

**Budget Committee Meeting
Agenda
May 11, 2009 6:00pm
Civic Center Council Chambers, 1175 East Main Street**

CALL TO ORDER

The Budget Committee Meeting was called to order at 6:01 PM on Monday, May 11, 2009 in Council Chambers at 1175 East Main Street, Ashland Oregon.

ROLL CALL

Mayor Stromberg was present. Committee members Chapman, Douma, Everson, Gregorio, Heimann, Jackson, Lemhouse, Navickas, Silbiger, Slattery, Thompson, Voisin and Boenheim were present.

STAFF PRESENT: MARTHA BENNETT, CITY ADMINISTRATOR
LEE TUNEBERG, FINANCE DIRECTOR/ADMINISTRATIVE SERVICES
MIKE FAUGHT, PUBLIC WORKS DIRECTOR
BETSY HARSHMAN, PW MANAGEMENT ASSISTANT
MIKE MORRISON, MAINTENANCE SAFETY SUPERVISOR
BRYN MORRISON, ACCOUNT REPRESENTATIVE
MELISSA HUHTALA, ADMINISTRATIVE SECRETARY

CAPITAL IMPROVEMENT PLAN OVERVIEW

Public Works Director, Mike Faught was joined with Betsy Harshman, PW Management Assistant to present the Capital Improvement Program.

Mr. Faught discussed the CIP document (see attached). The CIP was adopted by Council on March 17, 2009. Mr. Faught also discussed the 2010 availability of funds and the federal stimulus funded projects.

The Committee questioned if the Stormwater, Ashland Creek Riparian Project has dealt with the fact that the City of Ashland runs the main sewer line along the edge of Ashland Creek. Mr. Faught answered it is two separate projects.

The Committee questioned the second fire house process. Mr. Faught answered that they are currently proceeding to fill out applications for fire station two, once the application for stimulus is approved then the application goes to Council for approval.

The Committee questioned if the Federal stimulus funded projects are in the budget. Mr. Faught answered that the \$458,000 for overlays and the \$500,000 for the wastewater treatment plant is in the budget. The water project, stormwater Ashland Creek, and public facilities and diesel retrofits are not in the budget. The Committee questioned if the city is assured of getting the first two projects because the projects are in the budget. Mr. Faught stated that the first project is assured and CIP will be getting an additional \$200,000 for Hersey Street. The water project given the number of applications is still questionable. There wastewater project is

questionable as to whether there will be enough money. If the revenue does not come through the money would not be expended.

Mr. Faught discussed the master plans for CIP (see attached).

Mr. Faught discussed what was in the FY09 budget and what is anticipated to be spent (see attached). Last year the Budget Committee and Council approved \$11 million change worth of capital projects. Revenue was not coming in to meet the schedules so staff did not construct those projects. Anticipated spending for this year is \$3.5 million.

Mr. Faught gave an overview of the 2010 budget (see attached). The Committee questioned where the \$7.5 million dollars that wasn't spent in the FY09 budget goes. Mr. Faught answered that the funds weren't there to construct projects so without the money there is not a large cash carryover.

The Committee questioned whether or not CIP will be using full faith and credit bonds for capital projects in this FY09 or FY10. Mr. Faught answered no, most projects are deferred.

Mr. Faught went over the project details (see attached). The TSP project will be starting within the next 2 years. Grant applications have been submitted but will not know if the grant is received until June. This project is a 100% eligible SDC project and the need is strong.

The Jefferson Street Extension project has still not moved forward. If the permits are received in time the project will go this year. If not the project will be delayed another year.

The Committee questioned if it is possible to direct these funds to local businesses so the money gets spent and kept in the community. Mr. Faught answered that the bidding process is handled through the state and has to follow federal funds and guidelines. CIP does not have control for local companies to get the work.

The Committee questioned what the criterion is to get federal stimulus money. Mr. Faught stated that the projects that are ready to go are eligible. Without stimulus money many projects would not be able to be funded.

The Committee questioned the priorities for street work for example repaving Granite Street. Mr. Faught answered that because these projects would not occur without stimulus money CIP would not be successful in funding the Granite Street work. Mr. Faught stated that the best and most cost effective use for the money is to put all of the emphasis on overlays. When you overlay a street it is good for a 20 year lifecycle, if you reconstruct a street it is only good for a 20 year lifecycle so Mr. Faught recommends that the limited funds are focused that way. The reconstructs are much smaller than the roads that need to be overlaid. The Committee questioned the average time period in doing overlays compared to reconstruct. Mr. Faught answered if a road has a 20 year life it should be overlaid every 15 years.

Mr. Faught discussed the Local Improvement District (LID) (see attached). 18% of LID's total projects are SDC eligible.

Mr. Faught went over the proposed Water Fund project list (see attached). Staff was successful in getting \$111,000 worth of grant money. The water study is good for the right water for the right use.

The Committee questioned the growth assumptions are built into the 2016 analysis. Mr. Faught answered 1.4% per year growth rate.

Mr. Faught discussed the proposed Wastewater Fund project list (see attached).

The Committee questioned the cost to fees and rates. Are they existing fees and rates. Mr. Faught answered that they are fees and rates that are specifically charged for a service.

PUBLIC WORKS

Public Works Director, Mike Faught was joined with Betsy Harshman, PW Management Assistant to present the Public Works budget presentation.

Mr. Faught discussed the summary of funds (see attached). The Water Fund, Wastewater Fund, Street Fund, Capital Improvement Fund, Administration and Engineering, Equipment Fund, Airport Fund and Cemetery Fund equal \$21,075,646.

Mr. Faught gave an overview of the work coming for FY 2010. He stated that master planning is the primary focus of the engineering staff. There are some concerns long-term for the Public Works department 35% of staff is eligible for retirement in 5 years or less. A concern is there are not enough people trained to work in treatment plants.

Mr. Faught discussed significant budget changes that were made in December FY 2009 (see attached). The General Fund was reduced by 5%.

Mr. Faught gave an overview of the Water Fund (see attached). The significant budget changes for the water fund were elimination of one water distribution position. Due to a shortage of staff an employee will be moved to a water distribution position to the water treatment plant on Jan. 1, 2010. There was a 7% reduction in personal services and materials.

Mr. Faught discussed the matrix for water supply, water treatment and water distribution (see attached).

Mr. Faught gave an overview of the Wastewater Fund budget (see attached). The distribution of the Wastewater Fund is 24% salaries 76% materials and supplies. The FY 2010 significant budget changes for the Wastewater Fund were discussed (see attached). One collection system position will be cut. New projects have been reduced almost completely.

Mr. Faught went over the matrix for the treatment plant and collection system Wastewater Fund (see attached).

Mr. Faught gave an overview of the Street Fund budget (see attached). The Street Fund is in better shape than both the Water and Sewer Fund. The Street Fund is constant through time with spikes in capital projects. The distribution between funds is 33% salaries and services and 67% materials and supplies. New revenues for the Street fund were discussed. House Bill 2001 is going to move forward and Ashland will compete for these funds.

Mr. Faught discussed significant budget changes for the Street Fund for FY 2010 (see attached).

Committee questioned what the reduction in personnel services is. Mr. Faught answered that there was a slight cut of 1.5-2 % cut in materials and supplies.

Mr. Faught discussed the matrix for the street fund (see attached). In the Street Fund state federal mandates don't apply as much as the other funds so it is all secondary.

Mr. Faught gave an overview of the Capital Improvement/Facilities Maintenance Fund Budget (see attached). The operational side over time it has held pretty flat. The only fluctuation in this budget is capital projects. The distribution of funds is 33% for salaries and benefits and 67% for materials and services.

The FY 2010 budget changes for the Capital Improvement Fund is 4.5% reduction in personal services which is a cut in janitorial services.

Mr. Faught gave an overview of the Administration & Engineering, Equipment, Airport, and Cemetery Funds (see attached).

Mr. Faught explained that in the Airport Fund operation side there is no staff associated to the airport in terms of the budget. There was a spike in FY 09 because of a \$300,000 refinanced loan.

Significant budget changes in the Cemetery Fund are an 11% reduction in water. The Cemetery Fund is the only fund that uses General Fund.

Mr. Faught gave an overview of the Matrix for Cemetery, Facilities, Fleet, and Airport.

Ms. Bennett and Mr. Tuneberg gave an overview of the pages handed out with answers to questions proposed by the Committee either during the department presentations or via e-mail (see attached). The Committee asked and received an overview of the outcome of proposed increases on the median household per month. The increase depends on an individual's water and power consumption and size of household.

The Committee questioned how the rate increase was calculated for a median household. Mr. Tuneberg answered that a test house hold and test water consumption was used and averaged for a year of consumption. It was then compared to other samples and ages and sizes of households to create an average.

Mr. Tuneberg gave an overview of how reconciliations for the budget document are implemented.

The Committee questioned if a reserve fund is created how is it encumbered, who is in charge of using them and under what circumstances. Ms. Bennett answered that alternatives will be brought to the next meeting. One option is to create separate funds.

The Committee discussed clarity regarding Budget Committee responsibility. There is a document on the City's website stating what the Budget Committees responsibilities.

The Committee stated that it was understood that the Fire Chief feels that the 2 fire fighter positions are critical and that the insurance rate for the City could potentially be at risk.

The Committee questioned where Ms. Bennett stands based on the Budget message and the budget process. Ms. Bennett answered that it is recommended that the Committee creates a Reserve Fund that is at least \$130,000. It was also recommended to restore half time police clerk, two fire fighters and the CERT coordinator.

The Committee questioned if the two fire fighter positions are critical to restore or can we function without them. Ms. Bennett answered that if the General Fund is going to be balanced with existing revenues then the staffing in the Fire Department will be adjusted. The minimum staffing doesn't happen all of the time in the Fire Department, however, the difficulty with having the minimum staffing is on infrequent severe incidences the City will be at greater risk. On average there are 10 to 14 structure fires a year. When all 3 trucks are out the City will be stuck with no one to respond to the next 911 call.

The Committee wanted data to show what the City would be missing if there were 6 fire fighters as opposed to 7 on a structure fire. Ms. Bennett answered that if there were only 6 fire fighters on duty during a structure fire they would be missing the person to stand back from the fire to observe and direct as to what's going on and to instruct what the fire fighters need to do. There would be no incident commander.

The Committee discussed the budget process and alternatives.

The Committee questioned fire and safety being cut and if there are opportunities to look at other places to cut. Ms. Bennett stated that the other places have already been cut. For example by decreasing the quality and reliability of the electric service we do a great damage to the customers. Ms. Bennett gave an option for the Committee to think about. Last year there was an increase in franchise fees in Water and wastewater by 3% which all went to the General Fund. Water and Wastewater still pay 2% of the 10% franchise they pay into the Street Fund. For one year it is suggested that Committee could take that money from the Street Fund which is \$215,000 and put it in the General Fund.

The Committee questioned putting Reserve Fund money aside over saving personnel positions. Ms. Bennett answered that the reason to make severe reductions is because the City has steadily spent down both department budgets and the General Fund as a whole. The Reserve Fund would draw on to protect services and to stabilize the budget. The Committee stated that we need to have a plan that goes beyond one year.

The Committee discussed the status of the General Fund balance.

The Committee thanked the staff for the hard work that has gone into the budget process.

The Committee discussed how to proceed with May 13th and May 14th agendas.

ADJOURNMENT

This meeting adjourned at 9:24 PM

Respectfully Submitted,

Melissa Huhtala
Administrative Secretary

City of Ashland FY2010 Adopted Capital Improvement Program



Presented to Budget Committee May 11, 2009

The CIP Document

- Ashland's CIP is a rolling 6-year funding outlook for planned projects based on:
 - The availability of funds, and
 - Projects identified in Master Plans.
 - Growth Related
 - Life Cycle
- CIP Adopted by Council on March 17, 2009

Availability of Funds

- 2010 CIP reflects the City's current economic situation
- 2010-2015 CIP represents only projects likely to be constructed
- New "Unfunded" category that exceed \$50.5 Million

Federal Stimulus Funded Projects

- Transportation \$458,000 (Overlays)
- Wastewater \$500,000 (WWTP Membrane upgrades (50% loan & 50% grant))
- **Water – Project applications submitted for 50% loan & 50% Grant.**
- Stormwater – Ashland Creek Riparian Project – application submitted
- Other potential grants (public facilities & diesel retrofits)

Master Plans

- Master Plans – Critical Enterprise Fund Planning Document that
 - Analyze Growth Related System Impacts
 - Life Cycle replacement strategies
 - Incorporate Regulatory Changes
 - Influences Rates & Fees
 - Set SDC Rates

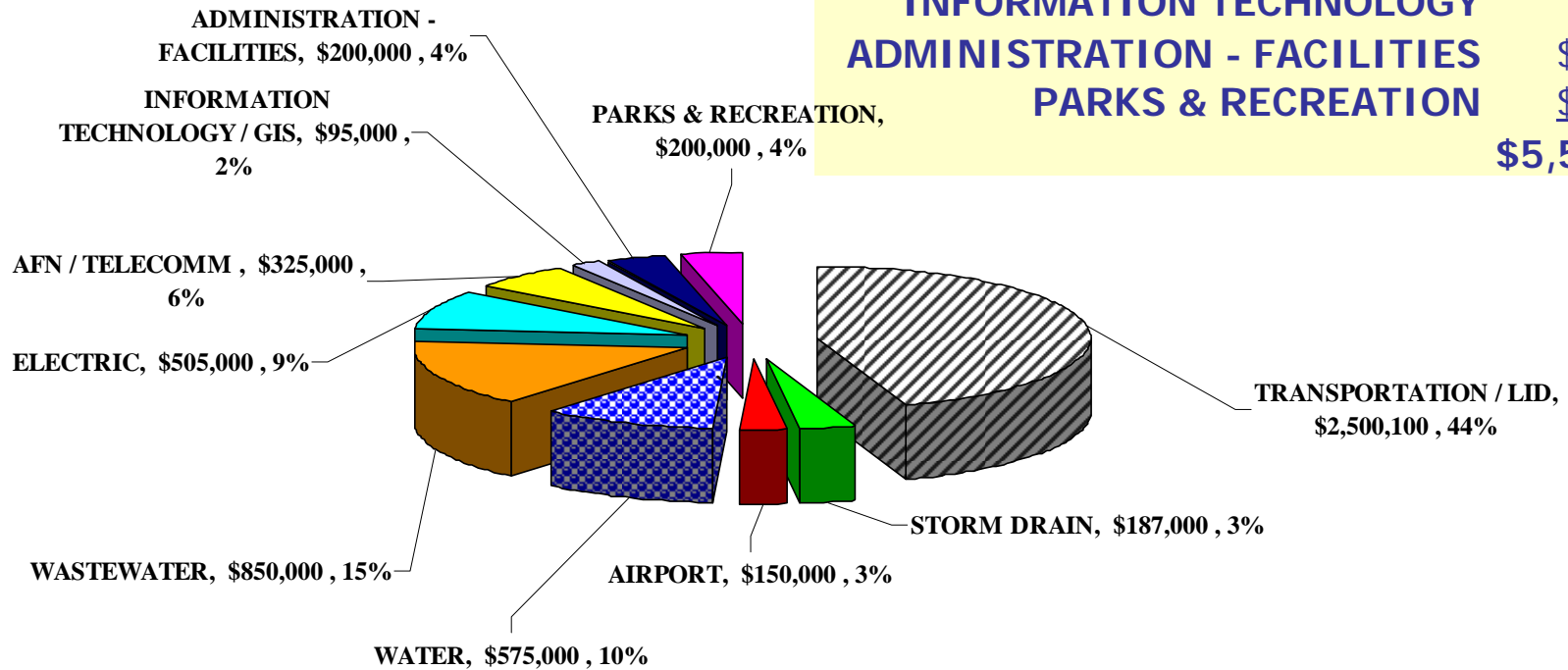


FY09 Current Year Highlights

	FY09 budget	FY09 est	difference	% of plan
TRANSPORTATION / LID	\$3,139,000	\$778,516	(\$2,360,484)	24.8%
STORM DRAIN	\$625,000	\$119,680	(\$505,320)	19.1%
AIRPORT	\$25,000	\$0	(\$25,000)	0.0%
WATER	\$2,665,000	\$620,000	(\$1,063,000)	23.3%
WASTEWATER	\$2,025,000	\$285,200	(\$1,739,800)	14.1%
ELECTRIC	\$765,000	\$765,000	-	100%
AFN / TELECOMM	\$375,000	\$57,000	(\$318,000)	15.2%
INFORMATION TECHNOLOGY	\$113,000	\$178,000	\$65,000	157%
ADMINISTRATION - FACILITIES	\$585,000	\$330,100	(\$254,900)	56.4%
PARKS & RECREATION	<u>\$750,000</u>	<u>\$400,000</u>	<u>(\$350,000)</u>	53.3%
	\$11,067,000	\$3,533,496	(\$7,533,504)	32%

FY10 CIP – Proposed Program by Division

TRANSPORTATION / LID	\$2,500,100
STORM DRAIN	\$187,000
AIRPORT	\$150,000
WATER	\$575,000
WASTEWATER	\$850,000
ELECTRIC	\$505,000
AFN / TELECOMM	\$325,000
INFORMATION TECHNOLOGY	\$95,000
ADMINISTRATION - FACILITIES	\$200,000
PARKS & RECREATION	\$200,000
	<u>\$5,587,100</u>





FY10 CIP –

Proposed Transportation Project List

TRANSPORTATION	FY09 est	FY10	
TSP Update		\$350,000	Comprehensive TSP Update
Jefferson Street Extension Project (Brammo - OECD)		\$800,000	
Pavement Plus; Plaza Ave (CMAQ-Congest Mitigation Air Quality)	\$13,146	\$80,000	
Miscellaneous Concrete Safety Repairs	\$100,000	100,000	Annual
Misc New Sidewalk Improvements (prioritized list in TSP)	\$80,000	\$80,000	Annual
Overlay – N. Laurel Street – N. Main St to Railroad Tracks		\$132,900	Federal Stimulus Funds Thru ODOT
Overlay – Iowa Street – Wightman St to S. Mountain Ave		\$180,600	Federal Stimulus Funds Thru ODOT
Overlay – W. Nevada Street – Vansant St to Michelle Ave		\$146,600	Federal Stimulus Funds Thru ODOT
Overlay – Allison Street – Gresham St to Sherman St		\$400,000	STP Funding
TOTAL TRANSPORTATION	\$193,146	\$2,270,100	

Street - Project Totals	SDC	Grants	LIDs	other	fees & rates
\$2,270,100	\$370,000	\$1,196,100	\$0	\$440,000	\$264,000



FY10 CIP –

Proposed LID and Storm Drain Project List

LOCAL IMPROVEMENT DISTRICTS	FY09 est	FY10	
Pavement plus; Liberty Street LID	\$30,000	\$230,000	
TOTAL LID'S	\$30,000	\$230,000	

Street LID - Project Totals	SDC	Grants	LIDs	other	fees & rates
\$230,000	\$41,400	\$0	\$115,500	\$0	\$73,100

STORM DRAIN	FY09 est	FY10	
Storm Water Master Plan Update	\$23,000	\$75,000	
Water Quality Improvements - Basins/Riparian Areas	\$0	\$77,000	Annual program
Iowa Street - Sherman to Gresham Line Installation	\$0	\$35,000	
TOTAL STORM DRAIN	\$23,000	\$187,000	

Storm Drain - Project Totals	SDC	Grants	LIDs	other	fees & rates
\$187,000	\$124,000	\$0	\$0	\$0	\$63,000



FY10 CIP –

Proposed Water Fund Project List

<u>WATER SUPPLY</u>	FY09 est	FY10	
Water Supply Study (Right Water for the Right Use Program)	\$0	\$440,000	
Additional Water Rights (TID/BOR system, etc)	\$50,000	\$60,000	temp water rights BOR
Subtotal Supply	\$50,000	\$500,000	
<u>WATER PLANT</u>			
Plant Process Improvements (Chem Feed, soda ash, instrumentation, flocculator)	\$100,000	\$75,000	
Subtotal Plant	\$100,000	\$75,000	
<u>WATER DISTRIBUTION</u>			
Subtotal Distribution	\$0	\$0	
WATER TOTALS	\$150,000	\$575,000	

Water - Project Totals	SDC	Grants	LIDs	other	fees & rates
\$575,000	\$460,250	\$96,000	\$0	\$0	\$18,750



FY10 CIP –

Proposed Wastewater Fund Project List

<u>WASTEWATER TREATMENT PLANT</u>	FY09 est	FY10	
Wastewater Treatment Plant Membrane Sections Replacement Planning	\$0	\$500,000	Based on Permit compliance
Subtotal Plant	\$0	\$500,000	
<u>WASTEWATER COLLECTIONS SYSTEM</u>			
Master Plan Update	\$0	\$350,000	
Subtotal Collections	\$0	\$350,000	
WASTEWATER TOTALS	\$0	\$850,000	

Wastewater - Project Totals	SDC	Grants	LIDs	other	fees & rates
\$850,000	\$400,000	\$250,000	\$0	\$200,000	\$0

Public Works Department City Of Ashland

Proposed Budget for 2009-2010

May 11, 2009





Summary of PW FY 2010 Proposed

Water Fund	\$ 5,346,931
Wastewater Fund	6,269,490
Street Fund	5,758,634
Capital Improvement Fund	602,500
Administration & Engineering	1,383,370
Equipment Fund	1,137,129
Airport Fund	267,287
Cemetery	<u>310,305</u>
Total	\$21,075,646

Here's the work we see coming in FY 2010



- Master Planning
- Develop a long-term departmental succession plan (35% of Staff retires in 5 or less years).
- Manage/Inspect Federal Stimulus projects
- Public Works related Council goals.
- Continue to pursue grants.

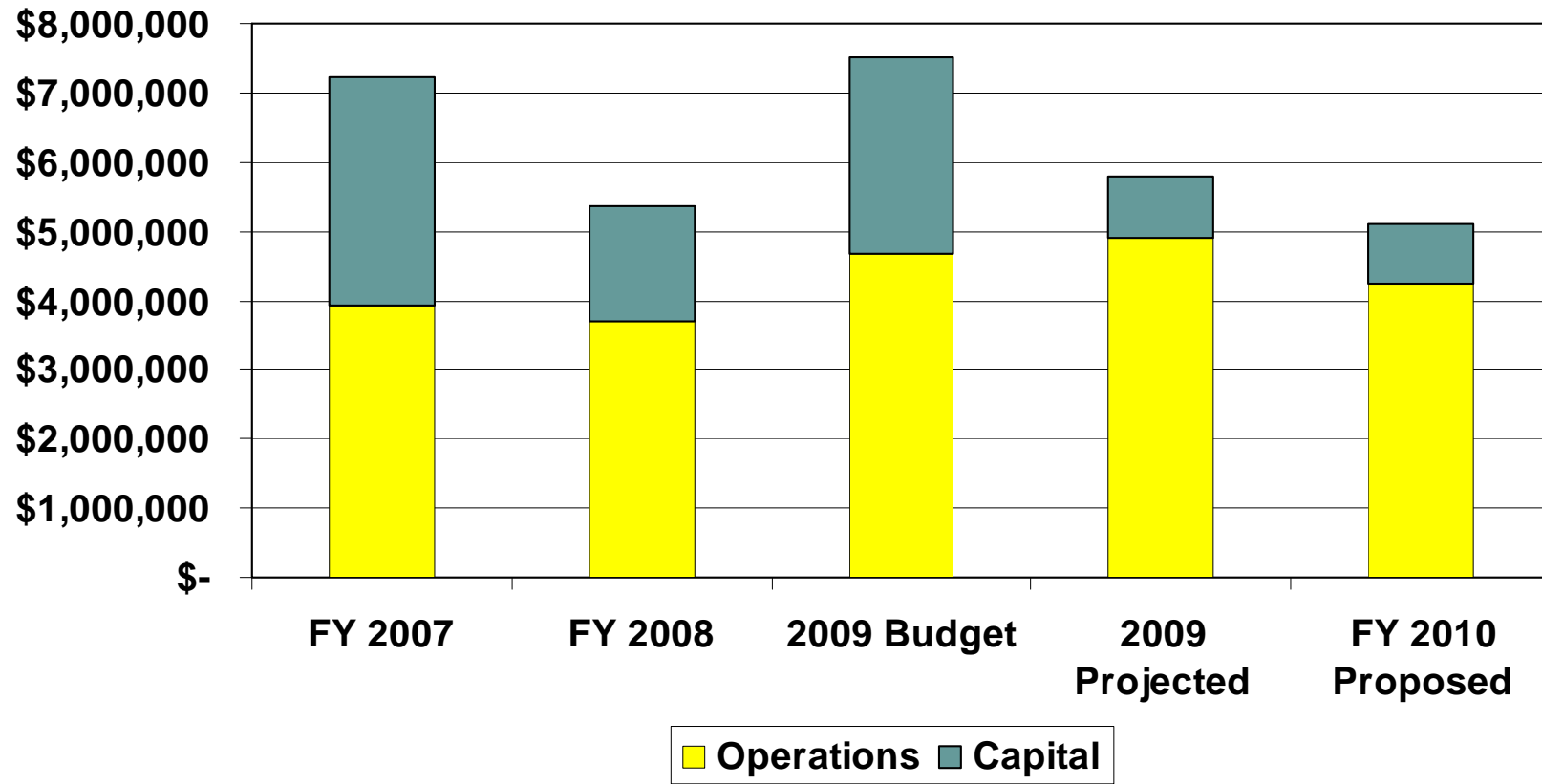
Significant Budget Changes from FY 2009/Made in December



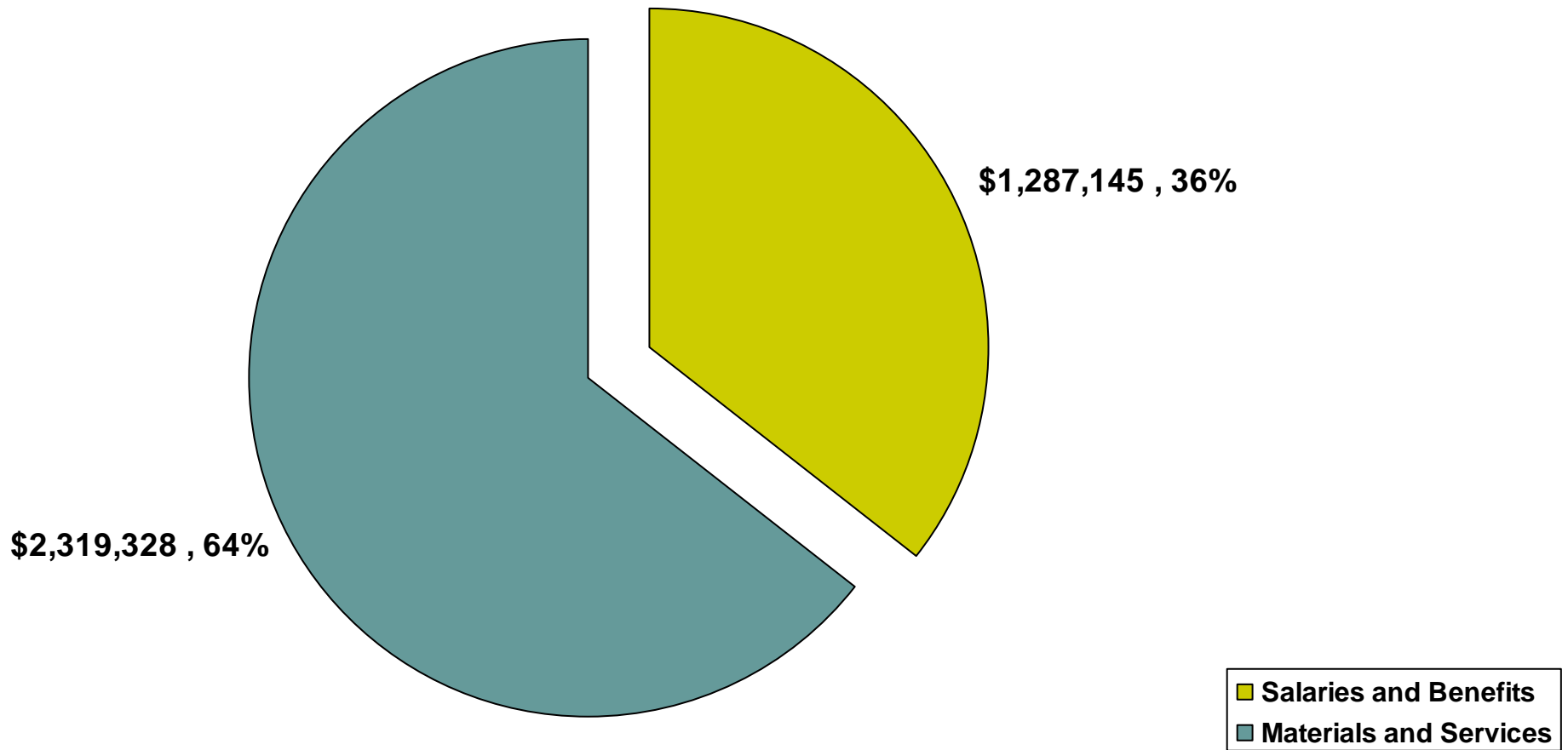
- PW Admin/Engineering – 1 FTE reduction
- General Fund accounts reduced 5%
- PW Enterprise and Special Funds reduced by cutting capital projects.



Water Fund Budget Over Time



Water Fund 2010 Proposed Budget





Water Fund Revenue

- 10% Water Rate increase effective April 2009.
- Long Range Revenue forecast assumes 10% rate increase in 2010 and 2011 and 5% every year thereafter.
- New Rate Study needed after master plan complete.
- Long-term fund balances need to be addressed with Master Plan.

FY 10 Significant Budget Changes – Water Fund



- Eliminate 1 Water Distribution position
- Move 1 Water Distribution position to the Water Treatment Plant on Jan 1, 2010.
- 7% Reduction in Personal Services and Materials & Services
- Franchise Fee Increase is budgeted.
- New projects constructed by staff have been reduced.
- Increased treatment chemical costs.



Matrix Analysis

Water Fund

Highest Priority Criteria	Water Supply	Water Treatment	Water Distribution
Federal and State Mandates	primary	primary	primary
City Charter and Code	primary	primary	primary
Contractual obligations and bond covenants	primary	primary	primary
Emergency response	secondary	secondary	secondary
Basic needs public health & welfare	primary	primary	primary



Matrix Analysis

Water Fund

Medium Priority Criteria	Water Supply	Water Treatment	Water Distribution
Oper. efficiency/ risk mgmt/ fiscal health			
Support for local economic health	secondary	secondary	secondary
Enviro. protection above mandates	secondary	secondary	secondary
Emergency preparedness	secondary	secondary	secondary
Service only available from government	assumed	assumed	assumed

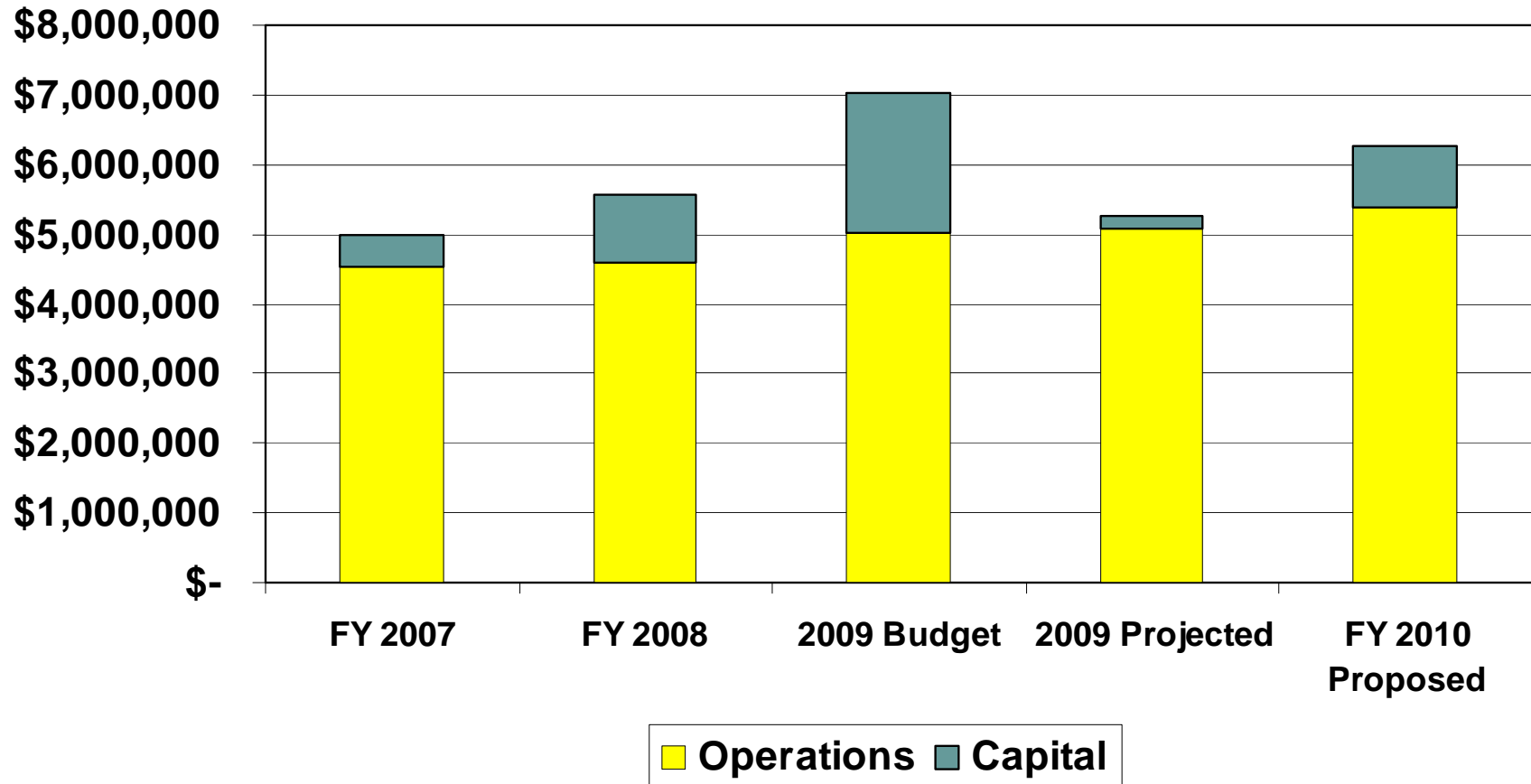


Matrix Analysis

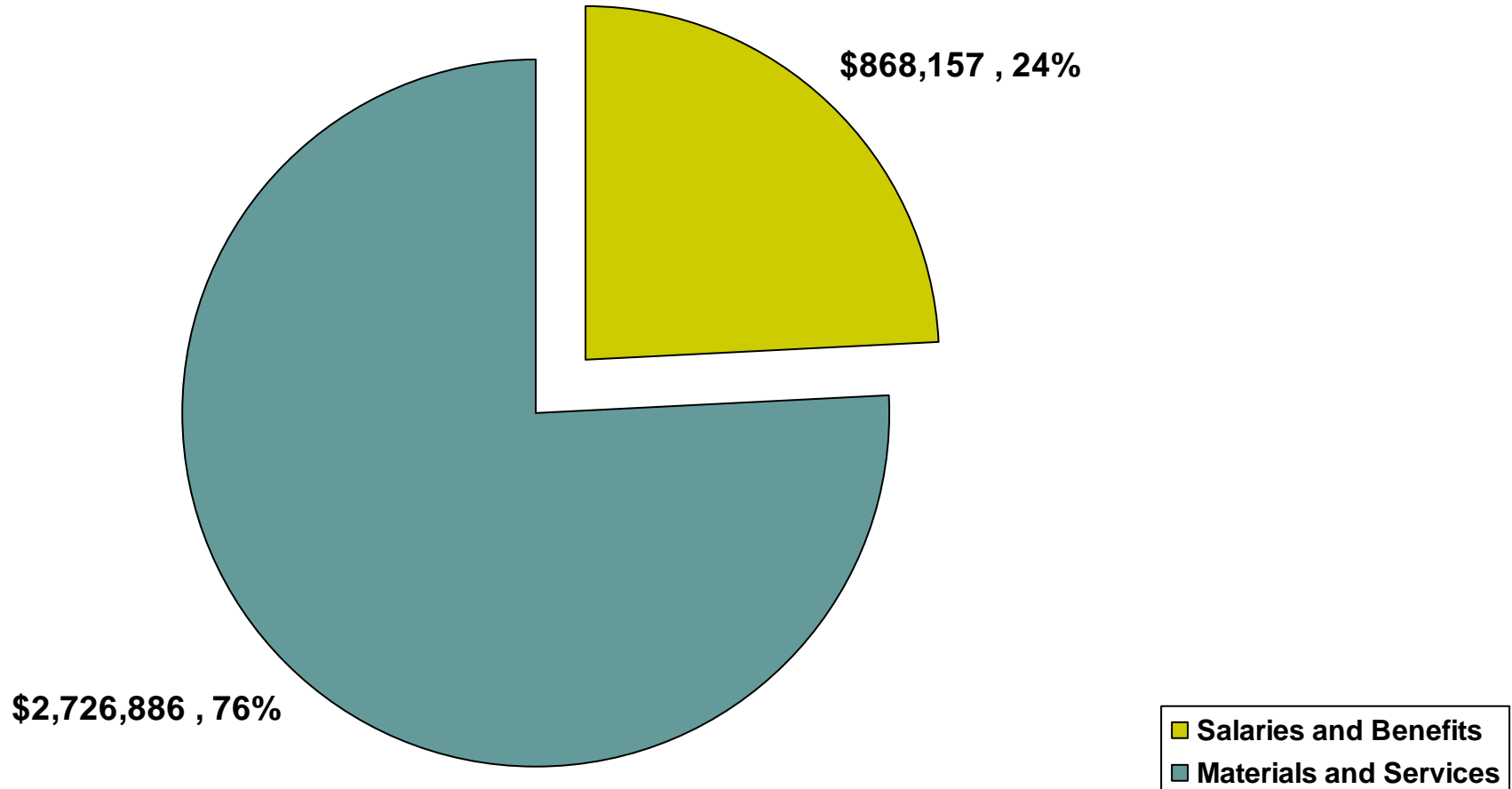
Water Fund

Lowest Priority Criteria	Water Supply	Water Treatment	Water Distribution
Enhance quality of life/ desirability of Ashland	secondary	secondary	secondary
Support for residents' health beyond basics			
Quality citizen service	secondary	secondary	secondary
High priority for local control	primary	primary	primary

Wastewater Fund Budget Over Time



Wastewater Fund 2010 Proposed Budget



FY 10 Significant Budget Changes – Wastewater Fund



- Long Range Revenue forecast assumes additional 40% rate increases in 2011 (if the F & B is not renewed), 15% 2012 and 3% every year thereafter.
- F & B tax ends December 2010
- As with water, wastewater rates will be addressed with Master Plan.

FY 10 Significant Budget Changes – Wastewater Fund



- Eliminated 1 Collection System position
- \$350,000 Master Plan
- Franchise Fee Increase is budgeted
- New projects constructed by staff have been reduced.
- Increased treatment chemical costs



Matrix Analysis

Wastewater Fund

Highest Priority Criteria	Treatment	Collection
Federal and State Mandates	primary	primary
City Charter and Code	primary	primary
Contractual obligations and bond covenants	primary	primary
Emergency response		
Basic needs public health & welfare	primary	primary

Matrix Analysis



Wastewater Fund

Medium Priority Criteria	Treatment	Collection
Oper. efficiency/ risk mgmt/ fiscal health		
Support for local economic health	secondary	secondary
Enviro. protection above mandates	secondary	secondary
Emergency preparedness		
Service only available from government	assumed	assumed

Matrix Analysis

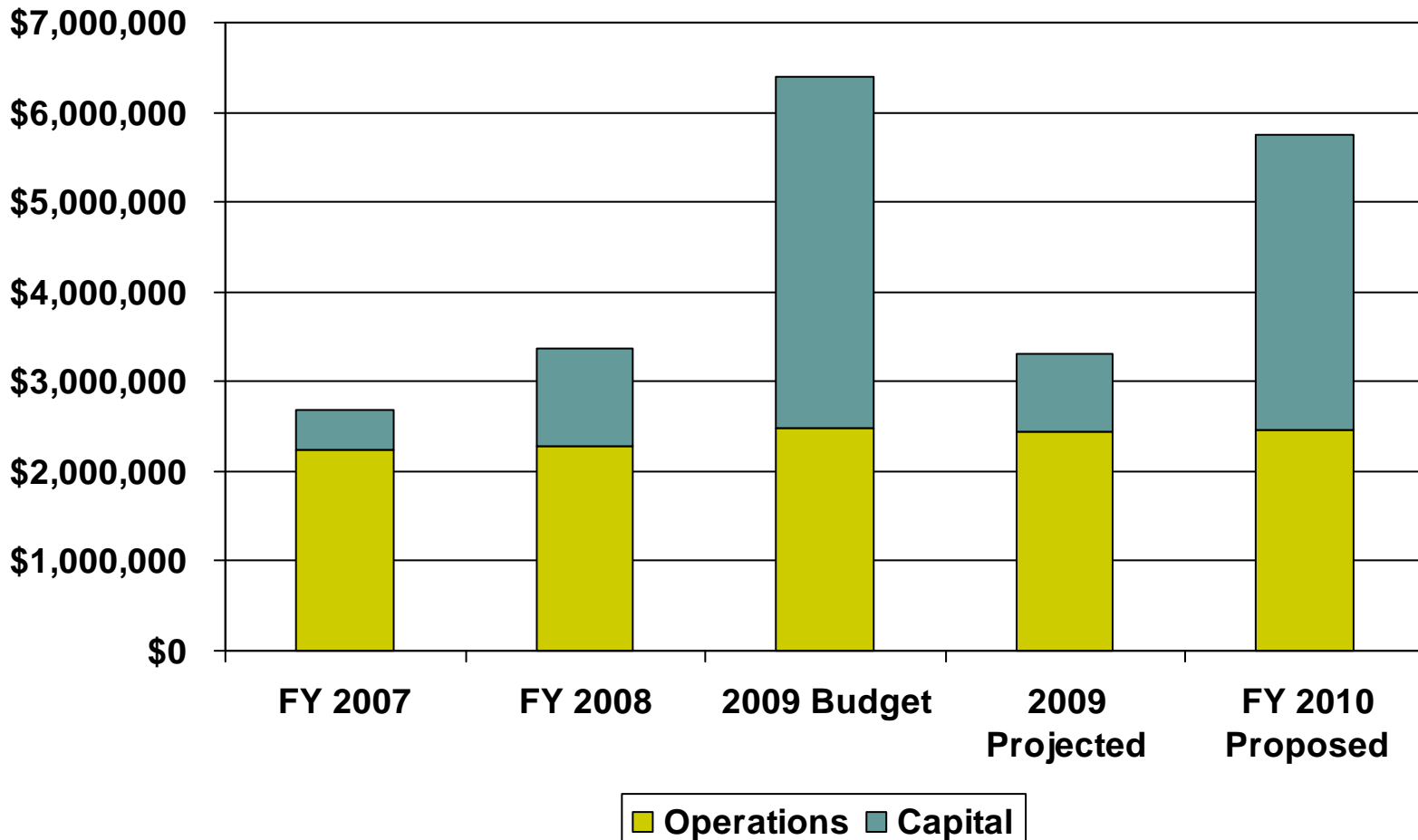


Wastewater Fund

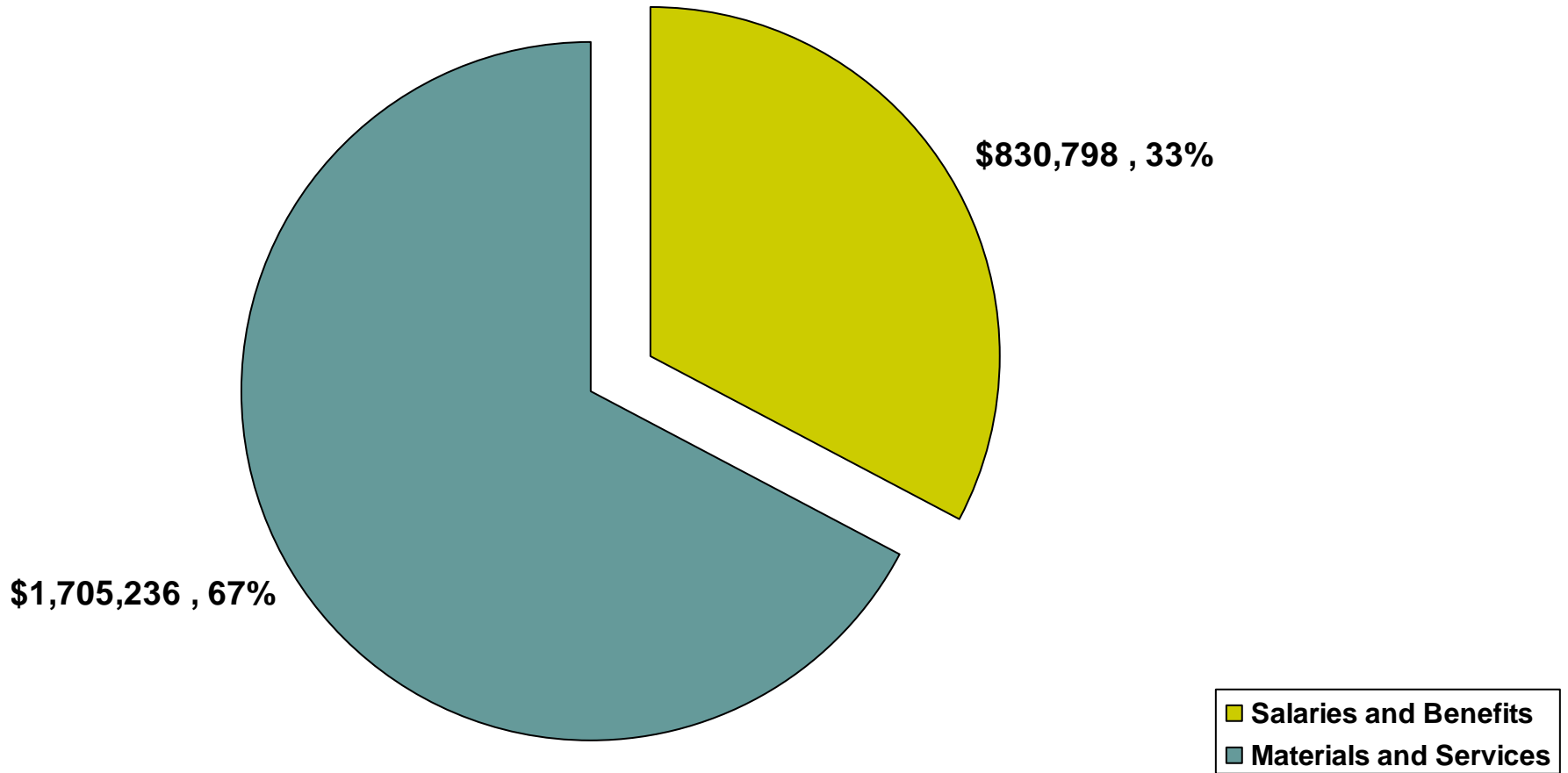
Lowest Priority Criteria	Treatment	Collection
Enhance quality of life/ desirability of Ashland	secondary	secondary
Support for residents' health beyond basics		
Quality citizen service	secondary	secondary
High priority for local control	primary	primary



Street Fund Budget Over Time



Street Fund 2010 Proposed Budget





Street Fund Revenues

- Potential New Revenues
 - HB 2001
 - \$100 million Connect Oregon III – Ashland will compete for these funds.
 - \$54 million. If approved the bill will generate **\$453,000** annually for Ashland.
- Street User Fees projected @ 3% increase annually.
- Transportation SDC's Reduced to \$18,615 down from \$200,000 FY 09 projections



FY 10 Significant Budget Changes – Street Fund (Expenditures)

- Street Operations
 - Reduction in Personal Services and Materials & Services
 - Federal Stimulus Projects
 - Jefferson Street Extension
 - Transportation System Plan update \$350,000
 - Phase II Stormwater Master Plan



Matrix Analysis

Street Fund

Highest Priority Criteria	Street Operations Signals, signs, pavement markings	Stormwater	Grounds
Federal and State Mandates	secondary	secondary	
City Charter and Code	secondary	secondary	
Contractual obligations and bond covenants			
Emergency response			
Basic needs public health & welfare	primary	primary	

Matrix Analysis



Street Fund

Medium Priority Criteria	Street Operations Street repair, sidewalk maint.	Stormwater	Grounds
Oper. efficiency/ risk mgmt/ fiscal health			
Support for local economic health	secondary	secondary	secondary
Enviro. protection above mandates			
Emergency preparedness			
Service only available from government	assumed	assumed	

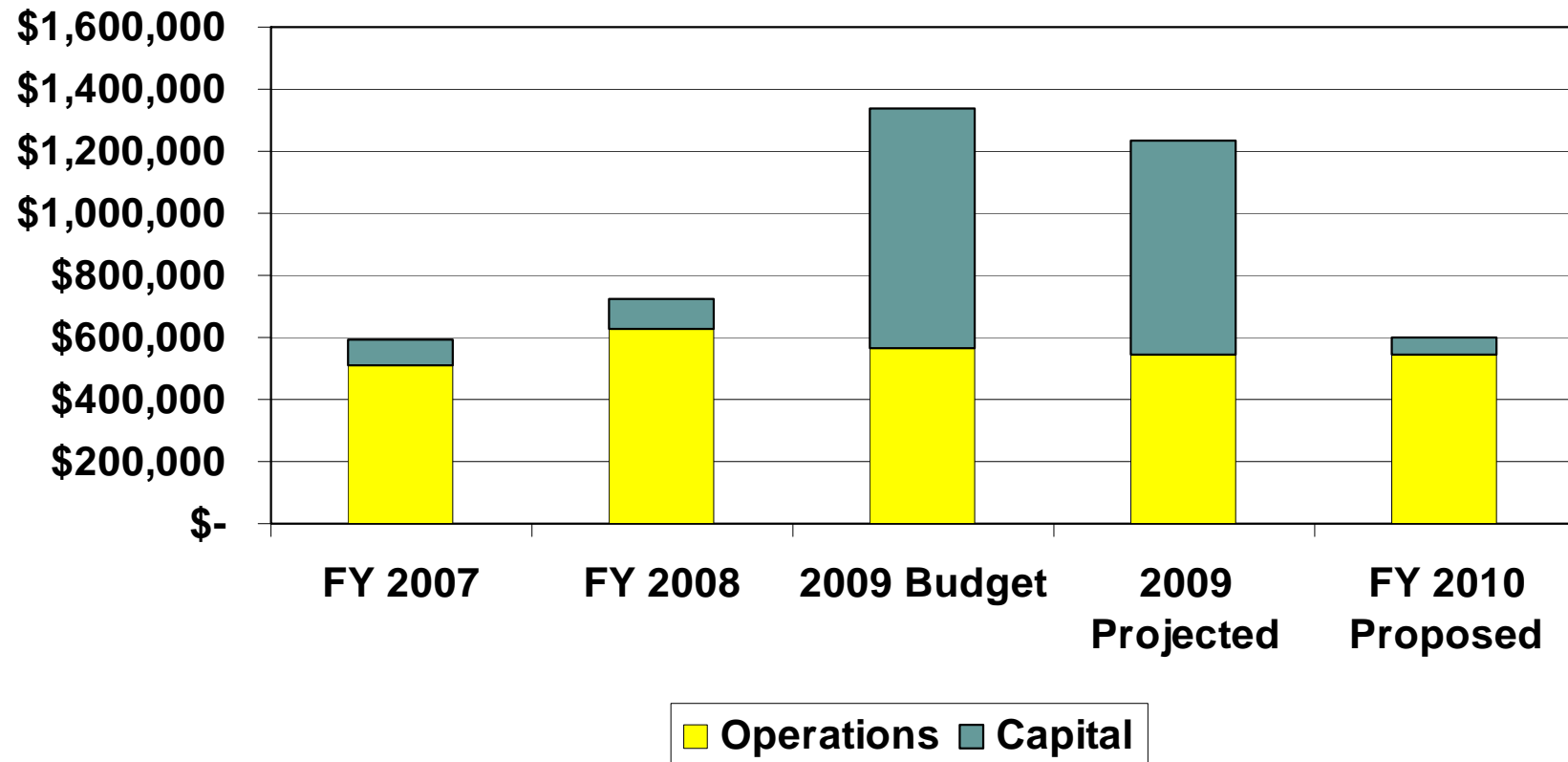
Matrix Analysis



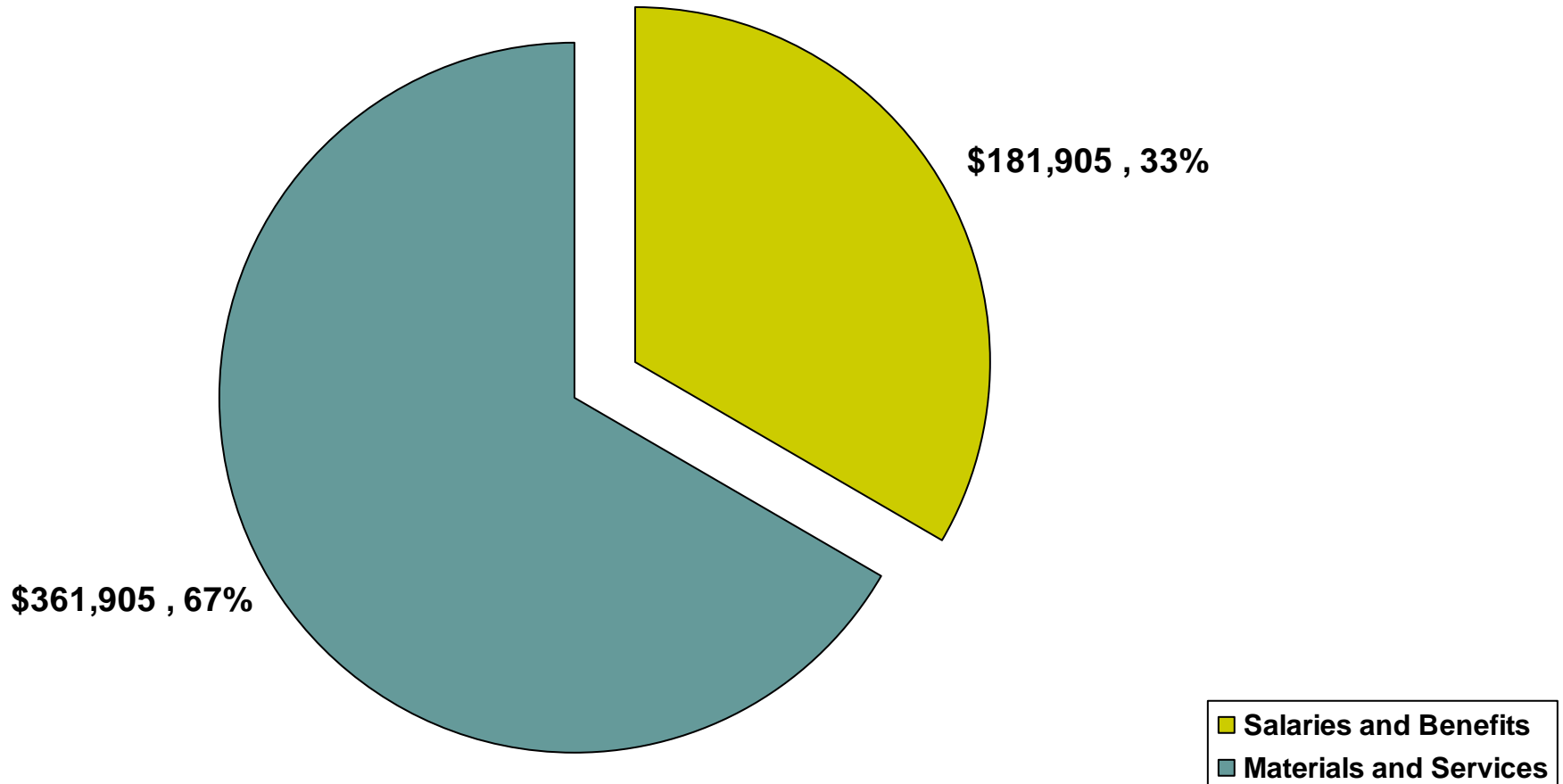
Street Fund

Lowest Priority Criteria	Street Operations Street repair, sidewalk maint.	Stormwater	Grounds
Enhance quality of life/ desirability of Ashland	secondary	secondary	primary
Support for residents' health beyond basics			
Quality citizen service	primary	secondary	primary
High priority for local control			

Capital Improvement/Facilities Maint Fund Budget Over Time



Capital Improvement Fund 2010 Proposed Budget



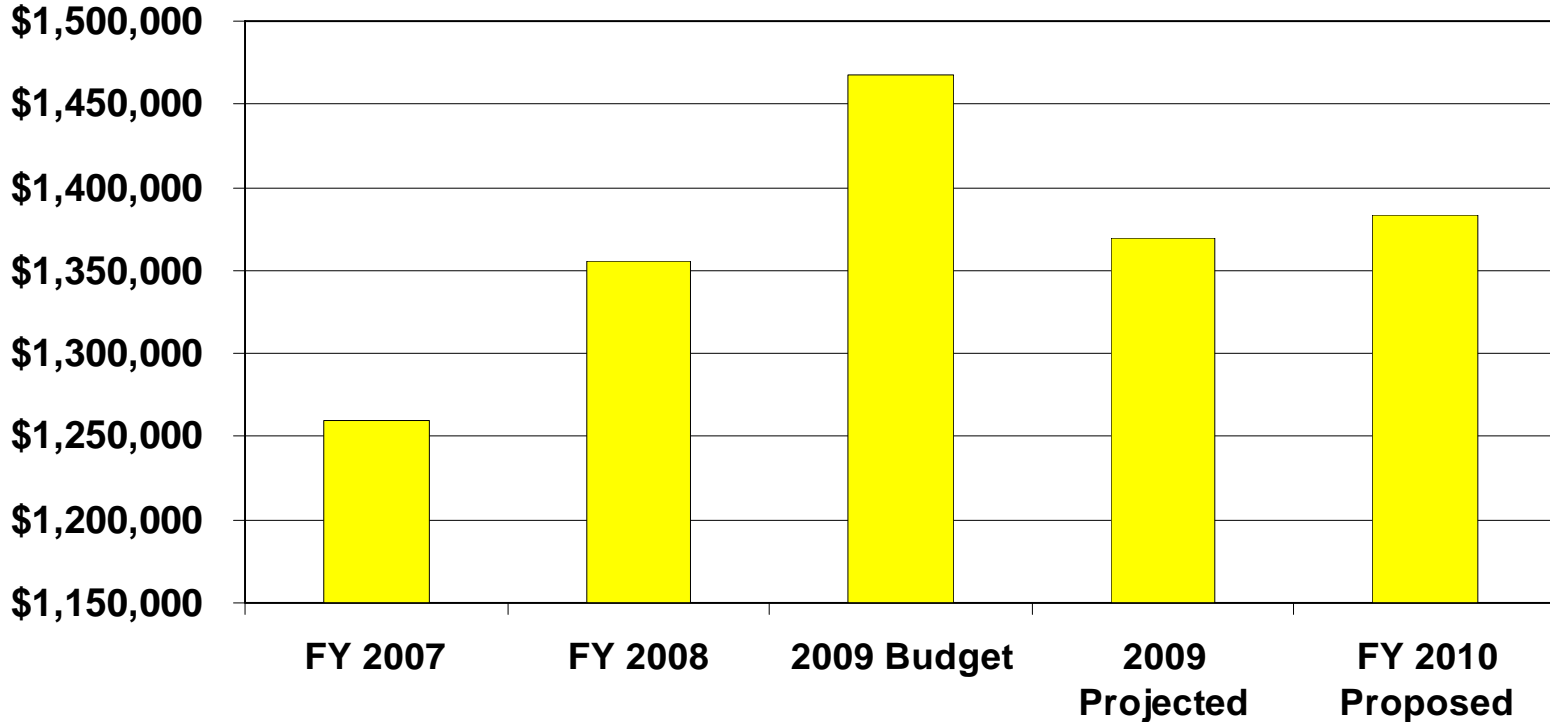
FY 10 Significant Budget Changes

– Capital Improvement Fund

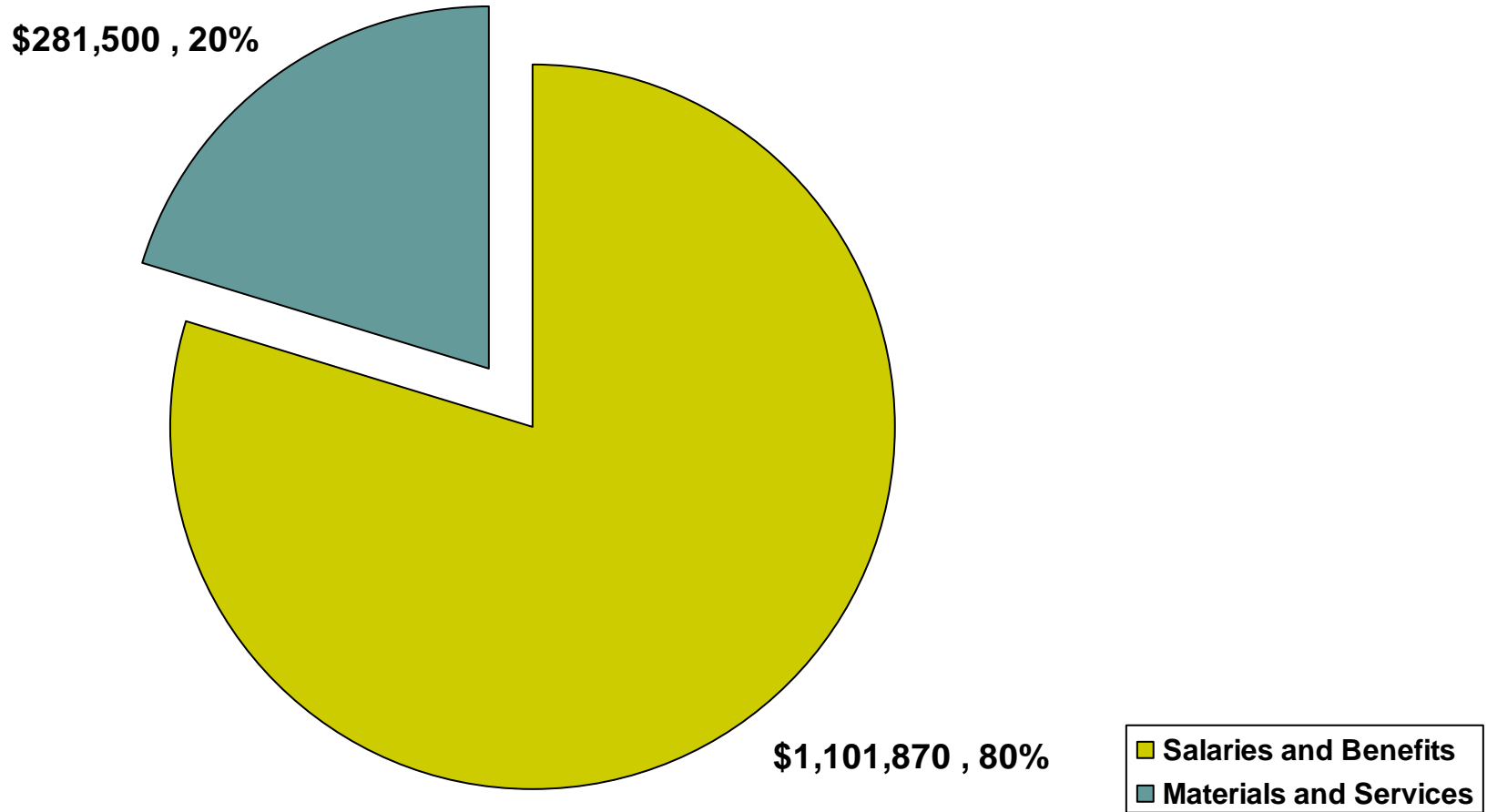


- 4.5% reduction in Personal Services and Materials & Services
- Janitorial Services are reduced from 3 times per week to 2 times per week.

Administration & Engineering Fund Budget Over Time



Administration & Engineering 2010 Proposed Budget



FY 10 Significant Budget Changes

– Administration & Engineering



- 5.75% Reduction in Personal Services and Materials & Services.



Matrix Analysis

Administration & Engineering

Highest Priority Criteria	Regulatory DEQ, FAA, Clean Water, Dam Safety	CIP Project Planning & Inspection	Permitting, RFP's Engineering review, commissions
Federal and State Mandates	primary	primary	primary
City Charter and Code	primary	primary	primary
Contractual obligations and bond covenants	primary	primary	primary
Emergency response			
Basic needs public health & welfare	primary	primary	primary

Matrix Analysis



Administration & Engineering

Medium Priority Criteria	Regulatory DEQ, FAA, Clean Water, Dam Safety	CIP Project Planning & Inspection	Permitting, RFP's Engineering review, commissions
Oper. efficiency/ risk mgmt/ fiscal health			
Support for local economic health	secondary	secondary	secondary
Enviro. protection above mandates			
Emergency preparedness	secondary		
Service only available from government	assumed	assumed	assumed

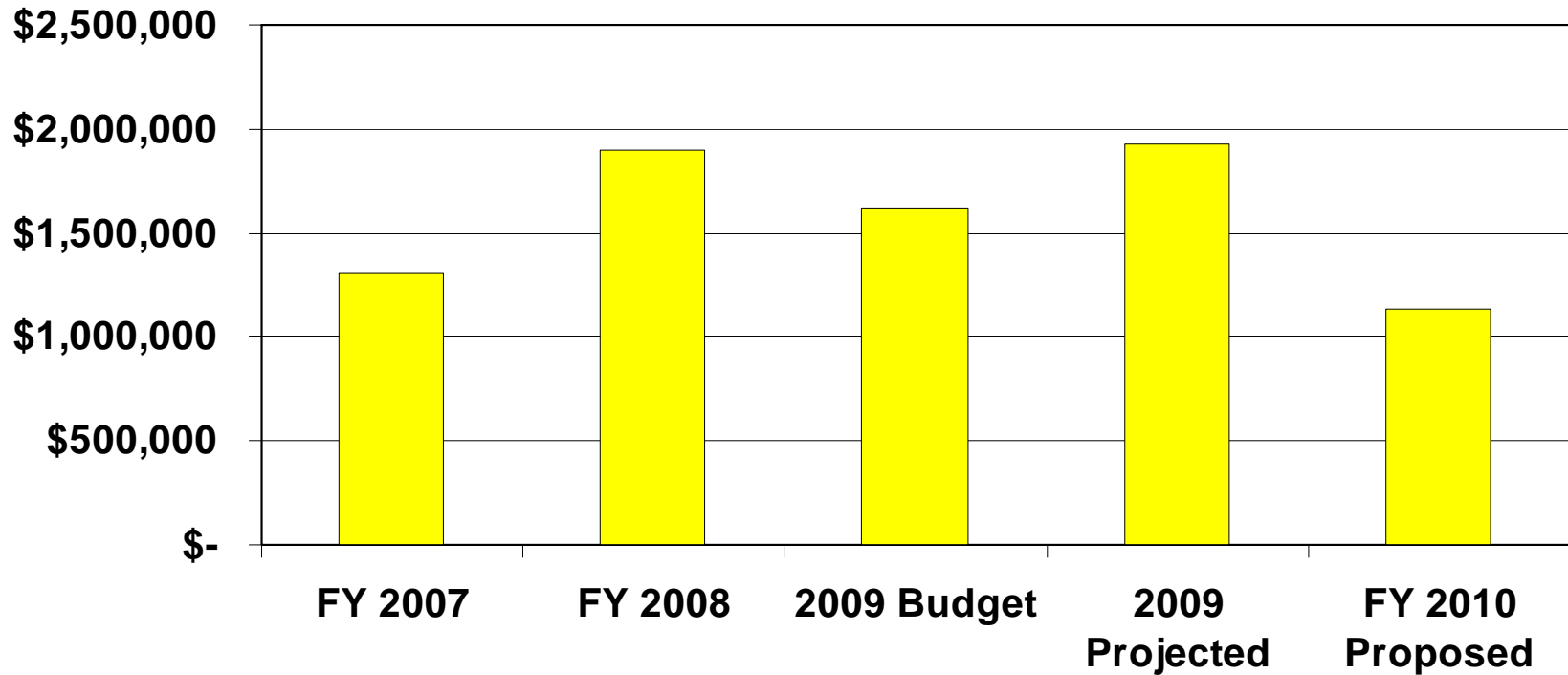
Matrix Analysis



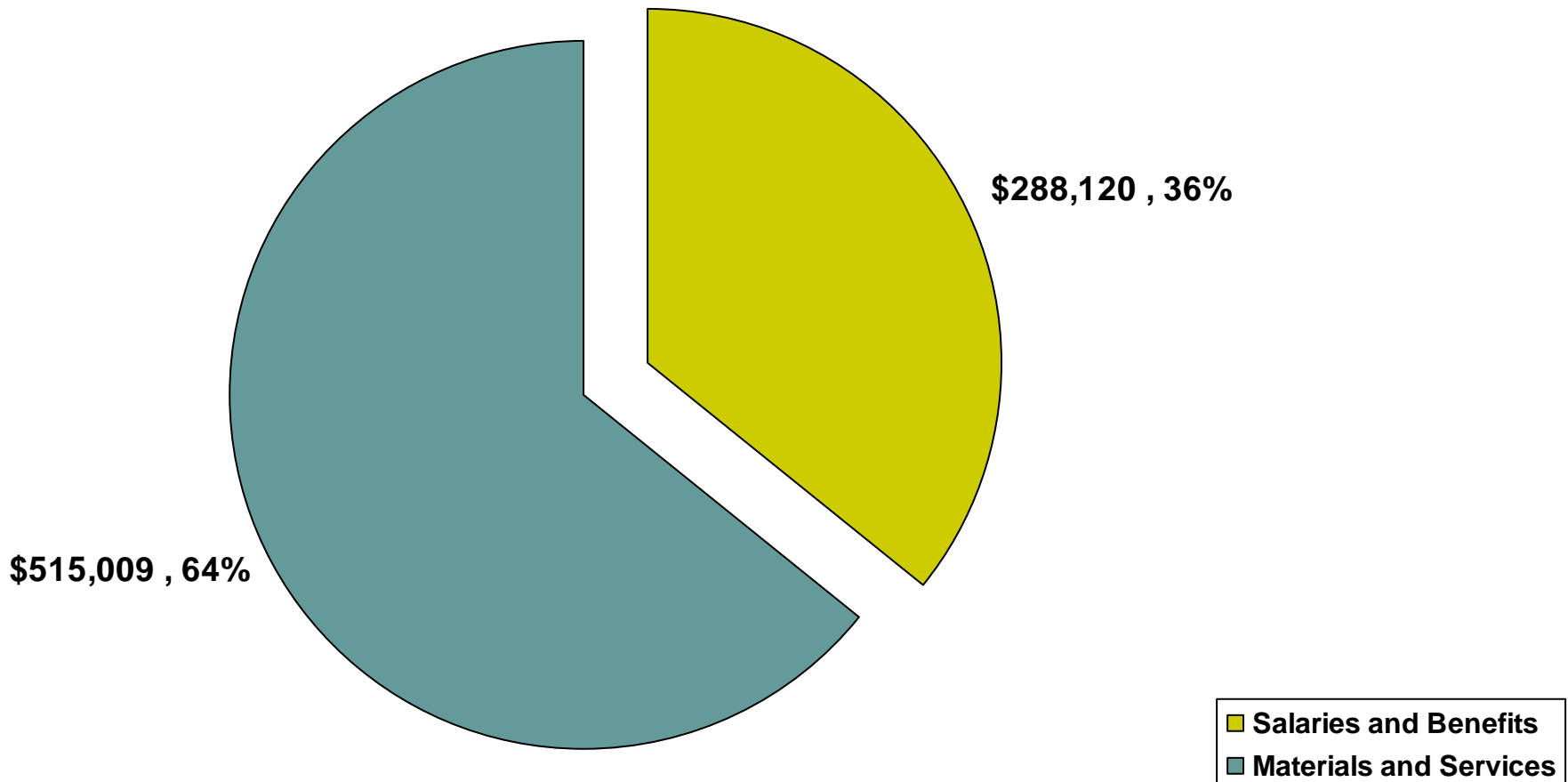
Administration & Engineering

Lowest Priority Criteria	Regulatory DEQ, FAA, Clean Water, Dam Safety	CIP Project Planning & Inspection	Permitting, RFP's Engineering review, commissions
Enhance quality of life/ desirability of Ashland			
Support for residents' health beyond basics			
Quality citizen service	secondary	secondary	primary
High priority for local control	primary	primary	primary

Equipment Fund Budget Over Time



Equipment Fund 2010 Proposed Budget





FY10 Capital Equipment Purchase Plan

Equip. #	Purchase Year	Original Model	Replacement Cost	Replacement Vehicle	Dept.
541	2006	Ford Crown Vic4Dr. *Police Equipment	\$ 24,000 10,000	Patrol Car	Police
347	1999	Ford Ranger 4X4	24,000	Compact 4X4	PW
431	2000	Ford F250	26,000	Full Size Truck	PW
301	1997	Freightliner FL80	230,000	Bucket Truck	Electric
106A	1993	Ingersoll Rand	20,000	Air Compressor	PW
			\$ 334,000		

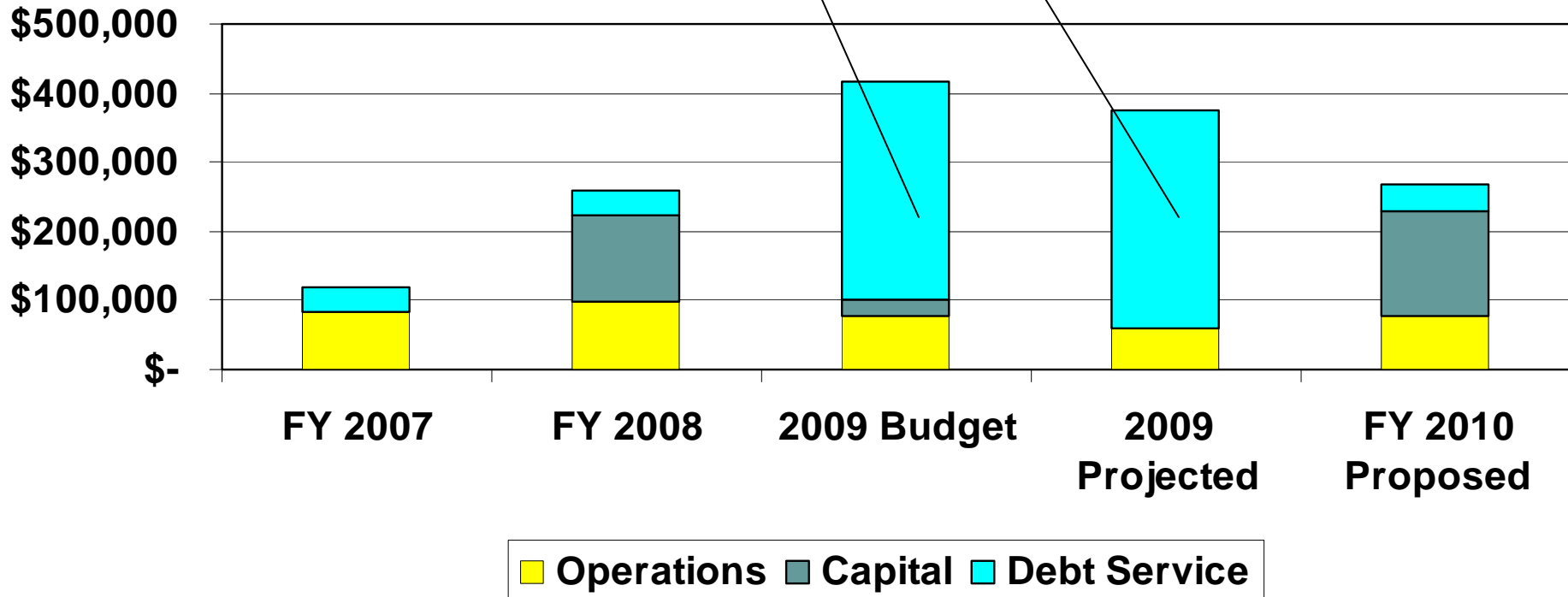
*Police equipment includes new lights, prisoner seat, partition, console, etc.

- 7% Reduction in Personal Services and Materials & Services



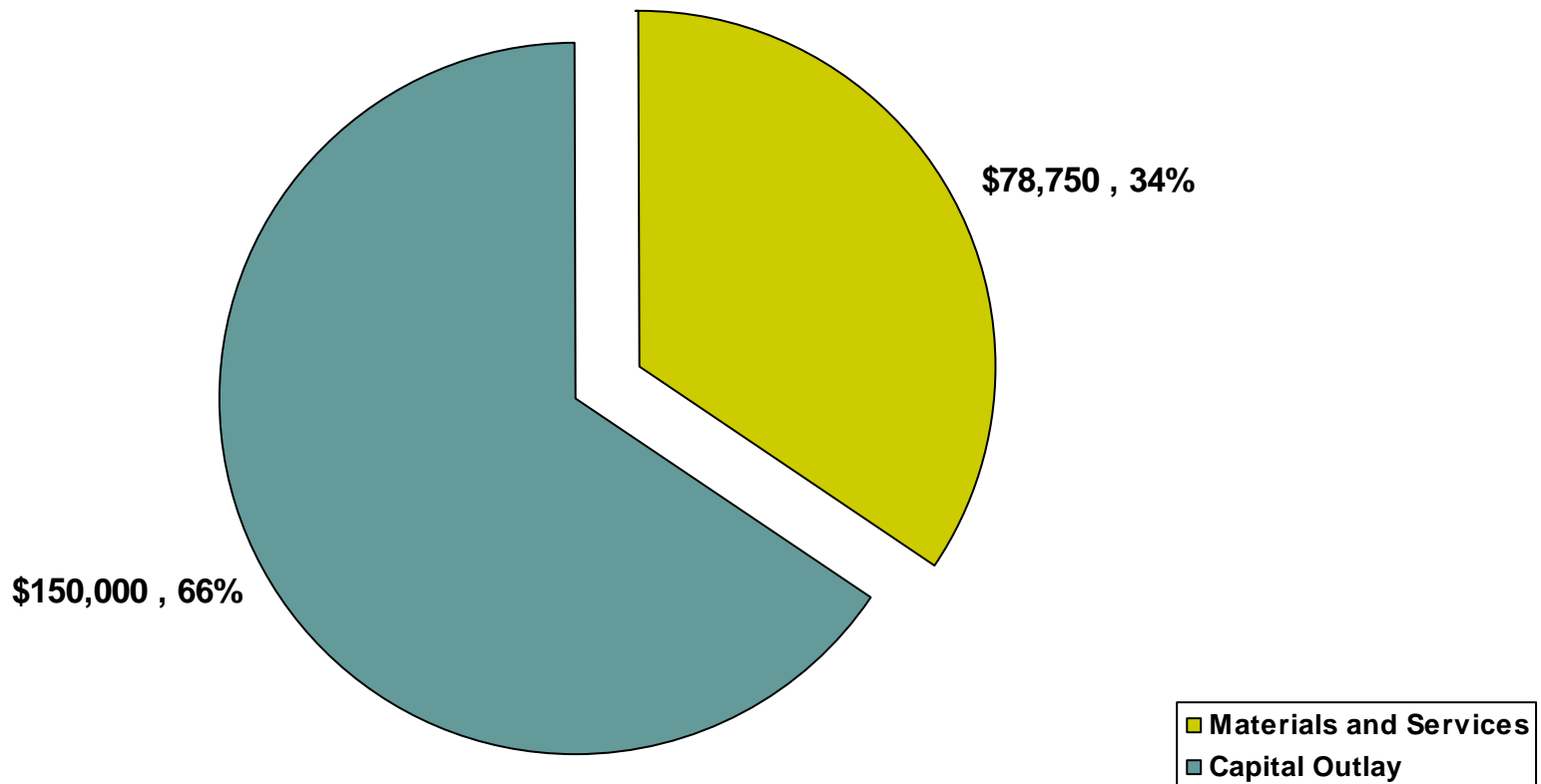
Airport Budget Over Time

Includes \$300,000 Refinanced T Hangar Loan





Airport 2010 Proposed Budget



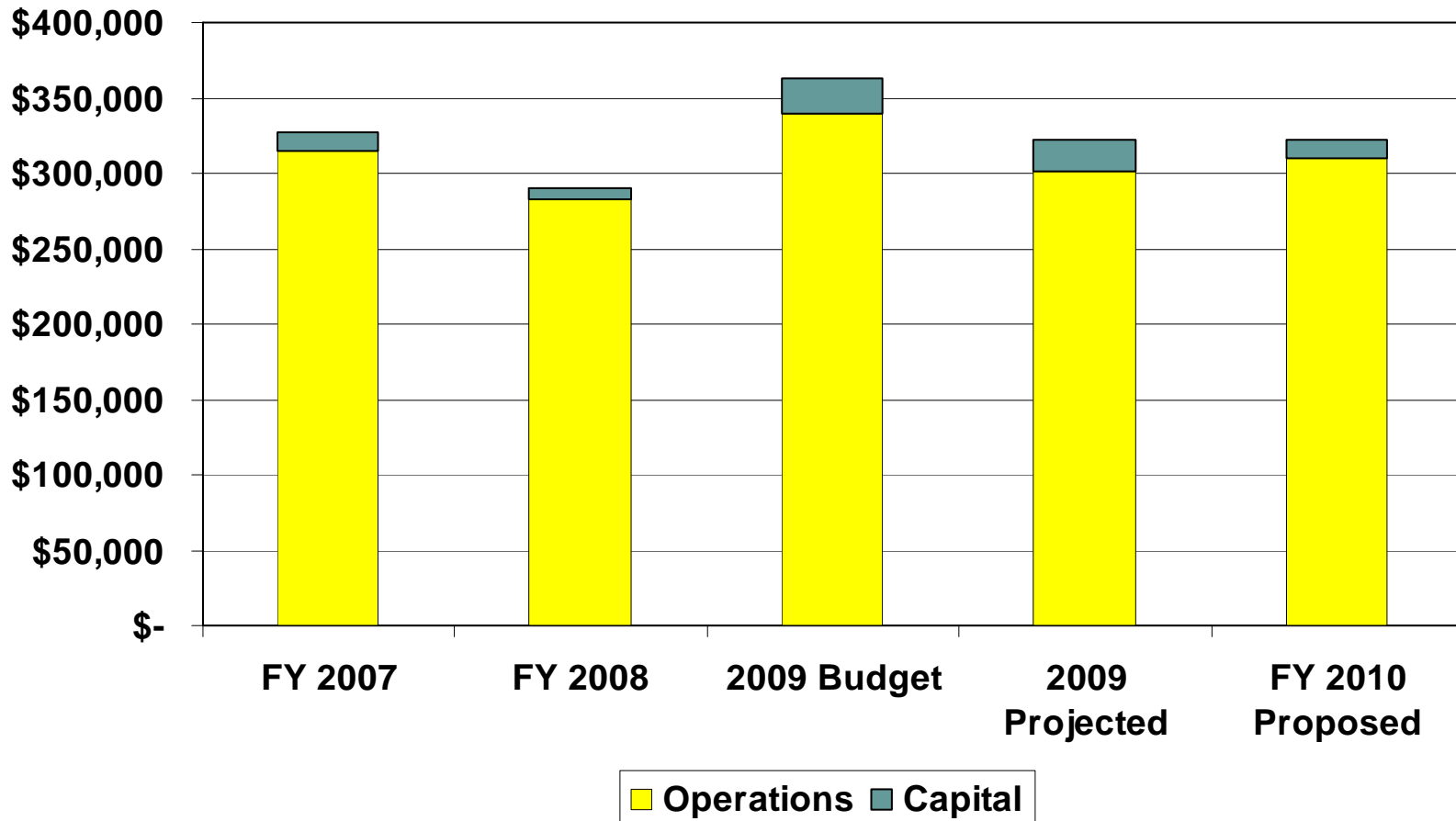
FY 10 Significant Budget Changes – Airport



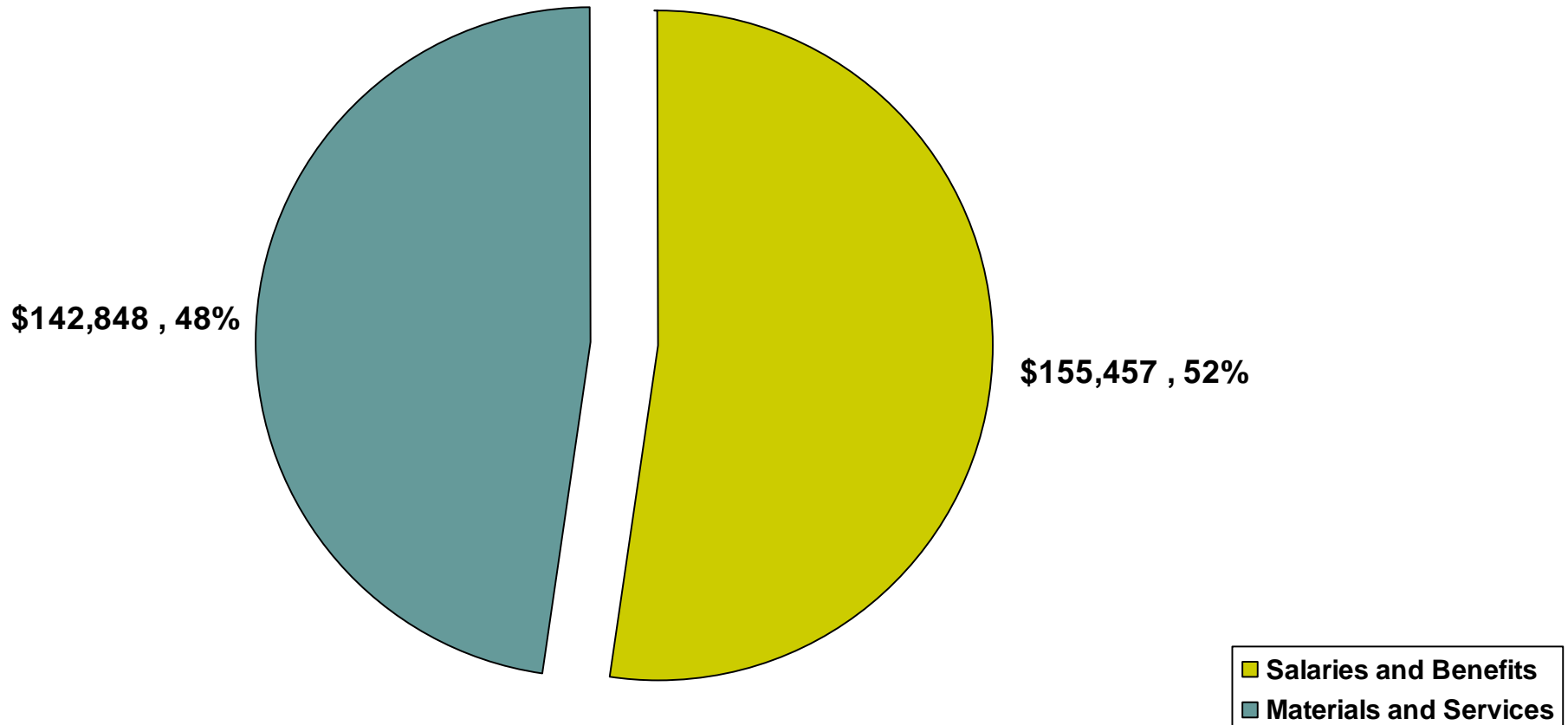
- Runway Overlay Project –100% Federal Stimulus Grant funding. Project must be out for bid by August 2009.
- Change to budget required



Cemetery Budget Over Time



Cemetery 2010 Proposed Budget



FY 10 Significant Budget Changes – Cemetery



- 11% reduction in the water purchase. The plan is to use less water.
- Defer new equipment purchases

Matrix Analysis



Highest Priority Criteria	Cemetery	Facilities Maintenance	Fleet Maintenance	Airport
Federal and State Mandates	secondary	secondary	secondary	secondary
City Charter and Code	primary			
Contractual obligations and bond covenants	primary			primary
Emergency response				
Basic needs public health & welfare	primary			



Matrix Analysis

Central Service Functions

Medium Priority Criteria	Cemetery	Facilities Maintenance	Fleet Maintenance	Airport
Oper. efficiency/ risk mgmt/ fiscal health		primary	primary	
Support for local economic health	secondary			secondary
Enviro. protection above mandates				
Emergency preparedness	secondary	support	support	primary
Service only available from government				assumed



Matrix Analysis

Central Service Functions

Lowest Priority Criteria	Cemetery	Facilities Maintenance	Fleet Maintenance	Airport
Enhance quality of life/ desirability of Ashland	secondary			secondary
Support for residents' health beyond basics				
Quality citizen service				
High priority for local control				



Proposed Budget Revisions

- Street Fund
 - Revenue
 - BETC Revenue \$81,000
 - Expense
 - Increase Transit Costs to \$262,000
- Airport
 - Revenue
 - Increase Intergovernmental Revenue \$1,125,000
 - Expense
 - Increase Capital Outlay \$1,000,000

Questions from Budget Committee Meetings

4/23/09

What would be the impact of applying the 3.5% COLA to the unions that were budgeted at a 0%.

Provide a matrix on the increased amount the median home would pay if the property tax was increased to the full rate, the impact of the increase of the \$.06 Library Levy and the impact of the Utility Rate increases in each of the next three years as proposed in the budget.

4/27/09

What is included in the Miscellaneous New Services Revenue in the projection for 2009?

4/30/09

How much does it cost to collect \$1?

City of Ashland
 FY 2010 Proposed Personal Services Costs, wages only
 By Union

	Baseline	Proposed Budget		Revisions		Difference Increase/(Savings)
		COLA	Salary	COLA	Salary	
Management (non represented)	\$ 4,548,140	1.000	\$ 4,548,140	1.035	\$ 4,707,325	\$ 159,185
Laborers	1,813,949	1.035	1,879,740	1.035	1,879,740	-
IBEW Clerical	1,764,100	1.000	1,764,100	1.035	1,825,844	61,743
Fire	1,671,200	1.000	1,671,200	1.035	1,729,692	58,492
Police	1,261,530	1.000	1,261,530	1.035	1,305,684	44,154
IBEW Electric	1,120,848	1.035	1,161,500	1.035	1,161,500	-
Parks	1,791,260	1.000	1,791,260	1.035	1,853,954	62,694
Total	\$ 13,971,027		\$ 14,077,470		\$ 14,463,738	\$ 386,268

City of Ashland
Proposed Increases
on the median household per month

	2010	2011	2012
Property Tax of \$.20 per \$1,000 of assessed value (\$225,000 value)	\$ 3.75	NA	NA
Library Levy of \$.06 per \$1,000 of assessed value	1.13	NA	NA
Transportation Utility Fee	0.23	0.24	0.25
Storm Drain Utility Fee	0.12	0.13	0.13
Water Fees	2.61	2.87	1.58
Wastewater Fees	7.81	4.10	0.94
Electric Rate	3.40	3.57	3.75
Electric Users Tax	0.85	0.89	0.94
Total	\$ 19.90	\$ 11.80	\$ 7.59
Yearly	\$ 238.80	\$ 141.63	\$ 91.05

Proposed & Projected Increases

Transportation Utility Fee	3.0%	3.0%	3.0%
Storm Drain Utility Fee	3.0%	3.0%	3.0%
Airport Fees	TBD	TBD	TBD
Water Fees	10.0%	10.0%	5.0%
Wastewater Fees	40.0%	15.0%	3.0%
Electric Rate Increase	5.0%	5.0%	5.0%

City of Ashland
 Electric Revenue
 Charges for Services - New Services
 as of March 31, 2009
 Specific Larger Projects other than miscellaneous services

	2009
Pending:	
Rice Park (formally Verde Village)*	\$ 22,000
160 Helman (Pyramid Juice)*	35,455
	57,455
Confirmed:	
Bellview School	26,005
Jubilee Sub	12,915
Phase I Aleph Sub	12,684
Permit Adjustment	8,807
111 First Street	5,199
SOU Street Lighting	4,391
	70,001
 Total	 \$ 127,456

* According to Electric, may not happen this fiscal year

City of Ashland
Electric Revenue
Charges for Services - New Services
as of March 31, 2009
Specific Larger Projects other than miscellaneous services

Initial Submission to AR, may not actually occur in FY 2009
2009 YTD

Verde Village	\$ 122,479
160 Helman (Parson's Pine)	35,455
Bellview School	26,005
Jubilee Sub	12,915
Phase I Aleph Sub	12,684
Line Relocation	11,596
Permit Adjustment	8,807
111 First Street	5,199
SOU Street Lighting	4,391
	<hr/>
Total	<u>\$ 239,531</u>

Equip. #	Purchase Year	Original Model	Replacement Cost	Replacement Vehicle	Dept.
541	2006	Ford Crown Vic4Dr. *Police Equipment	\$ 24,000 10,000	Patrol Car	Police
347	1999	Ford Ranger 4X4	24,000	Compact 4X4	PW
431	2000	Ford F250	26,000	Full Size Truck	PW
301	1997	Freightliner FL80	230,000	Bucket Truck	Electric
106A	1993	Ingersoll Rand	20,000	Air Compressor	PW
			\$ 334,000		

*Police equipment includes new lights, prisoner seat, partition, console, etc.