

# **BUDGET PROCESS AD-HOC COMMITTEE**

## **Meeting Agenda**

**September 27, 2017 – 6:00-7:30 PM**

Community Development Building, Lithia Room

51 Winburn Way

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- 1. Call to Order**
- 2. Approval of Minutes**
  - 2.1.** August 30, 2017 Meeting Minutes, tabled from September 13, 2017 meeting
  - 2.2.** September 13, 2017 Meeting Minutes
- 3. Public Forum** (Evenly divided by public wishing to speak)
- 4. October 2<sup>nd</sup> City Council Study Session**
- 5. Proposed Two Year Team Calendar**
- 6. Review Onboarding Document Outline/Definitions**
- 7. Wrap Up**
  - 7.1.** Agenda items/Materials requested for next meeting
  - 7.2.** Next Meeting Scheduled for October 11, 2017 @ 6:00 PM

### **Scope of Work**

The ad hoc Budget Process Committee will be convened to discuss specific issues relating to the Citizen's Budget Committee's (CBC) role with the City's budget and property tax levy approval. The committee will be made up of two elected members of the CBC, two citizen members of the CBC, and two City staff members to be identified by the Mayor. Each member will have voting rights. The committee will meet at a frequency desired by the committee. Topics of discussion may include but not limited to the following:

- Committee member's preferences for ground rules, rules of order, conduct of meetings, voting/reaching consensus, fact finder process, etc.
- General economic projections by the Finance Officer of the possible changes in revenues, expenditures, or requirements of the next budget process.
- Orientation on the budget document, the fund structure and the types of activities or programs and expenditures made from each fund in the budget.
- Training on the budget committee process, calendar, expectations for members, etc.
- Other issues deemed pertinent by the ad hoc Budget Process Committee.
- Committee will assemble a report for Council with recommendations by the second meeting in October.

The committee meetings shall be governed by the City of Ashland uniform policies and procedures for advisory boards and commissions (AMC Chapter 2.10). The committee chair shall make sure that each meeting agenda includes time for public input.

**DRAFT MINUTES**  
**Budget Process ad-hoc Committee Minutes**  
August 30, 2017  
5:00 p.m.  
Community Development Building, Lithia Room  
51 Winburn Way

**Call to Order/Opening Remarks**

5:02 p.m.

**Roll Call**

***Present:***

Garrett Furuichi  
Paula Hyatt  
Dennis Slattery  
Rich Rosenthal  
Adam Hanks  
Mark Welch  
Jim Bachman, Member of the Public  
Jules, Member of the Public

**Approval of Minutes**

No Previous Meetings to Approve

**Public Form**

No public comments were made

*\*Meeting Minutes are in order of Agenda Item*

**Discussion Item #1-Committee Scope of Work**

Chairman Slattery began the meeting and asked if the committee would like to hear the scope of work.

Committee Member Furuichi added that he has read it and asked if it could be amended later. Chairman Slattery explained that the scope of work would not be amended as it what was given to them to work with from council. Committee Member Furuichi then asked if as a result that recommendations could be made. Chairman Slattery explained that they will have recommendations that will be taken to council at a later time.

Chairman Slattery stated that the goal of the first meeting was to determine when the committee will meet, how often and how quickly the committee would like to complete the work, and to also tackle further agendas and outlines. He also explained that the there is a legal environment, and Ashland environment and what asked what outlines on the work can be made from this. From this work recommendation can be made to council. He also commented that this committee is set to show

how to best utilize the time and create the best project. Within this committee time there would be education on all sides of the budget process, enforcement of the budget rules from the state and then by way have how want to do this from the city standpoint. This he said would be for Councilman Rosenthal and himself to communicate to the council. He also noted that this committee will be bound by this and it will up to future committees to come up with their own way of outlining this.

Chairman Slattery questioned the team as to what they want to cover over the course of committee meetings. He stated that the legal environment and discussion of what laws guide the budget process would be a good place to start. This would require bringing in City Attorney Dave Lohman to present on the laws that would apply to the budget process. Chairman Slattery suggested that this be requested on the morning of 8/31/2017. Committee Member Furuichi suggested an agenda beforehand due for pre-comment. Chairman Slattery stated that would work best to have City Attorney Lohman at one meeting to present and the second to be a question and answer time. Committee Member Furuichi suggested that this is the framework for this committee is the legal standing.

Committee Member Furuichi also stated that more time needs to be spent study session. Chairman Slattery suggested that the question be asked as to what the legal standing of the Budget Committee is after the budget has been completed. He also expressed the importance of knowing officially what details of meetings are required of the budget committee. This could be he stated different from how the city states it and what the legal. The time with City Attorney Lohman will be used as a study session, he suggested.

Mark Welch, Administrative Services Director, gave his thoughts on the committee's work and what he would like to see come out of it. He stated once a proposed balance budget is presented, it is hard to make changes because you are then cutting funds to fund a different priority. The difference he noted in the last budget process was the committee wanted to know what the process was rather than the look at actual document. He noted in his previous position that the committee would go step by step and would give a buy out from them. He stated that they did this for every part of the process. This helped for all parties to see different parts of the budget. He stated that sees more of a flowing process, rather than an adopted process. Committee Member Hyatt said this is what she has seen a similar process in her experience. She stated that movement of funds can usually happen in the project area. She stated that this were prioritization comes in. She asked that each department have priorities of what projects need to be completed. This is where she said the most changes can happen in a budget.

Welch stated the department presentation for the budget committee were not of any added value. He also added that line by line explanations were not an effective use of time.

Committee Member Furuichi asked Welch to create a calendar of when we different topics would be already be addressed. The idea of a calendar he suggested would help to go over topics of concerns ahead of time. This would help to add in other topics suggested by the committee that need to be addressed. Chairman Slattery stated that his hope that there would be some Monday study sessions that would work with Council. CIP was given as an example a topic that would be used. He also stated that there are some legal rules on what can be discussed as well. Committee Member Furuichi stated that this is more about education. Committee Member Hyatt noted that we will notice

changes in quarterly reports as well. Chairman Slattery suggested that we need to have clear expectations on roles.

Committee Member Hyatt asked about CIP projects and when they are available, she wants to know if this can be reviewed ahead of time from a financial perspective. She suggested we need more opportunity for the budget committee to be reviewing the budget project ahead of time. Hanks added that this is an item needs to be discussed as role of the budget committee.

Chairman Slattery noted that every person in Ashland has an opportunity to comment on CIP. He also noted that the city has a look ahead document on the website. He suggested that this needs to be updated more often. The budget committee should be aware of these.

Committee Member Rosenthal suggested that a synopsis of needs for CIP projects needs to be created, with details. He stated that it needs to be created in one sheet that can be referenced. Chairman Slattery said there is just not enough time in the current process. Chairman Slattery suggested that many people do not know of master plan. He said that need to educate the budget committee members, community and council members.

Hanks noted that CIP use to be on a five-year budget. A part that related to the current budget would then be placed in the budget. Committee Member Hyatt suggested the look ahead be on a one-way track. We need to make sure that we communicate with public what we can and not pull from. She also stated that by showing this people would understand that a picture is worth a thousand words. Chairman Slattery noted that the new dashboards help with everyone's understanding. Committee Member Furuichi suggested that we need to understand the metrics, and measurements. He asked if these needs to go council. He suggested asking what methods need to be used. Chairman Slattery suggested that the dashboard would be an evolving process.

## **Discussion Item #2-Committee Goals/Objectives**

Committee Member Furuichi asked if the goal for recommendations would be end of October for a presentation. Chairman Slattery noted that when the idea for this committee was presented it sold to Council as six meetings. Committee Member Furuichi asked if the end October would be a good goal to set. when the date for packets. Committee Member Furuichi said it would be good to have a goal in mind. Adam Hanks noted that the final deadline may be to close and that it would be better to aim for November.

Chairman Slattery gave the example of what would be January to June process would look like and challenged the committee to think about what would be an efficient budget process. He also suggested that that prioritization schedule that comes from council be added into the process.

Slattery noted that the time before the year of a new budget needs to be used as a time reeducated and to conduct study sessions and department presentations. Committee Member Hyatt and Committee Member Furuichi agreed. A top priority would be the above mentioned legal topic. Committee Member Hyatt suggested having Mark Welch, Administrative Services Director, present what the process is for staff in the next biennium, as well as in the off years. She also suggested that she would like to know what changes if any are being made to this process and the role of how committees and city staff work together. Chairman Slattery suggested that this needs to be done

with the whole commit, so everyone can understand the process. Committee Member Hyatt asked also for a review of committee rules and meeting procedures.

Councilman Rosenthal suggested after the topic of legal has been reviewed to begin the process of onboard for the budget committee. This would include orientation, job description and overall education. He asked that this would be treated like a job. The entire committee agreed.

Chairman Slattery suggested the message that was sent out during the last budget period was not a good one. He also suggested that we need to do a better job of having transparency during the entire process and making it look as if we are working as a team. This he mentioned directly relates to onboarding.

Councilman Rosenthal mentioned Team Ashland may be a good model to look at. He also suggested a version of this for budget committee. Adam Hanks, Interim Assistant to the City Administrator said this has happened in the past and this would be something to possibly bring back. Chairman Slattery suggested that everyone who is on the budget committee should join in the onboarding process. Councilman Rosenthal suggested a deliverable of this would be on a gnat chart for the next three year to be used a guide. Committee Member Hyatt suggested that the timeline of this would be when meetings would take place would be under the legal frame work. Chairman Slattery noted that this could be take place in study session. He explained what the difference between the study session and the meetings are.

Committee Member Haytt suggested looking into what other cities have set up around budget work. Mark Welch stated that this would be a task that the administrate services team for the city but that Ashland is unique. In Committee Members Hyatt's experience, she has noticed the importance of constant standards. She also mentioned this is not in an effort to take the easy way out.

Chairman Slattery agreed and showed on a chart showing what things need to be lined up ahead of time. Chairman Slattery stated that now is the time to make this process work not at the budget committee. He also stated Council is now beginning to start strategic planning. This he also stated could be used in the budget process to add value. The priorities should flow in the budget process. Chairman Slattery then stated that we need to spell out the difference between government accounting and private accounting. Between all parties he advised that the priorities be the same. Committee Member Hyatt suggested when to have better definition of decision points would help in this process. Hanks also suggested who is the decision maker of each would be helpful. Chairman Slattery added that he it would be helpful to know what the advising role on these items is as well. He noted that it is all about the pacing and spacing.

Committee member Hyatt asked about quarterly reports and the role that they also play in this process. Welch stated that this on the next agenda. Chairman Slattery stated need to bring budget committee members in for study sessions regarding quarterly reports, although he did not know what this time line would look like. This would help to respond proactivity. Hanks suggested that this will help internally with a systematic placement. The team discussed what the difference was between a study session and other voting meetings was and that study sessions were the time to discuss and voting meeting were the time to make decision. Adam Hanks stated knowing when these reviews would take place would elevate wondering when the next needed documents are

coming. Mark Welch mentioned that OpenGov would be working which would help to show in real time what budgets look like.

Councilman Rosenthal also noted that we as a city need to restore faith in the budget process. He also suggested that this will help restore faith in the community. He suggested that the last budget process was the “perfect storm.” And that more meetings to address the issues will help restore faith will help. Slattery used Committee Member Hyatt’s “socialization” as something that we need to use to bring the team together. Slattery stated that there are three different roles they are the staff, appointed committee members and council members. He also spoke to the responsibly of each team.

### **Future Meeting Schedule**

Chairman Slattery asked the committee what times would work. Keeping the meetings on Wednesday at 5:00 p.m. Committee Member Furuichi suggested after 6:00 p.m. Slattery said it would be best to have everyone around the table. Committee Member Furuichi suggested a doodle account to help the team scheduled. Councilman Rosenthal suggested 5:30 p.m. or 6:00 p.m. Chairman Slattery suggested that the number of meetings that the number of meetings will be determined at the end of this meeting based on what the committee has decided that they want to cover.

The committee then decided on 6:00 p.m. for September 13<sup>th</sup>, September 27<sup>th</sup>, October 11<sup>th</sup>, October 25<sup>th</sup> and November 8<sup>th</sup> Each meeting is set by the committee to last an hour and half. Adam Hanks stated that the last meeting would work well to get items on the agenda for the November council meeting.

Chairman Slattery then asked for suggestions on the next meeting agenda. The next meeting, he suggested would be a presentation from Dave Lotham, it would be asked that been given 30 minutes followed by a time of questions and answers. The tentative meeting time of September 27<sup>th</sup> would also be reserved for a time of questions and answers with City Attorney Lohman. Chairman Slattery noted that time would be reserve at the end of that meeting for the creating the “Ashland” process and values of the entire team.

### **Adjournment/Wrap Up**

6:10 p.m.

*Respectfully Submitted By: Natalie Thomason*

**DRAFT MINUTES**  
**Budget Process ad-hoc Committee Minutes**  
**September 13, 2017**  
**6:00 p.m.**  
**Community Development Building, Siskiyou Room**  
**51 Winburn Way**

**Call to Order/Opening Remarks:** 5:58 p.m.

**Roll Call**

**Present:**

Garrett Furuichi  
Paula Hyatt  
Dennis Slattery  
Rich Rosenthal  
Adam Hanks  
Mark Welch  
Dave Lohman

**Approval of Minutes from August 30, 2017**

Committee Member Furuichi asked that the approval of the minutes be tabled until the next meeting as he had notes with the review of audio from the last meeting and the possibility of adding a chart presented at the last meeting. Chairman Slattery agreed they would be tabled until the next meeting.

**Public Form:** No Public Present

**Special Presentations**

1. Presentation by David Lohman, City of Ashland Attorney to discuss Oregon Budget Law. Lohman stated that he understood that his role was to answer questions. He referred to the list of questions regarding Oregon Budget Law that was sent prior to the meeting.
  - a. Chairman Slattery noted that this information could be used in the future when assembling a packet for future budget members as agreement of what the role of a budget member is
  - b. Committee discussion on Section 1E and the discussion of time. Lohman noted that it is clear that there is no official action that the budget committee has to take in the off season.
    - i. Committee Member Hyatt noted that there are two questions to look at in regards to the supplemental questions: The current budget and the current state or are we looking at the future and the second question being are you actually discussing the upcoming biennium or are you looking at it procedurally so that you can establish efficiently and effectiveness when that time comes.
    - ii. Chairman Slattery stated that these questions can help during the 18-month period study sessions.
    - iii. Hanks noted that we need to understand who's meeting it is and how it labeled, which would help define who would be at these meetings.
    - iv. Chairman Slattery noted that he sees everyone at the table for these meetings, as they are there to inform not for decision making. He also noted that the study sessions will be moving to council chambers.



- c. Committee Member Furuichi asked that the committee to begin looking at the list of definitions that need to be made. These include he stated include budget season. He also asked for clarification on when the official budget season begins and when deliberations on the current budget can take place in relation to the budget message.
  - i. Lohman noted that there is be no discussion on the ensuing budget until the budget document is presented.
  - ii. Committee Member Furuichi also noted that this could be defined as the time for training, study sessions, discussions, policies and practices and that the committee needs to be aware of the public meeting rule when it comes to deliberations.
  - iii. Chairman Slattery went on to comment that there is a difference in that we start the budget process in January because staff goes to work on the budget. Before that he noted council may have a session celebration on items such as the priorities.
  - iv. Lohman noted that number six address this and that there are some items that need to be done by council before the budget message is presented and that this cannot be a study session because of who specific it would be for the budget committee to meet.
- d. Lohman stated that it is alright that procedures are discussed for being used for the next season and that the decision the budget committee to solely that of the council.
  - i. Hyatt noted that that by reviewing the current budget that many questions could be answered and that it would be easier for everyone when you know what roles and policy and producers are. She also noted the confusion with what is an add in package and what is a strategy discussion.
- e. Committee Member Furuichi discussed understanding priorities and the advantages to zero based budgeting. He also noted that we could get a handle on the process by looking at the current budget during a study session in relation to this.
- f. Councilor Rosenthal commented that he liked the idea of definitions, what the deliverables for this would be and how he would like to see everyone understand what best practices are for being a budget committee member and how it fits for city of Ashland. The committee discussed the idea of budget methodology and how it relates to a council decision.
- g. Committee Member Hyatt discussed the confusion that might be created in the name of the budget committee if is meeting during the off season she questioned should it still be called a budget committee as it is really only a budget committee in the four months during the process.
- h. The committee discussed the role of council in budget committee meetings and when the budget committee can be called back into session. Lohman stated that according to the material it would be for training and developing procedures. He also clarified that you can bring the budget committee back into session but you cannot discuss specifics of the upcoming budget, but for the discussion of items listed on supplementary question nine. If you called a meeting of council and didn't have a quorum of the council but you had invited the budget committee and had a quorum of the budget committee that would have been a meeting but it would have not have been noticed the meeting will then have to be adjourned, he explained.
- i. The committee discussed the form of which budget committee meetings will take place. The discussion concluded that the best format for the meetings would be in a study session format as if seemed best suited to what the team is trying to accomplish. Hyatt suggested that based on efficiency if these meetings are noticed as budget committee

- meetings and the council has other business to conduct and call the meeting the study session earlier and regular business then be conduct after that.
- j. Hanks noted that supplementary question 7 This he noted was the explicit ability of the committee as whole asking for additional information from staff. He noted that there needs to be a process or definition for this. He noted that the goal would be for the committee to present items to staff, but what would be done if an individual member came in and asked questions.
    - i. Councilor Rosenthal commented on two-hour rule for staff time and that there are rules for the commission and that we are in the municipal code and that under state statue. He asked if this could be put under municipal code for the budget committee. He also asked if the work was identified to take more than two hours could it then go to council.
    - ii. Committee Member Hyatt noted the importance of understanding the questions that are being presented to staff.
    - iii. Lohman commented that it was appropriate of staff to ask why budget committee members would need this information and if it is not for preparation of the budget it would be alright for staff to question if it was in preparation of the budget.
    - iv. Chairman Slattery noted that the 18-month process will help to answer many questions beforehand.
    - v. Committee Member Furuichi stated that he would resist any restriction to any reasonable question to a two-hour limit while the committee is within budget season. He underscored the need for tie-in's in relation to the budget.
    - vi. Committee Member Hyatt suggested that if not restricted in time if it is brought back to the group
    - vii. Committee Member Furuichi noted that he thought this would be part of the code that says the request has to have a two-hour limit that he would resist it. Lohman responded by saying that an individual committee member cannot come to staff and request information that would take longer. At this point he noted that you would need to council and the council would make the decision form there.
    - viii. Lohman noted the difference between questions come inside a meeting and outside a meeting. Committee Member Hyatt noted that this ensures that everyone has the same basis of information.
    - ix. Councilor Rosenthal noted what is a reasonable question and what happens with there is a question about it being reasonable. He stated that there needs to be a protocol. He questioned what happens and what the role of the chair is.
    - x. Chairman Slattery noted that it would need to be worked out within the group. Councilor Rosenthal asked how this would be worked out within the team. The committee thought there could be able to have someone in the middle arbitrating perhaps the mayor, as suggested by Rosenthal. Lohman noted that it takes the majority of the budget committee, to take action. He also noted that council could make a decision on this at its meeting.
  - k. Chairman Slattery asked if it would a violation to discuss the approved budget toward the end of the year one.
    - i. Lohman noted that the committee is to oversee the budget.
  - l. Committee Member Hyatt asked regarding supplementary question 7c. She stated that it is hard to understand the budget without the pictures of total salaries over time. She wanted to know what is allowed to be provided and to set the expectation up front of the definition, as these are huge parts of the budget.
  - m. Chairman Slattery referred to the same and stated that it does not allow for salaries to be set by the budget committee.

- n. Chairman Slattery reiterated that these are public documents to be questioned with exception of items prohibited by law. He then noted that within the values of the budget process that this will need to be stated.
- o. Hanks noted that this is 7a is an item that needs to be defined as it has to do with personnel. He questioned what authority would the budget committee have in this to recommend.
- p. Lohman noted statute 294.388. Lohman noted that it gives Welch the ability not to give names.
- q. Committee Member Furuichi gave some details of items that he would like to see included in the next budget, such as department FTE's as well as salary schedules by department. He also noted that Welch's prior work had done a great job in showing these details, as it is public information.
- r. Chairman Slattery noted that much of that information is already in the budget book.
  - i. Welch noted that the budget book presentation could be changed and this information could be shown better.
  - ii. Hanks noted that this is in the pre-budget assumptions and that is part of the process of this committee to think about the budget book. He also noted that Salary information is on the City's website.

#### **Adjournment/Wrap Up**

- i. The committee decided that Lohman would not be needed at the next meeting.
  - a. Lohman would create a document of definitions to be distributed before the next committee meeting.
  - b. Committee Member Furuichi noted it as budget season, off season, study sessions, zero based budgeting.
  - c. Lohman noted the need for protocol for what happens in between meetings.
  - d. Chairman Slattery noted that zero based budgeting be a discussion of the committee and that they would take Committee Member Furuichi's definition as a starting point.
  - e. Councilor Rosenthal noted what his key definitions that a citizen with no background in budget would need defined.
  - f. Chairman Slattery also noted that important how the budget book will be changed and that this would be a good study session.
  - g. Committee Member Furuichi asked when the OpenGov personation would be Welch noted that a soft launch will be with the 8<sup>th</sup> quarter financials.
  - h. Chairman Slattery noted the next meeting with begin the process of looking at the calendar for the 18- months and the beginning creation of a Gnatt Chart.

***Meeting Adjourned at 7:41 p.m.***

#### **Next Meeting**

Next meeting scheduled for September 27, 2017 at 6:00 p.m.

*Respectfully Submitted By: Natalie Thomason*



**Budget Process Proposal**

	<u>Meeting Number</u>	
February	1	Department Presentation on Current Organization and Future Challenges (No discussion on need for future items)
	2	Department Presentation on Current Organization and Future Challenges (No discussion on need for future items)
	3	Department Presentation on Current Organization and Future Challenges (No discussion on need for future items)
April 30th	4	Review Budget Message and Being Deliberations
May	5	Review Revenue Forecast
	6	Review Personnel Budget
	7	Review Debt and Capital Budget
	8	Review Materials and Services
	9	Review Materials and Services
Late May/Early June	10	Adopt Budget and Property Tax Rate