

BUDGET COMMITTEE MEETING

MINUTES

April 27, 2023

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

Shane Hunter asked if we could approve the minutes individually or as a packet. Sabrina Cotta responded that it could be done as a packet.

Councilor Paula Hyatt spoke that they failed to make a motion at the last meeting with regard to Chair and Vice Chair. Hyatt/Peterson-Adams motioned/seconded the election of Shane Hunter as Committee Chair and Eric Navickas as Vice Chair. Discussion: none. Voice Vote. Motion unanimously approved.

Chair Hunter spoke that he noticed the minutes from April 21, did not have all those present listed. Eric Hansen, Mike Gardiner, Shane Hunter, and Leda Shapiro were there. Councilor Kaplan spoke that Dylan Bloom was there as well. Chair Hunter asked if there was any other discussion. He will entertain a motion to approve all of the minutes as a package as amended. Linda Peterson-Adam/Councilor Hyatt motioned/seconded to approve the minutes. Discussion: none. Voice vote. Motion unanimously approved.

Review of Process and Roles

Sabrina Cotta, Deputy City Manager/finance Director presented to the committee a recap of roles. First, she wanted to take the time to thank the budget team. The budget built was very much a team effort. Particularly City, Hanks our accounting manager, Bryn Morrison and Alissa Kolodzinski. They were the ones who put much of the effort into building this budget, and the document in the binder each councilor has as well as the online budget book. Cotta wanted to commend them for their effort. As well as the department heads and staff, who entered budgets, reviewed their budgets and provided information to us, so thank you to them. **Presentation attached.**

Runkel asked that as we meet next Thursday by what time on Monday do you want the questions? Cotta responded that by noon on Monday would be helpful.

Leda Shapiro asked for clarification on what time the next meeting is. Cotta responded that all budget meetings are 3:00 – 5:00 in Council Chambers.

Chair Hunter spoke about the process. They are all there to recommend a budget to the City Council and set the property tax rates. They are also a vehicle for anyone else to view the budget, ask questions, and make comments. Those comment sections will be at the beginning of meetings going forward. Today's public comment is in the middle of the agenda. There are certain required duties the city has to perform, public safety, utilities, paying their employees and vendors. Then there are the duties they want the city to perform like wildfire risk reduction, economic development, and making our city more affordable. They can suggest other ideas on how the city goes about this. They can question the assumptions behind the numbers and really make sure there isn't a miscalculation. There are some things that as a committee we can't do. They can't do anything with the with the contracts, we can't do anything with setting policies or salaries. Those are all negotiated by the city and the Council and not this body. They will be able to make recommendations to the budget officer to make changes to the budget and budget allocations. They will do their best to ensure a fair, respectful process, and that we all have the opportunity to understand the why behind the numbers. They are all here because everyone wants the city to be a better place for their families, they want to give people opportunities so people will stay in love with the city. That is what this committee is here for.

BN 2023- 2025 City Manager's Recommended Budget Presentation

City Manager Joe Lessard, presented to the Committee a presentation on the recommended budget. The presentation included the processes from which the vision, values and priorities were created and what they are. Lessard reviewed funding sources, which include taxes, franchise fees, charges for services, licenses, and permits, etc. And how the money is to be used which includes personnel services, materials and supplies, capital, debt service etc. Lessard covered recommended changes in staffing and how each division contributes to the vision and values. He then spoke about the six category strategic choices budget priority concentrations, manage for excellence, livable community, risk reduction, economic development, affordability, and investing in the future. Lessard reviewed each point with details on how the city is going to accomplish each category. Lessard went on to say that the city is in a strong financial position. The City's contingency, ending balance and emergency reserve are all funded. Future projections are solid in terms of revenue sources and the City is hitting all the targets for the financial policies. Recommended changes to the general fund, staffing changes, capital improvement projects, and infrastructure were all highlighted. Lessard closed his presentation with a review of the budget committee's authority under state law. As the City Manager, Lessard prepared and administers the budget and administers city utilities and property. The Budget committee reviews and revises the prepared budget document, approves a final budget, and specifies the tax amount.

Presentation attached.

Committee Questions

Councilor Hyatt reminded everyone that on May 1 there is a budget committee meeting, and all are expected to attend as a regular budget meeting.

Michael Gardiner, asked about the outstanding issues slide in the presentation. Are the unmet needs at all tied to the food and beverage tax or franchise fees uses? Lessard spoke that the answer to that is, potentially.

Eric Navickas asked when you are hiring new employees, when are they funded or is the assumption, they will start with the beginning of the budget date? Lessard said that generally speaking they will start at the beginning of the budget date. For instance, we have already advertised some positions for the EMS single role, there is a list of potential candidates, and we are waiting for the green light and the new fiscal year to bring them on board.

Councilor Kaplan asked as a follow up to Mike Gardiner's question. If the food and beverage tax ballot measure pass this will allow the funding of parks capital and parks and recreation and senior service operations. And therefore, free up general funds to be used for those unmet priorities. Is that understanding, correct?

Lessard responded that the current budget uses Food and Beverage tax to pay for the \$1.6 million additional funding in the biennium to go to Parks, which is the 25% that is currently in the ordinance. Specifically for Parks capital expenses. The balance of those funds is going to street debt so that we can maximize the availability of the franchise fees to be used in the general fund to pay for operations. If the Food and Beverage tax passes, then we can move the street debt back to the franchise fees and that the 73% of the Food and Beverage tax would have a broader use as far as O&M as well as capital. We would retain the \$1.64 for capital and the available funding would go back into the park's operations. The purposes that are specified in the ballot, City parks operations, recreation, open space, and senior operations. That shift makes funding available to the general fund for some of the unmet needs or potentially other uses that this body may recommend.

David Runkel spoke that there is no new revenue, that we're just shifting money around. Lessard spoke the uses of the money changes. That means some of the funding is now available for operations. It wasn't before and had to go to capital. It was historically used for wastewater debt, street debt and parks debt and now that 73% is available to shift from capital use to operational use.

David Runkel spoke that there are different numbers in various parts of the budget book for the general fund. Can Lessard go over what this budget does for the general fund? Lessard spoke that we can address that in another of the presentations and put it all together. Runkel spoke it looks like the general fund is in a deficit. Lessard spoke that is not correct as it has to be a balanced budget. Bryn Morrison spoke the revenue by type chart does not include the carry forward it is

only the revenue. Runkel asked how much the carry forward is. Bryn Morrison spoke it will take a moment to look up that information.

Leda Shapiro spoke she had a question that might clarify things related to the franchise fees. When talking about the food and beverage taxes it was stated that the franchise fees cover the streets. She noticed the franchise fees went up this year. She doesn't know what else is in there and whether it covers all the big projects in streets. That is where she thinks there is some confusion. Lessard spoke that currently the food and beverage is being used, not the franchise fees, to pay for street debt and the street debt for major projects in the street plan. If food and beverage funds become available for operating, then we will take the franchise fees and put it back to use for street debt and potentially move that money into the general fund operations. Because we treat franchise fees as if it is a general fund revenue. That means additional revenue will be available to the general fund. Shapiro spoke she thought the franchise fees covered the regular maintenance. Lessard spoke there is still some funding for that. Only the debt is to be used by the food and beverage tax. The current ordinance specifies that the street debt, related to our street plan, uses food and beverage tax. That means the debt issuance is tied to food and beverage which freed up the franchise fees to be treated like general fund revenue. If the ballot measure passes, that relationship will switch. The food and beverage tax will become an operating revenue and we will go back to using the franchise fees for street debt.

Bryn Morrison spoke the carryover for the general fund that is being estimated is \$17.8 million. The ending fund balance from this year becomes the carry over for next year. Runkel asked where in the budget that information appears. Morrison responded that it's in the summary section at the front of the book.

Erik Navickas asked, if the food and beverage tax doesn't pass how do you justify using the franchise fees for the general fund considering there are supposed to be earmarked for what they are spent on and what they are charged for. Lessard spoke there is no legal requirement that they be used in that way, it's at the city council's discretion. Most cities use franchisee fees as the general funding source. Really is up to the city's discretion whether to use it as a general source or use it only for streets. The city would like to do that but in order to maximize the funding available to the general fund operation we have gone back to treating it as a general fund revenue.

Electric Fund Presentation

Director of Electric Utility, Tom McBartlett, presented to the Committee a presentation on the electric budget. An overview of responsibilities was discussed. There are three divisions, distribution, supply, and transmission. A fishbone diagram was presented which laid out how the electric department plans to meet City Council priorities. All staff positions are funded out of the enterprise funds. Significant changes were highlighted, and the overall budget numbers presented. **Presentation attached.**

Committee Questions

Mayor Graham spoke her question is around the energy conservation programs. Council has talked about programming to help local residents with a particular focus on low-income residents and how to access the funding that's coming through the Inflation Reduction Act. Most likely in the form of tax credits. How do we figure out a way to help low-income residents access those funds because they typically need to be front loaded then paid back over time with tax incentives. To what extent is the ability to perform that type of work included in the electric budget? McBartlett responded that with the CEAP type goals we have funded around \$300,000. There is also the conservation budget required by the BPA because we get reimbursed for that. Mayor Graham spoke those are numbers seem that are similar to what we have spent in the past. McBartlett spoke that is correct. Mayor Graham spoke that her question is more around a surge investment given the timing in which the Inflation Reduction Act funding is expected to move which is immediately. Is there capacity in the electric department's budget to add some investment so that we could support a program that would help take the information to renters and low-income residents so we could help them take advantage of the Act. McBartlett was unsure of the capacity to do so with the ending fund balance and the question went to Sabrina Cotta to be answered at a later time.

Water, Wastewater and Stormwater Funds Presentation

Public Works Director Scott Fleury and Deputy Director of Operations Mike Morrison, presented to the Committee a presentation on Public Works department which includes water, wastewater and stormwater. Staffing, significant changes, priorities and the departmental budgets were discussed. **Presentation attached.**

Committee Questions

Mayor Graham asked a question around the water conservation specialist. Is that a full-time position given the intergovernmental agreement with Medford conservation? Where are we in regards to having a conservation specialist for water? Fleury spoke he wanted that position to stay in the budget as a full-time position as we go through the next phase with Medford water commission. Medford Water commission has actually increased their staff to support conservation related services and conversations are happening regarding a regional coordinated effort. With Medford taking more of a lead role and the other partner cities providing administration support and other tasks at that level. Part of that is to understand do we want someone who is an analyst or more a technician position. Fleury is working on what makes the best fit for our needs moving forward.

Chair Hunter has a question on page 22 of the PDF budget book which shows most of the charges for services as flat or going down a little bit. What are the rate changes? Fleury responded now that we are going through the budget process, we will be going through the process of having our financial consultant create an updated rate model for the biennium including a projection up to the four and six year period for rate increases. It will take a couple of months to put the study together and put it before the council, but he expects there to be a rate increase put forward as we haven't had a rate increase since 2019.

Chair Hunter asked if there were any changes in the SDCs. Fleury responded that the SDC methodology was updated for wastewater in 2019. Water and stormwater are on the docket to bring the methodology update forward after the budget process.

Navickas spoke he was curious about the contingency dropping and why. Fleury spoke contingency is a policy limit level and each fund has their own minimum threshold. Bryn Morrison spoke that the contingency was broken into two, three percent of the operation expenses. Navickas asked about the increase in the capital outlay if it is part of the Hardesty property. Fleury responded we have a percentage allocation for storm for the Hardesty property development in the CIP about \$386,000 and for streets and wastewater just under \$80,000 each to make up the total combined cost to relocate the B street building and build a new steel building. The reason we need to build a new building there is because we have critical equipment that has to be housed internally in the winter to keep it from freezing.

Chair Hunter asked if the number of personnel increased much. Fleury spoke that number was the combination of the addition of COLAs and the half FTE into that fund. Chair Hunter spoke he had a big picture question. Is it easier, because it was mentioned that stormwater and wastewater are separate, is it easier that way as a city to manage? Fleury spoke for our size community with what we are obligated to do from the regulatory standpoint, it's becoming more evident we need to build up that fund and separate it more and more. Eventually it's going to need a supervisor and non-commingled staff from a programmatic level. It becomes difficult sharing the resources between streets and wastewater and the crews have obligations that they need to meet as well. This is the third biennium the stormdrain fund has been a standalone fund, so we are learning as we go and as part of the process especially now that the regulatory requirements have become mandated.

PUBLIC FOURM

None submitted.

Announcements- the next budget meeting is May 1 at 5:30 pm in the Council Chambers. The following meeting is May 4th at 3:00 pm

ADJOURNMENT

chair Hunter called the meeting adjourned at 5:02 p.m.

Respectfully submitted,
Alissa Kolodzinski
Management Analyst



Process & Roles

April 27, 2023

Thank you

Budget Team

- Joe Lessard - City Manager
- Sabrina Cotta - Deputy City Manager/Finance Director
- Bryn Morrison - Financial Systems Manager
- Cindy Hanks - Accounting Manager
- Alissa Kolodzinski - Management Analyst

A special thanks to all the department heads and staff who assisted in developing this budget.

- Director of Community Development Brandon Goldman
- Director of Electric Thomas McBartlett III
- Interim Director of Human Resources Molly Taylor
- Director of Innovation & Technology Jason Wegner
- Director of Parks & Recreation Michael Black
- Director of Public Works Scott Fleury
- Fire Chief Ralph Sartain
- Police Chief Tighe O'Meara



Formal Budget Committee Meeting Schedule

April 27, 2023 Proposed Budget Enterprise Funds

May 4, 2023 Presentations of Administration and Finance

May 11, 2023 Presentations of Innovation & Technology and Public Safety

May 18, 2023 Presentations of Parks & Recreations, Community
Development, and Public works

May 25, 2023 Deliberations/Approval



Where can I find the budget & budget info

City website:

[FY 23-25 Budget Process Resources – Budget Process – Finance – City of Ashland, Oregon](#)

From the homepage:

- Hot topics: Direct link
- Finance Department Page: Budget Process



Have a question

- Please submit questions to Alissa Kolodzinski Alissa.Kolodzinski@ashland.or.us at least three (3) business days prior to the next Citizens' Budget Committee meeting to ensure adequate time to gather information and provide a response.



How do I act & why am I here

Decorum

- Ashland Municipal Code section 2.04.040 Conduct of Meetings
- 2.04.080 Conduct with City Employees

Role

- Receive the proposed budget and budget message
- Hold one or more public hearings providing citizens the opportunity to comment prior to Council adoption
- Recommend the budget for approval
- Set the ad valorem property tax rate



QUESTIONS?

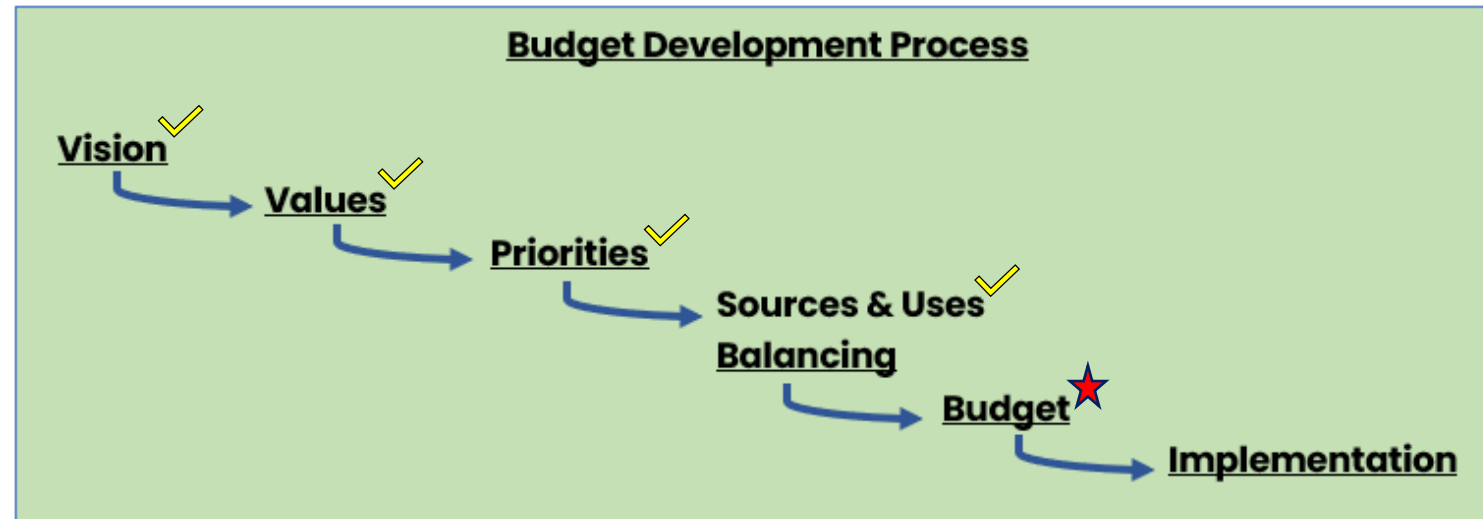




City Manager's Recommended Budget

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

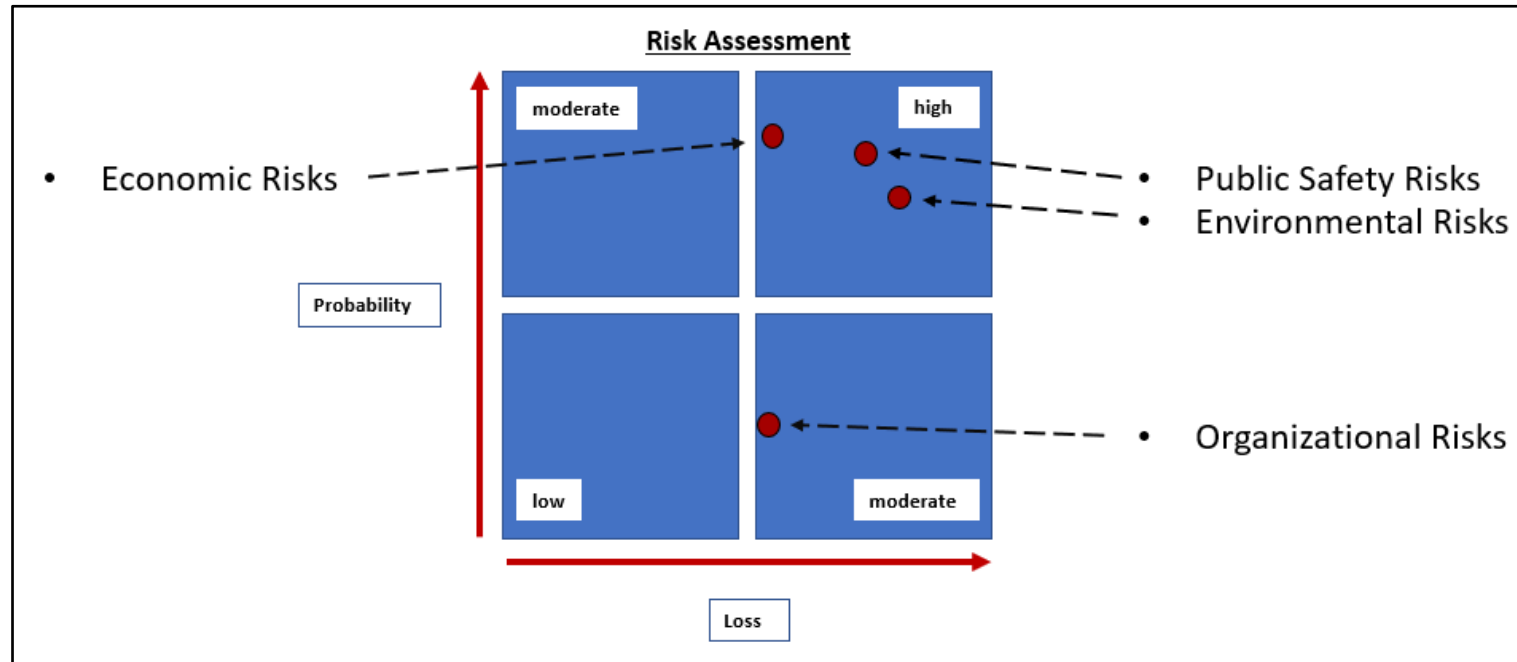
- Community affordability, including in available housing and childcare
- Belonging through mutual respect and openness, inclusion, and equity
- Quality of life that underpins the city's economic vibrancy
- Environment resilience, including addressing climate change and ecosystem conservation
- Regional 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	Happy	Lebanon	Canby*	West	Milwaukie	Sherwood	Pendleton	Average
		Roseburg	Valley*			Linn				
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

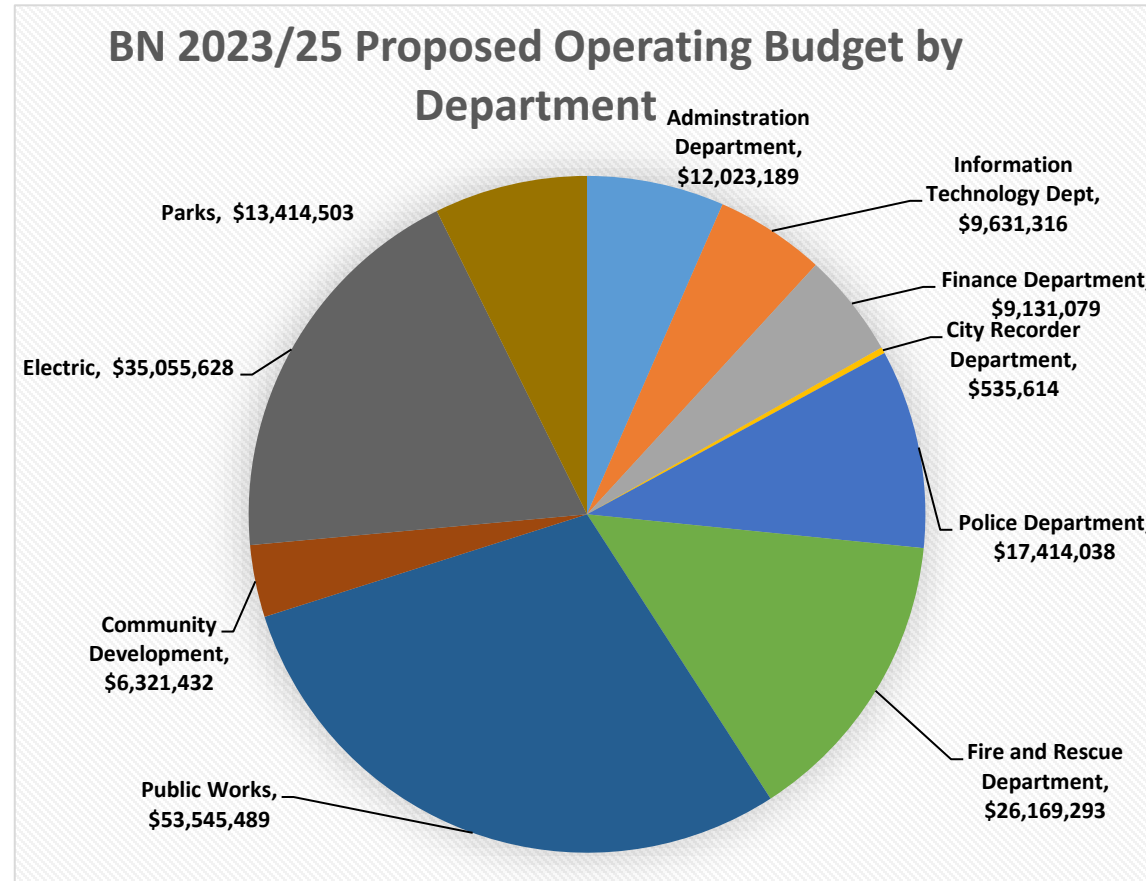
Uses

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



Strategic Choices – Budget Process

Revenues & Sources

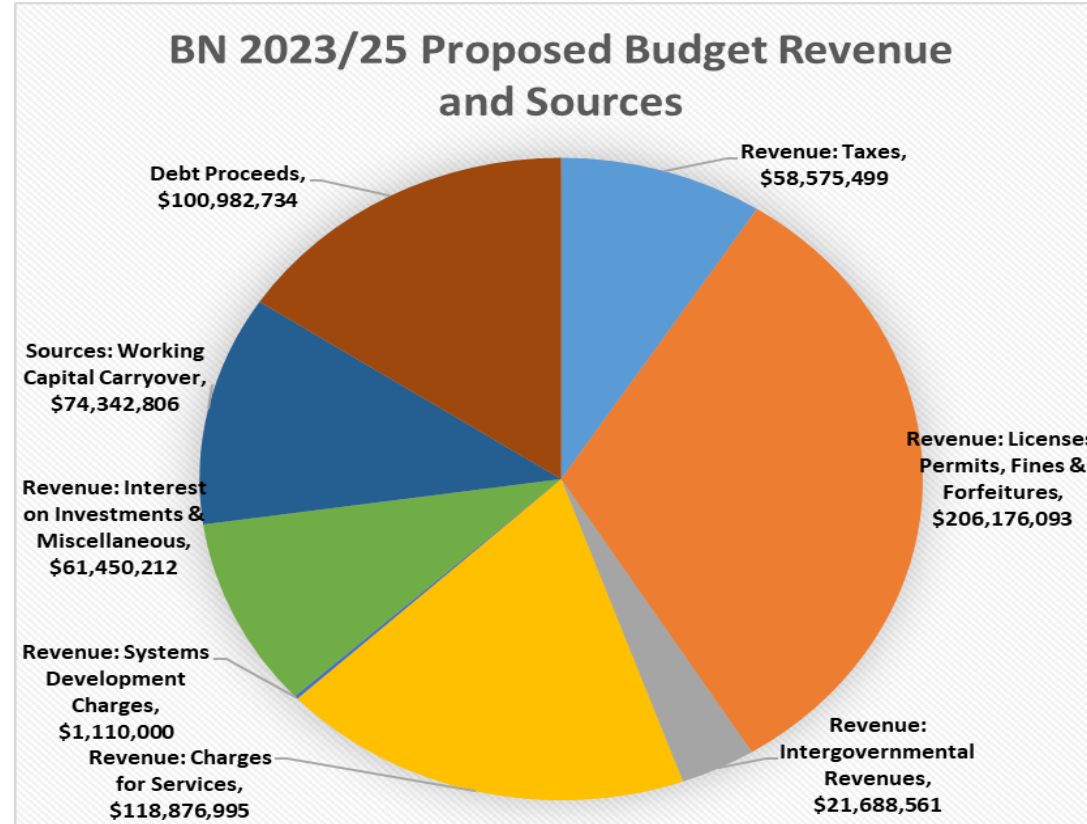


2023-2025 BN



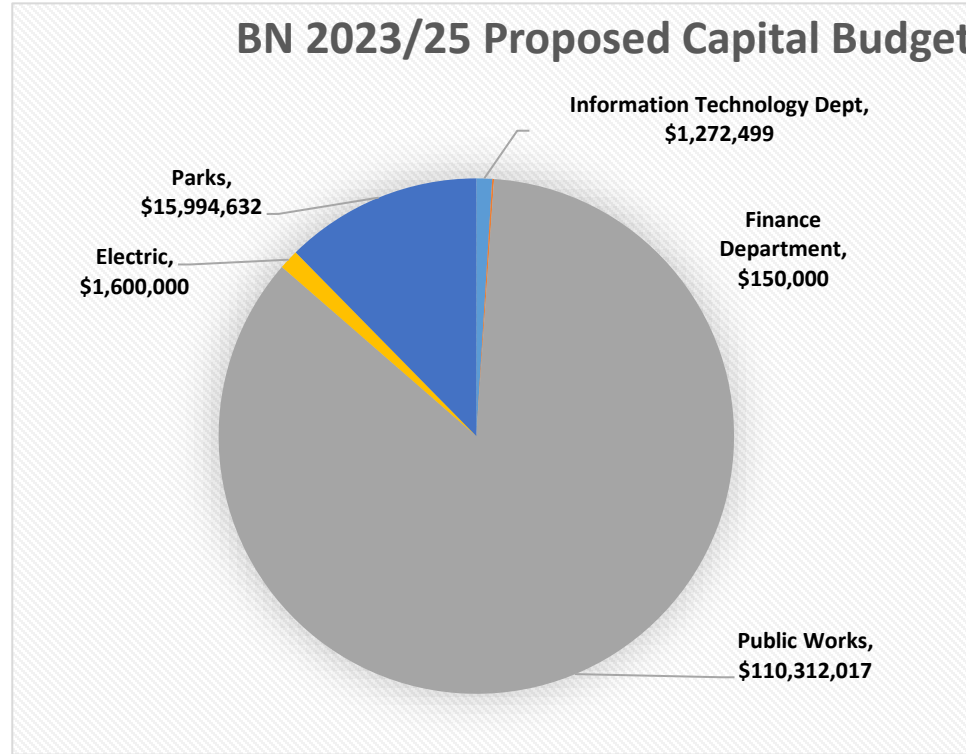
Strategic Choices – Budget Process

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%



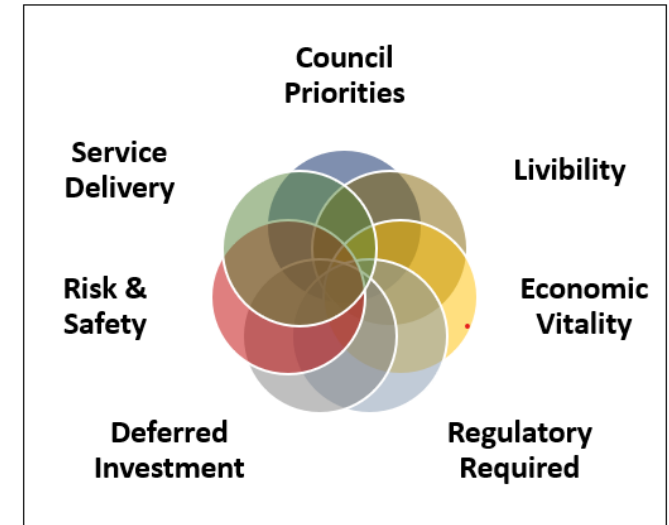
Strategic Choices – Budget Process

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

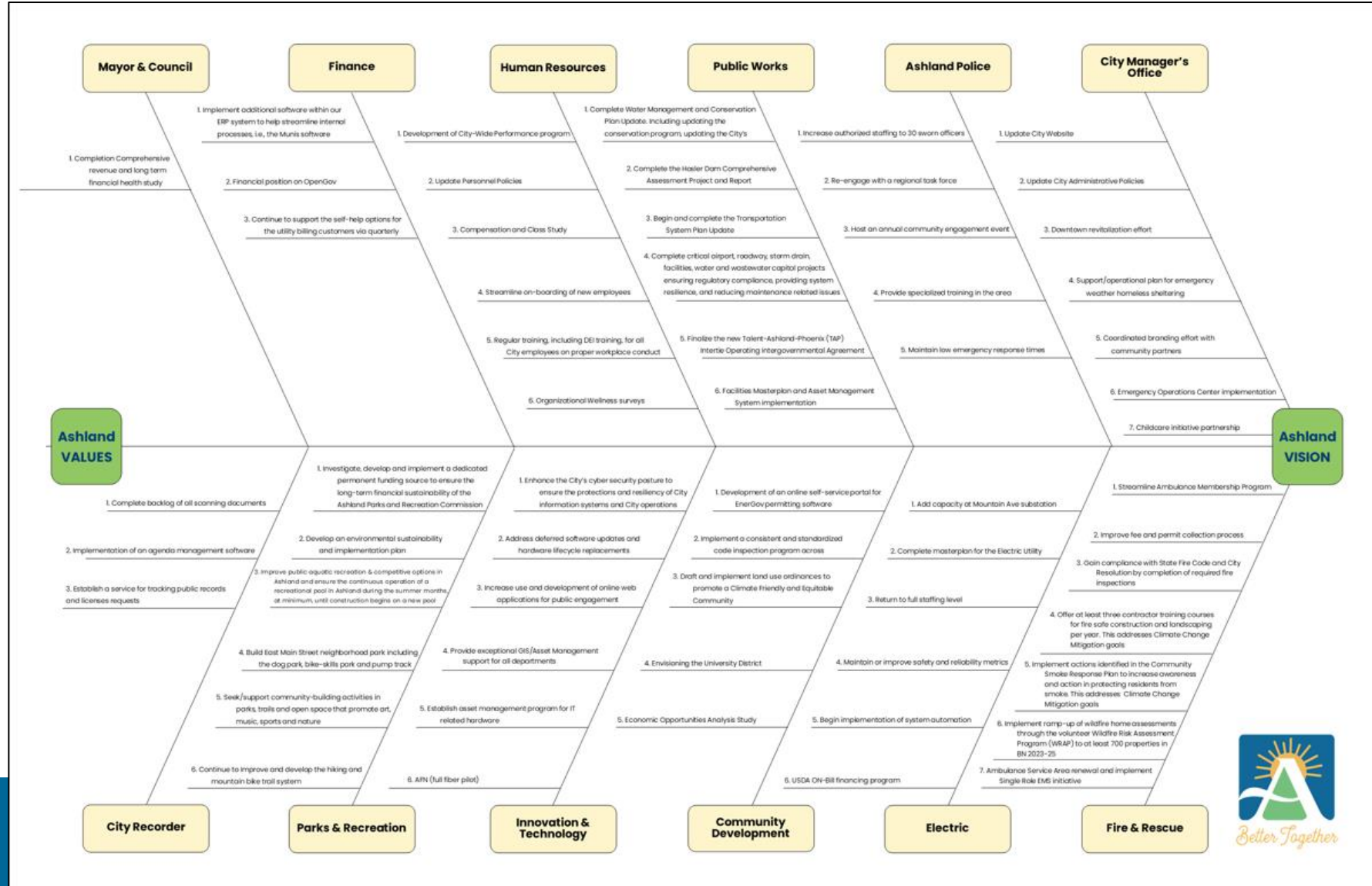
- Full Time Equivalent Count Change

• <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



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?





BN 2023–2025 Electric Department

April 27, 2023

Electric Department

The electric department is responsible for the construction, maintenance, and repair of both overhead and underground electric infrastructure, including vegetation management.

The Electric Utility is responsible to meet PUC regulations for infrastructure safety and vegetation management. Operations typically fall under the guidelines of OSHA 1910.269 and the NESC. Remaining operational controls are the purview of City Council.

Electric is organized in three divisions:

- Distribution division- majority of operations
- Supply division is dedicated to the acquisition of wholesale energy and the operation of City owned generation,
- Transmission division is dedicated to the cost related to getting wholesale energy to Ashland.



BN 2023/25 Priorities

Electric

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

Additional capacity
at Mountain
Avenue Substation

Masterplan

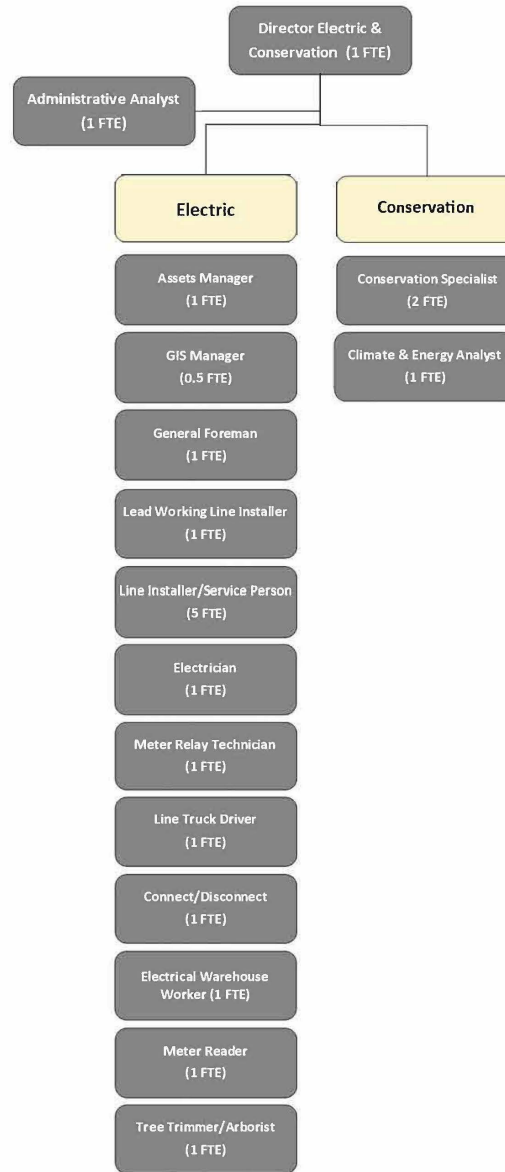
Implementation of
system automation

Full staffing levels

Maintain/improve safety
and reliability metrics



Electric / Conservation



LEGEND

	General Fund & Enterprise Fund Positions
	Non General Fund Positions
	Legally Mandated Commissions/Committees
	Discretionary Commissions/Advisory Boards

Climate & Environment
Policy Advisory Committee



Significant Changes

- Money included in budget for implementation of the Wildfire Protection Plan implementation. Plan was completed 21/23BN
- No rate increases
 - Purchase of substation has resulted in a decrease of \$150,000 in utility delivery charges per year
 - Overcollection by Bonneville has resulted in \$1.3 million rebate to the utility



BN 2023/25 Proposed

	BN 2017/19 Actual	BN 2019/21 Actual	BN 2021/23 Adopted	BN 2023/25 Proposed
Personnel Services	\$4,752,272	\$5,160,989	\$5,817,361	\$6,388,857
Material and Services	\$24,883,216	\$25,382,133	\$27,108,442	\$28,223,147
Debt Services	\$0	\$0	\$443,624	\$443,624
Capital Outlay	\$1,322,890	\$639,927	\$1,250,000	\$1,600,000
TOTAL	\$30,958,378	\$31,183,049	\$34,619,427	\$36,655,628

QUESTIONS?





BN 2023-2025

April 27, 2023

Significant Changes: All Public Works Divisions

1. Fuel: Updated to account for inclusion of electric vehicles in the fleet, changing work habits (hybrid/work from home)
2. Technical: Shifted cost burden that was previously placed in the technical line item to small tools and other line items
3. Licensing: Updated to coincide with actual expenditures for Cartegraph and other related software expenses
4. Small Tools: We have increased this line item to account for actual expenditures
5. Infrastructure: Increased this line item to account for inflationary impacts on all system maintenance related items (Materials).
6. Chemicals: Increased to account for anticipated chemical costs for the Treatment Plant operation requirements
7. Training: Increased due to Commercial Drivers License training requirements for new hires
8. Utilities: Updated to coincide with actual expenditures
9. Disposal: Increased to account for the actual costing of disposal at Dry Creek Landfill due to significant rate increase



Public Works– Water

The [Water Division](#) consists of Supply, Treatment, Distribution and Conservation. The core of the water system includes Hosler Dam and Reeder Reservoir, a water treatment plant, over 119 miles of distribution piping, six booster pump-stations, telemetry equipment, 32 pressure relief valves, 1,281 hydrants and four potable water storage reservoirs providing 6.7 million gallons of storage

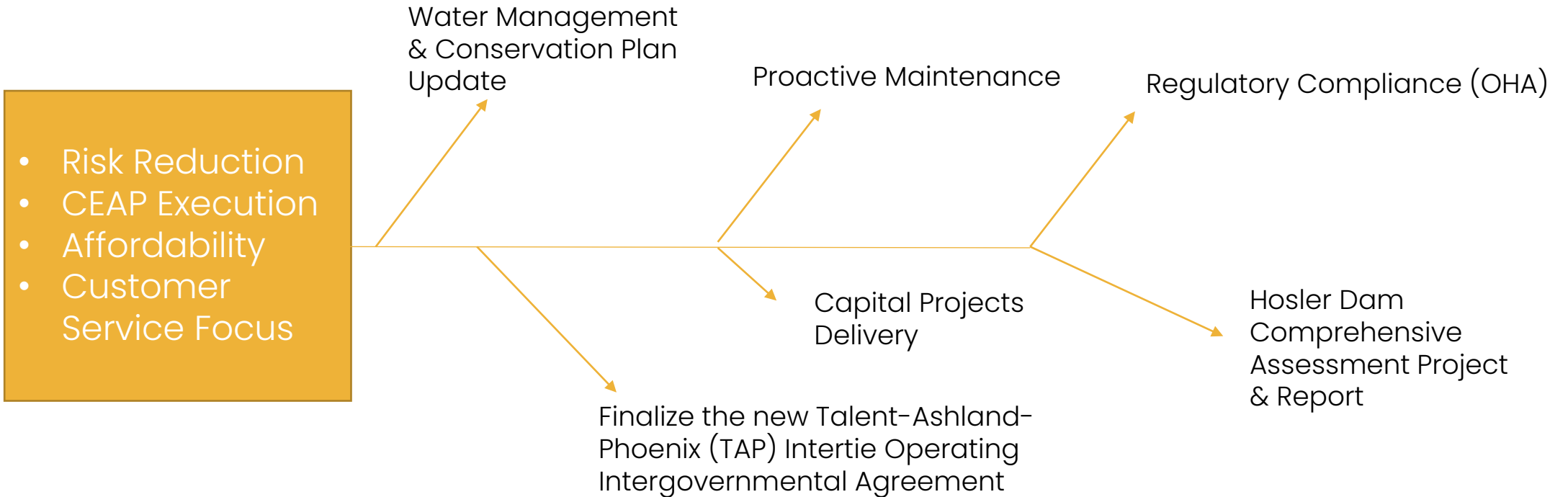
- The focus for the Water Division is to provide the highest quality drinking water for the community, comply with required standards and reporting, maintain the storage, treatment and distribution system

Regulatory:

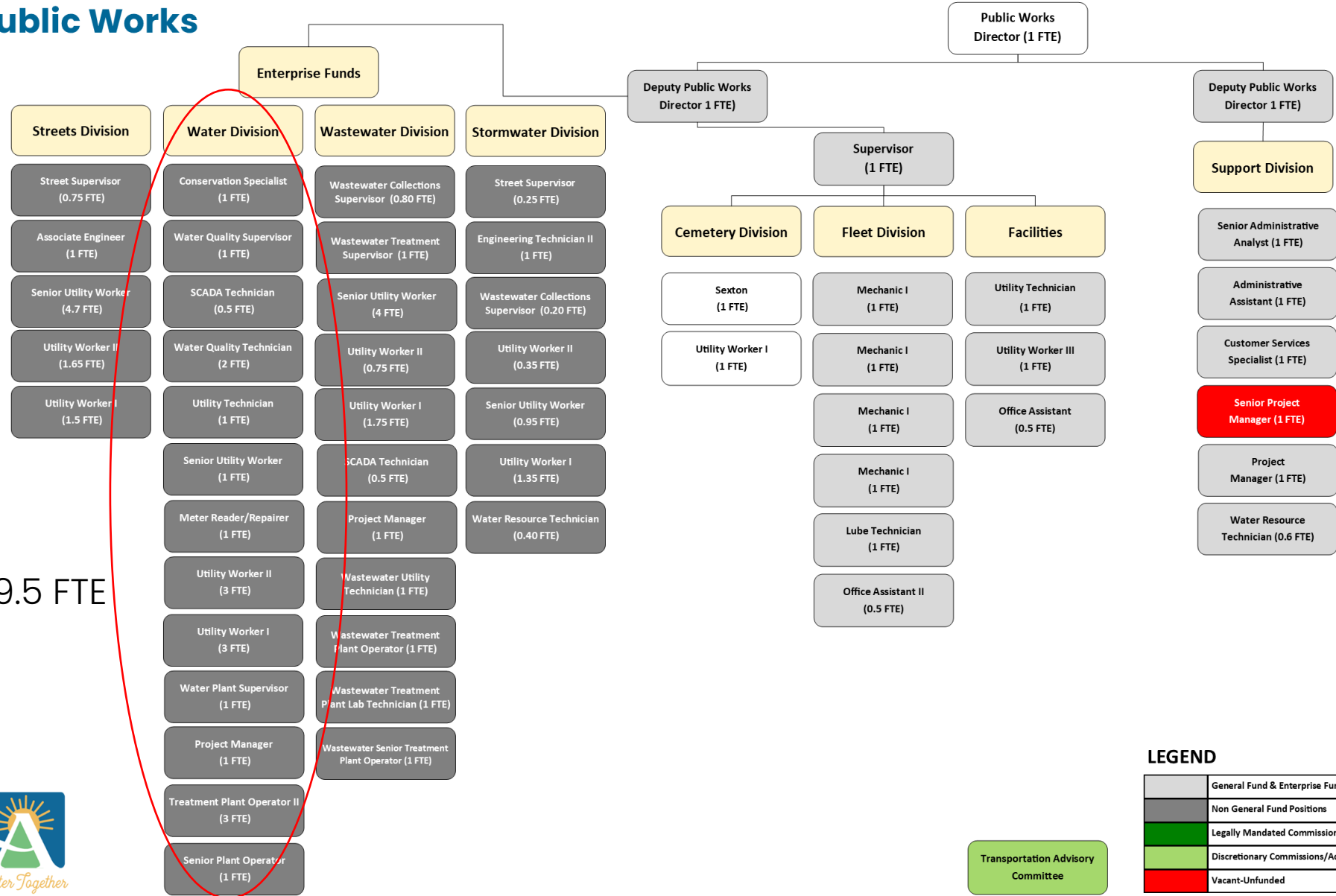
- The Oregon Health Authority provides regulatory oversight for the treatment and distribution of potable water
- The Federal Energy Regulatory Commission provides regulatory oversight on Hosler Dam as the City is a generator of hydroelectric power



BN 2023/25 Priorities



Public Works



19.5 FTE



LEGEND

	General Fund & Enterprise Fund Positions
	Non General Fund Positions
	Legally Mandated Commissions/Committees
	Discretionary Commissions/Advisory Boards
	Vacant-Unfunded

Transportation Advisory Committee

BN 2023/25 Proposed

PW-Water Supply

	BN 2017/19 Actual	BN 2019/21 Actual	BN 2021/23 Adopted	BN 2023/25 Proposed
Capital Outlay	\$1,244,051	\$582,400	\$6,625,170	\$6,700,206
Material and Services	\$934,785	\$1,307,741	\$1,279,430	\$1,539,612
Debt Services	\$19,047	\$373,085	\$255,732	\$237,003
Personnel Services	\$110,546	\$0	\$0	\$0
TOTAL	\$2,308,430	\$2,263,226	\$8,160,332	\$8,476,821

PW-Water Treatment

	BN 2017/19 Actual	BN 2019/21 Actual	BN 2021/23 Adopted	BN 2023/25 Proposed
Capital Outlay	\$1,478,478	\$1,965,155	\$16,294,000	\$45,780,165
Material and Services	\$1,214,484	\$1,493,481	\$1,662,126	\$1,877,753
Personnel Services	\$1,216,000	\$1,197,344	\$1,582,021	\$1,795,155
Debt Services	\$282,173	\$457,628	\$150,390	\$75,195
TOTAL	\$4,191,134	\$5,113,607	\$19,688,537	\$49,528,267

BN 2023/25 Proposed

PW-Water Distribution

	BN 2017/19 Actual	BN 2019/21 Actual	BN 2021/23 Adopted	BN 2023/25 Proposed
Material and Services	\$4,237,122	\$4,586,496	\$4,935,094	\$5,423,566
Capital Outlay	\$2,749,293	\$902,747	\$2,939,700	\$5,010,800
Personnel Services	\$2,058,123	\$2,198,029	\$2,291,728	\$3,020,322
Debt Services	\$500,276	\$654,968	\$536,458	\$413,316
TOTAL	\$9,544,814	\$8,342,239	\$10,702,980	\$13,868,004

PW-Water Conservation

	BN 2017/19 Actual	BN 2019/21 Actual	BN 2021/23 Adopted	BN 2023/25 Proposed
Material and Services	\$187,424	\$186,516	\$334,168	\$242,294
Personnel Services	\$294,692	\$170,571	\$216,459	\$221,996
TOTAL	\$482,115	\$357,086	\$550,627	\$464,290

PW-SDC Water

	BN 2017/19 Actual	BN 2019/21 Actual	BN 2021/23 Adopted	BN 2023/25 Proposed
Capital Outlay	\$449,586	\$339,464	\$2,926,300	\$8,659,843
Debt Services	\$430,365	\$430,597	\$427,806	\$327,511
Material and Services	\$3,502	\$138,541	\$450,000	\$150,000
TOTAL	\$883,453	\$908,602	\$3,804,106	\$9,137,354

QUESTIONS?



Public Works– Wastewater

The [Wastewater Division](#) consists of collection and treatment of wastewater. The core of the system includes 112.9 miles of collection system piping, 2,245 manholes, six (6) lift stations, telemetry equipment and a wastewater treatment plant.

- The focus for the Wastewater Division is to ensure all sewage is effectively collected and treated to regulated standards for release into Ashland/Bear Creeks.

Regulatory:

- The City operates under a National Pollution Discharge Permit (NPDES) that is overseen by the Department of Environmental Quality (DEQ)



BN 2023/25 Priorities

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

Increase system resilience

Inflow/Infiltration Reduction

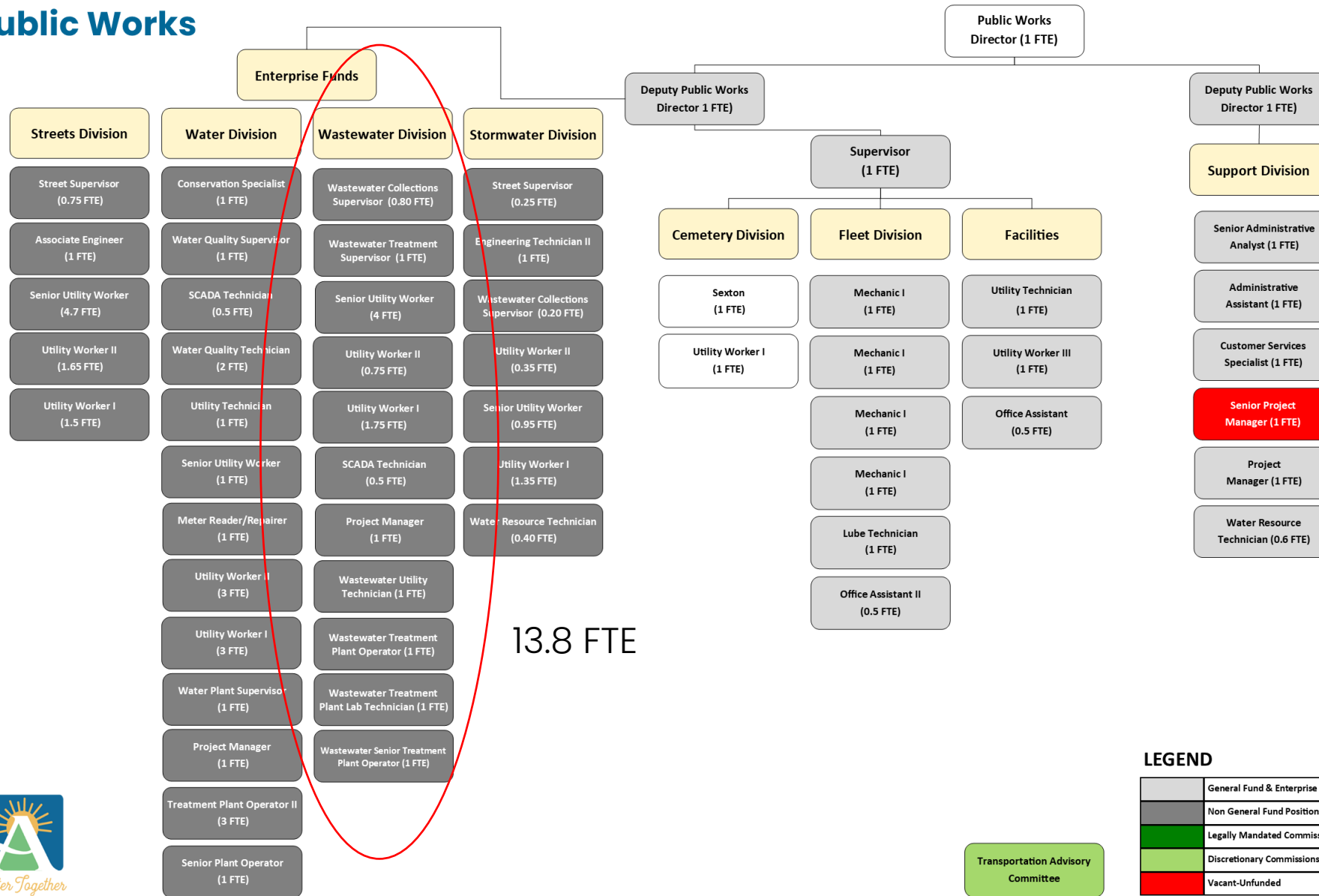
Regulatory Compliance (NPDES)

Capital Projects Delivery

Proactive maintenance



Public Works



Transportation Advisory Committee

LEGEND

	General Fund & Enterprise Fund Positions
	Non General Fund Positions
	Legally Mandated Commissions/Committees
	Discretionary Commissions/Advisory Boards
	Vacant-Unfunded

BN 2023/25 Proposed

PW-Wastewater Collection

	BN 2017/19 Actual	BN 2019/21 Actual	BN 2021/23 Adopted	BN 2023/25 Proposed
Material and Services	\$3,329,252	\$3,357,304	\$3,130,028	\$3,474,544
Personnel Services	\$1,320,318	\$1,318,296	\$1,347,087	\$1,498,896
Capital Outlay	\$358,488	\$728,991	\$1,027,200	\$2,013,440
Debt Services	\$144,650	\$226,691	\$92,914	\$88,088
TOTAL	\$5,152,707	\$5,631,282	\$5,597,229	\$7,074,968

PW-Wastewater Treatment

	BN 2017/19 Actual	BN 2019/21 Actual	BN 2021/23 Adopted	BN 2023/25 Proposed
Capital Outlay	\$1,745,877	\$549,557	\$7,374,200	\$6,485,475
Material and Services	\$3,969,935	\$3,369,486	\$3,719,501	\$4,505,395
Debt Services	\$3,361,226	\$4,906,454	\$258,134	\$254,841
Personnel Services	\$1,445,060	\$1,507,581	\$1,715,327	\$2,090,037
TOTAL	\$10,522,098	\$10,333,077	\$13,067,162	\$13,335,749

PW-SDC Wastewater

	BN 2017/19 Actual	BN 2019/21 Actual	BN 2021/23 Adopted	BN 2023/25 Proposed
Material and Services	\$13,669	\$166,640	\$700,000	\$0
Capital Outlay	\$85,242	\$73,877	\$2,717,100	\$1,650,525
TOTAL	\$98,911	\$240,517	\$3,417,100	\$1,650,525

QUESTIONS?



Public Works– Stormwater

The [Stormwater Division](#) consists of collections with staff support included with the Street and Wastewater Divisions. The core of the storm drain system includes 133.4 miles of storm drainage pipe and culverts, 4,348 inlets/catch basins, 990 manholes, and 449 outfalls.

- The focus for the Stormwater Division is to assess, maintain and repair all storm water lines, ditches and water quality treatment structures to effectively move storm flows from streets to waterbodies and reduce contaminants and potential flooding.
- The stormwater conveyance and outfall system operate under a Department of Environmental Quality (DEQ) MS4* permit, which regulates maintenance and inspection schedules in addition to public outreach and education regarding stormwater conveyance and treatment.

*A municipal separate storm sewer system, commonly called an MS4, is a conveyance or system of conveyances, such as roads with drainage systems, municipal streets, catch basins, curbs, gutters, constructed channels or storm drains, owned or operated by a governmental entity that discharges to waters of the state.



BN 2023/25 Priorities

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

Increase system resilience

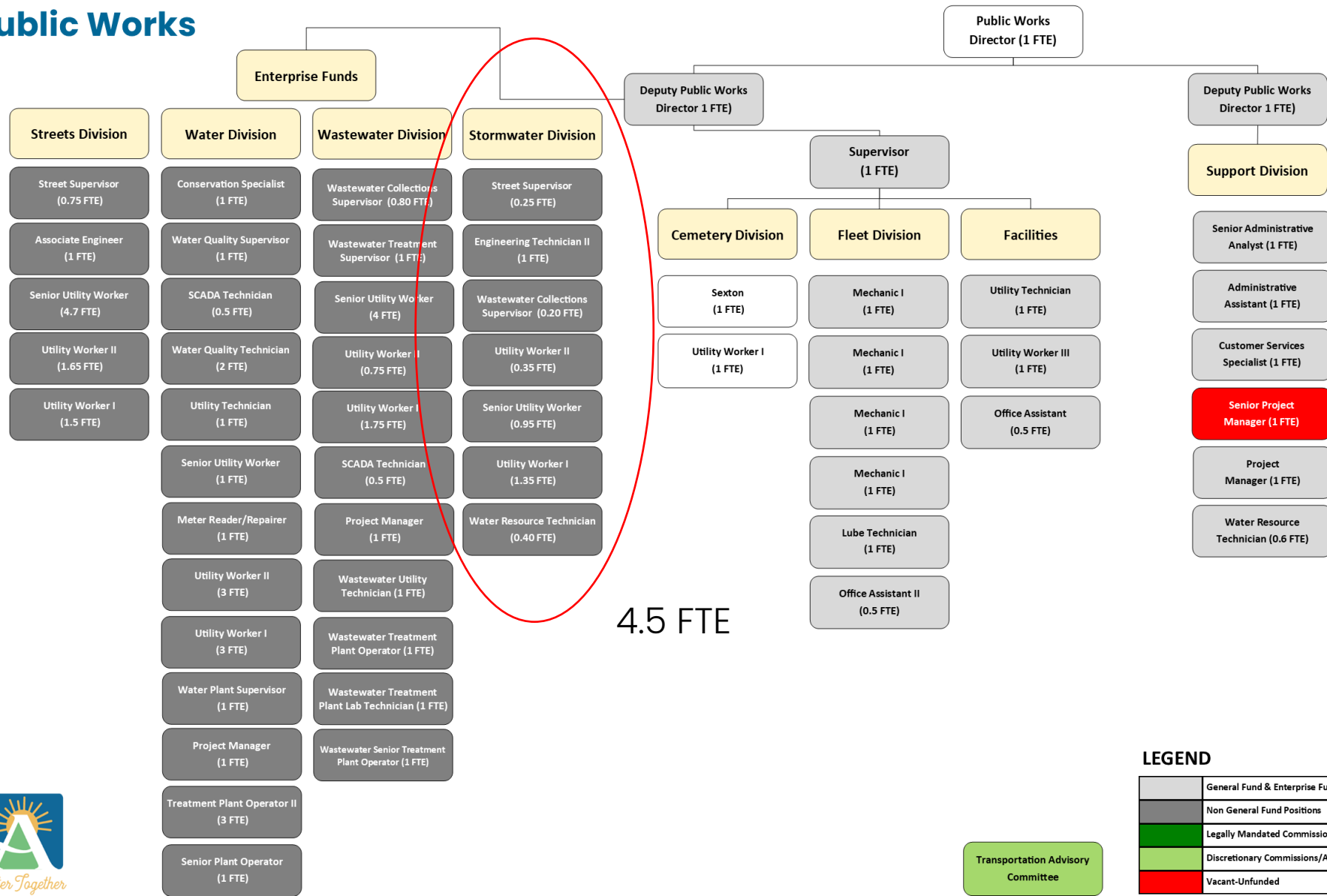
Regulatory Compliance (MS4)

Capital Projects Delivery

Proactive maintenance



Public Works



LEGEND

	General Fund & Enterprise Fund Positions
	Non General Fund Positions
	Legally Mandated Commissions/Committees
	Discretionary Commissions/Advisory Boards
	Vacant-Unfunded

BN 2023/25 Proposed

PW-Storm water Collection

	BN 2017/19 Actual	BN 2019/21 Actual	BN 2021/23 Adopted	BN 2023/25 Proposed
Personnel Services	\$635,997	\$623,903	\$894,967	\$1,123,278
Material and Services	\$564,873	\$839,506	\$782,526	\$929,396
Debt Services	\$24,499	\$23,700	\$23,300	\$22,094
Capital Outlay	\$40,193	\$16,428	\$657,538	\$1,258,974
TOTAL	\$1,265,561	\$1,503,536	\$2,358,331	\$3,333,742

PW-SDC Storm water Line Items

	2023 - 24 Budget	2024 - 25 Budget
Capital Outlay		
Improvements Other than Bldgs		
Capitalized Projects	\$15,169	\$49,739
IMPROVEMENTS OTHER THAN BLDGS TOTAL	\$15,169	\$49,739
CAPITAL OUTLAY TOTAL	\$15,169	\$49,739
TOTAL	\$15,169	\$49,739

QUESTIONS?

