads.

Impact: A 6% water rate increase is already included in the proposed budget.

Please review these items and raise any questions you may have during the departmental presentations.

Respectfully submitted,

Gino Grimaldi
City Administrator

Lee Tuneberg
Budget Officer

Memo

TO: Budget Committee
FROM: Ann Seltzer, Management Analyst
DEPT: Administration
CC: Lee Tuneberg, Budget Officer
DATE: April 7, 2006

RE: Addition is Assistant City Administrator
IN: Central Service Fund
DEPT: Administration
DIVISION: Administration
FY 2007 IMPACT: \$150,000

Justification:

There has been a “placeholder” in the budget for an Assistant City Administrator on and off for a number of years. The city last had an Assistant City Administrator in 2000. The position was never filled during the administration of the last two City Administrators. The position is included this year should the new City Administrator feel she needs the additional staff.

Previously, the Assistant City Administrator managed the human resource programs for the city, provided policy direction and implementation to department heads and served as acting City Administrator when needed. Generally, this position serves as a resource for the City Administrator by providing broad general assistance. Potentially this position could serve as the point person for council goals: economic development and the downtown planning process. This position may also serve to alleviate the workloads of other departments.

\$150,000 represents a starting base salary of \$100,000, a figure halfway between a department head salary and the city administrator salary, plus 50% for benefits. Finance uses 50% of salary to determine salary plus benefits.

Funding:

Central Service fees

Impact Following Years:

On-going

Options:

Decrease in some other area of the budget and/or a combination of increases in rates, fees, charges.



Memo

TO: Budget Committee
FROM: Mike Franell, City Attorney
DEPT: Legal
CC: Lee Tuneberg, Budget Officer
DATE: April 7, 2006

RE: Addition is Legal Secretary from .5 to 1.0 FTE
IN: Central Service Fund
DEPT: Administration
DIVISION: Legal
FY 2007 IMPACT: \$19,050

Justification:

We have had an unusually high workload over the past year. Because of this, we have been having some difficulty in keeping all of our filing up to date. This has also resulted in reduced communication to the City Council and in delayed response on some of the insurance claims work that needs to be done. Another ½ time position would be used to assist in keeping up with the filing demands, freeing the Legal Assistant/Claims Manager's time to work on communications of department activity to the Council and Insurance claims administration work.

Funding:

Central Service Charges

Impact Following Years:

This is proposed as a permanent position with ongoing and increasing personnel costs.

Options:

Accept a lesser degree of City Council communication until the workload slows down.



Memo

TO: Budget Committee
FROM: Ann Seltzer, Management Analyst
DEPT: Administration
CC: Lee Tuneberg, Budget Officer
DATE: April 7, 2006

RE: Addition is Community Visioning
IN: Central Service Fund
DEPT: Administration
DIVISION: Mayor and Council
FY 2007 IMPACT: \$100,000

Justification:

A community visioning process is a council goal from 2005 and was the primary topic of the Mayor's 2006 State of the City address. In it he identified the many issues facing the community, the importance of integrating solutions and the recognition that resources are limited. He reminded the community that issue can be solved, but not all at once and not without a vision and then a plan to implement that vision.

The process must be all encompassing and reach beyond the downtown to the entire community. It is time consuming and expensive. "I believe that a common vision is the only way we can plan and prepare for the future...it is the best way for us to get on track and to anticipate the needs of the future before the future makes its demands on us." (Morrison, 2006 State of the City)

\$100,000 is a bare bones budget to begin the process. The most recent Oregon city to undergo a community visioning process is Tigard. Their visioning budget is \$150,000 plus an additional \$50,000 in reserve for ancillary costs (printing, mailings and some publicity).

Funding:

General fund

Impact Following Years:

Depending on how quickly the process begins it is possible the project will extend into FY08 and require additional funds, though likely a smaller amount.



Memo

TO: Budget Committee
FROM: Ann Seltzer, Management Analyst
DEPT: Administration
CC: Lee Tuneberg, Budget Officer
DATE: April 7, 2006

RE: Addition is Public Arts Master Plan
IN: Central Service Fund
DEPT: Administration
DIVISION: Administration
FY 2007 IMPACT: \$10,000

Justification:

The council has suggested that a public art master plan is needed before considering funding requests for public art. A master plan would define the purpose of public art in Ashland; identify viable projects, locations, priorities, partnerships and direction and serve as the guiding document for all public art projects. The plan will build on the belief that public art serves to create strong meaningful connections between people and places that are important to community and civic life.

\$10,000 will enable the commission is receive professional assistance in developing the plan, conducting public outreach and creating a draft master plan for council review.

Funding:

General Fund

Impact Following Years:

None.

Options:

- 1) Use the transient occupancy tax
- 2) Reduce other parts of the budget.



Memo

TO: Budget Committee
FROM: Ann Seltzer, Management Analyst
DEPT: Administration
CC: Lee Tuneberg, Budget Officer
DATE: April 7, 2006

RE: Addition is Ad Hoc Economic Development Commission
IN: Central Service Fund
DEPT: Administration
DIVISION: Administration
FY 2007 IMPACT: \$2,000

Justification:

The formation of Ad Hoc Economic Development Commission was identified as a council goal during the 2006 council goal setting process. The council is interested in establishing this ad hoc group to develop alternative strategies for economic development, to involve citizens and diverse stakeholders and to produce a working economic development plan.

It is anticipated that \$2000 would be needed to cover advertising, meeting space rental for large citizen gatherings, packets of materials, mailings, printing costs etc.

Funding:

Central Service Fees

Impact Following Years:

Generally ad hoc committees complete their work within a specific time frame. It is likely that once the committee is formed, they would complete their work within 12–24 months. If the work continues into FY08, it is possible that additional funds would need to be budgeted in FY08.

Options:

Add to the budget even though this is beyond a 3% increase.



Memo

TO: Budget Committee
FROM: Lee Tuneberg
DEPT: Administrative Services
CC: Lee Tuneberg, Budget Officer
DATE: April 7, 2006

RE: Addition is Administrative Assistant- HR/Risk Management
IN: Central Service Fund
DEPT: Administrative Services
DIVISION: Human Resources
FY 2007 IMPACT: \$58,500

Justification:

The addition of this position would allow better performance and coordination of Risk Management, Human Resources and other internal services.

Recruiting is more complex and at an all time high. This seems to be the trend and is expected to continue at high levels. In 1998 the city had a .5 FTE risk manager in addition to existing positions. By 2000 Risk Management was spread between Legal, HR and Finance. For years the number of claims and complexities of insurances, safety and litigation has grown. A preliminary review of the existing programs calls for 2 FTE to make “whole” the risk management function.

Given the demands on the city for services and other much needed staff, the Risk Management team chose to use an external firm to update and upgrade policies and procedures for the next 6 – 12 months as the city goes through significant changes. However, the need for added support in the risk, personnel and administration areas will continue and this position would allow highly skilled staff to work on other issues.

Funding:

This position would reside in the Central Service Fund and would require an increase in internal charges by FY 2007-08. There may be some savings in outsourced work and overtime. Increased internal charges eventually result in an increase in rates, fees or taxes in other funds.

Impact in Following Years:

The impact in subsequent years would wage and benefit increases similar to any other positions.



Memo

TO: Budget Committee
FROM: Rich Walsh, Deputy Chief
DEPT: Police
CC: Lee Tuneberg, Budget Officer
DATE: April 7, 2006

RE: Addition is 3 Additional Police Officers
IN: General Fund
DEPT: Police
DIVISION: Operations
FY 2007 IMPACT: \$185,700

Justification:

Additional Officers are needed to be able to meet minimum staffing requirements. The levels are below standards due to vacations, sick time/injuries, comp time requests, and mandatory training requirements. This allows us to provide service to the community at a consistent standard and allows officers more discretionary time to thoroughly investigate cases. Currently a minimal amount of time is spent on day to day cases. The positions will allow for the Chief to address the community's concerns regarding downtown enforcement pertaining to panhandling, drug enforcement, disorderly people, and bad behavior.

Funding:

The positions can be funded through an increase in property taxes. A Police Levy could be looked at which have been successful in other cities.

Impact Following Years:

The Police Executive Research Forum's report has not arrived as of this writing but may give some valuable information on the increase of personnel.



Memo

TO: Budget Committee
FROM: Rich Walsh, Deputy Chief
DEPT: Police
CC: Lee Tuneberg, Budget Officer
DATE: April 7, 2006

RE: Addition is Detective
IN: General Fund
DEPT: Police
DIVISION: Support
FY 2007 IMPACT: \$78,500

Justification:

By adding a Detective to the division it would allow relief for both the Detectives assigned to sexual assaults and the Detective assigned to financial and property crimes. A fourth Detective would give us two teams of two, thus a cover unit and a witness when needed. An added Detective would allow us to take on more cases from the patrol group, such as burglaries and car clouts relieving patrol from the burden of trying to conduct follow-up, while staying on top of their day to day patrol duties. The detective division has experienced more types of complex fraud investigations. And of course we experience those times of bank robberies, homicides, and major assaults that can consume an investigators time that takes away from his normal investigations. What we do know is that if our detectives can make an impact on the drug trade then it keeps our property crimes down. If the investigations unit doesn't have time to deal with the drugs in our community then the property crime rate goes up.

Funding:

This position can be funded through an increase in property taxes or a police levy.

Impact Following Years:

The Police Executive Research Forum's report has not arrived as of this writing but may give us some valuable information on the increase of personnel in this division.



Memo

TO: Budget Committee
FROM: Rich Walsh, Deputy Chief
DEPT: Police
CC: Lee Tuneberg, Budget Officer
DATE: April 7, 2006

RE: Addition is Computer Technician from .5 to 1.0 FTE
IN: General Fund
DEPT: Police
DIVISION: Support
FY 2007 IMPACT: \$37,145

Justification:

The current position is a part time position. Technology demands for the police department are unique and time consuming. A full time employee is needed to manage computers and software specific to the police department and interact with Computer Services to ensure seamless operability. Having a half time person creates lag time in getting equipment up and back into service. This can mean cars out of service until equipment can be fixed. This person also works with Medford's Computer Technicians to problem solve on both ends. This person can also manage large technical projects and has a better understanding of problem solving issues.

Funding:

This position can be funded through an increase in property taxes.

Impact Following Years:

I am not sure if the Police Executive Research Forum's report addresses any of these issues.



Memo

TO: Budget Committee
FROM: Keith E. Woodley, Fire Chief
DEPT: Ashland Fire & Rescue
CC: Lee Tuneberg, Budget Officer
DATE: April 7, 2006

RE: Addition is CERT Position from .5 to 1.0 FTE
IN: General Fund
DEPT: Fire
DIVISION: EMS
FY 2007 IMPACT: \$20,000

Justification:

The C.E.R.T. Program is one of the most successful initiatives that the fire department has undertaken. To date, the program has trained over 400 citizens in basic emergency preparedness and response measures, and maintains a cadre of active, enthusiastic members who continue to work to strengthen and expand the program in the community. The backbone of the program is the existence of a program coordinator, who has continued to stimulate and maintain the interest and enthusiasm of the community volunteers, as well as organize community classes and continuing education for team members. The success of the program has driven the necessity of increasing program supervision by 15 hours per week.

Funding:

This position has been funded within the Emergency Medical Services Division of the fire department budget.

Impact Following Years:

The financial impact in future years will be the ongoing cost of (1) FTE in the CERT program budget.



Memo

TO: Budget Committee
FROM: Mike Morrison, Public Works Superintendent
DEPT: Public Works
CC: Lee Tuneberg, Budget Officer
DATE: April 7, 2006

RE: Addition is Utility Worker
IN: Street Fund
DEPT: Public Works
DIVISION: Street
FY 2007 IMPACT: \$45,000

Justification:

Over the last few years the street department has slowly lost personnel to other divisions for various reasons. One utility worker II went to Public Works as the Locator, he does do locating for the streets but not as a full time worker. One Utility Worker III went to the waste water division as they now do the cleaning maintenance for storm drains. This left one utility worker III in another division. In addition to the actual losses of people we have one Utility worker III that has to spend the majority of his time working on the Pavement Management software on the computer or measuring and checking streets. This has to be constantly upgraded and checked so we are kept up-to-date on where we stand as far as our Pavement goes.

With the addition of the Waste Water doing the storm drain maintenance you would think that this would clear up some time for the street division with the storm drains, but this has proved to be just the opposite. Yes the Street Division does not have to clean lines and boxes as in the past but they now have more work repairing the drainage system. The Sewer Division TV's the storm system looking for trouble spots, and with the camera they have discovered a lot of problem areas. The Street Division is then responsible for the repair and replacement of the piping they find. So rather than having more time they have more repairs. This is not a complaint as the system is getting better each year, but there is a lot of time and materials involved. On top of this, the Street department loses one full time Utility III during the months of March thru October for the Street painting. We do hire two temporaries for this but lose a full time utility worker. It is during this time that the Street division has to get ready for all the Street slurry seals which includes removing all bad asphalt and replacing it with new. This is also when all pavement work needs to be done for temperature reasons as it is weather driven.



The Street Division is responsible for all alleys, dirt roads, roadside ditches, storm drain lines, manholes and catch basins. They are responsible for all pavement related projects including potholes and sink holes. They are responsible for all traffic and street signs throughout the City, which includes trimming of trees and shrubs when property owners won't. They are responsible for all sweeping of streets, sidewalks, parking lots, parking garage and bike paths. During the fall we run two sweepers full time just trying to keep up with the leaves. We are now responsible for trying to clean the storm system where it runs through riparian areas, along with drainage ditches and catchment areas. While trying to do the right jobs more by hand now than with equipment. The street department also seems to be the catch all for other departments, such as City parades where they do the street delineations and then cleanup. Responding to spills and accidents on City streets, dead animal pickup (thankless job), grinding of sidewalks, railroad crossings most anything that the other divisions don't do.

Funding:

Rates

Impact Following Years:

We will have to pay for the position each year but will get more work completed.



Memo

TO: Budget Committee
FROM: Mike Morrison, Public Works Superintendent
DEPT: Public Works
CC: Lee Tuneberg, Budget Officer
DATE: April 7, 2006

RE: Addition is Utility Worker
IN: Capital Improvement Fund
DEPT: Public Works
DIVISION: Facilities
FY 2007 IMPACT: \$45,000

Justification:

The Facilities Maintenance Division takes care of all City facilities including maintenance, improvements and janitorial services. 60 separate buildings are currently being taken care of by 1 ½ building maintenance personnel, this includes the weekly janitorial cleaning of the Grove. The other ½ time is for working maintenance at the City cemeteries. We have discovered that we are responding to crisis rather than getting the routine maintenance needed. We are currently in the process of putting all the facility assets into a new database software program which will help with the required maintenance needs of the city. Building maintenance has become the catchall for all jobs such as moving boxes, records from City Hall to the Cemetery to changing out the light bulbs, it's becoming a little overwhelming for 1 ½ people.

Funding:

Rates

Impact Following Years:

I believe in the long run this will be a cost savings rather than expense as we will be able to respond to needed repairs and maintenance rather than letting them go and costing more money.



Memo

TO: Budget Committee
FROM: Bill Molnar, Interim Community Development Director
DEPT: Community Development
CC: Lee Tuneberg, Budget Officer
DATE: April 7, 2006

RE: Addition is Associate Planner
IN: General Fund
DEPT: Community Development
DIVISION: Planning
FY 2007 IMPACT: \$68,000

Justification:

The Planning Division Operational and Organizational Review was presented to the City Council in February of this year and contained over 80 action items recommended for implementation over the next twelve to eighteen months. A good portion of the review focused on staffing levels and workload as it related to current planning, long range planning and the advancement of City Council goals. Specifically, the report noted that the current number of Council goals related to the Community Development Department was overly aggressive and beyond the ability of existing Department staffing levels to fulfill.

Along with a variety of land use activity data and statistics from the previous three to five years (planning actions, zoning and building permits, etc), the consultants conducted surveys of City staff, past applicants, appointed commissioners and elected officials. Additionally, three different focus group meetings were held to provide input on the needs of the Planning Division from citizens, developers and contractors.

A reoccurring theme throughout the various forms of public input was the need for additional staffing. In particular, the report noted that there is a clear need for more long range planning in Ashland. Consequently, the recommendations of the report identified the need for approximately one to two additional planners for current land use application processing and answering general questions, and at least one or two additional planners for long range planning projects and comprehensive planning.

Based upon the recommendation of the Planning Division Operational and Organizational Review, included in this year's budget is an Associate Planner position. As noted earlier, due to the continuous



level of current planning application activity, the Department has been unable to accomplish as much long range planning and this has been an ongoing concern of the Council, Planning Commission and citizens. A refined work program would be developed for the position for the primary purpose of advancing the Council's list of long-range strategic priorities and projects.

Funding:

The Planning Division generates revenues from land use application and building permit fees. The current fee structure is sufficient to meet the City Council target of recovering 75% of the Planning Division expenses from those fees, with the remainder provided from the general fund. The primary revenue tool for meeting the established target is the Community Development Fee, which is collected at the issuance of building permits and is based on the construction valuation of the permit.

The Community Development Fee was recently increased to 1.1% of construction valuation (.011) to fund the two positions that were added in the 05-06 Budget. Each tenth of a percent (.001) equates to roughly \$60,000 to \$70,000.

An increase of one tenth of a percent would cover the costs associated with the new position.

Impact Following Years:

The Associate Planner is proposed as a permanent position within the Planning Division. Personnel costs related to this new position would increase each year due to step increases in salary and associated benefit costs. As construction costs increase, the Community Development Fee revenue should rise at nearly the same rate providing a consistent long range funding mechanism.

Options:

Currently, the Community Development Department has potentially three position vacancies. An Associate Planner and Development Services Manager position were approved as part of last year's 2005-2006 Annual Budget. Both positions, however, were put on hold pending the results from the Operational and Organizational Review. The report was fully supportive of moving ahead with filling the Associate Planner position and making the Development Services position permanent. In addition, the Planning Manager has been serving as Interim Community Development Director for the past nine months.

Assimilation of the previously approved (2005-2006 Budget) Associate Planner and Development Services Manager positions concurrently with adding an additional Associate Planner and filling the Community Development Director vacancy may be extremely challenging. Another option would be to first fill the previously approved positions, as well as the Community Development Director vacancy, and allow some time for the new employees to be adequately integrated into the organizational structure. This would provide an opportunity to assess changes in Department capacity and efficiency. During this period, clear progress with long range planning projects could be assisted and accomplished by engaging land use consultants through personal service contracts.



It is our request that the Associate Planner be included and approved in this years budget with the understanding that the proposed fee increase and the actual hiring of the position most likely would occur in the second half of the upcoming fiscal year and possibly into the following fiscal year.



Memo

TO: Budget Committee
FROM: Keith E. Woodley, Fire Chief
DEPT: Ashland Fire & Rescue
CC: Lee Tuneberg, Budget Officer
DATE: April 7, 2006

RE: Addition is Forest Resource Specialist Position (1.0) FTE
IN: Water Fund
DEPT: Water
DIVISION: Forest Interface
FY 2007 IMPACT: \$79,000

Justification:

This position has been fully funded from grants that have not been renewed by the federal government. This position currently creates and implements programs and tasks to implement the Ashland Community Wildfire Protection Plan of 2004, and assists with City Council goals related to management and protection of the City's watershed. It is obvious at this point that the vegetative conditions in the wildland areas in and adjacent to the City will require ongoing attention to retain advances we have made in our efforts to protect the Ashland Watershed. This position coordinates work with local and regional partners, helping to implement the Jackson County Fire Plan in the Ashland area. Programs outlined for implementation by employee include coordinating wildfire fuels reduction projects and monitoring of past fuels reduction projects on private and public lands, watershed and forest monitoring, wildfire evacuation, wildfire tactical response planning, and funding of activities through City and outside grant sources. Promote and support the implementation of the Ashland Forest Resiliency Community Alternative in connection with Ashland Ranger District of the Rogue River National Forest

Employee works with property owners to assess wildfire hazard and develop mitigation plans and evacuation response. Uses GIS computer program to create maps of area, analyze data, and support department activities. Communicates with public, local groups, other departments, media, and local, state, and federal agencies. Writes and administers grants for fuels reduction, wildfire education, and forest/watershed management activities. Maintains all essential program records.

Employee provides City employees with training and orientation for forest resource management issues and wildfire prevention and mitigation. Prepares program statistical information and other documentation as required by the fire department. Develops and presents community education and program operational



materials, conducts public tours of project areas and provides media liaison. Provides regular program status reports for staff, elected officials and the general public as required.

Funding:

This position is proposed to be funded within the Forest Interface budget in the Water Fund.

Impact Following Years:

A water rate increase within the Water Enterprise Fund will be necessary to ensure future support of this position.



**City of Ashland
2007 Budget Considerations
FY 2006-07 Proposed Budget**

Department	Fund	Amount	Description	1-15 Prioritize
Administration				
Administration	Central Service	\$ 150,000	Assistant City Administrator	_____
Legal	Central Service	19,050	Legal Secretary .5 to 1.0 FTE	_____
Mayor and Council	Central Service	100,000	Community Visioning	_____
Administration	Central Service	10,000	Public Arts Master Plan	_____
Administration	Central Service	<u>2,000</u>	Ad Hoc Economic Dev Commission	_____
		<u>\$ 281,050</u>		
Administrative Services				
Human Resources	Central Service	<u>\$ 58,500</u>	Admin Assistant- HR/MR.	_____
Police				
Operations Patrol	General	185,700	3 Additional Police Officers	_____
Support Investigations	General	78,500	Detective	_____
Support Asset Forfeiture	General	<u>37,145</u>	Computer Tech .5 to 1.0 FTE	_____
		<u>\$ 301,345</u>		
Fire				
EMS	General	20,000	CERT Position .63 to 1.0 FTE (in budget now)	_____
Fire Operations	General	<u>900,000</u>	Aerial Fire Apparatus	_____
		<u>\$ 920,000</u>		
Public Works				
Street	Street	45,000	Utility Worker	_____
Facilities	Capital Improvement	<u>45,000</u>	Utility Worker	_____
		<u>\$ 90,000</u>		
Community Development				
Planning	General	<u>\$ 68,000</u>	Associate Planner	_____
Total		<u><u>\$ 1,718,895</u></u>		

City of Ashland

Fiscal Year 2006-2007 Summary of Changes

	2007 Proposed	2007 Revisions	2007 Approved	Recommended Revisions	Adopted
GENERAL FUND					
American Water Department	141,780		141,780		141,780
American Water Services - Municipal Effort	398,450		398,450		398,450
American Water Services - State Services Grants	118,960		118,960		118,960
Administrative Services - Economic & Cultural Grants	504,650		504,650		504,650
American Water Services - Miscellaneous	1,120		1,120		1,120
American Water Services - Rates	81,554		81,554		81,554
Public Department	1,362,894	(20,527)	1,342,367		1,321,840 Health Care Savings
Public Works Department	5,215,257	(27,885)	5,187,372		5,147,487 Remove 111 of 43K and add 20K for rent Health Care Savings
Public Works - Cemetery Division	358,245	(2,868)	355,377		355,377
Community Development - Planning Division	2,283,304	(12,013)	2,271,291		2,251,291 Health Care Savings
Community Development - Building Division	801,754		801,754		801,754
Travels	500		500		500
Contingency	400,000		400,000		400,000
Funding Fund Balance	987,100	88,300	1,075,400		1,075,400
TOTAL GENERAL FUND	16,847,770		16,847,770		16,847,770
COMMUNITY DEVELOPMENT BLOCK GRANT FUND					
Financial Services	35,900	(41)	35,859		35,859 Health Care Savings
Materials and Services	385,400		385,400		385,400
Other Financing Uses (Interfund Loans)	2,15,000	(41)	2,14,959		2,14,959
TOTAL CDBG FUND	656,250		656,250		656,250
STREET FUND					
Public Works - Street Operations	4,068,491	(8,254)	4,060,237		4,060,237 Health Care Savings
Public Works - Storm Water Operations	39,821		39,821		39,821
Public Works - Sanitation SUI's	274,850		274,850		274,850
Public Works - Storm Water SUI's	47,500		47,500		47,500
Public Works - Local Improvement Districts	343,456		343,456		343,456
Contingency	153,000		153,000		153,000
Funding Fund Balance	6,300,542	9,204	6,309,746		6,309,746
TOTAL STREET FUND	11,927,750		11,927,750		11,927,750
AIRPORT FUND					
Materials and Services	111,532	10,000	124,532		124,532 Pavement Patching (Grant Match)
Travel Services	35,173		35,173		35,173
Other Financing Uses (Interfund Loans)					
Contingency	5,000		5,000		5,000
Funding Fund Balance	12,382		12,382		12,382
TOTAL AIRPORT FUND	164,087	10,000	177,087		177,087
CAPITAL IMPROVEMENTS FUND					
Financial Services	154,065	(1,658)	152,407		152,407 Health Care Savings
Materials and Services	304,750		304,750		304,750
Capital Outlay	3,626,000		3,626,000		3,626,000
Travels	335,434		335,434		335,434
Other Financing Uses (Interfund Loans)	530,000		530,000		530,000
Contingency	50,000		50,000		50,000
Funding Fund Balance	1,678,870	1,658	1,680,528		1,680,528
TOTAL CAPITAL IMPROVEMENTS	6,769,119		6,769,119		6,769,119
DEBT SERVICE FUND					
Debt Service	791,716	864,453	1,656,169		1,656,169 Option 1
Funding Fund Balance	147,356		147,356		147,356
TOTAL DEBT SERVICE FUND	939,072	864,453	1,803,525		1,803,525

City of Ashland

Fiscal Year 2006-2007 Summary of Changes

	2007 Proposed	2007 Revisions	2007 Approved	Recommended Revisions	Adopted
WATER FUND					
Public Works - Capital Equipment	172,005		172,005		172,005
Public Works - Construction Management Services	196,000		196,000		196,000
Public Works - Water Supply	2,700,879		2,700,879		2,700,879
Public Works - Water Treatment	1,400,354		1,400,354		1,400,354
Public Works - Water Distribution	3,277,302	(13,190)	3,264,112		3,264,112
Public Works - Bombardement Streets	467,670		467,670		467,670
Public Works - Improvement Studies	702,580		702,580		702,580
Public Works - Utilities	123,932		123,932		123,932
Public Works	544,457		544,457		544,457
Public Works - Projected Deficit (negative)	(152,000)		(152,000)		(152,000)
Ending Fund Balance	5,388,117	(13,190)	5,401,307		5,401,307
TOTAL WATER FUND	15,125,296		15,125,296		15,125,296
WASTE WATER FUND					
Public Works - Wastewater Treatment	2,249,996	(19,039)	2,240,957		2,240,957
Public Works - Wastewater Treatment	2,027,266		2,027,266		2,027,266
Public Works - Bombardement Streets	192,160		192,160		192,160
Public Works - Improvement Studies	198,097		198,097		198,097
Public Utilities	1,793,196		1,793,196		1,793,196
Contingency	149,000		149,000		149,000
Ending Fund Balance	3,026,100	9,355	3,035,439		3,035,439
TOTAL WASTEWATER FUND	9,540,802		9,540,802		9,540,802
ELECTRIC FUND					
Electric - Capital Equipment	976,645		976,645		976,645
Electric - Utility	6,557,504		6,557,504		6,557,504
Electric - Utilities	5,206,012	4,900	5,192,851		5,192,851
Electric - Contingency	1,048,600	(17,160)	1,031,600		1,031,600
Contingency	381,000		381,000		381,000
Ending Fund Balance	1,169,731	(13,161)	1,182,892		1,182,892
TOTAL ELECTRIC FUND	15,339,492		15,339,492		15,339,492
TELECOMMUNICATIONS FUND					
Telephone - Capital Equipment	223,608		223,608		223,608
Telephone - Utility	1,802,560	(1,343,614)	478,746		478,746
Telephone - Internet	683,180	93,130	776,310		776,310
Telephone - High Speed	286,568	20,907	307,179		307,179
Telephone - Services	864,454	(864,454)			(864,454)
Contingency	100,000		100,000		100,000
Ending Fund Balance	110,884	106,726	217,610		217,610
TOTAL TELECOMMUNICATIONS FUND	4,091,074	(1,993,621)	2,097,453		2,097,453
CENTRAL SERVICES FUND					
Administration Department	1,033,615	(10,632)	1,022,983		1,022,983
Administrative Services Department	2,092,085	(14,175)	2,077,910		2,077,910
IT - Computer Services Division	1,018,237	(4,965)	1,013,272		1,013,272
IT - Recorder Division	280,098	(1,658)	278,440		278,440
Public Works - Administration and Engineering	1,538,706	(10,243)	1,528,463		1,528,463
Contingency	179,000		179,000		179,000
Ending Fund Balance	43,626	41,673	85,299		85,299
TOTAL CENTRAL SERVICES FUND	6,185,367	(6)	6,185,367		6,185,367

Health Care Savings

Recycle Commission
Health Care Savings

Option 1
Option 1
Option 1
Health Care Savings
Option 1

Health Care Savings
Health Care Savings
Health Care Savings
Health Care Savings

City of Ashland
Fiscal Year 2006-2007 Summary of Changes

	2007 Proposed	2007 Revisions	2007 Approved	Recommended Revisions	Adopted
INSURANCE SERVICES FUND					
Commissary Services	400,000		400,000		400,000
Medical and Insurance	661,291		661,291		661,291
Contingency	32,000		32,000		32,000
Ending Fund Balance	492,029		492,029		492,029
TOTAL INSURANCE SERVICES FUND	1,585,319		1,585,319		1,585,319
EQUIPMENT FUND					
Commissary Services	266,476	(1,479)	266,476		266,476 Health Care Savings
Medical and Insurance	519,955		519,955		519,955
Capital Outlay	1,665,000		1,665,000		1,665,000
Contingency	42,000		42,000		42,000
Ending Fund Balance	366,320	(1,479)	366,320		366,320
TOTAL EQUIPMENT FUND	2,862,230	(1,479)	2,862,230		2,862,230
CEMETERY TRUST FUND					
Transfer	19,000		19,000		19,000
Ending Fund Balance	734,213		734,213		734,213
TOTAL CEMETERY TRUST FUND	753,213		753,213		753,213
PARKS AND RECREATION FUND					
Park Capital	3,868,250	(1,258)	3,868,250		3,868,250 Health Care Savings
Recreation Center	962,200	(1,500)	962,200		962,200 Health Care Savings
Soft Expenses	416,000		416,000		416,000
Expenses	110,000		110,000		110,000
Contingency	35,000		35,000		35,000
Ending Fund Balance	637,250	(3,000)	637,250		637,250
TOTAL PARKS AND RECREATION FUND	6,058,700	(4,758)	6,058,700		6,058,700
YOUTH ACTIVITIES LEVY FUND					
Commissary Services	96,000		96,000		96,000
Medical and Insurance	2,335,361		2,335,361		2,335,361
Ending Fund Balance					
TOTAL YOUTH ACTIVITIES LEVY FUND	2,431,361		2,431,361		2,431,361
PARKS CAPITAL IMPROVEMENTS FUND					
Capital Outlay	331,000		331,000		331,000
Ending Fund Balance	44,866		44,866		44,866
TOTAL PARKS CAPITAL IMP. FUND	375,866		375,866		375,866
TOTAL BUDGET	101,483,770	(1,116,168)	100,367,602	-	100,367,602
Less Ending Fund Balance	21,133,305	321,753	21,455,058	-	21,455,058
Total Appropriations	80,350,465		78,912,544	-	78,912,544

City of Ashland Comparisons of Facilities Use Fee By Department

FY 2005-06

FY 2006-07

	Total	Facilities in Central Services (Operations)	Debt	CIP (Projects)	CIP (Operations)
Administration	19,000	-	-	19,000	-
IT: AFN	-	-	-	-	-
IT: Computers Services	-	-	-	-	-
Administrative Services	55,595	10,665	-	44,930	-
City Recorder	3,000	-	-	3,000	-
Police	70,191	63,991	-	6,200	-
Fire and Rescue	37,566	31,996	-	5,570	-
Public Works	330,982	225,072	90,348	15,563	-
Community Development	138,893	47,993	90,348	552	-
Electric	140,790	122,650	-	18,140	-
Total City	796,017	502,367	180,696	112,955	-
Parks and Recreation	34,383	30,893	-	3,490	-
Total	\$ 830,400	\$ 533,260	\$ 180,696	\$ 116,445	\$ -

	Total	Facilities in Central Services (Operations)	Debt	CIP (Projects)	CIP (Operations)
	23,990	-	9,034	6,072	6,874
	52,154	-	-	21,187	30,967
	12,378	-	-	5,028	7,350
	77,883	-	9,036	27,968	40,879
	10,779	-	-	4,379	6,400
	115,121	-	-	46,766	68,355
	2,608	-	-	1,059	1,549
	454,160	-	81,313	151,462	221,385
	129,879	-	65,051	26,335	38,493
	182,303	-	16,262	67,451	98,590
Total	1,061,245	-	180,696	357,705	522,844
	43,740	-	-	17,769	25,971
	\$ 1,104,985	\$ -	\$ 180,696	\$ 375,474	\$ 548,815

Municipal Projects:

Council Chamber Improvement	300,000
Enclose Open Building	220,000
Archive Building	100,000
City Facility Upgrades and Maintenance	100,000
	<u>\$ 720,000</u>

Over/(Under) \$ 16,445

\$ (344,526)

Municipal Court & Band are included in Administrative Services
Senior Division is included in Parks and Recreation

City of Ashland History of Central Service Fees By Department

	2000		2001		2002		2003		2004		2005		2006		2007 **	
	Actual	Budget	Calculated	Budget	Calculated	Budget ***										
Administration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IT: AFN	-	-	-	-	-	-	307,144	-	362,100	-	371,300	-	486,261	-	489,748	202,492
IT: Computers Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Administrative Services	126,000	-	133,000	-	115,500	-	116,000	-	92,600	-	94,940	-	117,504	-	68,278	65,546
City Recorder	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Police	284,000	-	311,460	-	322,000	-	338,000	-	283,900	-	291,130	-	359,966	-	459,622	393,433
Fire and Rescue	184,000	-	216,600	-	220,000	-	212,000	-	255,100	-	261,610	-	323,194	-	433,999	353,541
Public Works	1,555,000	-	1,695,200	-	1,810,650	-	1,925,000	-	1,671,600	-	1,714,200	-	2,119,545	-	2,221,514	2,316,607
Community Development	207,000	-	217,200	-	231,000	-	239,000	-	245,700	-	248,340	-	313,740	-	626,856	342,910
Electric	882,000	-	1,010,000	-	1,038,000	-	888,125	-	831,600	-	852,850	-	1,054,529	-	622,931	1,013,406
Total City	3,238,000	-	3,583,460	-	3,737,150	-	4,026,269	-	3,742,600	-	3,834,370	-	4,838,054	-	4,922,948	4,687,935
Parks and Recreation	117,000	-	150,200	-	166,035	-	279,100	-	287,772	-	261,050	-	293,622	-	336,220	308,727
Total	3,355,000	-	3,733,660	-	3,903,185	-	4,305,369	-	4,030,372	-	4,095,420	-	5,131,676	-	5,259,168	4,996,662

* Charged 92% of Budget

** Based upon updated allocation

*** Excludes Facilities Division

**** Includes Direct Billing of Accounting Services to Parks

Municipal Court & Band are included in Administrative Services

Senior Division is included in Parks and Recreation

**City of Ashland
History of Equipment Replacement
By Department**

	2000		2001		2002		2003		2004		2005		2006		2007				
	Actual		Actual		Actual		Actual		Actual		Actual		Calculated	Budget	Actual		Calculated	Budget	
Administration	21,000		32,000		32,112		67,451		58,000		42,235		50,939		50,939				
IT: AFN																			
IT: Computers Services																			
Administrative Services	2,000		1,800		1,800		1,550				700		721		3,521		5,521		5,521
City Recorder																			
Police	67,325		65,000		65,000		89,400		91,200		87,686		89,816		89,816		95,172		95,172
Fire and Rescue	207,326		329,900		409,900		173,115		172,700		182,300		187,769		187,769		187,769		187,769
Public Works	175,912		139,400		139,759		188,100		189,050		196,900		202,330		202,330		202,330		202,330
Community Development	32,000		29,900		29,900		29,400		30,000		32,200		33,166		33,166		33,166		33,166
Electric	94,000		74,000		74,000		85,500		82,600		88,900		91,589		91,589		91,589		91,589
Total City	599,563		672,000		752,471		634,516		623,550		630,921		666,330		669,130		615,547		615,547
Parks and Recreation																			
Total	599,563		672,000		752,471		634,516		623,550		630,921		666,330		669,130		615,547		615,547

Municipal Court & Band are included in Administrative Services

Senior Division is included in Parks and Recreation

**City of Ashland
History of Insurance Charges
By Department**

	2000		2001		2002		2003		2004		2005		2006		2007		
	Actual		Actual		Actual		Actual		Actual		Actual		Calculated	Budget	Actual	Budget	
Administration	4,000		-		-		-		-		-		-		-		-
IT: AFN	1,000	1,400	1,000	1,000	1,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,206	4,206	4,206	4,590	4,590
IT: Computers Services	1,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Administrative Services	5,000	7,700	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,120	4,120	4,120	4,495	4,495
City Recorder	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Police	13,000	18,400	18,000	23,000	23,000	7,500	9,500	9,500	9,500	9,500	9,500	9,500	9,785	9,785	9,785	10,665	10,665
Fire and Rescue	12,085	20,000	20,000	21,000	21,000	25,000	27,000	27,000	27,000	27,000	27,000	27,000	27,810	27,810	27,810	30,315	30,315
Public Works	86,000	133,800	134,559	169,997	169,997	210,636	193,667	193,667	193,667	193,667	193,667	193,667	197,812	197,812	197,812	215,615	215,615
Community Development	2,000	4,700	2,000	12,000	12,000	9,000	12,000	12,000	12,000	12,000	12,000	12,000	12,360	12,360	12,360	13,470	13,470
Electric	8,000	9,500	11,000	15,000	15,000	14,000	20,000	20,000	20,000	20,000	20,000	20,000	20,600	20,600	20,600	22,455	22,455
Total City	132,085	195,500	190,559	245,997	245,997	274,136	270,167	270,167	270,167	270,167	270,167	270,167	276,693	276,693	276,693	301,605	301,605
Parks and Recreation	16,000	16,300	20,000	24,000	24,000	30,000	32,000	32,000	32,000	32,000	32,000	32,000	34,980	34,980	34,980	38,128	38,128
Total	148,085	211,800	210,559	269,997	269,997	304,136	302,167	302,167	302,167	302,167	302,167	302,167	311,673	311,673	311,673	339,733	339,733

Municipal Court & Band are included in Administrative Services

Senior Division is included in Parks and Recreation

Memo

DATE: April 27, 2006
TO: Citizen's Budget Committee
FROM: Ann Seltzer
RE: Health Care Benefits for elected officials
CC: Lee Tuneberg

Committee Members:

At the committee meeting on Thursday, April 20 you requested additional information about city council members receiving health care benefits.

I was the staff liaison to the Charter Review Committee and elected officials salaries and benefits was a topic of discussion by the committee. Attached are some materials that you may find informative.

Article 3 Section 3 requires that changes to the level of compensation received by elective officers (except of Recorder and Judge) be submitted to a vote of the people. Currently each city council member receives \$350 per year and the Mayor receives \$500 per year. These compensation levels have remained unchanged since at least 1976. There is no mention in the charter about health care benefits.

However, the Mayor and council do receive medical, vision and dental benefits and a small life insurance policy that covers themselves and dependents. There is reference in the attached documents to an ordinance or resolution regarding health care benefits for elected officials however neither the city recorder nor the city attorney can find documentation of council action authorizing the elected body to receive health care benefits. The city attorney believes that when the city switched to the current health insurance provider elected officials were added to the policy.

The Charter Review Committee did considerable research on this topic and in the end their final recommendation is "charter language that requires voter approval of all increases in council salaries should be eliminated: salary levels should be established via a city ordinance". This recommendation is consistent with other recommendations by the committee which eliminates any budget requirements/restrictions in the charter and that those items should be included in the annual budget setting process. In addition, they also recommended that council members "consider assuming an insurance co-payment equivalent to that paid by city employees".

Attachments include:

- Excerpts from Charter Committee agenda and minutes related to council compensation and benefits
- The Charter Committee Topic Discussion paper on City Council salaries and benefits.
- A minority report from committee member on council salaries.
- A chart illustrating how other Oregon cities compensate, or don't compensate, their mayor and councilors.

Note: The following is an excerpt from the Charter Review Committee agenda for December 2, 2004.

Agenda
Charter Review Committee
December 2, 2004
Council Chambers 1175 East Main
7:00 p.m. – 9:00 p.m.

At the November 18 committee meeting, staff was asked to keep an on-going list of other items/issues that the committee might want to consider. In addition, staff was asked to keep an on-going list of possible guest speakers. This list will be updated as needed.

List of Other Items for Consideration:

- Health benefits and salary for elected officials
- Include periodic review of charter in the charter

Note: The following is an excerpt from the Charter Review Committee minutes of March 3, 2005.

Charter Review Committee
March 3, 2005
Regular Meeting Minutes
Council Chambers, 1175 East Main Street

Pay Compensation for Mayor/Council

City Attorney Mike Franell noted that it is common to have a mechanism for establishing pay in the City Charter. He noted that there is currently a mechanism for compensation in Ashland's current Charter; Article 3, Section 3, and noted that the current Charter requires that any salary change other than the City Recorder's be subject to a vote by the people.

The Committee noted that the Council compensation had remained the same since 1974, which is \$300 a year plus health benefits. Mr. Franell noted that the provision for health benefits was not in the Charter, but was adopted through an Ordinance.

Suggestion was made that the compensation not be included in the Charter and this issue would be best addressed through an Ordinance.

Carole Wheeldon/Laurie MacGraw m/s include the issue of Council compensation to the list of discussion topics. Voice Vote: All AYES. Motion passed.

Note: The following is an excerpt from the Charter Review Committee minutes of April 14, 2005.

**Charter Review Committee
April 14, 2005
Regular Meeting Minutes
Council Chambers, 1175 East Main Street**

V. PUBLIC INPUT ON STRUCTURE OF GOVERNMENT & COUNCIL ELECTIONS/COMPENSATION:

The options for Council Elections and Compensation were presented by Michael Riedeman.

Council Elections Alternatives:

1. Status Quo (Charter language remains unchanged)
2. Maintain the existing system with the addition of instant voter runoff.
3. Implement a city-wide award system.
4. Implement a city-wide award system with the addition of instant voter runoff.
5. Eliminate position system in favor of city-wide at large election. Top vote getters would win council seats.

Compensation Alternatives:

1. Status Quo (Charter language remains unchanged. Each councilor would continue to receive \$350 a year, the Mayor receives \$500. The council and mayor would also continue to receive health benefits.)
2. Remove the election requirement from the Charter. (The compensation decision would be made by the Council instead of the voters.)
3. Implement a specific salary level in the Charter along with requirements for periodic review and/or pay increases.

It was noted that compensation information was provided to the Committee by the City's HR Manager. Ms. Wheeldon explained it would cost the City \$86,000 a year to pay the council the living wage (20 hours per councilor, per week). Currently, the annual cost for just the benefit package is \$73,000 a year.

It was questioned if the City was in violation of the Charter because the health benefits were established by ordinance, and therefore this compensation has not been subject to a vote by the people.

Mr. Enders suggested that the Committee add the alternative of providing no compensation for the city council or mayor.

NOTE: The following chart was created at the request of the Charter Review Committee.

Benefits for City Councilors

June 2, 2005

City Population	# of Councilors	Salary/Stipend	Medical	Other Benefits
Grants Pass 21,000	Mayor plus 6 council	None	None	Travel/training for city business
Klamath Fall 25,000	Mayor plus 5 council	\$200 p/m \$100 p/m	Full medical	Travel/training for city business
Central Point 12,400	Mayor plus 6 council	\$250 p/m \$125 p/m	None	Travel/training for city business
Medford 63,000	Mayor plus 8 council	None	None	Travel/training for city business
Corvallis 50,000	Mayor plus 8 council	\$100 p/m (mayor only)	None	Travel/training for city business
Bend 57,000	7 council (council elects Mayor)	\$200 p/m	None	Travel/training for city business
Hillsboro 70,000	Mayor plus 6 council	\$250 p/m/ \$175 p/m	None	Travel/training for city business
Forest Grove 18,000	Mayor plus 6 council	\$100 p/m	Mayor and council elected to use their stipend to pay medical employee premium of 10% which is approximately \$56 per month for single coverage	Travel/training for city business
Albany (left voice msg. 5/26) no response 43,000				
Pendleton (left voice msg.				

5/26) no response 16,400				
Wilsonville (left voice msg.5/26) no response 15,000				
Lake Oswego 36,000	Mayor plus 6 council	\$288 p/m \$128 p/m/	None	Travel/training for city business
Eugene 138,000	Mayor plus 6 council	\$1,500 p/m \$1,000 p/m	Electeds can opt to purchase health insurance through the city and must pay premium (ex: full family coverage premium is \$1100 p/m)	Travel/training for city business
Salem 120,000	Mayor plus 9 council	None	None	Travel/training for city business

Comments from Tina Gray, Human Resource Manager on providing health benefits to elected officials.

1) **Impact on Risk Pool** - The City purchases our health benefits through City County Insurance Services. We are part of a public employer risk pool that includes a majority of the cities, counties and special districts in Oregon. City County Insurance has offered many incentives to our employees to keep them healthy (Health Screening clinics, healthy benefits incentives, 24-hour nurse line, etc.). Additionally, the City offers a Wellness Program incentive to our employees. All of these Wellness initiatives are directed at trying to impact our rates and keep our claim frequency and severity as low as possible.

By adding elected officials into the mix, the City has less control over the impact this small group may have on the City's overall rate risk pool. The City has no control over who is elected to the Council, and we do not conduct pre-employment physicals to determine if they are fit to serve as a City Council Member. So, the City is accepting whatever health risks the elected group may bring with them into our risk pool. City County Insurance does use a rate smoothing process to prevent one catastrophic claim from having a huge impact on the entity's rates, but this small elected group could impact the City's overall rates positively or negatively.

2) **Cost Containment** -- The City has worked to achieve a cost-share from employees to help them understand that decisions they make regarding their health care have a direct correlation to the rates that we pay. When the city paid 100% for health benefits, we found that employee's took advantage of their "free" coverage and didn't make health care decisions in the same way they do now that they have some out-of-pocket investment. Currently city employees pay 5% of the monthly premium, Mayor and council members do not pay this percentage. Providing a monthly stipend that elected officials they could use to buy-in to the City's health plan at their option would allow the City to budget a fixed cost and help continue the City's efforts toward cost containment on health benefits.

3) **Additional administrative work** - Although it is usually minimal, there is additional Administrative work attributed with managing the elected official benefits. This group isn't as easy to communicate with on changes to the plans, Open Enrollment requirements, etc. as our employee group. Everything has to be customized for the differences in Elected Official benefits in order to eliminate confusion.

4) **Group Plan Membership**-Membership in a group health plan offers an elected official the ability to continue to "buy in" to the group coverage under COBRA when they leave office. Once they have exhausted their rights under COBRA, they also have portability rights that may offer significant advantages over what they might have access to on the open insurance market. This could be especially valuable for someone who fills a vacant spot on the council and doesn't get re-elected or someone who is appointed mid-term and is not re-elected.

Until there is a change in the benefit package and/or parameters for Elected Officials, health insurance is made available as an option to all elected officials regardless of how long they serve, and they have the same rights to continued coverage and portability as any employee of the City.

5) **Adverse selection** – Employees cannot waive health coverage even if they are covered under different insurance through a spouse. This is in place to prevent adverse selection. e.g. healthy employees who can opt out could do so, leaving a pool of less healthy employees which could affect the number of claims compared to the pool and in the end raise rates. Elected officials can opt out. This means that healthy electeds could opt out if they have other coverage leaving less healthy electeds in the pool.

This can work for and/or against the city. In past years, some members of council have elected not to take advantage of the insurance options. Each member of the current council as well as the city recorder and judge is taking full advantage of the health insurance, thus there is a significant increase in the budget to cover the increase in health costs.

City of Ashland

Monthly Health Insurance Premiums

Note: Employees pay 5% of the monthly premium, Mayor and council do not.

\$396.52 p/m	single coverage
\$818.15 p/m	2 people coverage
\$1124.05 p/m	full family coverage

Note: Each charter review committee member was assigned a specific topic to research and to develop a Topic Discussion Paper on that topic and present it to the full committee.

TOPIC DISCUSSION PAPER: City Council Salaries

Pam Marsh, April 2005

ISSUE STATEMENT: Should the charter address salary issues for city council members?

EXISTING CHARTER LANGUAGE: Article 3, Section 3 of the city charter requires that changes to the level of compensation received by elective officers (except for Recorder and Judge) be submitted to a vote of the people. Right now, each city council member receives \$350 per year and the Mayor receives \$500; these pay levels have been unchanged since at least 1976. However, elected officials also receive full medical, vision and dental benefits and a small life insurance policy that covers themselves and dependents.

Budget implications: It is likely that the charter election requirement discourages the council from proposing pay raises for its members, thus minimizing budget impacts.

Accountability: City voters are required to approve all changes in council pay.

Community/Council impacts: Proponents argue that the existing system restrains the council from enacting costly and/or inappropriate pay increases. Conversely, critics claim: 1) that salary issues are best delegated via ordinance; and/or, 2) that council members deserve to be paid for the work that they perform.

ALTERNATIVES:

- 1. Status quo.** Charter language remains unchanged.
Budget, accountability, and impacts as outlined above.
- 2. Remove the election requirement from the charter.**

Budget: No immediate impacts. Budget allocation for council salaries could increase with future council action.

Accountability: Decision-making would shift from voters to the council.

Community/council impacts: Proponents argue that the council should be allowed to administer salary increases without assuming the burden of a city election; critics believe the voters should be the arbiters of council salaries.

3. Implement a specific salary-level in the charter along with requirements for periodic review and/or pay increases.

Budget: Budget impacts will depend on the specific proposal. For example, if council members were paid for twenty hours a week at the current living wage level of \$11.44/hour, the monthly bill would be approximately \$7,207 (seven elected officials each working 90 hours a month), or more than \$86,000 annually.

Accountability: After initial charter approval, all pay raises would be predicated on a specific formula or review process.

Community/council impacts: Proponents argue that more significant salary levels would encourage prospective council candidates who now feel that serving on the council is too much of a financial burden. Conversely, critics argue: 1) that it is inappropriate to allocate extensive city funding to support elected officials; and, 2) that substantive salary levels would encourage council members to become too involved in city administration.

**Regarding: Voter Approval of Council Salaries
Eliminated from Charter
(Minority Opinion by Michael Riedeman)**

July 2005

The Charter Review Committee (CRC) voted to recommend that voter approval of all increases in council salaries be eliminated from the charter, and that salary levels should be established via a city ordinance. This would make councilors themselves responsible for establishing their own salaries. I write to express that I do not concur with the CRC's vote on this matter. In my outlook, I feel it would establish an undesirable conflict of interest for elected representatives to establish their own salaries.

My preference would be to establish salary levels for councilors in the charter based upon an average number of hours councilors are required to dedicate to council duties, multiplied by the city's established living wage level. I feel that a councilor should want a council position for the benefit of serving their communities. Yet beyond this, I feel the challenging economic conditions in our region are such that many Ashland citizens could not afford to dedicate the significant amount of time required by a council position unless their time were rightfully (in my view) compensated. Therefore, I perceive that council

positions that compensated a living wage would greatly enable lower- and middle-income community members to run for council. It seems likely that lower- and middle-income citizens have historically been under-represented on council, and I would argue that this is the primary reason: they can't afford it.

The CRC also deliberated whether such compensation would be more appropriate as a dollar value or in the form of health benefits. My view is that currency is the most equal form of exchange we use in our society, thus I feel that money is more equitable than health benefits. Health benefits may be of great value to some people yet worth very little to others. I feel the goal should be to pay councilors equitably, and that money would be a fairer exchange than benefits. This wage, then, could be used towards the purchase of a health benefits package if any councilor would so choose. However, for those councilors who would prefer to spend that money on something else, we should allow them that option.

Also, the argument that it would be too costly to citizens to pay their elected representative holds little water, in my view. Currently we pay councilors and the mayor over \$10,000 each annually for health benefits. From rough estimates discussed in CRC meetings, it was estimated that a living wage would come out to approximately the same cost.

Respectfully submitted,

Michael Riedeman

NOTE: The following is a section of the Charter Review Committee final report and recommendation addressing council salaries.

ASHLAND CHARTER REVIEW COMMITTEE

Final Report & Recommendations

July 1, 2005

- 9. Charter language that requires voter approval of all increases in council salaries should be eliminated; salary levels should be established via a city ordinance.**

Background: Article 3, Section 3 of the current charter requires that changes to the level of compensation received by elective officers (except for recorder and judge) be submitted to a vote of the people. Right now, each city council member receives \$350 per year and the mayor receives \$500; these pay levels have been unchanged since at least 1976. However, elected officials also receive full medical, vision and dental benefits and a small life insurance policy that covers themselves and dependents.

Discussion: Proponents argue that the existing system restrains the council from enacting costly and/or inappropriate pay increases. Conversely, critics of the status quo claim: 1) that salary issues are best delegated via ordinance; and/or, 2) that council members deserve to be paid for the work that they perform.

Outcome: The committee endorsed the recommendation via a 7-1 vote, with one member abstaining. Discussion that preceded the vote focused on the generous health benefits package now extended to council members. The committee suggests that council members consider assuming an insurance co-payment equivalent to that paid by city employees.

(See Appendix IX: Council Salaries and Benefits)