

**COST REVIEW AD-HOC COMMITTEE MEETING  
MINUTES**

**March 10, 2020  
Siskiyou Room  
51 Winburn Way**

Cost Review Ad-Hoc Committee Chair Slattery called the meeting to order at 3:00 p.m.

**Roll Call**

**Present:** Shaun Moran  
Mike Morris (Arrived at 3:04 p.m.)  
Stefani Seffinger (Arrived at 3:13 p.m.)  
Roberta Stebbins  
Shane Hunter  
Dennis Slattery  
Jim Bachman  
Pam Lucas (Arrived at 3:13 p.m.)

**Absent:** Mark Welch  
Julie Akins

**Approval of Minutes**

**Bachman/Hunter m/s to move** approving the February 19, 2020 meeting minutes as presented.  
All approved.

**Loose Ends-Questions and Answers**

Slattery began by noting that the presentation regarding Community Development would take place first as there was a planning meeting taking place that same evening. The Committee did not have any questions when asked by Slattery for Community Development.

Slattery went on to state the Committee would move on to the closing task of making recommendations to City Council.

Slattery also thanked Fire Chief David Sheperd and Assistant City Administrator Adam Hanks for the information provided on CERT and Economic Development (*Information attached*).

Kelly Madding, City Administrator presented to the Committee a presentation on the summary of the recommendations. These recommendations were based on Committee input and staff recommendations. (*Information attached*).

She began by talking about PERS. She went on to note that the takeaways on this were that it would be more expensive for the City to not provide the PERS pickup. She explained further that the City has five different bargaining groups that have contracts. These groups made up of City employees include Electric, Clerical, Police, and Fire. The City she added currently picks up the employees' portion of PERS in addition to employers' portion. An option related to this she states would be to go into bargaining and say that the City could financially no longer do this. She added that this would be very difficult to do this and not provide compensation, as she did not know of any City, State or other jurisdiction that do not pick up this 6% portion without doing anything to compensated employees. Looking at making a philosophical choice for employees

to pay their own 6% as the State and Klamath Falls did, she added actually ends up costing more to the City in the way of contributing what you would need to employees. Madding also discussed the question of why the City of Ashland is not like Klamath Falls to which she added that although it did cost more to compensate employees, Klamath Falls was able to tell constituents that their employees pay their own PERS, as noted in a conversation with the City itself. Slattery clarified that the 6.71% listed was the number that would have to be increased to compensated employees the 6% employee portion of PERS. He also added that this was based on the philosophical view that no cost savings would be cost neutral. She responded it would not be cost neutral, but you would not gain any cost savings. Jim Bachman, Committee Member asked what the cost association would be for the 6.71% to which Madding responded that they would find out. Slattery and Madding confirmed that there would be no cost savings and the City would not gain anything by doing this. Slattery commented however that gain would be made if the decision was made to increase pay by 2% and asked if this had been suggested. Madding responded that she was not aware that this suggestion had been made. Slattery furthered clarified that in order to give the 6% compensation that you would need to also give them the tax so they would not fall under 6%. Furthermore, Madding explained that previously a suggestion had been made that new City employees would pick up their 6% of PERS but with the recently passed Pay Equity Law the City would be required to pay the 6.71% because the pay has to be equal within the Collective bargaining agreement groups. Bryn Morrison, Administrative Service Manager noted that the 6% is a total cost 2.6 million dollars and in addition the City would incur 1.1 million dollars to make employees whole under a wage increase. Bachman clarified that the 1.1 million dollars would be part of the .71% increase, which Morrison confirmed. The Committee asked for further clarification on this, questioning if this was over the biennium. Morrison further clarified that salaries proposed for the 2021-23 biennium totaled 42.6 million dollars and if the 6% was not picked up it would go to 45.5 million but that adding in the VEBA, FICA Medicare, and PERS with the 6% components the total at status quo would be 60 million dollars and with no pickup this total would be the salaries, VEBA, PERS, FICA Medicare, 61.1 million. Salaries over all would increase by 2.8%, HRA VEBA would increase due to the increase on the 6%, and PERS would increase because you must pay based on the 6% as well. Bachman noted that these are the City expense the employee never sees.

Madding went on to say that she is only pointing out the facts, but that recommendation was that of the Committees.

Shaun Moran, Committee member added the assumption on this information was that all City Staff are represented, adding that over half the City staff is not represented. Madding clarified that this was true. To which Moran said this was significant to know, also asking why there is a requirement for the City to match, the assumption he noted was the rate has increased every year. Madding clarified again what she had previously said about the bargaining unions acknowledging that there is a group not under the bargaining agreement. She added that the Committee could decide to cut this groups pay 6% as recommendation to the City Council. Madding added that this would be an amount that Staff could return to the Committee. Slattery stated that the next natural question would be how many employees this would count.

Madding went on to discuss Healthcare questions. She started by looking at why being self-insured did not work adding that the City had moved plans most recently to City County Insurance. The plan initially mirrored that of the prior plan for employees for a time but after that the City had to choose another existing plan through CIS. After working with the Health Benefits Advisory Committee and staff, she selected a plan with an increased cost to employees. This plan however she added saves the City about 1 million dollars a biennium. She also explained

that employees had known of the cost differences between this and the self-insurance plan and that the self-insurance plan that was beneficial to employees but did not work. She had told the employees when she spoke with them that her goal was to put some money away to try and normalize the cost increases that will be seen with City County insurance plan moving forward. *(Information attached).*

In addition to the change, Madding also presented on previous information to the Committee on 95/5 or the City picking up 95% and the employee picking up 5% of the premium. Madding added that the Committee could recommend a different percentage and that if Council directed Administration and HR, they would attempt change this during bargaining. Slattery added that this was the same set up as PERS and this could be bargained.

Slattery went on to remind the Committee that no one must be defensive about putting anything on a list and that the Committee would be populating two lists, one regarding the General Fund, that would be mandated somewhat in the present context. And on the other side of the line he added are items that are discretionary. He added that the decisions on PERS and healthcare would not be made by this Committee but would be a policy change that could go on the list of items that they wished to be looked at. He cautioned and reiterated that he did not want people to think that this Committee had made decisions as they do not have that ability.

Moran asked Madding about some questions that he had previously sent regarding the previous slide. The questions that Moran was referring to were those regarding deductibles for health insurance. He further went on to say that he knew with the new plan that deductibles had increased for 24-hour safety departments such as Fire and Police and then asked if the plan had increased. Madding responded that it had increased but not for Fire and Police, as they do not come off their plan into a CityCounty Insurance plan until for Police the year 2021 and Fire the year 2022. Moran confirmed that this was then a four-year plan, to which Madding responded that the previous deductible was \$300.00 and now is \$500.00 for an individual and for a family was \$900.00 and now is \$1,500. The out of pocket maximum she explained is \$900.00 for an individual and is now for a preferred provider \$2,500. Morrison also noted that this could all be found in an email that was previously sent on February 28, 2020. Madding ended by saying that the plan is saving the City money but that is costing employees more. She also added that funds from this are in the health insurance fund not in the general insurance fund, with the goal being that the savings from funds be there to help offset cost which will in turn help the City that pays 95% of the premium.

Moving on to discuss the Ambulance, Madding referred to the presentations of Chief Sheperd, Mercy Flights, District 3, and Medford Fire and that the costs of operating the ambulance service in the City's services area is about equal to the revenue collected from the service area. She asked the Committee to consider these items as they are looking toward the future and when they make a recommendation to Council. She also explained that by July 2020 the City must send a letter as to whether the City wants to continue the ASA or does not to Jackson County. Madding stated that to hire an outside consultant and do a forensic like audit it could not be done by June 2020, because of the process around an RFP. She suggested that the Committee could however recommend that an internal staff audit be done. Based on discussions with the Jackson County Auditor on this type of work Madding explained that she believed that the City does have the capacity to do something like this, but the question would be if they would have enough staff and time. She added that this would not be compared to an external audit and that could have issues. Slattery asked if there was a place in between these two ideas, as he thought the wording of an audit was a step too strong. He explained that what

he is looking for is someone from the outside taking the City's records and building, as well as testing to full costs for the ambulance services but that he did not know if this had to be a specialized consultant. He thought that this could be the current audit company used by the City, keeping in mind that this has nothing to do with quality from the Chief, but that the decision that is made by Council needs to be in accordance with someone who is a step back bearing in mind that this should not be costly and time consuming. He added that this could be like someone looking at records over the last 10 years looking at the full costs associated with running an ambulance service including equipment, supplies, gas and insurance. He stated that he understood that there was a trickiness in how peoples time is allotted between fire and ambulance but that this could be put off to the side. Madding noted that this could be looked at but that she was still concerned about the deadline in relation to when it needed to come to council. She added that if they did do this and had Moss-Adams the current City auditor come in and look at the records they might find one of three things, first the ambulance costs more than the revenue that is collected, second it is the same, or third the ambulance costs less then what is collected. She further noted that the reason she spoke to a staff audit and vetting the options with the public was that she thought that the Council may be comfortable knowing what to do with the ambulance service without vetting anything from the public. Slattery did not think this was, Madding stated that this could be recommendation of the Committee and then staff could look at the options to meet the timeline. She explained the next recommendation was continue with the ASA for another five-year period and then in more detail look at other options on what to do with both the ambulance and fire department. Other options she explained could be a fire district, or an administrative merger with Fire District Five, with a variety of different models that City could entertain that could not however be done between now and the deadline for items to be to Council by June of this year. She stated that her main concern was the timeline involved but that if the Committee wanted to make that recommendation between now and then that staff could look at talking with Moss Adams to see what could be done. Slattery added that it felt like they were painted into a corner, because it looks it cannot be done between now and June. His thoughts were that it would not take the much time and the information does exist. He added that someone from the outside does need to review this, so that there is not an argument as to the quality of the numbers. If the City cannot do it any time, then it would be back to having another 5-year contract, creating a decision that people do not like or that it would seem like the issue was begin given up on. Madding suggested that she sees this differently and that she looks at it as a very big decision, to which Slattery agreed, and that she also stated should not be done in haste. Slattery clarified if you could withdraw form an ASA to which Madding responded yes. Chief Sheperd explained that arrangements would then have to made for services to continue.

Roberta Stebbins, Committee Member expressed that she had previously been at a job where she had done a lot of governmental audits within small towns, fire districts, and school districts. Much of this she added was done during a very different time but that as a previous auditor and based on what she sees the City wanting that it is one thing to look a data that is already there and another to look at how it has changed. These audits she stated have a heavy dependence on departments, asking them questions because as an auditor you don't know all the information. She added that it is not as easy as just looking at the bills and coming up yourself with how it should be allocated. Ultimately, she added there is no total independence of picking up numbers with the complex information needed. She ended by saying that if you just want to look at numbers that is something that can be done internally as these numbers are what they are and cannot be changed and that writing an RFP for something like this would be hard in this situation. Slattery responded that the word audit is a word that is a step beyond to which Stebbins suggested something like the word review. She also further noted that she did not see

it changing allocations from the way they have been made, Slattery added that this was not what he was looking for. He added that what he was looking for was an outside source to look at what staff can provide and then say that the numbers are put together in a certain way. His reasoning he went on to explain was that if the current numbers were used and it was seen that cost is less than the revenue and then a decision is made the critique that would be given could be that they had gone with their own numbers which is what he wants to get passed. Stebbins stated that the Chief has said that he needs three more people and that this would need to be a part of the recommendation. Slattery stated that this was moving away from the ambulance numbers and he understands that they are being asked for more people but maybe the idea is that they use the ambulance numbers that have come from staff in the Committee recommendation to council. Stebbins suggested looking at how allocations have been changed as she thought there had been dramatic changes over the last few years as this might be a place to start. Slattery explained that this further underscore the need for external accounting so the numbers are not argued with and that staff would then not be put in a position. Chief Sheperd clarified to the Committee that what they are looking for is an outside party that says that the numbers are correct and that it is not the department saying what the numbers are. Slattery stated that from a leadership standpoint he does not want these numbers to put the Chief in a problematic position and that he would rather not put any staff in that position. Stebbins then went on to suggest going and talking to Moss Adams and get input from them on if it would make sense. Slattery suggested working with Staff to do this, to which Madding stated that this could be done.

Moran asked for clarification as to when ambulance costs are stated if this includes the supplies and materials without personnel. Slattery responded that yes talking about personnel is going to be very difficult. You would have to sit down with staff he explained and that some judgment based on work duties would need to be had but there are some cost other than that including supplies such as gas that are tracked. He went on to say that he above all he wants to make sure that it was all represented on a timeline with side by side information. Moran stated that his observation that as a part of the inquiry that if you look at Mercy Flights they would operate at no cost to tax payers or to the City and if this true extrapolating out 4 to 10 years you have to consider the future cost to the City to operate that service because the Mercy Flights portion would always stay constant and it would always be free. He added that justice is not being given to fact that there are extra costs and that going forward this would be a different model. The cost impact the City he noted will never change then if the service is migrated to Mercy Flights. Slattery commented that cost for supplies and personnel would go up, to which Moran clarified this would be personnel as well. Slattery further responded that all revenues continue even in five years, but this would be work that would go on beyond the Committee's time. He went on to say that there could be recommendation to study further or stop.

Stebbins commented that she supported what Moran stated as this could relieve some expenses. Slattery followed up saying that the only reason he disagrees with this is because it needs to be study but requires that if for the next ten years revenues exceed expenses then the comments would not be true. Moran noted that that would mean 12,000 calls to which Slattery responded that the statements are in theory and would need to be study, as no one knows the answers and gives an example of the questions that do need to be answered. To Committees answer he also commented that there would need to be some cost projecting.

Madding went on to present again on streamlining or outsourcing. The first topic she noted had been discussed was outsourcing payroll to which she stated that when Cities look at doing this they look often to services that there are multiple vendors for in the private sector because if

there are no vendor the City would be left doing the job. She added that payroll is one of these but that there are also things like landscape services, auto maintenance and facility maintenance. She suggested that this could be a recommendation to City Council to look at such things, but that it should be expedited due to the possible loss of staff. The other items that she noted that Cities do not do a good job of is looking at the full cost not just one-time costs. Such costs would include staff time. She also added that there are lots of benefits to having your own service people because they can respond to priorities. She added that it would be best to look at the whole analysis not just cost because as the staff is lean and if staff are waiting around there would be problems. Slattery commented that he would like to see this as a recommendation to staff as there is another element of workflow documentation and at some point, there has to work done to see what is value added or not value added including looking at technology. One example he noted of this was using robo-calls in Utility Billing and is technology being used to the advantage of the City. Madding stated that most staff are doing more, Slattery responded to this that it's not sustainable. Stefani Seffinger, Committee Member asked how these fit into recommendations of how things are done through CEAP and how this relates to what is asked of staff. Slattery said that at some point you would need to say no.

Moran further commented to streamlining by saying that the City needs to do a deep dive into the Information technology department, billing and possibly payroll and look at what is possibly doable. Moran noted that the information technology department has a 7-million-dollar budget and that there could be a series of VARS or Value-Added Sellers in the technology world that could be looked as technology moves fast. He went on to say that knowing this makes owning your own Information Technology Department not make very much sense, as it would be cheaper to outsource. Slattery added that it seemed like Moran wanted to make a case for adding this into a recommendation, to which Moran added that he wanted to recommend overall looking at streaming. Slattery acknowledged this and stated that they would come back to it, as the entire Committee shares this desire.

On this same topic the Committee asked if it was possible to know what costs there are related to changing oil in a City Vehicle and other related costs to a City Vehicle in general. Madding responded that they do keep track of these costs. The Committee further asked if they knew what it cost to pave a block worth of asphalt, to which staff responded yes. Mike Morris, Committee Member added then that the City would have the data to do an analysis to put the numbers out to bid if needed. Adam Hanks, Assistant City Administrator responded that sometimes there are also other factors involved in this as well. Madding added that in order to know where to start you need to get a baseline of where to start, and that looking at time tracking as this is something that the Committee has discussed before. Hanks added that there are many times when departments like Parks are asked to do things out of their normal work, like items helping with the Fourth of July that are not part of the work a 3<sup>rd</sup> Party Vendor would do and the City would have to find ways to catch those one off situations that are currently being taken care of by City staff.

Madding also explained in response to Moran's comments that it would be like buying off the shelf software and you get what you get as it is a basic product, but this is something that can be looked at if that is the direction the Committee wants to go.

Madding ended by looking at the costs associated with Parks. Furthermore, she explained that the reason this was not previously talked about was the City basically writes a check to Parks at about 10 million dollars for the biennium, but the City does not have a lot of control over how the money is spent. She added that when Council looked at essential services that Parks

Maintenance was considered essential and recreation was a considered a value service. Presenting the numbers, she stated that recreation is about a third of the cost during the biennium of the money going to Parks. When looking at cutting in the City she explained that it is important to look at Parks as part of this and if asked by the Committee to cut a certain amount parks would have been in the equation. Moran asked how the City came up with the number for the Parks contribution. Madding answered that it was \$2.09 but during the last biennium that was reduced to \$1.89. Morris stated that he thought that the original number was somewhere in the City Charter. To which the Committee responded, that this was not the case commenting that with Measure 5 this was all overridden and then became a gentlemen's agreement. Seffinger added that there was a disagreement between Parks and the Budget Committee but ultimately the Budget Committee got to decide the amount and Parks would decide on what it was used for.

Slattery went on to say that one of the messages he would like to go out moving forward is that it is not just about cutting but that increase in efficiencies also needs to be looked at and that proactive planning needs to take place, so you don't have to come in and cut things. Madding responded that she agreed but there was also a look at the philosophy of service. She further commented that when looking at the Recreation Department within Parks, the slide did not note how much money is being brought in and that you could have a philosophy that recreation would pay for itself but that she was pretty sure that it did not.

Moran asked that in addition to the 10.7 million is there still 25% of the Food and Beverage Tax that they receive at \$800,000.

Madding presented other income sources as the Marijuana tax that brings in about \$100,000 that goes into the Housing Trust Fund. General Funds at \$134,000 that are used to fund Social Service Grants, the Transient Occupancy Tax that pays for Economic, Cultural, Tourism and Sustainability Grants. Slattery added on the Economic, Cultural, Tourism and Sustainability Grants that the funds would go into the General fund, to which Madding, and Hanks agreed and stating that it was considered unrestricted funds. Madding explained as well that you could take \$150,000 out of the unrestricted TOT, but some grantees would not be eligible and that by having it come from the general fund there is a broader eligibility. She added that these grants were also not considered essential services by Council. Additionally, she noted that Community Preparedness was also not considered essential even though it was listed high as a service by Council. This Madding explained is basically the CERT program at \$129,000. All of services equal a total of \$513,000. Slattery confirmed that there was a pretty good agreement that this is something that would be need considered by Council as to whether they continue or they don't, as this a policy discussion.

The last topic that Madding presented on was the topic of the Ashland Forest Resiliency Project. She stated that previously it had been discussed if this could strictly be funded by the fee of \$3.00 on the Utility Bill and through Grants. Staff was asked what they would do with just this money to which they provided a look at. (*Information attached*) It was pointed out by staff that there are two FTE, to which looking at the numbers presented would equate to a little over 400 acres that could be burned. However, Madding explained that she did not know if this was a staff target or a Council target, but that this target was 1,300 acres a year. Slattery asked what they were currently burning to which Madding responded was about 400 at this time. He further inquired as to if this was for funding or time. Madding explained that this was because of funding, as communication had been made to this previously. Moran also asked where the \$100,000 that comes from the Water Fund and goes to AFR is at. Madding responded that it

used to be \$250,000 and what had happened was during the last budget, the former Finance Director brought forward an increase that would yield \$3.00 per \$1,000 and that would increase the money coming in to AFR by \$250,000. This she explained offset the water contribution but with no nexus for the contribution only \$50,000 was brought over to make the fund whole, but the \$200,000 remains in the Water Fund. Moran responded that the thought it was a City Policy that the money not be moved from the Water fund to the General Fund. Madding clarified that the nexus was that AFR use to be in Water and that made sense as you were protecting the City's Watershed, but when it became its own program within the Fire Department the thought at the time was that it used Water Money and this would continue. However, she further noted that it is only using \$50,000 and she believes that is an appropriate nexus for this. Slattery asked what the \$50,000 a year was used for which Madding stated was for burning or a \$100,000 total for the biennium, also adding that it used to be \$250,000 a year. All of this she surmised in response to Slattery is because there is an appropriate nexus between doing thinning and burning within the Watershed with making sure our watershed doesn't burn but what it means is more is not being done because of budget. Slattery then asked if more was done would there need to be a bigger surcharge, to which Madding responded yes, but that although she would not recommend it you could take it out of the Water Fund.

Madding explained the presented grant money that AFR receives commenting that the program is very successful at getting grants.

### **Recommendations to City Council**

Stebbins commented that items that the Committee worked on needed to have the affordability and that without a Finance Director the City is at a great disadvantage. She explained further that this is important, even though the Staff currently charged with this are great, but they are busy. She added that affordability needs numbers and these need to be attached to a Finance Director as they could say what would work. Her recommendation she explained was that a Finance Director be hired along with other recommendations, as this is important for everyone involved. Slattery confirmed that there is agreement already on this and this is already in the works.

Jim Bachman, Committee Member asked the Fire Chief how often it happens and how difficult is it to withdraw from the ASA. Chief Sheperd responded that in his 25 years in the business it has never happened and that is written into the ordinance as to what the details of the withdrawal would be.

The discussion on recommendations began by discussing PERS and Healthcare for non-collective bargaining agreement employees. Bachman agreed with Slattery that needed to be discussed. Shane Hunter, Committee Member questioned why this was just limited to non-collective bargaining agreement employees but acknowledged that not a lot could be done for collective bargaining agreement employees. Slattery described this as step two in the process, but that first you would want to look at to non-collective bargaining agreement employees so that you could move on to make a recommendation for collective bargaining agreement employees. Hunter also added that more than PERS and healthcare should be looked at as well including wages related to cost of living increases and all personnel costs. Moran suggested this in a phase in discussion. Morris stated that the issue is that the biggest part of the budget is personnel, whether it be the overhead or something else. He added when the City says they will cover 95% and the employee 5% there is no idea of what will be paid for, with an example of this being as costs go up more and more will need to be paid for. He suggested a determined



amount being established and then the rest would be paid for by employees for healthcare so that costs would be capped. Madding explained that you can do this and that there are Cities and counties that have done this. She added that what can happen is you can give the group the money and they can go out and shop for their own insurance or you can give them a set amount, but it would be a negotiation. Morris also spoke to the increase in PERS, asking if the 6% is set to keep going up. Madding replied that it is a number that goes up as a person's salary goes up, but the 6% does not change. What changes she added was the unfunded liability.

Slattery went on to add that he understands that personnel costs are the number one cost, but they must mirror longer term impact. If a decision was made on to non-collective bargaining agreement employees it would be something that could be made relatively easily and quickly, he explained. He then went on to say that if costs need to be brought down it is not being talked about as being optimum or great to talk about doing from a collective bargaining agreement standpoint, as it is more complicated. Madding added that for the non-collective bargaining agreement you must look at things like compression. Overall there was agreement that this is something to be looked at but that some collective bargaining agreements have the right to take things to mediation Slattery added which requires a longer-term strategy. Moran asked what the number would be for non-collective bargaining agreement groups. Hanks responded that there are five represented groups and then two groups non represented, one in the City and one in Parks. The Parks group he explained is under the Parks Commission, which leave those non-represented at 60 people. It was further noted that the Parks group is made up of about 40 people.

Moran asked about the VEBA accounts, questioning what the percentage on this was. Madding confirmed that it was 2% and Morrison confirmed that this was on the percentage of wages, not total compensation. Madding explained that this an inexpensive way to provide money because they are not paying taxes on this as opposed to PERS that has roll up costs. Hunter asked if this is something they can work with and if it could be added to the list. Morris added that in the past VEBA had been something that was used to avoid increase during negotiations, so wages were not increased. Slattery pointed out that this was for collective bargaining agreement groups and asked if there was a non-collective bargaining agreement part to this. Madding clarified that the Committee was wanting to look at the entire compensation package adding that if they were looking at this, they should also look at how you compare with the world, as this can make you competitive or not. Slattery added that although this a Council decision that they are giving staff a heads up on what they are suggesting and how they want it to be study. Bachman also clarified and discussed with staff the level of detail the Committee recommendations needed to be. Slattery and Bachman also discussed the approach to these recommendations regarding employee compensation.

Moran added that both the VEBA and cost of living wages were both at 2%. Madding confirmed yes but that there are things that you don't have to pay for with VEBA and that's why it had been used in the past to compensate in a less expensive way. He confirmed this again adding in that the PERS would be 6.71% as well. Hanks added that COLA's are different per bargaining group. Bachman asked if these are a locked in CBA index, Hanks confirmed that they are all indexed.

**Bachman/Hunter m/s** a motion for Council to look closely at the total compensation package of all employees as needed over time specifically looking at but not limited to costs related to PERS, Healthcare COLA's and VEBA. **DISCUSSION:** Moran began the conversation by noting that there may need to be more detail and Slattery suggested that it could be added to. Stebbins added that she thought the packages were looked at closely all the time and that she thought this was done with the eye of cost reduction. Slattery added that you want to look specifically at PERS and Healthcare costs, because the generalized look is always looked at. He specifically spoke to the fact that these are costs that are on the list of what is to be decided and whether or not something can be done regarding PERS and healthcare costs for the non-collective bargaining agreement employees. Additionally, he added that this could be used in the long term for collective bargaining agreement employees. Bachman clarified that PERS and healthcare need to be added and stated that he wanted to withdraw his motion, but Slattery told him that it could be amended adding that he thought it could be more specific. Hunter stated that he thought items such as COLA's and VEBA's should be added. Morris stated that as contract for items like this are looked it many people state that this is what everyone else is doing and nothing ever changes, because of expense and there ends up being not much that can be done. He added that he did not know if this would go anywhere if presented to Council furthermore stating that he would go the route of reducing payroll costs leaving the decision to be made of either cutting benefits or employees. Slattery responded that is what he is trying to avoid, as he wants management to have some place to go and this would be considered oversight. Morris clarified that he was not talking to oversight but only trying to look at efficiency through all options and that it comes down to the total cost of the package. Also, he stated that if it is PERS and healthcare the City will no longer be competitive in hiring. Slattery responded that this was on the collective bargaining agreement side and they were on the non- collective bargaining agreement side. Stebbins suggested using the word labor costs to which Morris and Moran also suggested payroll or personnel costs. Moran also added that this would also mean nothing slips through the cracks. Slattery stated that the thought a broad category would be personnel or labor costs but that specifically underneath that the Committee has talked about PERS and healthcare, as they are issues that come up every budget cycle. He added then that the only way after cutting these items would be to cutting people, because there would be no way to bring costs down. Morris responded by asking what was the lowest hourly wage that was paid in the City of Ashland. Morrison responded that it was \$17.00, and Hanks added that there also temps and seasonal that are hired. Moran questioned that if everything was being but it on the table wouldn't everyone want to be more open. Slattery stated that he was not opposed to putting payroll on the table but that PERS and healthcare kept specifically on the recommendations as they have been noted in the budget process. Moran suggested wording that would look at specific payroll costs related to PERS and healthcare, adding that it would not limit it to further discussion. Bachman added that the motion could include that Council consider not covering the non-collective bargaining agreement employees PERS cost. Slattery commented that would be determining a decision. Bachman then suggested adding the wording including but not limited to the motion. Stebbins reiterated that although PERS and healthcare have been carved out that this would become a deterrent to say we can't do anything with these and that to emphasis this would be a turn off but if the whole personnel service package is looked at it would include all options. She ended by stating that there is no other way to do this but looking at the whole package. Moran asked to this if these decisions were made by a department or by City Council. Madding responded that it was ultimately the City Council but

items like sick leave were made long ago. She also clarified that this was for non-collective bargaining agreement employees. Slattery commented that he thought the reason for recommending specific things to Council is that otherwise this will all gray out and that the contribution of 6% is an issue with a decision that could possibly look at changing the mixture or deductible as these are very specific items where you can do something about it. He added that the rest of this starts to become more nebulous, he suggested moving back to the statement "including but not limited to" as he believes the topics at hand need be dealt with explicitly. Bachman agreed with the logic of this, Slattery commented that these items would be within the over topic. Hunter added that if a decision like not paying for any new non-collective bargaining employees 6% PERS then that would be just changing the compensation package, so when a new person does come on, they know that it is packaged together. Morris asked about the new PERS plan that new employees come onto when hired, Madding and Morrison responded that this is OPSRP adding that are still within PERS. Slattery also added that the City is still matching as this is still PERS. Moran clarified what the issues Slattery referred to and suggested also adding VEBA and COLA's to this list. Slattery stated that he did not mind adding specific things to the list so that there is a very specific direction for staff to bring forward comps. Madding agreed it would be good to address PERS and healthcare, PERS more specifically she added has a lot of static out there on what should be done with it and she thought that it would be good to have this discussion to let people understand what the financial ramifications would be for a variety of different things and consequences related to this. The motion was then read back. Bachman suggested adding in total regarding compensation. The Committee also discussed using personnel costs as a term within the motion. Hunter suggested that be a streamlining motion. **Unanimously carried.**

**Bachman** *motioned to recommend to Council consideration of not renewing our ASA contract.*

**DISCUSSION:** Slattery stated that he would be more comfortable if the Committee was to say they need to further study the ambulance service and consider a more in-depth review or direction. Bachman also commented about whether this would include a recommendation not to continue service to which Slattery responded that this was indicative of the review. Seffinger questioned if there was bigger issue with the fire department and Slattery commented that they were not tackling the bigger issue at this time, but that they were just talking ambulance services. **No second, restated as next motion.**

**Bachman/Hunter m/s** *motion to recommend to Council that the ambulance be study as a unit of the Fire Department and provide future direction by June 30, 2020 to the letter of intent deadline for the 5-year contract.*

**DISCUSSION:** Moran clarified that by making the motion that the Committee would not be making a motion about renewing the bid and would not be suggesting on what to do from there. Bachman responded that that are not making a recommendation not to renew, and Hunter confirmed. Slattery also confirmed that this was a base motion to also recommend a decision be made as well. He also stated that further decisions on this could be made in a form of a new motion with more direction. Stebbins commented that it also may be helpful based on the information that the Committee must specify that it is the deadline date of the ASA and this is reason for the date listed, as these are important elements. Chief Sheperd also confirmed the information regarding this. In response to this Slattery added that moving forward information about this could be passed along.

**Unanimously carried.**

**Hunter/Moran m/s** *a motion for Council to review recommended levels of response for the Fire Department and what level of service is provided on different levels of calls.*

**DISCUSSION:** Bachman asked if this would be contingent on what is decided on the last motion. Hunter responded that this would be just for the Fire Department. Seffinger stated that she would like to know if that will affect the safety of citizens causing some not to be seen, as it was incorrectly reported what their problem was. Slattery replied that that would be good item to discuss with Council but that it did not be discussed with this Committee. He added that it was noted. **NO, Seffinger, Motion Carries 7-1**

**Bachman/Hunter m/s** *a motion to recommend to Council to consider removing the model of staffing of the Fire Department with only Paramedics and look a looking at a team model of Paramedic/EMT.* **DISCUSSION:** Seffinger commented that she believes it lowers the level of care. Morris responded that he believed that this was part of what Council needs to look at. Bachman also added that he would counter this with the comments made by Doug Stewart about the quality of care increasing. **Unanimously Carried.**

Slattery suggested that management and staff do a review of services with an eye toward whether some can be outsourced or better augmented with technology. He added that as this is an involved process it would have to be a post-Finance Director job. He also added that it was great that Mark, the Former Finance Director was here for the two years he was, but that he thought that it was going to be the next two years when dividends would be paid like through this type of review. The City he noted would have to go through this process again in order to be able to complete the job noted.

Morris added that Mark additionally had recommend that Department Heads should also be looking at where they should save money or where they could cut costs. He added the Moran had also stated this as well. Based on that Morris suggested that the streamlining may be added into that. He added that he felt that there must be items that are not efficient. Slattery added to this that Moran had previously asked if staff had to cut a certain amount of dollars where would cuts be. Morris responded that they would have to come up with a number, and then suggested the possibility of a percentage recommendation. Moran added that he thought that his prior statement was too direct and that he would like to rephrase what was said to reflect the thought of grasping at efficiencies, including cost and time efficiencies. Slattery added that this really is about gaining efficiencies and that cost is translated so often into cutting people. He also added that they really are not talking about cutting people but are really talking about efficiencies to get more out of what is being done and thus creating a better budget. Morris added that he would like this directive to be made to staff and that every operation needs to be looked at as something that needs to be done and something that could be better done to streamline. He also suggested that he saw this as something that as a Committee they do not know the internal operations of and this is what Department Heads do. Stebbins agreed on this adding that this is something that would come from within.

**Moran/Morris m/s** *a motion to recommend to Council to direct staff to advise definitive ways where they could streamline operations with the goal of creating a meaningful cost/benefit review of services offered and that also creates efficiencies and reduces costs.* **DISCUSSION:** After hearing the motion read back the Committee discussed how hard it is to have a percentage attached to this. Hunter noted that staff typically is always looking at this and that staff are always trying to make their jobs less hard. Morris agreed adding thoughts he had previously stated about AFN. He explained that when AFN went away from television service, that no staff were lost and that this was an efficiency that never happened. Hunter commented that although he could not confirm he had thought that there was a higher level of service on the internet side. Slattery clarified Morris' thoughts and asked if the question was that Staff needed

to justify things like this. Moran added that the motion could include a statement reading definitive ways to streamline efficiencies rather than being generic. He added that he mentioned before synergies including merging departments, as this would be apart of streamlining. Madding then asked questions so that she was clear on what was being said, as she thought that what was being said was looking at reducing staff. She went on to add that it sounded like the Committee was not looking at doing more with staff and that the goal was to reduce costs which is the majority of costs in a City is people. She went on to ask the Committee what they thought should be done with the taxpayer's money that is not being done now, as this would be gaining efficiencies, and this is not what is being said. Furthermore, when the Committee is talking about efficiencies that all are doing the job that they need to do she added. These would be jobs directed by Council and be ones that the citizens expect for the least amount of money, Madding stated. Madding also confirmed that this is done by departments all the time because the City is required to do more every single year regardless of population change, an example of this she added was requirements listed by the City Auditor. She added that this was a good recommendation and that City's should always be looking for efficiencies, but that adding a part about that staff already look for these now. She also added that this could be a slap, or that staff it may seem are not doing this already. Slattery agreed, stating that part of this was reviewing Council created mandates, and that this is what should really be looked at. These would be things like Commission and Committees he added. He then stated that these would be questions back to staff to look at and see where they disagree with Council, adding that a challenging government has been created in Ashland by virtue of the fact that citizens are responded to. Seffinger stated that she thought that part of creating efficiencies is that Council thought the CEAP Committee is going to be suggesting things like not using gas blowers and that there are of things that the Council ask for and are added, but how is it figured out what is essential. Slattery answered that this is not so much an evaluation of the work that Staff is doing but an evolution of what staff has been asked to do. Moran also responded that in previous jobs efficiency did not mean eliminating people but that he was also pushed to do things as efficient as possible and bringing up the large budget of Information Technology and billing as something that technology can do as well. He added that does not mean getting rid of people, as you could through attrition and moving them and that we need to look at the value. Moran also added that there should be a mandate to run this as efficiently as possible, not get rid of people. Madding responded that she may have said it too strongly, but that reducing staff is a potential consequence. Slattery added that he agreed that this all needs to be looked at and that the reality is that the City has a general fund where everything does not fit. Slattery suggested that the whole box be used and sent as is to Council to decide on and talk about. Stebbins added that she liked this, and the goal was to balance to the budget. Seffinger added that this would also look at what is least essential in what the Staff do. After hearing the motion again, the Committee decided to take out the percentage listed and discussed the wording of how to convey the correctly the work needed on efficiencies. Seffinger suggested looking at adding what services are least essential. Slattery stated that they would ask all involved not to be too sensitive regarding the terms involved. Seffinger suggested that what is being asked is to reduce costs and that this could be done by reducing things that are not essential. Hunter suggested leaving the efficiencies part out of the motion and to direct staff to look at a cost/benefit analysis of the services they provide adding in the list presented to the Committee. Moran asked if this would mean identifying all the services. Hunter stated no, but that looking at the list more could be looked at. Seffinger suggested that the Committee may be asking them to be less efficient if they were looking at something like processing a permit because there are less people. Adding that although it would cost less it would not be the same as being efficient. Slattery responded that what they would be asking for would overall be a review that looks at lowering costs and increases efficiencies and that both sides need to be looked at being

realistic. Hunter noted that by going to department heads you are not going to see them want to cut staff to create efficiencies. Bachman asked Madding if these types of questions related to efficiencies would always be asked of Department Heads going into a budget season. Madding responded that this what happened in the last biennium. Bachman then went on to state that this then is a question that is normally asked and that the Committee was getting into too many details. Slattery added that he agreed but that if you waited for budget season to ask that you could get ahead of things that need to be reviewed so that things can be refined. Bachman thought that the motion could add the wording "in anticipation of the next budget cycle". Slattery reminded the Committee that they are less than a year out from the next budget cycle. Moran then asked if they envisioned that the City Councilors required that departments produce a report and or what the thought would be. Slattery replied that he felt that what was being asked for was bigger than the next year and that he liked the idea of this starting as this could be something that they could meet on a regular basis in some format. He added that he does not know how this will look but that if they try to do it all they will fail, so it would be best to be focused. Seffinger added that the professionals at each department need to know what is critical to do without lowering the standards of what they do. Morris asked that by asking these Staff members what they do that do not get value out of, could they come back with a list of items. Slattery agreed that it would be something along those lines. Seffinger also added that during her time as a school psychologist, she could no longer do counseling because there was too much of a role to do mandate testing. Slattery added that this is going to be hard, but it is work that has never been done. Moran agreed adding in the business world being able to account for time and value that time is part of your everyday. Slattery agreed to this as well, giving the example from Stebbins of having to log time as a CPA every six minutes, but that this mechanism does not exist but maybe should be looked at. Seffinger suggested that typically you get a look at your day and Stebbins added that when you get in the habit of doing this it no longer become hard. Hunter suggested that the motion having Community Development in mind read as "Recommend to Council to produce a Cost/Benefit of mandatory and discretionary services provided" The Committee revised the motion above after taking into account the above discussion. **Unanimously Carried.**

Stebbins asked if it would be premature to make a motion to look at outsourcing services. Slattery stated that he did not think it was and recommended that Staff look at what those are unless the Committee wanted to name some ideas specifically. Moran suggested that this be a sub-motion of streamlining. Morris added that a few years ago there was an audit of Parks and this was looked at and he believed that those were supposed to happen at every department, but he did not believe that this went any further than Parks.

Slattery suggested as well that the list mentioned in the presentation go to Council. Stebbins thought there was more to this.

**Stebbins/Moran m/s** *a motion to recommend to council a consideration of outsourcing services with the goal of reducing costs.* **DISCUSSION:** Stebbins stated that she thought that this would be a reminder that this was supported at one time but that it may have slipped through. **Unanimously Carried.**

Chief Sheperd let the Committee know that he had previously been incorrect on the ASA date and that the county sends out a notice of interest on July 4<sup>th</sup>, the letter of intent would then need to be back by September 7<sup>th</sup>

The Committee moved on to discuss the possibility of a motion regarding value added services.

**Hunter/Bachman m/s** *A motion that the presented value-added services listed be sent to Council.* **DISCUSSION:** Moran suggested that there may be other value-added services not on the list. Madding asked if Parks and recreation also needed to be added to the list. Slattery added that this could be added separately but that list was what should be brought first and then added to. Bachman added that five was a pretty large list to be added to. Moran added that he would like the motion to include being open to adding more to the list. **Unanimously Carried.**

The Committee moved into looking at the possibility of another meeting. Madding stated that she did not know what the groups preference was added that this could be presented to Council on April 7<sup>th</sup> as this is her last meeting otherwise the Committee would be looking at a later meeting. Slattery noted that these items would need to also be looked at as smaller topics as well and that April 7<sup>th</sup> would be the target date. Madding stated that she would prepare some backup documentation, as there was a lot of information that was presented to the Committee and that presenting the motions would also take place. Slattery also suggested having the bulk of work and information presented to the entire Council, as well as Council Communication. Moran stated that he would not be opposed to getting together for another hour and half to go over all details. Hunter, Bachman and Slattery agreed. The Committee agreed that they are only expecting staff to have a partially finished product at the next meeting. Slattery also added that there were a few loose ends to look at such as value-added services, including looking at AFR, and Parks. Bachman added that he would like to also look at continuing the Committee, but that he knows that this would have to be a recommendation to Council. Slattery suggested that a conversation about this should be had as there will be a lot of changing and interim staff coming up. Moran stated that he thought that this would be a great accomplishment for an off-year Budget Committee. The Committee agreed that the next meeting would take place March 18, 2020 from 3:00-5:00 p.m. Madding added that she would try to have as much done as she could regarding the presentation. The Committee agreed they could then fine tune this.

## **ADJOURNMENT**

Meeting adjourned at 5:51 p.m.

Respectfully submitted,  
Natalie Thomason  
Administrative Assistant

Response from Chief Shepherd on the CERT program and possible grant funding.

The Community Emergency Response Team is a “part” of the City’s overall emergency preparedness efforts. The cost of training and maintaining membership in the program is relatively small. The expense of the program comes in the form of our Community Preparedness Coordinator, who is responsible for managing the program. I think when the program first got started, (2005?), the funding for the then “CERT Coordinator” did come from grant funds, but only on a temporary basis. After a couple of successful years, a case was made that having CERT was worth the expense of a permanent coordinator. For several years after, some grant funding was available for a part-time CERT assistant. When those funds dried up, so did the assistant’s position. I am not aware of a grant program that would cover the cost of a Community Preparedness Coordinator. And as you are aware, it would be difficult to have a full time, dedicated employee, who was dependent on grant funding to maintain their job year after year. I do know that the coordinator routinely applies for grants to either assist CERT or other disaster preparedness efforts for the city.



# Memo

CITY OF  
ASHLAND

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TO: Citizen's Budget Committee  
FROM: Adam Hanks, Assistant to the City Administrator  
DATE: May 9, 2019  
RE: Economic Development Program Budget – BN2019-21

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The following is an overview of the Economic Development Program budget as presented in the overall BN2019-21 City of Ashland Proposed Budget.

## Funding Source

Funding for this program has been allocated by Council resolution each year since 2008 from the unrestricted proceeds of the Transient Occupancy Tax in the General Fund. Prior to this formal allocation, specific allocations for Economic Development activities were granted directly to the Ashland Chamber of Commerce for specified objectives described in the allocation resolutions.

## Funding Amount

Since 2008, the funding allocation for Economic Development was set at 10% of the total unrestricted funds or \$150,000 whichever was larger. In the 2017-19 biennium budgets, the budgeted funding level peaked at \$185,000 for FY19, which was 8% of the total unrestricted funds. It is anticipated that the actual expenses for FY19 will not exceed \$150,000 (7% of unrestricted total).

The proposed Economic Development Program budget for BN2019-21 is \$182,122 and \$184,787 for each of the two fiscal years respectively (7.8% of unrestricted total)

## Current and Proposed Activities Funded

### **STAFFING**

With the exception of FY13, since 2010, the Economic Development Program has funded .25FTE of a position (Administration staff) to develop, coordinate and implement the City's Economic Development Strategy that was developed over a 16 month period in 2010-11 and adopted by Council in June of 2011. Additionally, the .25FTE is the City's representative on numerous Chamber of Commerce business committees, a Board Member and City representative on the Southern Oregon Regional Economic Development Inc (SORED) Board of Directors, the primary point of contact for all economic development inquiries, serves as a business liaison to the City's land use development process and assists businesses in accessing regional and state level (Business Oregon) incentive programs such as the



Enterprise and E-Commerce zones, Immediate Opportunity Funds and other similar programs that could benefit our local businesses.

## **MATERIALS & SERVICES**

Historically, the materials and services component of the program budget was limited to SOREDI annual dues, minor travel and training and misc office supplies. In the proposed BN2019-21 budget, internal service charges are included in materials and services consistent with the outcome and implementation of the recently completed cost allocation plan.

TOTAL M & S = \$59,680 (\$38k internal service charge, \$15k SOREDI dues)

## **PROGRAM FUNDS**

The remainder of the funds and the focus of the efforts come through the programs and activities in the program funds budget category. Some programs have remained fairly consistent over time, such as the Festival of Lights contribution, while others change given the desired outcome and partner group utilized.

The City has two primary economic development partners it utilizes in addition to the tasks and programs it conducts internally. The Ashland Chamber of Commerce has played a significant role in local economic development support and promotion over many decades, both with and without formal funding support from the City. The Chamber has a strong membership base established that crosses over nearly every business segment within our local economy. Program partnerships fall into three primary categories; Outreach/Education, Events and Research & Development. A key R & D program is the Business Retention and Expansion Survey, a tool used every 3-4 years to obtain critical and unique data from our local businesses and is invaluable in determining what types of tools and support businesses need. Results also inform workshop topics, data needs and follow up meetings.

The City also partners with Southern Oregon Regional Economic Development Inc (SOREDI). The City holds a seat on its Board of Directors, participates in the development of programming that helps attract and retain businesses within the region maintaining and expanding job opportunities for residents of Ashland who work throughout the Rogue Valley (675 jobs created with direct SOREDI assistance in FY17-18, see attached). SOREDI and its partner jurisdictions are currently embarking on the development of a Regional Economic Strategy and have secured funding from jurisdictions to assist in completing that work over the next 12-16 months.

The City of Ashland provided the initial seed funds to SOREDI for the Launch Ashland entrepreneurial development program that has now successfully expanded into Launch Southern Oregon providing tools, support, access to funding and educational opportunities for high growth potential start up businesses.

See the attached proposed Economic Development Program Allocation for BN 2019-21





## On the Edge of Your Career

SOREDI has coordinated with **Rogue Workforce Partnership** and local schools to bring relevant employment information directly to students. This effort features companies who have participated in the Southern Oregon Edge Campaign. Each participating company provides information about solid career opportunities available to students. Each poster describes the positions and provides a web address where students can discover the academic pathway that will qualify them for specific local jobs. Many thanks to these participating companies: Boise Cascade, Diode Laser Concepts, Harry & David, Linx Technologies and Zeal. Further appreciation goes to these local schools where the posters are displayed: Ashland High School, Crater High School, Eagle Point High School, Grants Pass High School, Hidden Valley High School, LOGOS Charter School, North Medford High School, Oregon Tech, Rogue Community College, Rogue River High School, South Medford High School, and Southern Oregon University.

## 4 Tradeshows / Conferences attended

## Helping Connect Educators with Workforce Needs

## 4 Industry Tours for educators and SOREDI Members

## Local Companies

Allcare Health, Bierson Corporation, Blackstone Audio, Caldera Brewery, Cropper Medical/Bioskin, Darex Corp., Dogs for Better Lives, Erickson Air Crane/Aviation, Grants Pass Airport - Southern Oregon Air Academy, Grants Pass Museum of Art, Hy Speed Machining, Lamination Technology Industries, Marzi Classic Sinks, Met One Instruments, Oregon Shakespearie Festival, Oregon Swiss Precision, Quantum Innovations, Rogue Creamery Dairy Farm, Rogue Innovation Hub, Rogue Valley Door, Silly Zak's Gluten Free Bakery

## Continuing Business Education Partnership

## Helping Business Relocate

**1,000 outreach calls** to expanding traded-sector companies by our lead generation firm; **6 new** relocation leads generated

## 20 Business Relocation Proposals Made

## 2 Outreach visits to outside companies

## 6 Hosted company site visits to the region



## 2 New companies & 12 New jobs



Laminat Technologies  
Wood Products Manufacturer in White City, Oregon

Also retained 50 existing jobs



Cypress Creek Renewables  
Solar Farm, Jackson County, OR

Also impacted over 100 temporary construction jobs

## Partnering with YOU to Get it Done!



## 183 Current Members

## \$297,194

Representing jurisdictions, agencies, and local businesses



Southern Oregon Regional Economic Development, Inc.  
*Wildly Serious About Business*

LAUNCH  
RELOCATE  
PROSPER

# 2017/2018

## Economic Impacts

[www.soredi.org](http://www.soredi.org)

1311 E. Barnett Road, Suite 301 | Medford, OR 97504  
Office: (541) 773-8946



## Helping Business Prosper

SOREDI's 15th annual Southern Oregon Business Conference featured Randy Harrington, PhD, offering his insight on the theme "Resilience." Harrington was joined by Tim Duy, PhD, UofO Economist and Todd Bloomquist, Grants Pass School District.



**8** Enterprise zone applications processed, \$61 million expected investment

**141** new jobs expected, supporting 422 jobs

**150** Outreach visits to existing businesses



## Facilitating Key Business Consortia

Partnering with Rogue Tech Collective and Rogue Workforce Partnership, SOREDI hosted 58 students and faculty from Rogue Community College, Oregon Tech Klamath Community College and Southern Oregon University on a regional Tech Tour. Participating businesses demonstrated that technology-skilled students from our region are able to find reliable employment with career growth opportunity right here at home. Many thanks to: CBT Nuggets, Core Business Services, InfoStructure, Lifeline, Linx Technologies, Plexis Healthcare Systems, ProCare Software, Shasta Net Works and Zeal.

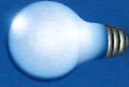
## Helping Business Launch



**100+** Sounding Board Sessions local entrepreneurs seeking assistance

**10** Launch Talks

**\$650k** in Angel and Equity Investments



**5** \$500 Grant Awards to new startups

## Impacting Southern Oregon

**675** Jobs Created with direct SOREDI assistance

**\$26.3m** Wage Impact (based on 2016 average private sector wage)

**\$82.5m** Overall regional private investment

## Helping Promote Local Businesses with SO Edge



## 10 Southern Oregon Edge Profiles Published

AllCare Health, Amy's Kitchen, Blackstone Audio, Caldera Brewing, DuroLast Roofing, Pallet Wines, Rising Sun Farms, Rogue Valley International-Medford Airport, Taylor's Sausage, Thomason Hospitality.



Michelle Manion joins staff as Events and Development Manager, bringing staff up to eight! [michelle@soredi.org](mailto:michelle@soredi.org)

## Helping Finance Business



**5** Business Loans

**\$1.08m** Lent representing 45 jobs!

**\$19.35m**

Lent since inception in 1995 (236 loans representing 2180 jobs)





# City Economic Development Budget

## BN19-21

	FY19-20	FY20-21	BN 19-21 TOTAL
<b>Proposed Economic Development TOT Allocation</b>	182,122	184,787	366,909
Personal Services (.25 FTE)	47,442	48,951	96,393
Materials & Services (not including Program Funds Available)	59,680	60,836	120,516
<b>Program Funds</b>	<b>75,000</b>	<b>75,000</b>	<b>150,000</b>
<b>TOTAL Economic Development Program</b>	<b>182,122</b>	<b>184,787</b>	<b>366,909</b>
<b>Program Funds Allocation</b>			
<u>Proposed Chamber Programming</u>			
<u>Outreach and Education</u>			
Video Production (Portal, Workshops, other)	3,000	3,000	6,000
Promotional materials (Portal, Living and Doing, Recruitment, etc)	15,000	15,000	30,000
Conferences/Workshops	10,000	10,000	20,000
<u>Events</u>			
Festival of Lights	15,000	20,000	35,000
<u>Research &amp; Development</u>			
Business Retention & Expansion Program	20,000	15,000	35,000
Portal/Economic Dashboard	2,000	2,000	4,000
Business Sector Analysis	-	-	-
<b>Chamber Programming Total</b>	<b>65,000</b>	<b>65,000</b>	<b>130,000</b>
Chamber Portion of Total Program Funds	87%	87%	87%
<u>Proposed City Programming</u>			
Employment Lands -Expansion Pre-assessments	-		-
Launch Ashland - Entrepreneurial Program	10,000	10,000	20,000
Economic Development Strategy - Ashland Airport	-		-
Downtown/RR Enhancements - Flower Baskets	-	-	-
<b>City Programming Total</b>	<b>10,000</b>	<b>10,000</b>	<b>20,000</b>
<b>PROGRAM TOTAL</b>	<b>75,000</b>	<b>75,000</b>	<b>150,000</b>

	FY 2019-20	FY 2020-21
TOT Tourism (restricted)	949,884	949,884
General Government Operations	2,326,485	2,326,485
<b>TOTAL TOT</b>	<b>3,276,369</b>	<b>3,276,369</b>
<b>TOT Tourism (restricted)</b>		
Tourism Grants	574,744	574,744
Public Art	21,125	21,125
City Tourism Capital	108,288	108,288
Future Parking Supply	245,727	245,727
<b>TOTAL TOURISM (restricted)</b>	<b>949,884</b>	<b>949,884</b>
<b>General Government Operations</b>		
Economic Development	182,122	184,787
Economic, Cultural, Tourism, Sustainability Grants	150,000	150,000
Remaining Appropriated (Police/Fire/Gen Fund ops)	1,994,363	1,991,698

# Summary of Recommendations

KELLY MADDING & BRYN MORRISON  
FOR THE COST REVIEW AD HOC COMMITTEE  
MARCH 10, 2020

# PERS

## **Should the City require current or future employees to contribute their six percent contribution?**

- Assuming the City is able to require this in bargaining agreements, the increase in pay for employees = 6.71%
- Cost of pay increase > cost of City PERS contribution
- Cities who have implemented this have been for philosophic reasons not financial ones.



# HEALTHCARE

- The City returned from being self-insured to a third party health insurance provider (CIS).
- Until January 1, 2020, CIS mirrored the City's self-insured plan.
- Until June 30, 2021 and June 30, 2022, Police and Fire have until they select an existing CIS plan, respectively.
- In September 2019, the City selected a CIS plan increasing the deductible and maximum out-of-pocket costs to employees; saving the City approximately \$880,810 for the 2019-2021 biennium
- All collective bargaining agreements require the City to contribute 95% of an employee's total health care premium with the employee contributing 5%.
  - Any change to the employee contribution would have to be attempted during bargaining.

# AMBULANCE

- Information presented by Ashland Fire & Rescue (AF&R), Mercy Flights, Fire District #3, and Medford Fire.
- Cost of AF&R operating the ambulance service for the Ambulance Service Area (ASA) was almost equal to the revenue collected for the service
- **Issues to consider:**
  - By July 2020 a decision must be given to Jackson County whether or not the City will provide ambulance service to the ASA.
  - A more in-depth audit would not be able to be completed by June 2020.
  - Committee could recommend to the Council an internal staff audit or that the City provide ambulance service while using that time to study and vet the options with the public.
  - To maintain level of service and the current structure of AF&R, the General Fund would need increased revenue or other departments within the General Fund would need to be reduced.

# STREAMLINING

- Cost/Benefit analysis of services could be recommended for: landscape services, auto maintenance, and facility maintenance.
- If recommended needs to be expedited to prevent low morale and possible loss of staff
- **Issue to consider:** staff is lean and may be costly to have staff wait for cars or their workspaces to be fixed.

# PARKS

- City only contributes a lump sum of collected property taxes to APRC and does not control how it is spent.
- City Council determined that park maintenance was an essential service while recreation services considered a value service.
- The 2019-2021 budget identifies a City contribution total of \$2,957,982 for recreation programs. The City will provide APRC with a total of \$10,783,800 during the 2019-2021 biennium:

Recreation Administration	\$892,740
Recreation Programs	\$1,255,451
Community Center	\$62,400
Nature Center	\$747,391
<hr/> Total	<hr/> \$2,957,982

# VALUE SERVICES

There are several value services that are funded with monies that could augment essential services in the general fund:

Income Source	Current Use	Annual Amount
Marijuana Tax	Housing Trust Fund	\$100,000
General Fund	Social Service Grants	\$134,000
Transient Occupancy Tax	ECTS Grants	\$150,000
General Fund	Emergency Preparedness	\$129,000
Total		\$513,000

# Ashland Forest Resiliency (AFR)

Below are the services provided by AFR with 2 full-Time equivalents:

	AFR Water Bill Surcharge Funding:
\$377,698	AFR Water Surcharge Revenue (per year)
<u>\$233,439</u>	<u>Wildfire Division Chief/FACC Salaries Estimated</u>
\$144,259	Net AFR Surcharge Funding FY20

- Net AFR Surcharge funding = approximately 400 acres of burning per year; target = 1,300 acres per year
- Grants received by AFR:

Amount	Organization	Use
\$110,000	DEQ Smokewise Ashland Grant (BN 19-21)	Communication
\$1.2 million	Oregon Watershed Enhancement Board Grants	Wildfire fuel reduction and staffing
\$30,000	State/Private AFR Grant (BN 19-21)	AFR Temp Staffing(shared cost with OWEB grant above)
\$3,000,000	FEMA grant (pending) (FY 21)	Home wildfire preparedness
\$25,000	Fire Adapted Communities Network Grant	Business smoke impacts, wildfire prevention, travel costs
\$40,000	Evacuation Planning Grant	Wildfire evacuation traffic modelling and planning

# Other Ideas

???

## Next Steps

Agree on recommended proposal(s) to forward  
to the City Council



## City of Ashland

### Health Care Premiums for BN 2019-2021

By Fund	Budget	Revised Health Care	Savings	95%	5%
General	\$ 4,168,851.36	\$ 3,839,421.58	\$ (329,429.78)	\$ 3,647,450.50	\$ 191,971.08
Parks	1,648,164.80	1,517,923.99	(130,240.81)	1,442,027.79	75,896.20
Street	291,130.53	268,124.90	(23,005.63)	254,718.65	13,406.24
Capital Improvement	114,812.04	105,739.40	(9,072.64)	100,452.43	5,286.97
Water	656,068.80	604,225.12	(51,843.68)	574,013.86	30,211.26
Wastewater	504,352.89	464,498.06	(39,854.83)	441,273.16	23,224.90
Storm	123,012.90	113,292.21	(9,720.69)	107,627.60	5,664.61
Electric	832,387.29	766,610.62	(65,776.67)	728,280.09	38,330.53
Telecommunications	254,226.66	234,137.23	(20,089.43)	222,430.37	11,706.86
Central Service	2,307,394.16	2,125,059.92	(182,334.24)	2,018,806.92	106,253.00
Equipment	246,025.80	226,584.42	(19,441.38)	215,255.20	11,329.22
	<u>\$ 11,146,427.22</u>	<u>\$ 10,265,617.44</u>	<u>\$ (880,809.78)</u>	<u>9,752,336.57</u>	<u>513,280.87</u>