

Citizen Budget Committee



Governmental Funds Questions/ Answers 04.23.2021

1. Please provide Charter, state law, and ordinance language regarding Parks, Recreation, Fire, Police, and Courts.
 - A. Attached language for each area in both the Charter and current Ashland Municipal Code (ordinance).
2. Each Department change in expenditures breakdown.
 - A. Attached expenditure by type breakdown by department, Attachment B.
3. Why is there an increase in total positions?
 - A. The difference between 245.32 budgeted positions for FY2021-2022 and 232.82 positions listed for FY2020-2021 Actual reflects the net of vacant positions and eliminated or defunded positions. The adopted BN2019-2021 Budget indicates 259.57 positions were originally included for the current fiscal year. This means we have nearly 27 vacant FTEs currently and the proposed budget is a reduction of 14.25 FTEs.
4. What is the fund balance in the APRC and how does it compare to policy?
 - A. The policy and plans will be addressed during week 4 with the Parks Commission.

	Fund Balance
FY 16	313,140
FY 17	386,186
FY 18	788,308
FY 19	1,107,370
FY 20	1,362,770
FY 21	
September	802,568
December	1,326,161

5. What is the timing on Clay Street, and will it be done during the upcoming biennium? Does this also include grant funds?
 - A. The project is expected to be fully grant funded through Congestion Mitigation and Air Quality (CMAQ) and Surface Transportation Block Grants (STBG funds) (although any cost overruns would be required to be covered by the City).

The County will be providing the City with a check for the match requirement of 10.27% per our Intergovernmental Agreement (IGA) in place with them right now.

ODOT is working on an IGA right now for the project that coordinates the work activities between them and the City. Grant funding becomes available in FY 2022 and we hope to get going as soon as possible after the IGA is approved and funding is available. We hope to complete it in the future biennium but knowing how federal projects can get hung-up I would expect that it might trickle over into the next biennium for construction.

The full breakdown is in Attachment C.

6. What are the expenses for the Capital Improvements Fund, i.e. what is the project included?
 - A. The proposed expenditures include roof and HVAC (Heating, Ventilation, and Air Conditioning) repairs, other building repairs, and the initial design, planning, and updates required to consolidate City facilities in future budgets.

7. Is the Cost Allocation Plan audited by the City's external auditors?
 - A. The Cost Allocation Plan is not audited, per se, but tests are conducted to verify that it is being applied as stated and it is provided as documentation for the charges made between funds. The Plan is subject to audit by the United States Department of Housing and Urban Development (HUD), the Department of Homeland Security (DHS), Department of Defense (DoD), and the Department of Justice (DOJ) as well as other granting agencies. The plan was constructed in 2019 by an outside consultant to comply with the federal standards and staff updates the data while maintaining the structure each biennium.

8. Do I understand the graph about taxes for us and neighboring communities correctly in that our neighbors who pay into a fire district pay a significantly higher tax rate than we do in Ashland?
 - A. Yes, several of the agencies the City of Ashland uses for comparisons have higher tax rates including Medford, Central Point, Klamath Falls, Woodburn, Newberg, Lebanon, and Milwaukie. These agencies pay a higher property tax rate than Ashland without including the Fire property tax payment either as a separate levy to the city or to a separate fire district. Ashland has a property tax rate of \$4.2865 which is below the average property tax rate of \$4.591 per thousand dollars of Assessed Value.

Attachment B: Expenditure by Type by Department

Mayor and City Council:

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 97,631	\$ 89,250	\$ 83,342	\$ 159,430	\$ 152,916	\$ 145,414
Material and Services	41,080	59,693	32,285	57,314	74,838	70,148
Total	\$ 138,711	\$ 148,943	\$ 115,626	\$ 216,744	\$ 227,754	\$ 215,562

Reduction in Personnel Services is the result of smoothing the healthcare cost increases through use of the Health Benefits Fund balance. Materials and Supplies fluctuate with the use of Professional Services and Memberships.

City Manager's Office:

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 806,310	\$ 812,353	\$ 820,165	\$ 863,678	\$ 926,934	\$ 936,317
Material and Services	1,956,433	1,686,327	1,814,005	1,855,939	1,942,777	1,719,258
Debt Services	22,936	22,664	22,393	22,123	21,851	21,851
Total	\$ 2,785,679	\$ 2,521,344	\$ 2,656,563	\$ 2,741,740	\$ 2,891,562	\$ 2,677,426

The Personnel Services increase assumes full staffing of the City Manager position by July 1, 2021. The Communications Specialist is not included, and the Deputy City Manager position is distributed more evenly between Information Technology and the Electric Fund to reflect the managerial assignment. There is an increase in Energy Conservation support funded by the Electric Fund using the Clean Energy credits.

Human Resources Department:

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 295,185	\$ 318,948	\$ 344,157	\$ 342,499	\$ 378,092	\$ 382,603
Material and Services	128,827	68,712	74,439	96,664	189,774	150,674
Total	\$ 424,013	\$ 387,660	\$ 418,597	\$ 439,163	\$ 567,866	\$ 533,277

Health Benefits

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Material and Services	\$ 6,539,590	\$ 5,505,680	\$ 5,412,841	\$ 6,549,195	\$ 5,679,595	\$ 6,005,585
Total	\$ 6,539,590	\$ 5,505,680	\$ 5,412,841	\$ 6,549,195	\$ 5,679,595	\$ 6,005,585

There is a \$100,000 increase in professional services for outside counsel to assist with labor negotiations as the City will have all five of its bargaining agreements open for negotiations

during the biennium. Increased retirements and turnover have resulted in an increase in on-boarding costs such as background and pre-hire health screens. There are anticipated expenses for a fire chief recruitment in the budget. Costs for NeoGov and Munis software have increased.

Health Benefits are estimated to increase by 4% in year one and 6% in year two of the biennium. Actual costs distributed to the operating departments are less by using a portion of the Health Benefits Fund balance.

Municipal Court:

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 371,969	\$ 384,153	\$ 464,922	\$ 412,236	\$ 548,566	\$ 549,880
Material and Services	125,816	123,798	188,602	203,716	44,076	44,076
Total	\$ 497,785	\$ 507,950	\$ 653,523	\$ 615,952	\$ 592,642	\$ 593,956

The decrease in Materials and Services and increase in Personnel Services is the shift from charging the Court a Central Services fee to directly charging a portion of the Paralegal and Assistant City Attorney Personnel Services. There are no changes in operations or services.

Legal Department:

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 447,813	\$ 513,062	\$ 399,201	\$ 631,233	\$ 431,873	\$ 437,197
Material and Services	70,040	30,371	24,546	81,115	92,501	92,501
Total	\$ 517,853	\$ 543,432	\$ 423,748	\$ 712,348	\$ 524,374	\$ 529,698

The increased professional services is included for outside legal telecommunications expertise counsel to assist with 5G-related land use and right-of-way ordinance revisions. There are no other changes in staffing or operations.

There is an error in the presentation of the FY2020-2021 Adopted Budget; it was mistakenly uploaded into OpenGov in June 2019 with a duplicated position in Legal. The Council Adopted Budget Resolution and the City’s accounting system, MUNIS, did not include this double-counting error. This error overstates the displayed Personnel Services in Legal for the FY2020-2021 Adopted Budget only. It is included and disclosed to preserve continuity in presentation.

Information Technology Department

Information Services Division-

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 996,797	\$ 960,500	\$ 985,260	\$ 1,092,644	\$ 978,336	\$ 873,529
Material and Services	304,007	326,290	313,818	409,905	481,575	481,575
Capital Outlay	1,100	17,359	-	20,000	20,000	20,000
Total	\$ 1,301,904	\$ 1,304,149	\$ 1,299,078	\$ 1,522,549	\$ 1,479,911	\$ 1,375,104

The Information Services Division (within the General Fund) is decreasing as part of a restructuring of activities. There is an increase in professional services for assistance with development of an operating and infrastructure strategic plan.

Ashland Fiber Network-

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 638,033	\$ 691,265	\$ 658,729	\$ 821,227	\$ 912,269	\$ 919,425
Material and Services	1,366,195	1,391,760	1,454,741	1,406,654	1,555,108	1,557,608
Capital Outlay	22,595	11,523	17,446	65,000	62,500	62,500
Total	\$2,026,823	\$2,094,547	\$2,130,916	\$2,292,881	\$2,529,877	\$2,539,533

The Ashland Fiber Network (within the Telecommunications Fund) is increasing to reflect full staffing and an increase in professional services for assistance with developing an operating and infrastructure strategic plan. Basic maintenance and repair of the existing infrastructure needed to provide service to customers is included. A comprehensive review with Council is intended in the biennium to determine system direction going forward.

Finance Department:

Administration-

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 398,856	\$ 473,507	\$ 298,588	\$ 524,394	\$ 613,499	\$ 619,348
Material and Services	380,569	503,538	390,935	595,365	443,827	443,827
Total	\$ 779,425	\$ 977,045	\$ 689,523	\$ 1,119,759	\$ 1,057,326	\$ 1,063,175

The Finance Administration is increasing due to including the full cost of the Director; currently, one full-time position is operating at part-time but will return to full-time during the next year. There are no other changes in operations or staffing.

Customer Service/ Utility Billing-

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 548,715	\$ 609,124	\$ 613,962	\$ 676,948	\$ 520,040	\$ 521,971
Material and Services	215,610	193,118	174,363	181,900	182,585	184,394
Total	\$ 764,325	\$ 802,242	\$ 788,325	\$ 858,848	\$ 702,625	\$ 706,365

The Customer Service Division is being reorganized and one .75 FTE position is being eliminated.

Accounting Division-

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 645,591	\$ 709,488	\$ 664,896	\$ 766,705	\$ 767,540	\$ 773,015
Material and Services	192,026	189,980	183,726	225,940	216,733	223,898
Capital Outlay	145,043	39,612	16,135	50,000	75,000	75,000
Total	\$ 982,660	\$ 939,080	\$ 864,757	\$ 1,042,645	\$ 1,059,273	\$ 1,071,913

There are no changes in operations or staffing in the Accounting Division. There have been increases in equipment and software expenses which will continue under the adopted multi-year contracts.

Risk Management-

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 113,530	\$ 162,708	\$ 227,264	\$ -	\$ -	\$ -
Material and Services	872,328	982,067	1,129,581	1,041,940	1,477,310	1,608,460
Capital Outlay	200,950	155,744	-	30,000	-	-
Total	\$ 1,186,808	\$ 1,300,519	\$ 1,356,846	\$ 1,071,940	\$ 1,477,310	\$ 1,608,460

The Insurance Fund is increasing to cover actual costs based on recent history and to reduce mid-cycle adjustments.

City Recorder:

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 142,426	\$ 142,409	\$ 147,976	\$ 151,542	\$ 152,430	\$ 154,114
Material and Services	54,435	39,633	35,387	41,210	20,762	21,069
Total	\$ 196,861	\$ 182,042	\$ 183,363	\$ 192,752	\$ 173,192	\$ 175,183

The City Recorder budget has no changes in operations or services.

Police Department:

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 5,378,278	\$ 5,713,404	\$ 5,882,054	\$ 6,329,812	\$ 5,977,855	\$ 5,995,230
Material and Services	1,818,988	1,791,469	1,886,387	2,152,654	2,021,544	1,949,766
Total	\$ 7,197,266	\$ 7,504,873	\$ 7,768,441	\$ 8,482,466	\$ 7,999,399	\$ 7,944,996

The Police Department is decreasing expenses overall primarily due to the defunding of two additional officers. This brings the department to its pre-2019 levels.

Fire Department:

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 5,399,631	\$ 5,894,849	\$ 5,455,628	\$ 5,606,449	\$ 5,778,206	\$ 5,834,704
Material and Services	1,733,505	1,751,642	1,537,537	1,777,539	2,046,408	2,036,453
Capital Outlay	77,366	10,000	157,074	325,000	-	-
Total	\$ 7,210,502	\$ 7,656,491	\$ 7,150,240	\$ 7,708,988	\$ 7,824,614	\$ 7,871,157

The Fire Department includes increases in the Wildfire Division due to increased grants supporting additional fuels mitigation activity. The Operations Division includes equipment replacement including turn-out gear and hoses. There is also funding to complete an updated ambulance reimbursement study required to secure maximum state and insurance reimbursement for medical response activities.

Public Works Department:

Facilities Maintenance Division-

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 312,292	\$ 330,377	\$ 250,244	\$ 290,893	\$ 272,014	\$ 273,240
Material and Services	655,733	711,033	610,445	576,239	603,199	618,934
Capital Outlay	276,193	242,139	206,054	725,000	250,000	250,000
Total	\$ 1,244,218.00	\$ 1,283,549.00	\$ 1,066,743.00	\$ 1,592,132.00	\$ 1,125,213.00	\$ 1,142,174.00

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ 895,000	\$ 284,249
Total	\$ -	\$ -	\$ -	\$ -	\$ 895,000	\$ 284,249

The Facilities Division operations have moved into the General Fund and Capital Outlay including major repairs such as a roof and HVAC updates are funded in the Capital Improvement Fund. The Capital Outlay (within the Capital Improvement Fund) includes initial funding for a space analysis and preliminary renovations needed to begin consolidating City facilities to be completed in future budgets.

Street Division-

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 848,701	\$ 903,376	\$ 780,088	\$ 980,381	\$ 1,142,253	\$ 1,148,930
Material and Services	1,390,985	2,173,706	1,737,130	2,308,004	2,671,242	3,068,139
Capital Outlay	323,280	781,725	3,793,710	5,929,088	4,695,415	1,908,777
Debt Services	367,829	79,607	78,312	127,555	81,963	81,563
Total	\$ 2,930,796	\$ 3,938,415	\$ 6,389,240	\$ 9,345,028	\$ 8,590,873	\$ 6,207,409

The Street Division anticipates significant repair and maintenance projects increasing operations and capital outlay accordingly. There is a shift from internal service charge to direct allocation of an operating position.

Administration and Engineering Division-

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 1,495,409	\$ 1,739,971	\$ 1,916,716	\$ 2,230,441	\$ 1,573,558	\$ 1,586,776
Material and Services	264,560	246,547	251,219	302,805	256,888	256,888
Total	\$ 1,759,968	\$ 1,986,517	\$ 2,167,935	\$ 2,533,246	\$ 1,830,446	\$ 1,843,664

The Administration and Engineering Division are moved into the General Fund and positions that are associated with specific enterprise or special revenue funds have been allocated fully to those funds including water, wastewater, stormwater, and streets. This removes the interfund transfers and duplicate reporting.

Community Development:

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 1,501,454	\$ 1,715,747	\$ 1,783,447	\$ 1,865,425	\$ 1,908,661	\$ 1,922,793
Material and Services	986,402	1,139,310	1,082,535	1,148,545	707,490	330,581
Total	\$ 2,487,856	\$ 2,855,057	\$ 2,865,982	\$ 3,013,970	\$ 2,616,151	\$ 2,253,374

The Community Development is seeing a decrease in software implementation costs and an increase in planned Housing expenditures from Community Development Block Grant funds as a result from carryover of grant funds from the prior biennium.