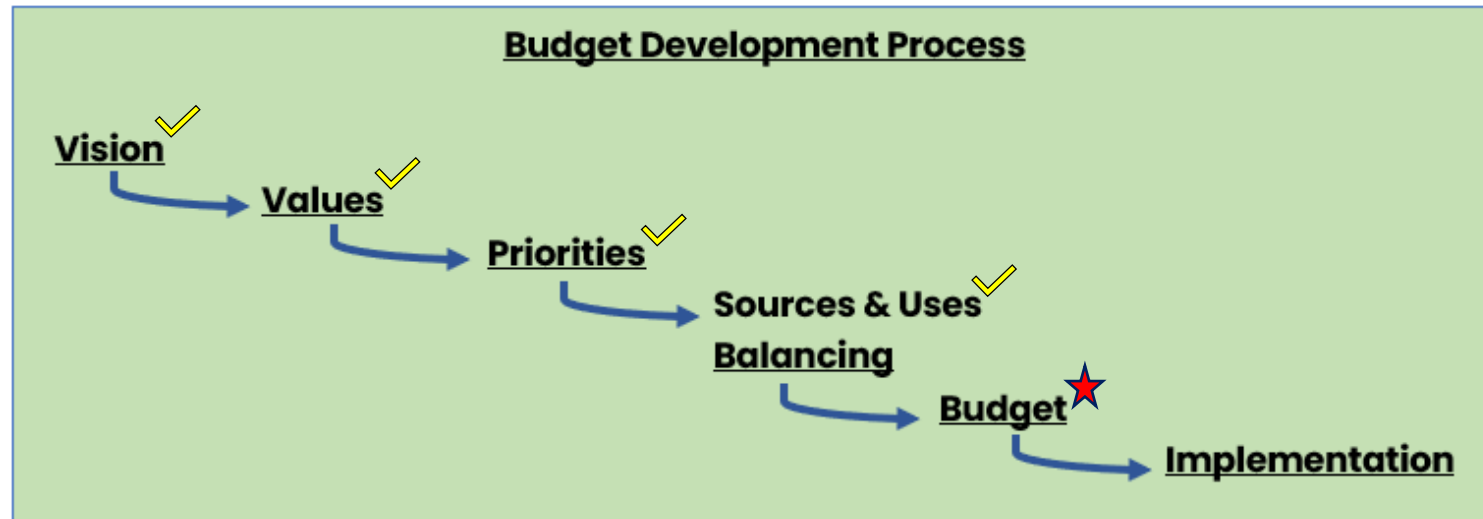




City Manager's Recommended Budget

Citizen's Budget Committee
April 27, 2023

Strategic Choices – Budget Process



Strategic Choices – Vision for Success

Ashland is a resilient, sustainable community that maintains the distinctive quality of place for which it is known.

We will continue to be a unique and caring city that stresses environmental conservation, fosters artistic expression, and is open to new ideas and innovation.

We will plan and direct our efforts to fulfill this Vision for the long-term with a constant view toward being an open, welcoming community for all with a positive economic future.



Strategic Choices – Values for Success

Community

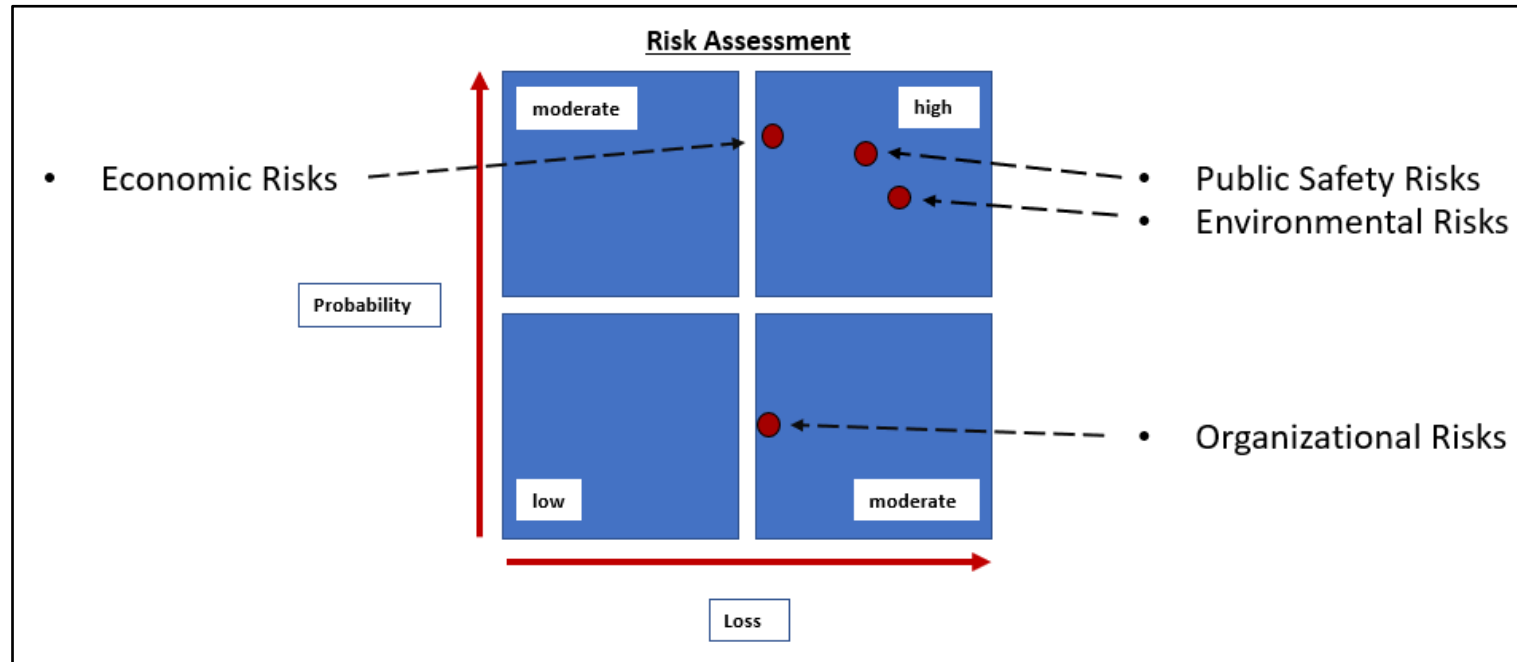
- Community affordability, including in available housing and childcare
- Belonging through mutual respect and openness, inclusion, and equity
- Quality of life that underpins the city's economic vibrancy
- Environment resilience, including addressing climate change and ecosystem conservation
- Regional cooperation, including in support for public safety and homelessness

Organization

- Respect for the citizens we serve and the work we do
- Excellence in governance and city services
- Sustainability through creativity, affordability and right sized service delivery
- Public safety, including emergency preparedness for climate change risk
- Quality infrastructure and facilities through timely maintenance and community investment



Strategic Choices – Risks & Priorities



Strategic Choices – Balancing Sources & Uses

City Council Priorities for the 2023-25 BN budget

- **Community Input**
 - Community Budget Survey
 - Business Roundtable
 - City Council Town Hall Meeting
 - Economic Roundtable
- **City Council Adopted Priorities**
 - Risk Reduction, including wildfire risk reduction and CEAP execution;
 - Economic Development, including development of eco-tourism opportunities like trails, and ensuring city processes such as planning are supportive of attracting new business and supporting those already here;
 - Affordability including attainable housing, and review of City rate structures for progressiveness in their livability; and
 - Supporting Principles for each of the priorities, include equity of access, and assuring strong supportive city services with a customer service focus.



Strategic Choices – Budget Process

Sources / Available Funding

- Slow growth community
 - Tourism dependent
 - University dependent
- Ashland Property Tax Rate
 - Tax Assessment Cap – 3.5 total growth
(3.0% increase annually & 0.5 for new dev. per State law)
 - Operating Levy \$4.2865/\$1,000 value
 - Debt Service Levy \$0.064/\$1,000 value
 - Total Property tax for median home value of \$493,000 (March 2023) is \$2,145



Strategic Choices – Budget Process

Sources – Maximize Available Funding

- Taxes
 - Real Property taxes
 - Food & Beverage Tax (F&BT)
 - Transient Lodging Tax (TLT)
- Franchise Fees
- Charges for Services
 - Utility use fees
 - AFN
 - EMS reimbursements
 - Parks and Recreation programs fees
- Licenses and Permits
- Intergovernmental Revenues, Grants, Donations
- Debt Proceeds
- Interest and other revenues



Strategic Choices – Budget Process

Tax Rate Comparisons (from 2021-2023 BN Budget)

	Ashland	Medford	Talent	Phoenix	Central Klamath			Wilsonville	Woodburn	
					Point	Falls*	Hermiston		*	
Operating	4.2865	5.2835	3.2316	3.2525	4.3545	5.4423	6.086	2.5206	6.0534	
Fire		2.4938	3.1976	2.8522	3.0388	2.8822			2.1322	
Parks										
	Roseburg	Happy Newberg*	Happy Valley*	Lebanon	Canby*	West		Sherwood	Pendleton	Average
						Linn	Milwaukie			
Operating	8.4774	4.3827	0.671	6.5749	3.4886	2.12	6.5379	3.2975	6.5771	4.591
Fire		2.1167		2.2947	1.5456		2.4012			2.4955
Parks		1.2766	0.54	0.2137						0.6768

*Does not include Fire and/or Park District levies



Strategic Choices – Budget Process

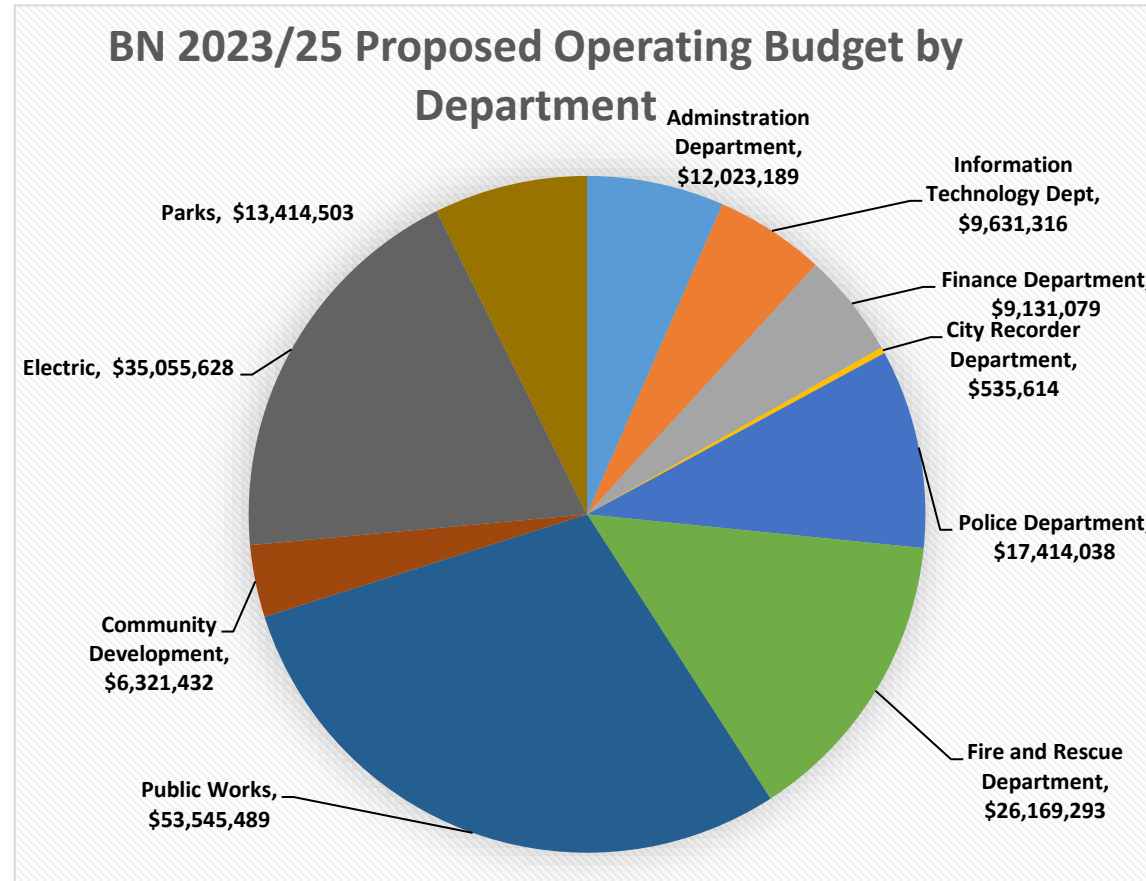
Uses

- Personnel Services
- Materials & Supplies
- Capital
- Debt Service
- Transfers Out
- Other Uses



Strategic Choices – Budget Process

Revenues & Sources

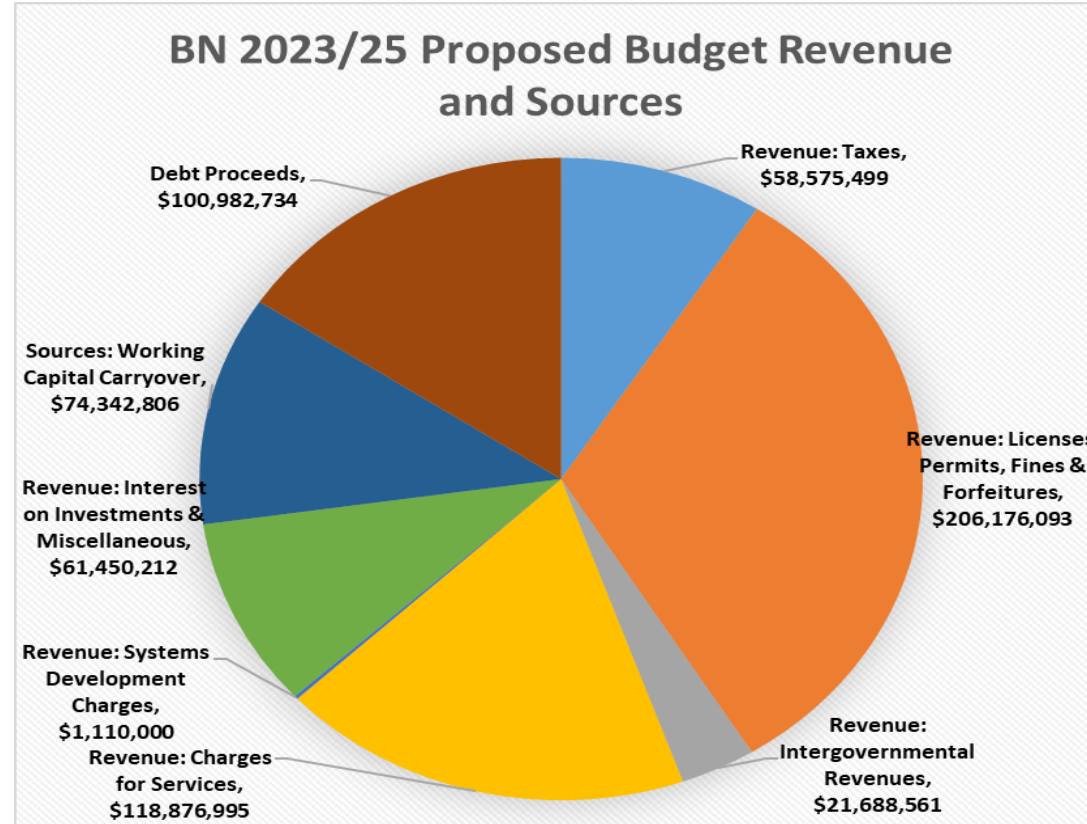


2023-2025 BN



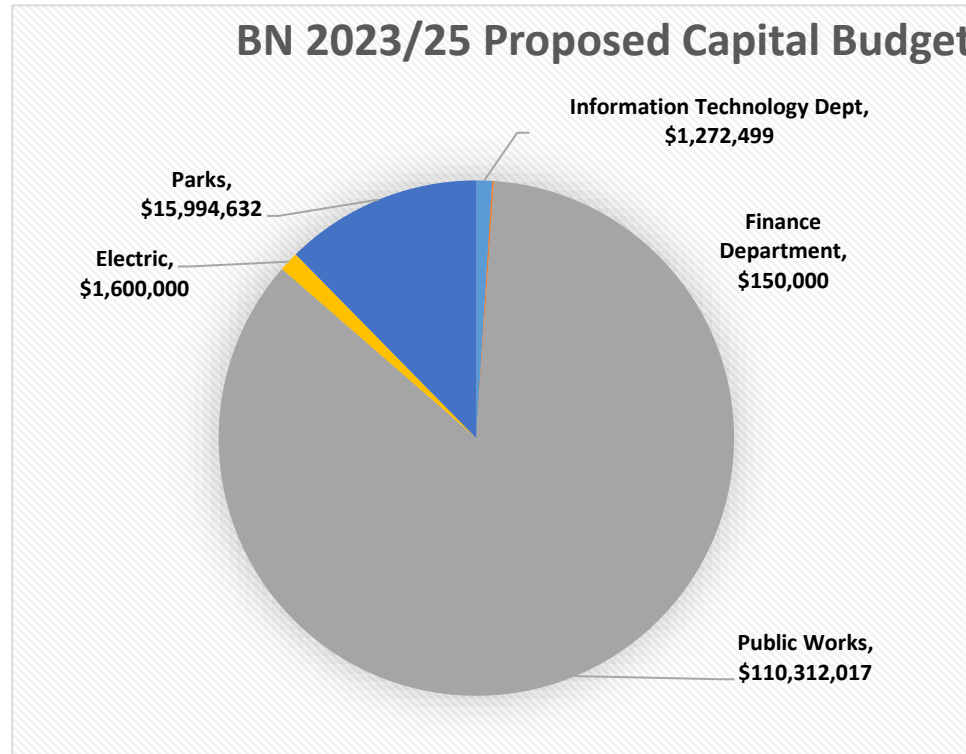
Strategic Choices – Budget Process

Revenues & Sources



Strategic Choices – Budget Process

Revenues & Sources



Strategic Choices – Budget Process

Funds

- General
- Tourism
- Housing
- CDBG
- Reserve
- Street
- SDC Street
- Airport
- Capital Improvements
- Parks Capital Improvements
- SDC Parks
- Debt Service
- Water
- SDC Water
- Wastewater
- SDC Wastewater
- Stormwater
- SDC Stormwater
- Electric
- Telecommunications
- Insurance
- Equipment
- Cemetery



Strategic Choices – Budget Process

Uses – Operating Budget

- Consumer Price Index Increases (CPI)
 - 2021 to 2022 (July–June) 8.5%
 - 2022 to 2023 (July – March) 2.0%
 - **2021-2023 est. compounded inflation** 8.6%

- 2021-2023 Budget Adjustments
 - Reductions to meet source reductions
 - Staff positions in Police, Fire, Finance, and Administration
 - COLAs – Unbudgeted, with four union negotiations pending

- 2023-2025 Budget
 - COLAs (2023, 2024 & 2025) 16.0%
 - Materials & Supplies - 3.0% (Health Benefit Fund eliminated)
 - **Total Operating budget adjustment** 6.6%



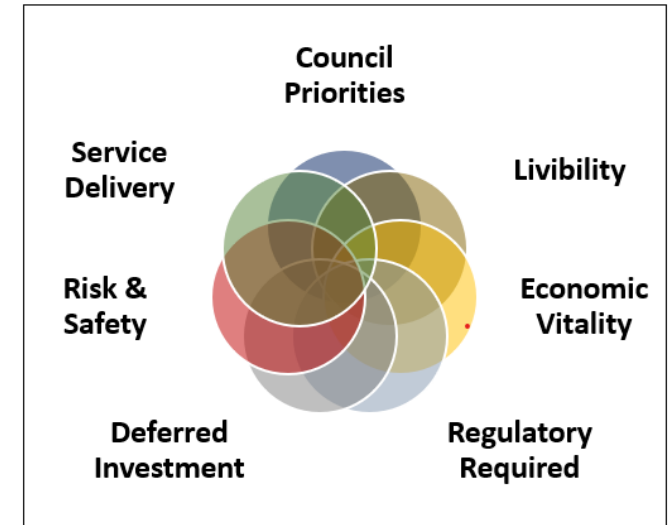
Strategic Choices – Budget Process

Uses – Council To-Date Approvals

- Labor Agreements
- Council Priorities
- Capital Improvement Plan (CIP)

Uses – Balance Workloads

- Legal/Mandated Requirements
- Operational Requirements
 - Staffing
 - Facilities
 - equipment



Uses – Balance Between City Service Areas

Strategic Choices – Budget Process

Uses – Employee Staffing / Retention

- Compressed workload/services on to current staff
- Union Contracts & Confidential Employee
 - Adopted salary adjustments
 - 2023-2024 - 4% adjustment
 - 2024-2025 - 3% adjustment
 - Employee health insurance - 10% of cost share
 - Staffing Levels
 - Workload based
 - Comparison with like jurisdictions

Uses – Reserves

- General Fund Contingency - \$2.2 mil.
- Emergency Reserve - \$1.74 million
- General Fund Ending Balance Policy –
 - 16.67% of General Fund reserves recommendation
 - \$6.2 mil.



Strategic Choices – Budget Process

Recommended Positions Changes

- Fire & Rescue
 - Four (4) Single Role EMT-Basic positions (two teams) – Phase 1 implementation
- Police
 - Two (2) officers to restore department to 30 officers
- Public Works
 - SCADA Technician – Reduce system control costs in water & wastewater utilities
 - Water Distribution Worker – for distribution crew workload & staffing retention
 - Convert four (4) temp. street maintenance employees to two (2) full-time positions
- Parks & Recreation
 - Public Works RFP in process – transition 1.5 – 2 vacant FTEs in street medians maintenance to contracted service



Strategic Choices – Budget Process

Recommended Positions Changes

- Administration
 - City Recorder – Half-time records support position transferred
 - Management Analyst – City Manager’s Office for City admin. support \$310,827
 - Economic Development – Delete position to economize -\$206,008 (full costing)
 - Communications Officer – internal and external communications improvement
 - Risk Analyst – restore Finance Dept. position to manage City safety and liability claims processes

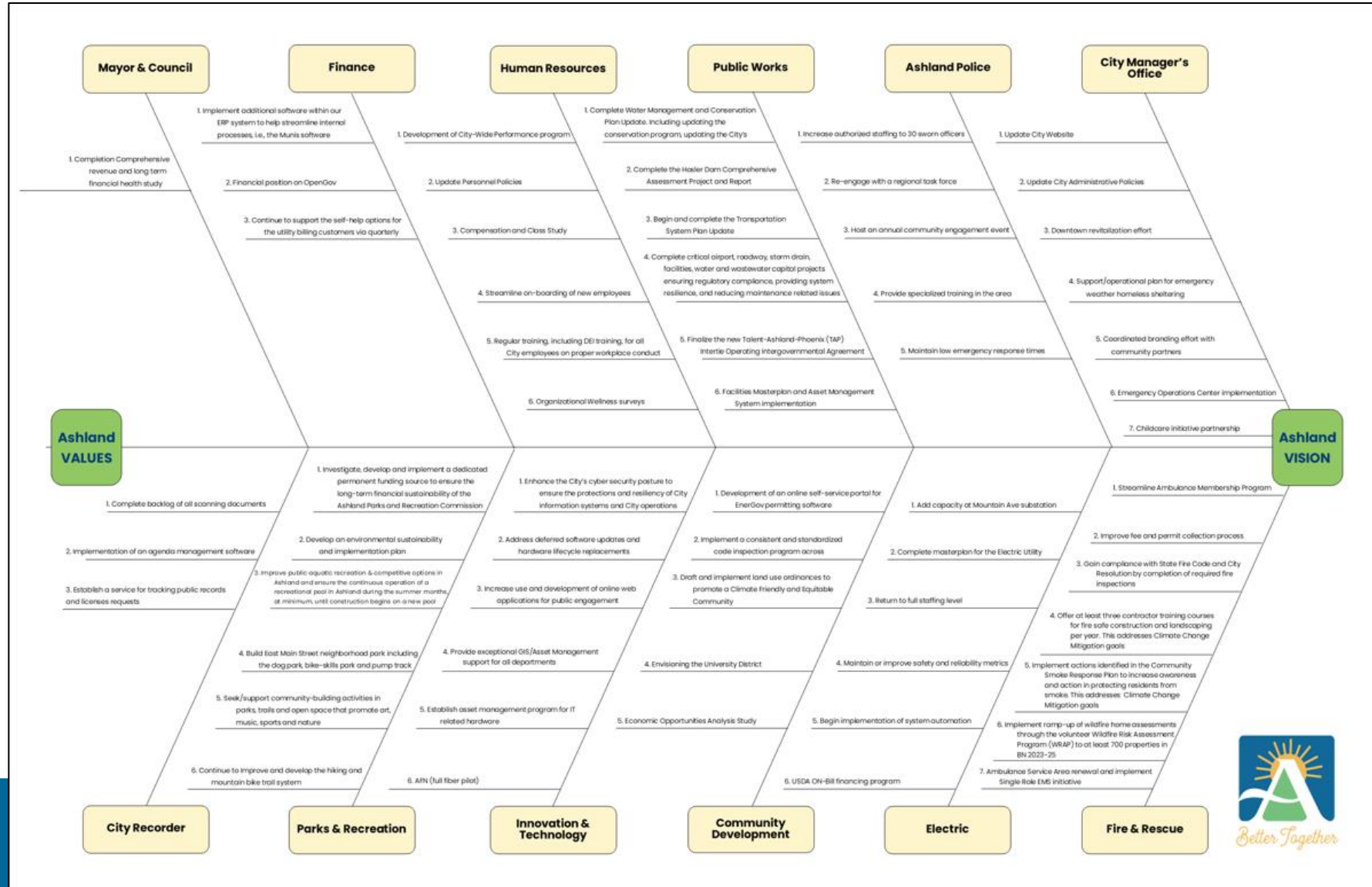
- Full Time Equivalent Count Change

• <u>BN 2017-2019 budget</u>	<u>263</u>
• <u>BN 2019-2021 budget</u>	<u>259</u>
• <u>BN 2021-2023 budget</u>	<u>244</u>
○ FY 2021-2022 EOY actual	213.2
○ FY 2022-2023 current	220.1
• <u>BN 2023-2025 proposed</u>	<u>264.07</u>



Strategic Choices – Budget Process

2023-2025 BN



Strategic Choices – Recommended Budget

Budget Priority Concentrations – To be developed

Manage for Excellence	<ul style="list-style-type: none"> •Equity of Access •Customer Focus •Communication / Transparency •Partnering for Success
Livable Community	<ul style="list-style-type: none"> •Community Character •Parks & Recreation •Mobility •Utility Services
Risk Reduction	<ul style="list-style-type: none"> •Wildfire Risk Reduction •Climate and Energy Action Plan •Public Safety / Emergency Services
Economic Development	<ul style="list-style-type: none"> •Downtown & University Districts •Eco-Tourism / Outdoor Recreation •Business Retention & Attraction
Affordability	<ul style="list-style-type: none"> •Attainable Housing •Progressive rate structures •Childcare / Early Childhood Dev. •Ashland Fibre Network
Invest in the Future	<ul style="list-style-type: none"> •Technology •Facilities •Public Infrastructure



Strategic Choices – Recommended Budget

Manage for Excellence

- Financial statement:
 - City in strong financial position
 - City is currently hitting all targets per the current City financial policies;
 - Recommend change General Fund Ending Balance Policy from 20% to 16.667% of per Governmental Financial Officers Association (GFOA) best practice
 - Recommended Ending Balance of \$6.2 mil.
 - Change of \$800,000 available of General Fund operations
- Fund changes:
 - Health and Benefits Fund – eliminated
 - General fund – now includes the parks and recreation department and parks equipment fund
 - System Development Charges (SDC) – Streets, Parks, Water and Wastewater funds created



Strategic Choices – Recommended Budget

Manage for Excellence

- Transparency & Communications
 - Communications Officer \$303,084
 - Website upgrade/redesign \$140,000
- Diversity, Equality and Inclusion (DEI)
 - Organizational assessment in process
 - Training (City & Travel Southern Oregon) \$90,000
- Employee Appreciation/Retention - Staff recognition & appreciation events \$10,000
- Compensation & Classification Study \$75,000



Strategic Choices – Recommended Budget

Livable Community

- Parks & Recreation Operations (“park funds” & Recreation, Senior Services & Open Space funds)
 - Operations Fully funded to APRC request \$14.1 mill (fund transition adjusted)
 - Administration charges transitioned to General Fund \$2.1 mill
 - Contingency transitioned to General Fund \$250,000
 - Food & Beverage Tax – 25% to Parks CIP \$1,647,093
- AARP Livability Survey – Resurvey \$33,000



Strategic Choices – Recommended Budget

Risk Reduction

- Wildfire Prevention \$2.5 mil. (2021 grant balance extended to EOY 2025)
 - Current grant application for \$500,000 (fuels mitigation at multi-family)
- Single Role EMS Staffing – to address Fire & Rescue call volume \$904,504
- Police Officer Staffing – Additional officers for department total of 30 \$545,690
- Risk Analyst – restored position \$246,352
- IT network upgrades – Address deferred and cyber security investments needs



Strategic Choices – Recommended Budget

Economic Development

- Economic Revitalization
 - Wayfinding signage – To establish Ashland as “base camp” location \$200,000
 - Ashland brand community partnership – partnership workload
 - Downtown
 - Trash receptacles & sidewalk cleaning \$300,000
 - Business improvement/beautification cost sharing grants \$350,000
- University District - Activity center envisioning partnership workload
- Economic Opportunities Analysis Study - Council directive \$70,000



Strategic Choices – Recommended Budget

Affordability

- Ambulance Service Area (ASA) – Prepare for January 2024 renewal workload
- Electric Rates – Master Plan \$150,000
 - Progressive rate study
 - Low-income utility assistance / Senior discount update
- USDA On-Bill Financing Program – Energy Efficiency financial report
- Grant Funding – RFP process for grant search & application assistance
- Childcare initiative – Ad Hoc Council Committee & partnership workload \$240,000
- Ashland Fiber Network (AFN) – “full fiber” pilot project \$1 mil. (from IT fund balance)



Strategic Choices – Recommended Budget

Affordability

- Economic, Cultural & Resilience small grants – Half funding restore by half \$586,338
(retains reduction to tourism only in 2021-2023 BN)
- Housing Trust Fund – Affordable housing preference \$200,000
- Emergency Shelter/Homeless Support \$1 mill (to be moved to General Fund)
 - Severe weather shelter support
 - Overnight Sleeping and self-governing sites
 - Developing/pursing shelter grant opportunity



Strategic Choices – Recommended Budget

Invest in the Future

- Capital Improvement Plan (CIP)
 - Streets (Public Works) \$14,876,607
 - Water/Wastewater (Public Works) \$76,300,454
 - Electric Utility \$1,600,000
 - Innovation & Technology \$1,272,499
 - Finance \$150,000
 - Stormwater \$1,258,974
 - Airport \$4,915,000
 - Equipment \$7,963,000
 - Parks & Recreation \$15,994,632
- Total \$124,331,166

- Revenue and Long-term Financial Health Study – identify alternate funding approaches \$58,200
- Community Development – planning records scanning/digitization \$40,000



Strategic Choices – Recommended Budget

Invest in the Future

- Facilities
 - Facilities Optimization and Master Plan \$500,000
 - Asset Management System - Full implementation workload
 - Deferred Maintenance
 - Parks and Recreation \$600,000
 - General \$500,000



Strategic Choices – Recommended Budget

Outstanding Issues

- RFPs in Process (Request for Proposal)
 - Median Maintenance (1.5 – 2 Parks & Recreation FTEs)
 - Pioneer Hall & Community Center repairs (grant or donation funding)
- Mayor & City Council Compensation \$75,600
- Food & Beverage Tax & Franchise Fees Uses
 - Streets Funding – Debt usage
 - Parks and Recreation Funding – General Fund operations usage
- Unmet Priorities
 - Fire & Rescue – Fire Marshall and Training positions
 - Fire & Rescue – Phase 2 of Single Role EMS initiative
 - City facilities & Technology – Deferred maintenance investment level



Strategic Choices – Budget Process

ORS 294.426 & 294.428

Budget Committee - Receive the Budget Message &
Budget Document from Budget Officer

City Charter, Article VIII-A

Section 4 - The City Manager must:

- Prepare and administer the annual city budget
 - Administer city utilities and property

AMC 2.28.130 Finance Department – Functions

- Preparation and control of the City Budget

*Public
opportunity for
questions*

*Review & revise
prepared
budget
document*

*Approve final
budget
document*

*Specify
ad valorem tax
amount*



Strategic Choices – Recommended Budget

Next Steps

- Citizens' Budget Committee Meetings – City Council Chamber, 3pm-5pm
 - Public Forum – May 1: 2023-2025 BN Budget
 - 3rd Meeting – May 4: Administration, Finance & Human Resources
 - 4th Meeting – May 11: Innovation & Technology, Police and Fire & Rescue
 - 5th Meeting – May 18: Parks & Recreation, Community Dev. And Public Works
 - 6th Meeting – May 25: Updates in sources and uses estimates and tax rate
- City Council Budget Adoption – Regular Meetings at Council Chamber, 6pm
 - Public Hearing and First Reading – June 6
 - Second Reading – June 20



2023-2025 BN

QUESTIONS?

