

BUDGET COMMITTEE MEETING
MINUTES
May 4, 2023

Call to Order: Shane Hunter called the meeting to order at 3:00 pm.

Roll Call

Present:

Councilor Paula Hyatt	Mike Gardiner
Councilor Jeff Dahle	Linda Peterson-Adams
Councilor Dylan Bloom	Eric Navickas
Councilor Gina DuQuenne	Andy Card
Councilor Bob Kaplan	Shane Hunter
Councilor Eric Hansen	Leda Shapiro
Mayor Tonya Graham	David Runkel

Absent: None

Approval of Minutes – No minutes to approve.

Public Hearing – No requests to give oral testimony to the Committee were sent.

Sabrina Cotta, Deputy City Manager/Finance Director presented to the committee Administration Budget Presentations. She started with the budget for the City Manager's Office. **Presentation attached.** No questions.

Cotta then presented the Legal budget presentation. **Presentation attached.** Shane Hunter asked about the efficient processing of legal tasks. He asked if the City was keeping on top of things given the staffing level in the Legal department. Cotta responded that we are in a better position now that we have an assistant attorney on staff. The city is in the process of hiring a permanent City Attorney. The legal Administrative Analyst is doing an outstanding job.

Cotta presented the Mayor and Council budget presentation. **Presentation attached.** Mike Gardiner asked if the numbers based on if the ballot measure passes? Cotta responded, no, if the ballot passes, will adjust the budget.

Sabrina Cotta and Interim Human Resources Director Molly Taylor presented to the committee the Human Resources budget presentation. Page 76 in the PDF budget book. **Presentation attached.** Eric Navickas asked if human resources was where the equity position would be. Sabrina responded that we are not proposing a diversity, equity, and inclusion position. The City is doing an assessment to determine our DEI needs and potential trainings. David Runkel asked where the health benefits show up in this budget. Cotta responded that they are in the personnel line now. Runkel asked if we have a figure on how much health benefits cost citywide. Cotta spoke that she was unsure and will get back to him on that.

Mayor Graham spoke about health care coverage. She asked how the city is handling the insurance now and not disincentivizing the hiring of people who have families. Cotta responded that we would never ask if anyone has family during the hiring process and therefore would not be privy to that information. The health benefit fund was a holdover from when we were self-insured. The dissolution of that fund is where you see that money coming out of HR. That way the city budgets is based on averages. When we create a budget, it is with a combined average and then we reconcile as we move along.

Eric Hansen asked how they feel about achieving goals in the next biennium with current staffing? Molly Taylor responded that she is hopeful that with the recommended increase in staffing from two to three in HR will be a huge help. Andy Card asked what is the ideal staffing level for HR? Taylor responded that staffing in HR has always been two and it's been a struggle. The next two years will be a good test to see if we are in the right place. Paula Hyatt asked if the risk management position is where we will see the information to the insurance fund coming under. And she knows the city has been working to improve training so that we can better address some of the insurance claims that we have seen. From the numbers it looks like we're trending in the right direction and that assumption be confirmed. The hope is that with the Risk Analyst position staff is able to provide city-wide trainings such as on sexual harassment and other topics you want people to be trained on every year. How much we are charged for insurance is based on a three-year average so are punished for awhile if we continue to have high claims. Our hope is that on the safety side we are not having the dings and backing into poles, but also reducing any lawsuits we might have.

Cotta presented the Municipal Court budget presentation. Page 98 in the PDF budget book **Presentation attached.** David Runkel asked if we have numbers for the revenue for court? Cotta responded that would be in the revenue section page 97 of the PDF budget book. Runkel asked what the figure is. Cotta responded that is it about 349,000 which include traffic fines, district Court fines, and misdemeanor fines. It does not include downtown parking fines. Eric Navickas asked if the revenue numbers were down due to covid. Cotta responded that we have had a reduction in traffic fines because we haven't had a traffic officer since covid. Additionally, the court tends to issue community services over fines. The revenue has been adjusted based on actuals over the last three years. Mike Gardiner asked who set that policy? The court/judge? Cotta responded, yes.

Cotta presented the City Recorder budget presentation. Page 80 in the PDF budget book. **Presentation attached.** Paula Hyatt asked if the city was looking at ways for automation for duplicates processes such as scanning items more than once. Cotta responded that, yes in terms of procurement, the hope is to make that a digital process moving forward over the next biennium to ensure records are one-touch. Mike Gardiner asked with the recorder resigning what is the process moving forward? Cotta responded that the process is outlined in the Charter. Once the resignation date comes about, the Council has 90 days to appoint someone. That person will serve until the next election. Gardiner asked if that will change anything in the City Recorder budget. Cotta

spoke that no, Council will appoint an interim and the city is preparing for that change. Joe Lessard spoke that the process is the termination date is the end of August. The Council has 60 days appoint a permanent replacement. Council will appoint an acting interim. And then they will make the actual permanent appointment. Gardiner spoke that the term would be four years out, but they would have to run in the next general election? Cotta, Yes the recorder is elected by the people so as long as the Charter stays as is, it will continue to be an elected position. Lessard spoke that the appointment will be for the period until the next general election which will be for a two-year period at which time it will go back to the four-year cycle.

Eric Navickas spoke about the issue of city hall. Is there any intention for the city go back for another bond for City Hall given the ongoing problems of the degrading building. What is the intention? Lessard spoke that the City Council will determine how to proceed. We are targeting deferred maintenance as an item that needs additional resources. Depending on what happens with this budget and final deliberations will determine if there are resources to go to deferred maintenance from that we will take care of the systems as we can. At this point we don't have a long-term funding plan or approach for City Hall. We would need to get updated cost estimates with what needs to be done.

Mariann Berry, Finance Director and Bryn Morrison presented the Finance budget presentation. Page 72 in the PDF budget book. **Presentation attached.**

Committee Questions

Andy Card spoke about an increase in credit card processing. He asked if the city is looking at negotiating rates? Berry spoke that is not so much about the rate as is it the volume. There has been a lot more credit card payments since the pandemic, so less checks and more online payments. Card asked if there was a way to negotiate a lower rate. Bryn Morrison responded we are charged by Visa and MasterCard the standard rate that every agency is. Because we offer utility billing as part of our payment process, we have a reduced rate because we don't pass along those convenience fees to our customers. We actually do have a very low rate of 1.4% Compared to the next 3% usually.

Paula Hyatt spoke about Utility billing expenses and when you look at the biennial view it is down from previous bienniums. And looking at Materials and Services, that part is going up. Understanding that personnel expense is trending down and contractual services are going up, what the strategy is right now within utility billing. Is the city taking better advantage of automation and outsourcing? Bryn Morrison spoke that in the 21-23 budget, per council directive the city looked to outsourcing some of the processes. We now outsource business licenses, food and beverage tax, and the transient lodging tax administration and collection. The funds are in utility billing now. We also increased ease of processing for our customers. We now have an

interactive voice response system where folks can call in 24/7 and pay their bill over the phone. And enhancements to the website we are really trying to help folks, help themselves.

Andy card spoke on how he wanted to get back the credit card processing fee. What does the city of Ashland charge? Bryn responded that we don't charge. We won't charge customers because it would cost us more. We only received the discounted rate because we don't pass along the fee to the customers. Card spoke that we choose that instead of taking the 3% fee and changing it to the customer? Morrison spoke that the rate would go higher than 3%. The city has twelve different merchant accounts. Across the city we get a reduction because utility billing does not pass along the fee to the customer.

Bob Kaplan asked if we have a sense or picture of the overdue accounts at this point? Kapan sees we have a bad debt expense of \$52,000 projected for the biennium and is wondering how that relates to what our actual overdue accounts are. Morrison spoke that the bad debt expense in utility billing is not for utilities, its for business licensing, food and beverage and transient lodging. Right now, we have about 1.6 million dollars in delinquent payments which is expected to drop quickly based upon our outreach, payment plans options, and the assistance programs that are available.

Paula Hyatt asked where we would look for the line item in the budget for the assistance programs? Morrison spoke that they are in the enterprise funds as well. They come out of electric, sewer etc.

Gina DuQuenne spoke regarding utilities and franchise fees, it is her understanding that utilities pay the franchise fees. When the city raises costs on the utilities that rolls over to the consumer as part of the utility bill. Is that correct? Morrison responded that it is not specified on the utility bill, but it's part of the total package.

Dylan Bloom spoke that we don't require Spectrum or Hunter to pass that on to their customers, it is their own policy? Morrison spoke that we have telecommunication agreement with those organizations but does not know what their policy is regarding asking customers to pay any increase in franchisee fees. DuQuenne spoke that if someone is renting a house and the taxes go up, the rent will go up. The reason why DuQuenne brings that up is that so many times people question their utility bills and reading that certain things that have been written up well. She wants to be very clear for our constituents. She believes it does happen and wanted to have some clarity around that so that our constituents can better understand and have a sense of understanding.

Paula Hyatt spoke that she is looking at the franchise fees piece online right now and thinks it's important to remember that franchise fees are part of providing the service to those who opt to that service, understanding electric and water is not really an option. But it's also important to remember that the taxpayer would have to pay for any upkeep if we didn't use franchise fees.

Lessard spoke that there is not escaping the cost. You are either going to pay it now or in the future. Hyatt spoke that as a taxpayer she is going to pay regardless. Lessard spoke that the community needs to understand how to address these costs regardless of if we pass it on to the end user or not. We are always constrained by competitive issues. We in a competitive marketplace and the competitive marketplace may set the price that you can afford in order to retain your customers. You may have to absorb those costs until such time as you can recoup them. The city does the same thing. We do rate studies and if we do not adjust our rates, then we must find another way of paying for them. We must figure out how to pay for these costs and we are trying to make sure that we are constrained appropriately by affordability and that we are also constrained by that we don't push those costs farther into the future because they tend to escalate in terms of how much we have to pay the compound over time so. We are always mindful about how to stay within and affordability constraints.

Jeff Dahle spoke that he would like to make sure he understands. The utility has a franchise fee explicitly listed as a line item on their Invoice and that goes up or down based on whatever reason. That is immediately and directly passed on to the consumer. Morrison, spoke that is correct. Dahle spoke that the City of Ashland electric department does not line item the franchise fee on their invoice. The franchise fee is built into whatever the percentage is and that is just collected and it's paid to the city from electric. If the city of Ashland were to increase the franchise fee, that would be an increased cost to the city of Ashland Electric Department. But that doesn't roll over to the ratepayer directly and immediately until there is a cost analysis done, and then we decide as a Council decision, whether we want to increase or decrease or remain the rate the same. If the franchise fees go up, that is a discussion that happens internally, then Council will determine whether or not to increase rates. It is possible for the rates to remain the same even if the franchise fees go up.

Bob Kaplan recalls that in the last budget 21/23 there was an adjusting franchise fees. He is curious about a proposal to increase the franchise fees for electric, did that happen? Morrison responded it did not. The budget was built that way pending it coming to Council for a resolution for approval to change the franchise fees. That ended up not happening and we have stayed status quo. For this budget the franchise fee rate was not lowered, the revenue coming in was lowered to better match actuals. Electric, water and sewer all dropped.

Paula Hyatt spoke that her question is more for Joe Lessard with Mariann and Bryn, based on what was just discussed, could it come back to council for a policy decision to revisit the issue? Or are the current revenues bases in such a way that to do so would adversely impact the budget? Lessard responded it would affect the budget. If we change the rates, then we I have to lower the revenue amounts then we would have to find another way of funding a portion of the budget or cut the budget in order to accommodate that reduction in revenue. Bob Kaplan spoke that, unless the adjustment were revenue neutral. Lessard responded yes, if you lower some and increase

others you could rebalance and hold the actual budget equivalent to what it is now. There could be a policy decision to adjust the franchise fees but not affect the revenue.

Bob Kaplan spoke about the ALEAP & senior discounts budgeted. How were those estimated or calculated for our costs for the next biennium? Does the Council need to look at those lines to make a policy decision? Morrison responded, yes, we would need to look at those line items to make a decision. In the current process it is a set time, but we don't stop when we reach that mark. The city does not stop providing assistance if we reach the budget figure. The various funds would absorb the overage. Kaplan asked if the finance department would administer this? Morrison spoke that yes it would be done by the utility billing division.

Eric Navickas asked what is the capital outlay for Munis? Morrison responded that is the software module for example online timesheets to save staff time.

Mariann Berry spoke that Joe Lessard had a few slides to present to answer some questions. Lessard wanted to address the perception that there was an error in the budget. We do have a balanced budget, there is not a deficit. **See attached presentation.**

David Runkel asked what is difference between ending fund balance n roll over funds? Do you keep rollover funds in a certain department? Lessard responded the funds that must be by policy established as our ending fund balance is unappropriated. It's not available in any fund to spend other than the city sits on it and that's our cash reserve. The Budget committee sets the appropriations by each fund we live within those appropriations, and this is just a cash balance that is unappropriated. Rolled over funds are the same as the beginning fund balance for the next year. There is always a calculated unappropriated ending fund balance, emergency reserve requirements and contingency fund. Eric Navickas spoke that it is based on a reduction of the ending fund balance. Can we sustain this budget long-term without additional revenue? Lessard responded that each year 16.67 % will roll over, so it is an on-going funding source. Berry added that by definition, working capital carryover is a budget source. It is appropriated as a funding source. Navickas spoke that he was referring to previous fund balance, that we have reduced by about 4% and we are spending. Lessard spoke that this is a one-time adjustment. Leda Shapiro spoke that it's the difference between a balanced budget and sustainable budget. A balanced budget is one thing, but a sustainable budget is the concern. Lessard responded it's a sustainable budget. We believe it is because the 6.7 we're out on appropriating more funds that were budgeted and were unspent. If we continue per usual, we are not talking about an incredibly dramatically different budget going forward. We're not suggesting that we have one time money and we spend it all and then we're going to end up short the next biennial budget. What we're trying to do is align ongoing revenues with ongoing expenses, making sure that those accounts that need to be held in reserve to protect the city are still in play.

Gina DuQuenne asked if the unspent revenue was the FTE that were budgeted for that we never hired? Lessard responded for some of those funds yes. We are working on getting staffing back up

to pre-pandemic levels. The main issue is what do we do if there is another economic upheaval. Every city will face those same issues as they come up over time. We will have to adjust our expenditures versus what is actually happening. What we are looking at right now is returning to a post pandemic level of service delivery and staff workload. We will always face the potential for economic upheaval and when it comes, we will have to adjust our expenditures in order to match what our actual revenues are going forward. Gina DuQuenne spoke that the FTE that have been budgeted for but not filled goes to the bottom line and then rolled over. Mariane spoke that it may not only be personnel, it could also be the timing of expenditures. Runkel spoke that economics is something that this budget committee needs to consider now. Instead of delaying until something happens, we should be careful to be conservative in this budget. Runkel asked how long has it been recommended we lower the ending fund balance from 20% to 16.7%. Morrison responded it has been GFOA's recommendation for a very long time.

Erik Hansen asked of the 6.7 million rollover, is it this body that proposes how much is rolled over and where then Council approve it? Lessard spoke yes and that the 6.7 is in the appropriations for the next biennium. This budget invests in our economy for various programs to build the economy. We are only as successful as our economy is successful.

Eric Navickas raised the point that the federal government is raising interest rates because the economy is doing so well. He spoke about the need to fund some of the deferred maintenance that is being proposed and investing in the community.

Tonya Graham asked about where in the budget the electric conservation funding is? Do we have a comparison from previous years? Lessard spoke that it is part of the City Manager's budget on page 69 of the PDF budget. Graham asked if we have a comparison from previous years? Bryn Morrison responded that it is not broken down by division level, but she can generate the report. Linda Peterson-Adams asked if the clean fuel credit program was part of this conservation budget? Morrison responded to Graham's previous question, the total is 2.2 million for the next biennium, 2.4 million for the previous biennium and 19/21 was 1.6 million. For the clean fuels credits Morrison will have to get back to Peterson-Adams. Tonya Graham asked a follow up question, are we funding less than in previous years? Morrison responded, correct. The 2.2 million includes personnel costs, materials and services, and the loan programs. It is the total budget of that division. Bob Kaplan asked about the reduction of the conservation programs amounts. Morrison responded she will need to look further into that.

Tonya Graham spoke regarding the unfunded actuarial liabilities of PERS in each department. Are we going to have a conversation about what that total looks like over the last number of years? Lessard spoke we can put something together.

Bob Kaplan spoke about pers number from the administrator. Bryn Morrison responded we get that number in December. Bob Kaplan spoke about the ending fund balance discussion. The general fund is also a use not just a source. Even though we use the ending fund balance we are

increasing the amount being carried forward. Erick Navickas asked how much revenue do we get by dropping the reserve from 20% to 16.7%? Lessard responded that he recalls it being \$800,000.

Leda Shapiro about the city's use of OpenGov and obtaining personnel information. Would like to see more transparency. Lessard responded that the salary information would have to be hand entered. We just don't have the staff. We can't get that level of detail without pulling them off other tasks. We simply don't have the resources. Erik Hansen asked what do we gain by the granularity of looking at it at this level? He is more concerned with policies and achieving goals and does not align with the scope of what this committee can do. Eric Navickas commented that this outside purview of budget committee. We go through a bargaining process with unions and don't have authority of that policy making. Leda Shapiro spoke that is a matter of transparency and how the vacant FTEs relate to the whole to be able to understand the carryover better. Lessard spoke that what we tried to do in the budget is provide you with organization charts with funded and unfunded positions. We don't hold positions vacant. There is constant change in staffing due to retirements, people quitting, new hires etc. The organization charts show what the staffing requirements are per department.

Gina DuQuenne asked what is new revenue and where is it? Lessard spoke that is in relation to the study that is to be conducted to identify new revenue, how assets might be used to generate new revenue. Other new revenue is based on an increase in TLT & Food and Beverage tax funds as we recover from the pandemic.

Erick Hansen asked if the city has an economic development position. Lessard responded not at this time. We did have that position and tried to hire for it, but no one applied. He felt that at this time there was another approach to fulfill the needs of economic development. Eric Hansen summarized what Lessard stated adding that maybe this body would want to hire a new economic development position.

Tonya Graham spoke that Lessard mentioned an analyst position coming into the city manager's office and that part of their work would be related to the economic partnership that has been development. Generally speaking, how do we best marshal our resources? Lessard spoke that it's clear we need to help coordinating in the City Manager's office. The analyst position is really designed to support administrative functions to make sure that as an organization we function. In the City Manager's office there is an acceleration of topics to be addressed. Everything from childcare to homeless issues to economic tracking, to grant application processes. This position is important because those things need to be coordinated as well as coordinate internally. When looking at the economic development position, how do we invest back into downtown, how do we put money into our businesses, run the university district, deal with childcare etc. The city has three partnerships and will be adding on more. Probably easily over 50% of the work on those is coordination efforts so all the stakeholders can come to the table. Lessard thought it more important that we could pick up the grant process by departments who are more familiar with what they're looking for and could work with their contractors more directly to make that process

work. That was the balance that he came to. And it's open for ongoing discussion and adjustment as we go forward.

Andy Card asked if the Q1 food and beverage tax and TOT been calculated? Lessard spoke that we have done a primary estimation on what that might be and estimate what it might be if the ballot measure is passed. Card spoke that he is curious how Q1 compared to previous years and if that is back to pre-pandemic levels. For new revenue has the city considered a retail tax excluding non-tourist retail like grocery? Lessard spoke that that is exactly the kind of question we are hoping to answer with the new revenue study. What authority did the city have? What supports and bolsters the economy versus what might be an additional drag on the economy. What assets can we bring to the table? He spoke that we need someone who really understands state law and what other communities have done that are successful before we come up with a recommendation.

Announcements

Next Citizen's Budget Committee Meeting May 11th at 3:00 p.m.

Meeting Adjourned

Chair Shane Hunter adjourned the meeting at 5p.m.



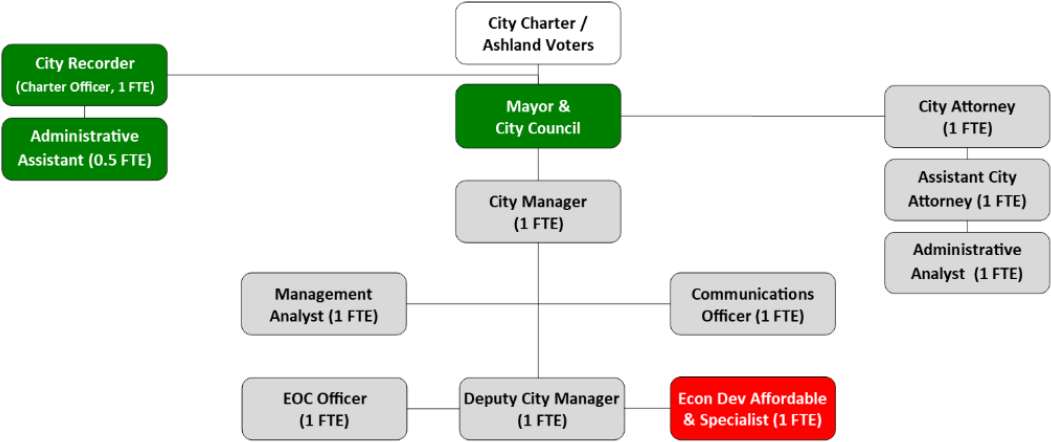
BN 2023–2025 Administration Department

May 4, 2023

Administration Department

- City Manager’s Office
- Legal
- Mayor & Council
- Human Resources
- Courts
- Recorder

Executive



City Manager's Office

The City Manager's Office provides general oversight and management of the City as an organization in accordance with both internal and City Council policies. Working directly with City Council, the City Manager's office ensures successful implementation of community priorities and policy objectives.

The City Manager's Office provides management and administrative oversight for City operations and services including:

- Economic development programs
- Energy Conservation Division.

In addition, the City Manager's office prepares recommendations and implements the policy direction approved by the Council, handles special projects, and tracks state and federal legislative activities. The City Manager's Office also provides the framework for citywide organizational structure, leadership, and service delivery.



BN 2023/25 Priorities

- Risk Reduction
- CEAP Execution
 - Economic Development
 - Affordability
 - Customer Service Focus

Update City's website/ expand communications

Update Administrative Policies

Support Council's Vision, Values & Priorities

Agenda management

Support University District

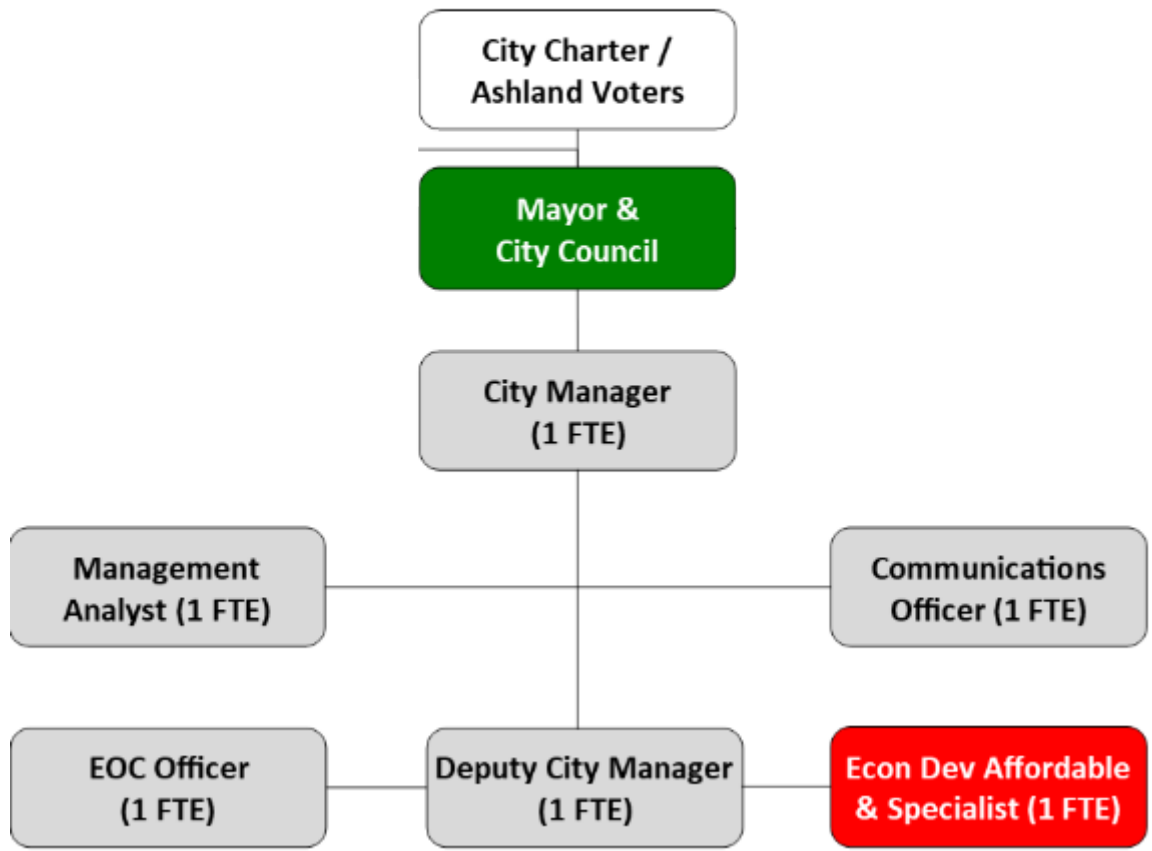
Expand EOC & emergency training capabilities

Coordinate branding efforts with community partners

Support Departments

Permanent plan/locations for emergency weather shelter





Significant Changes

- Addition of 1 FTE Communications Officer
- Addition of 1 FTE Emergency Management Coordinator
- Increase of .5 FTE Management Analyst
- \$30,000 Emergency Management Funds moved from the Fire Department to the City Manager's Budget



BN 2023/25 Proposed

Admin-City Manager

	BN 2017/19 Actual	BN 2019/21 Actual	BN 2021/23 Adopted	BN 2023/25 Proposed
Material and Services	\$3,642,760	\$3,468,212	\$3,822,035	\$5,145,193
Personnel Services	\$1,618,663	\$1,495,224	\$1,710,244	\$2,798,265
Debt Services	\$45,600	\$44,514	\$43,702	\$43,702
TOTAL	\$5,307,023	\$5,007,950	\$5,575,981	\$7,987,159

Legal Department

The Legal Division represents the City in legal proceedings, provides legal advice to City staff, elected officials, and boards and commissions, and serves as prosecuting attorney in criminal and certain infraction or violation proceedings in Municipal Court.

The Legal Division prepares & assists with:

- ordinances
- resolutions
- contracts
- criminal complaint
- property transactions
- employee grievances
- and disciplinary actions,
- union negotiations,
- land use matters;
- collaborates with attorneys for the City's insurers on litigation.

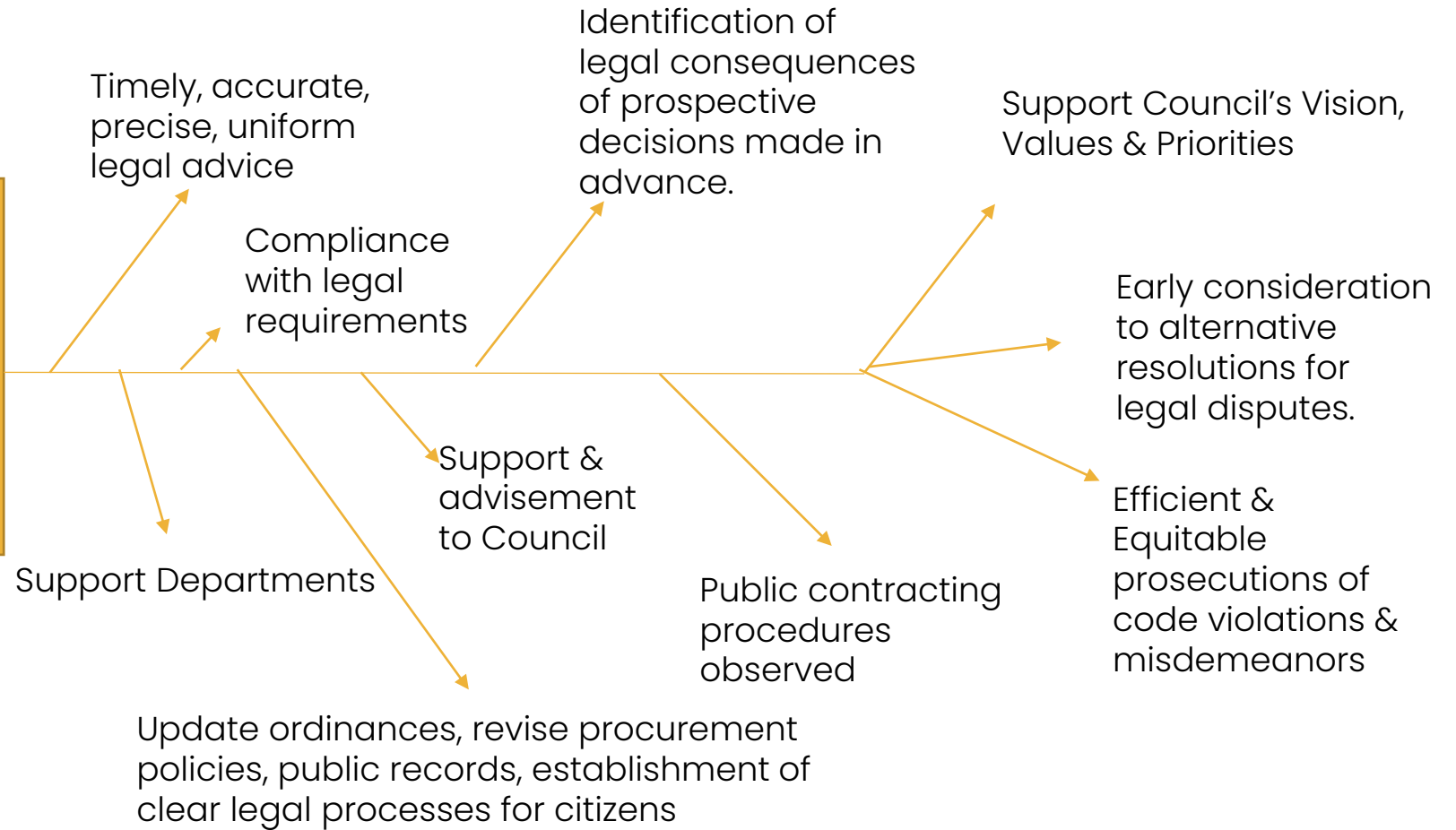
Legal also occasionally contracts with outside attorneys for specialty legal services. Most of the Legal Division's work is non-discretionary in that it is dictated primarily by imperatives from other parts of City government, helping them to meet their legal mandates and avoid unproductive legal entanglements. The City Attorney and Assistant City Attorney have independent professional obligations under state bar rules to provide sound, objective legal services.



BN 2023/25 Priorities

Legal

- Risk Reduction
- CEAP Execution
- Economic Development
- Customer Service Focus



**City Attorney
(1 FTE)**

**Assistant City
Attorney (1 FTE)**

**Administrative
Analyst (1 FTE)**

BN 2023/25 Proposed

Admin-Legal

	BN 2017/19 Actual	BN 2019/21 Actual	BN 2021/23 Adopted	BN 2023/25 Proposed
Personnel Services	\$960,875	\$769,489	\$795,760	\$769,621
Material and Services	\$100,410	\$46,946	\$185,002	\$208,711
TOTAL	\$1,061,285	\$816,435	\$980,762	\$978,332



Mayor & Council

The Mayor and City Council are elected by the citizens of Ashland for a Council/Manager form of government.

Under this form of government, the City Council is responsible:

- for setting policy, adopting ordinances
- establishing city-wide goals and objectives
- providing a link to City government for citizens and businesses.

The City Council supervises the City Manager who is responsible for the day-to-day management and operations of all City-wide services including policy implementation with adherence to the City's Municipal Code requirements. Additionally, the City Council hires the City Attorney, who is responsible for the interpretation of the City's Municipal Code, and manages all municipal legal affairs for the City. The Council holds regular meetings and study sessions each month to conduct the business of the City and to hear from Ashland citizens. The Mayor and Council also appoint and serve as liaisons to the many City commissions that advise the Council on policy matters and as liaisons to local and regional organizations.



BN 2023/25 Priorities



Significant Changes

- Elimination of health care benefits
- Addition of more training and travel dollars



BN 2023/25 Proposed

Admin-Mayor and Council

	BN 2017/19 Actual	BN 2019/21 Actual	BN 2021/23 Adopted	BN 2023/25 Proposed
Personnel Services	\$186,881	\$191,050	\$298,330	\$4,309
Material and Services	\$100,773	\$86,613	\$144,986	\$254,562
TOTAL	\$287,654	\$277,663	\$443,316	\$258,871



Human Resources Department

The Human Resources Department provides guidance and support to all City departments including all aspects of:

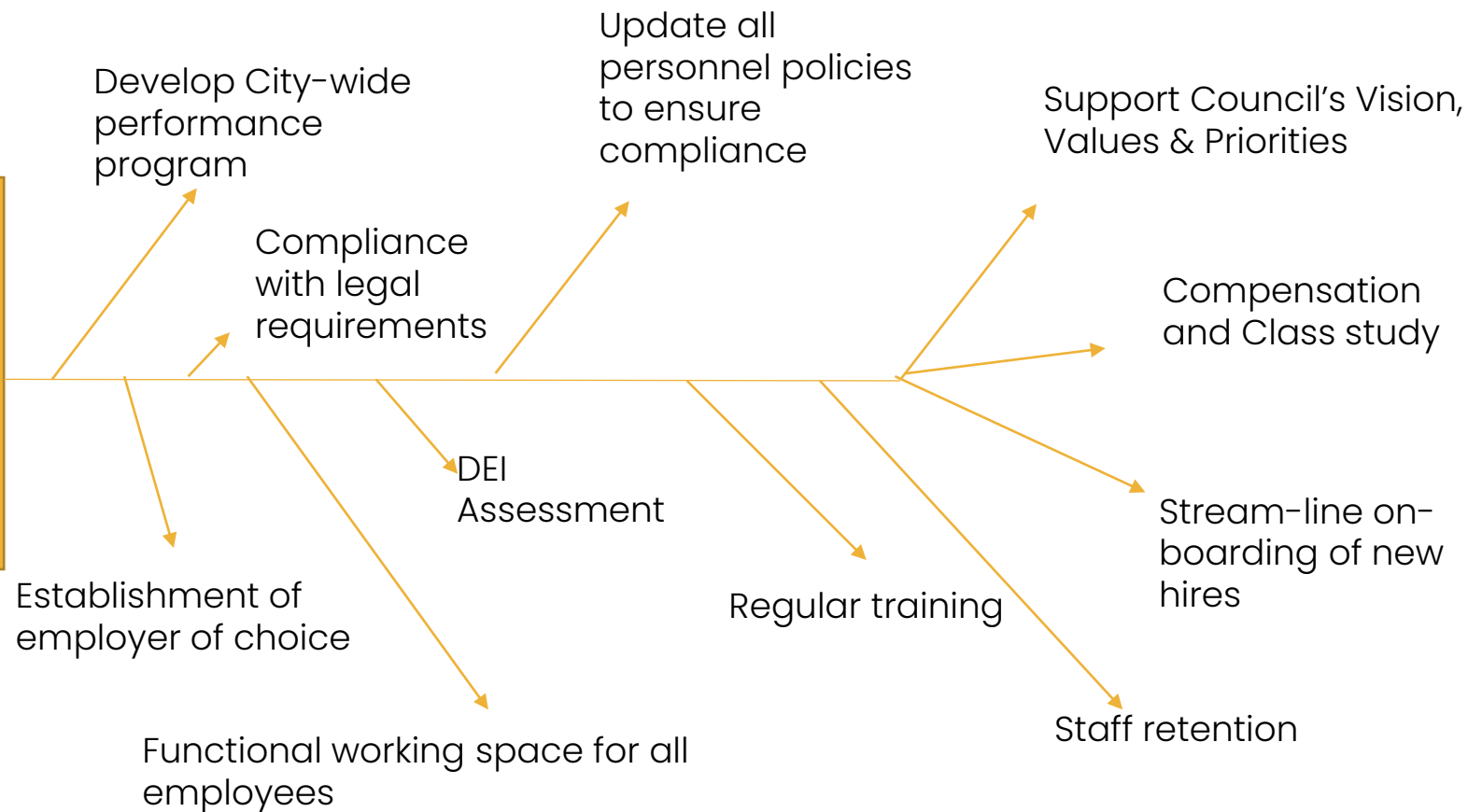
- recruitment and staffing
- employee onboarding
- records management
- classification and compensation
- policy development
- performance management
- and employee and labor relations to provide quality service to our community.

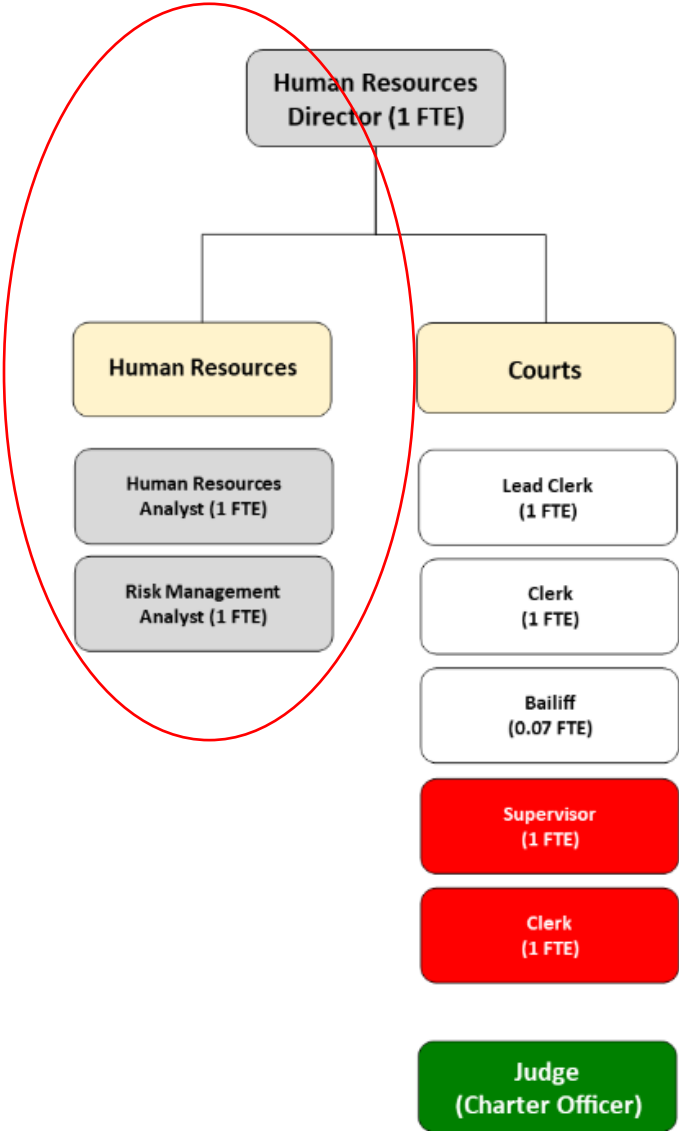
Through policy direction and training efforts the Human Resources department helps reduce the risk of employment-related legal claims and work-related injuries. The Human Resource department promotes positive labor-management practices and ensures compliance with Federal, State, and local employment laws.



BN 2023/25 Priorities

- Risk Reduction
- CEAP Execution
 - Economic Development
 - Customer Service Focus





Significant Changes

- Addition of Risk Analyst
- Inclusion of funding for a compensation and class study
- Inclusion of DEI training funds
- Inclusion of employee appreciation funds
- Transition of health benefit payments for retirees from dissolved HealthCare fund to the HR budget
- Health benefits fund was reduced out of HR budget



BN 2023/25 Proposed

Admin-Human Resources

	BN 2017/19 Actual	BN 2019/21 Actual	BN 2021/23 Adopted	BN 2023/25 Proposed
Material and Services	\$12,242,809	\$10,821,358	\$12,025,628	\$906,581
Personnel Services	\$614,133	\$691,518	\$696,595	\$889,758
TOTAL	\$12,856,942	\$11,512,876	\$12,722,223	\$1,796,339

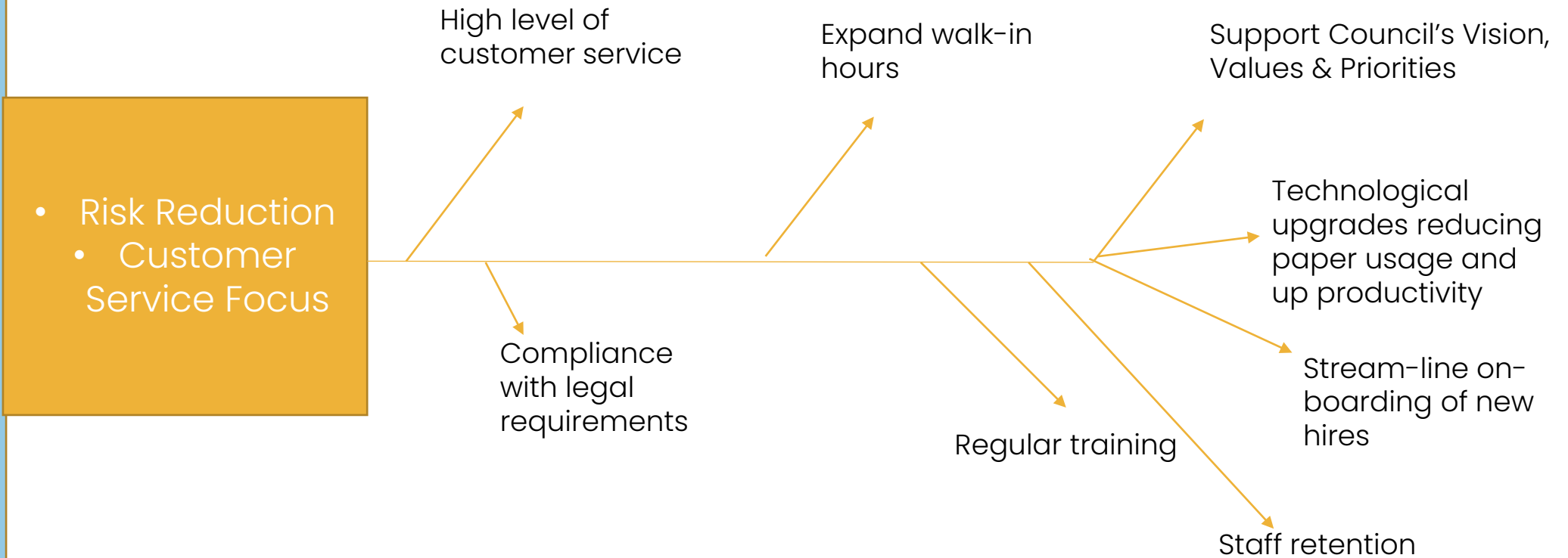


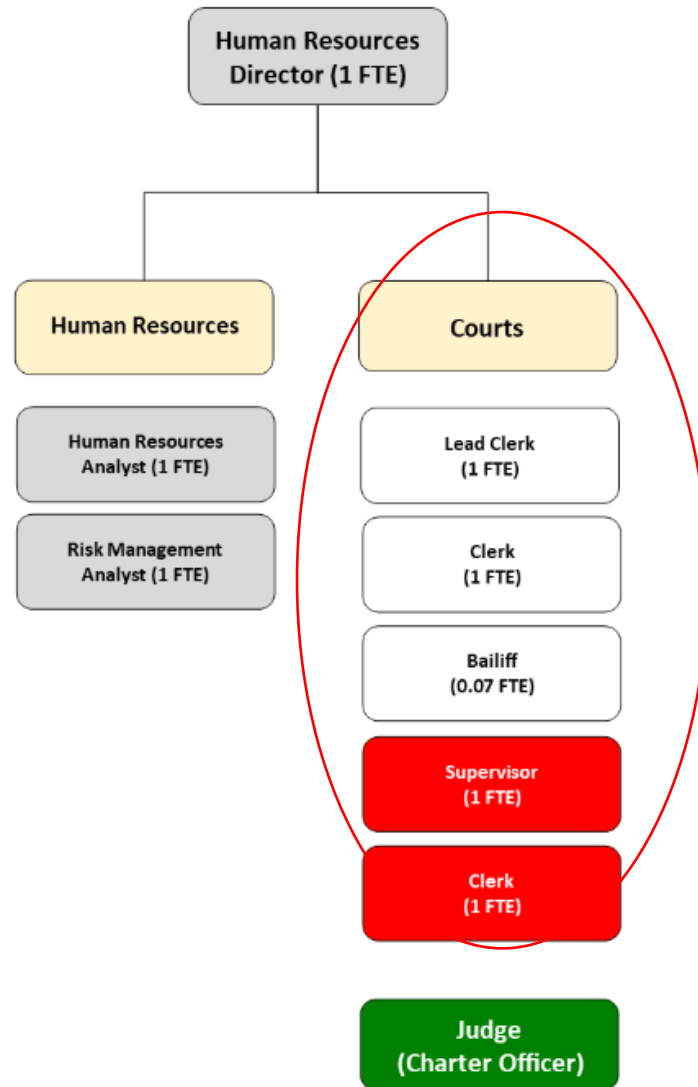
Municipal Courts

The Ashland Municipal Court (AMC) provides Ashland with a unique opportunity to have cases heard by a local judge elected by our citizens. It is the judicial branch of the city government, providing a local forum for the resolution of traffic violations, violations of the City Municipal Code, and various misdemeanors (crimes) when they occur within our city limits.



BN 2023/25 Priorities





Significant Changes

- Increase in contract funds for court appointed attorney needs
- Reduction of .5 FTE



BN 2023/25 Proposed

Admin-Municipal Court

	BN 2017/19 Actual	BN 2019/21 Actual	BN 2021/23 Adopted	BN 2023/25 Proposed
Personnel Services	\$756,122	\$911,247	\$1,018,562	\$896,074
Material and Services	\$249,613	\$388,745	\$88,152	\$106,414
TOTAL	\$1,005,735	\$1,299,992	\$1,106,714	\$1,002,487



Recorder

The role of City Recorder is multi-faceted, including such duties as overseeing the keeping of official records and documentation of official acts of the City, serving as the City's elections officer, produces minutes and agendas, archivist, assists Commissions and Committees, facilitates the City's portion of liquor license applications and renewals, and public records custodian. The City Recorder ensures public access to meetings. Ensures meeting materials are available on the City Website, and meetings are advertised in the local newspaper.



BN 2023/25 Priorities

Recorder

- Risk Reduction
- Customer Service Focus

Complete backlog of scanning of all documents

Expand walk-in hours

Implementation of Agenda Process software

Update all Commissions/Committees on the website

Compliance with legal requirements

Update Liquor License process

Regular training

Updated Laserfiche Software implementation



City Recorder
(Charter Officer, 1 FTE)

Administrative
Assistant (0.5 FTE)



Significant Changes

- Addition of .5 FTE in support of backlog and recorder duties



BN 2023/25 Proposed

City Recorder

	BN 2017/19 Actual	BN 2019/21 Actual	BN 2021/23 Adopted	BN 2023/25 Proposed
Personnel Services	\$284,835	\$290,377	\$280,549	\$419,652
Material and Services	\$94,069	\$85,622	\$41,834	\$115,962
TOTAL	\$378,903	\$375,999	\$322,383	\$535,614



QUESTIONS?





BN 2023–2025 Finance Department

April 27, 2023

Finance Department

The Finance Department is responsible for overseeing the fiscal health of the City. The Department accomplishes this by providing financial information, policy analysis, and recommendations that help the City Council, Standing Committees, and all City departments make decisions on how to best allocate and manage the City's financial resources. The department also ensures internal controls and regulatory compliance are adhered to and followed.

Finance is organized in three divisions:

- Finance Administration
- Accounting
- Customer Service

The Customer Service division provides billing and collections for most services and taxes flowing through the City. Accounting and Administration provide support to operating departments with financial and operational analysis, procurement, and transaction processing and reporting.



BN 2023/25 Priorities

Finance

- Risk Reduction
- Affordability
- Customer Service Focus

Implement add'l modules in ERP system

Improve transparency through Open Gov

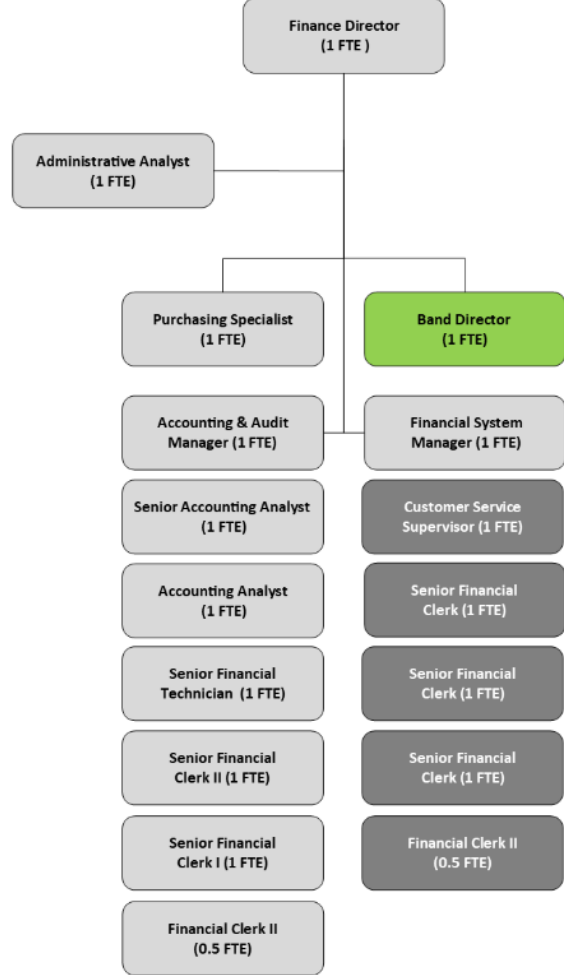
Support self-payment options for utility billing customers

Monitor and craft the budget

Successful audit

Timely and accurate payments





Citizens Budget Committee



Significant Changes

- Increase in bank charges for citywide credit card processing due to estimated volume increases
- Increase in licensing costs due to additional modules for ERP software



BN 2023/25 Proposed

Finance Department

	BN 2017/19 Actual	BN 2019/21 Actual	BN 2021/23 Adopted	BN 2023/25 Proposed
Material and Services	\$3,646,213	\$4,113,384	\$4,890,786	\$5,160,890
Personnel Services	\$3,669,187	\$3,417,294	\$3,523,986	\$3,970,189
Capital Outlay	\$541,348	\$48,571	\$150,000	\$150,000
TOTAL	\$7,856,749	\$7,579,249	\$8,564,772	\$9,281,079

Clarifying an incorrect perception

General Fund Budget does not have a deficit

General Fund-Revenue by Type

	BN 2017/19 Actual	BN 2019/21 Actual	BN 2021/23 Adopted	BN 2023/25 Proposed
Taxes	\$36,413,899	\$37,729,274	\$38,759,657	\$41,616,364
Franchise Fees	\$7,063,961	\$7,317,819	\$6,269,963	\$8,124,059
Licenses and Permits	\$1,697,877	\$3,507,218	\$2,614,500	\$2,525,713
Intergovernmental Revenue	\$4,313,110	\$6,710,981	\$5,645,709	\$4,496,099
Charges for Services	\$17,242,206	\$19,826,919	\$17,411,998	\$25,651,340
Fines and Forfeitures	\$1,133,905	\$692,145	\$1,089,000	\$349,000
Miscellaneous Revenues	\$147,685	\$135,713	\$115,300	\$181,325
Interest on Pooled Investments	\$259,491	\$204,684	\$76,000	\$600,000
Operating Transfers In	\$2,206,701	\$426,834	\$230,000	\$1,243,184
TOTAL	\$70,478,834	\$76,551,587	\$72,212,127	\$84,787,084

Data Updated Apr 21, 2023, 12:34 PM

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General Fund-Expense by Type

	BN 2017/19 Actual	BN 2019/21 Actual	BN 2021/23 Adopted	BN 2023/25 Proposed
Personnel Services	\$39,829,135	\$40,425,340	\$39,927,906	\$55,378,559
Material and Services	\$29,098,205	\$28,231,998	\$19,668,927	\$29,715,337
Capital Outlay	\$340,479	\$207,871	\$810,000	\$3,476,818
Operation Transfers Out	\$377,351	\$268,368	\$9,100,936	\$621,000
Contingency	\$0	\$0	\$2,215,847	\$2,279,998
TOTAL	\$69,645,171	\$69,133,578	\$71,723,616	\$91,471,712

Data Updated Apr 21, 2023, 12:34 PM

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Total Revenues \$84.8M
 Working Capital \$ 6.7M
 Total Expenditures < \$91.5M >
 Balanced Budget \$ 0



Working Capital Carryover

➤ Working Capital Carryover is a Budget Source

- Standard in government accounting/budgeting
- See Fund Policy – Appendix of City Budget
- Example below is from Adopted BN21-23 Budget for all funds

Sources Summary						
	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Revenues:						
Taxes	\$ 25,009,359	\$ 25,940,766	\$ 25,394,514	\$ 27,858,098	\$ 24,597,816	\$ 25,560,771
Licenses and Permits	838,832	859,045	1,095,600	949,150	1,490,500	1,124,000
Intergovernmental Revenues	3,938,740	4,132,531	4,890,829	6,073,768	8,361,338	13,756,761
Charges for Services	54,692,456	57,628,778	59,014,547	60,831,340	60,903,735	62,115,697
Systems Development Charges	779,520	898,309	752,284	396,500	300,000	300,000
Fines and Forfeitures	545,835	588,070	418,514	607,900	544,500	544,500
Assessment Payments	17,535	8,924	3,319	-	-	-
Interest on Investments	708,809	1,035,443	945,387	784,207	348,780	343,480
Miscellaneous Revenues	1,469,462	2,369,877	522,180	1,685,070	566,650	677,850
Total Revenues	88,000,548	93,461,743	93,037,174	99,186,033	97,113,319	104,423,059
Budgetary Sources:						
Working Capital Carryover	39,472,221	42,476,929	45,295,588	20,054,502	50,353,559	45,043,109
Debt Revenue	971,842	3,065,628	1,226,580	24,232,562	17,842,650	22,998,450
Interfund Loan	-	-	-	-	-	-
Operating Transfers In	7,275,692	6,593,043	6,067,044	6,381,572	6,402,611	4,396,093
Total Budgetary Sources	47,719,755	52,135,600	52,589,212	50,668,636	74,598,820	72,437,652
Total Sources	\$ 135,720,303	\$ 145,597,343	\$ 145,626,386	\$ 149,854,669	\$ 171,712,139	\$ 176,860,711

Fund Balance Policy-General Fund

The General Fund accounts for all financial resources not accounted for in other funds. Resources include **working capital carryover**, taxes, licenses and permits, intergovernmental revenue, fines and forfeitures, charges for services, miscellaneous revenues, and inter-fund transfers. Expenditures are for Social Services, Economic and Cultural Development, Police Department, Municipal Court Department, Fire and Rescue Department, City Band, Cemeteries, and the Department of Community Development and payments for services provided by other funds. This fund uses the modified accrual method of accounting.

- The General Fund will maintain an unrestricted and undesignated balance no less than 20 percent of the average annual expenditures of the prior three years. This is the minimum needed to maintain the City's credit worthiness and to adequately provide for economic uncertainties and cash flow needs.

➤ No Change to Process of using Ending Fund Balance in Proposed Budget

- This Biennium, lowered Working Capital Carryover to 16.7% due to accumulated funds in Reserve Fund and Contingency.



General Fund					
	BN 2017/19 Adopted Budget	BN 2019/21 Adopted Budget	BN 2021/23 Adopted Budget	BN 2023/25 Proposed Budget	
Revenues:					
Taxes	\$ 42,958,500	\$ 47,833,328	\$ 44,829,620	\$ 49,740,423	
Licenses and Permits	1,660,300	1,898,300	2,614,500	2,525,713	
Intergovernmental Revenues	2,187,589	3,013,342	5,645,709	4,496,099	
Charges for Services	3,327,000	3,328,001	17,411,998	25,651,340	
Fines and Forfeitures	857,900	1,210,800	1,089,000	349,000	
Interest on Investments	75,000	251,250	76,000	600,000	
Miscellaneous Revenues	395,200	140,245	115,300	181,325	
Total Revenues	51,461,489	57,675,266	71,782,127	83,543,900	1
Operating Expenditures:					
Personnel Services	\$ 28,543,950	\$ 30,882,181	\$ 43,306,409	\$ 60,288,304	
Materials and Services	24,899,100	26,038,380	19,668,927	29,715,337	
Debt Service					
Total Operating Expenditures	53,443,050	56,920,561	62,975,336	90,003,641	
Capital Construction					
Capital Outlay	30,000	460,000	810,000	3,476,818	
Total Operating Expenditures	53,473,050	57,380,561	63,785,336	93,480,459	3
Excess of Revenues over Expenditu	(2,011,561)	294,705	7,996,791	(9,936,559)	
Net Excess Expenditures Before Working Capital				(6,684,528)	
Budgetary Sources:					
Working Capital Carryover	4,412,535	4,119,443	10,402,912	17,784,964	
Debt Revenue					
Interfund Loan					
Operating Transfers In	513,000	850,000	230,000	1,243,184	
Total Budgetary Sources	4,925,535	4,969,443	10,632,912	19,028,148	2
Budgetary Requirements					
Operating Transfers	211,000	211,000	9,100,936	621,000	
Contingencies	800,000	800,000	2,215,847	2,279,998	
Unappropriated Ending Fund Balance	1,902,974	4,253,148	7,312,918	6,190,591	
Total Budgetary Requirement	\$ 2,913,974	\$ 5,264,148	\$ 18,629,701	\$ 9,091,589	4
Net Sources				9,936,559	
Balanced Budget:					
Total Sources	\$ 56,387,024	\$ 62,644,709	\$ 82,415,037	\$ 102,572,048	1-2
Total Requirements	\$ 56,387,024	\$ 62,644,709	\$ 82,415,037	\$ 102,572,048	3-4
Appropriation	54,484,050	58,391,561	75,102,119	96,381,457	
Unappropriated Ending Fund Balance	1,902,974	4,253,148	7,312,918	6,190,591	
	56,387,024	62,644,709	82,415,037	102,572,048	

\$6.7M came from Working Capital Carryover

These monies were appropriated in last biennium but were not spent (eg personnel vacancies).

Reappropriated in this BN.

Brought Ending Fund Balance to \$6.2M per proposed 23-25 Financial Fund Policy

General Fund Budget is balanced.



QUESTIONS?

