

**CITY COUNCIL STUDY SESSION DRAFT MINUTES**

Monday, July 19, 2021

Council Chambers, 1175 E. Main Street

View on Channel 9 or Channels 180 and 181 (for Charter Communications customers)  
or live stream via [rvtv.sou.edu](http://rvtv.sou.edu) select RVTV Prime.

Mayor Akins called the Study Session to order at 5:30 p.m.

Councilors' Hyatt, Graham, Seffinger, DuQuenne and Jensen were present. Councilor Moran was absent.

**1. Public Input (15 minutes, maximum)**

Susan Wilson – Spoke regarding Parks and Recreation. She spoke regarding the importance of protecting the Parks (*see attached*).

**2. Biennium 2021-2023 Strategy Sessions Discussion**

Hanks gave a Brief Staff report. He introduced Finance Director Melanie Purcell.

Purcell went over a PowerPoint Presentation (*see attached*).

Items discussed were:

- Financial Strategies Sessions Overview.
- Balancing Priorities.
- General Fund Forecast. Revenues are capped at 3.5% Maximum.
- General Fund Forecast Graph.
- BN2021—2023 and Beyond. 3 Questions:
  - What services is the City not going to provide anymore?
  - What services will customers/residents see reduced?
  - What is the ideal means to deliver the services the City has to deliver?
- Policy Decisions:
  - TOT Ordinance
  - F&B Ordinance
  - Franchise Fees
- Adopted Schedule of Study Sessions which began in June and will go until March.
- Some Recommended Topics of Discussion:
  - Regionalize services
  - Reduce or Divest programs or services
  - Consolidate/Reduce Facilities
  - Increase revenues
  - Decrease expenses (not directly allocated to services)
- Recommended Questions to consider:
  - What does the option solve?
  - What doesn't get solved that is targeted?

- Who is most impacted, particularly indirectly?
- How are respective stakeholders impacted?
- What other options are affected or related?
- How long does the option solve the intended target?
- What other services or activities are disrupted or indirectly impacted?
- What other resources are necessary for implementation?
- What is the realistic timeline for implementations?
- Next Steps:
  - Conduct a joint meeting with Ashland Parks & Recreation Commission as largest stakeholder and discretionary portion of the GF Budget.
  - Update Transient Occupancy (Lodging) Tax Ordinance to comply with State requirements for contracted services through intergovernmental agreement approval. This will come forward on August 3<sup>rd</sup> Business Meeting and August 21<sup>st</sup>.
  - Council Financial Strategy Study Sessions August – March 2022.

Council discussed options for next steps and Community involvement.

Council gave consensus to have Staff put together a schedule for Study Sessions regarding the following topics:

- Joint Council and Parks and Recreation.
- General Fund Mandated vs. Discretionary.
- General Fund Revenue.
- General Fund Priorities.

Council discussed the importance of community engagement.

Council discussed the options for an absent Councilor joining a meeting by phone and/or other technology.

## **Adjournment**

**The Study Session was adjourned at 7:10 PM**

**Respectfully Submitted by:**

---

**City Recorder Melissa Huhtala**

**Attest:**

---

**Mayor Akins**

*In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Administrator's office at (541) 488-6002 (TTY phone number 1-800-735-2900). Notification 72 hours prior to the meeting will enable the City to make reasonable arrangements to*

*ensure accessibility to the meeting (28 CFR 35.102-35.104 ADA Title I).*

Ashland City Council Study Session - July 19, 2021  
Public Forum Input (to be included in meeting minutes)

In APRC's March 10th meeting (at 1:27:50) the commissioners joked about threatening to sell Lithia Park if in the future they have difficulty getting funding from the City. That was not funny to me.

Currently, the City has oversight of APRC's fiscal management during the biennium budget process. This built-in accountability is good for Ashland. It allows input from Ashland's valuable financial experts, the finance department and the upcoming city manager. This City control also gives Ashland voters another layer of help through city councilors' influence when APRC may ignore their major concerns.

To ensure the protection of our Parks, these oversight and accountability controls should not be lessened when addressing APRC's funding sources.

Thank you.

Sue Wilson  
Ashland, Oregon

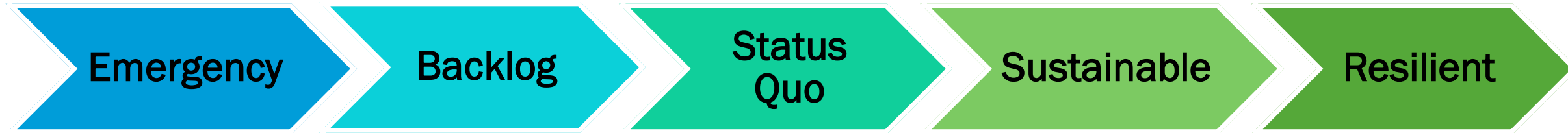
# City of Ashland

## *Financial Strategies Sessions Overview*

ASHLAND CITY COUNCIL

JULY 19, 2021

# Going Forward – Balancing Priorities



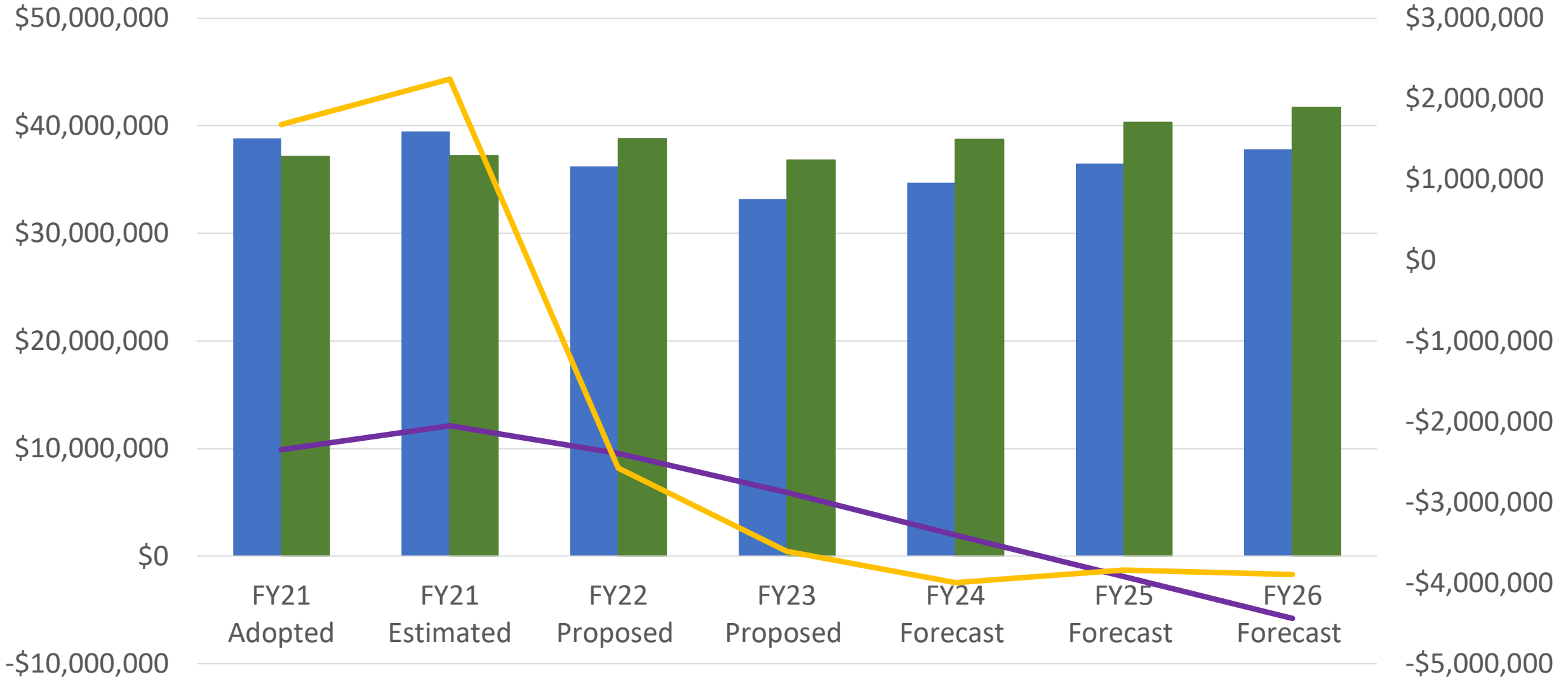
- Move from catch-up to sustainable to resilient
  - Avoid band-aids
  - Scrutinize/ maximize short-term solutions
- Revenue Analysis and opportunities
- Operations Analysis and Capital Planning
- Transparency and Communication

# General Fund Forecast

- The City has had a recurring budget gap for several years that is forecasted to grow without definitive actions to change course.
- Assumptions include:
  - Property tax revenues grow at 3.5% per State law.
  - Food & Beverage and Transient Occupancy Tax revenues grow at 10-15% annually with economic recovery.
  - Salary costs are estimated to grow at under 2% until labor contracts are settled.
  - Benefit costs are estimated to grow approximately 6% annually based on historical patterns. Unfunded Actuarial Liability is expected to grow at less than 5% depending on market behavior, current year dropped about 2%.
  - Other costs are anticipated to grow at or below 3% depending on contract and market behaviors, i.e. asphalt moves with oil prices, software contracts are fixed with average increases of 3-5%.
  - Debt service will drop then potentially increase depending on projects, market behavior, and availability of federal and state grants and loans.

# General Fund Forecast

Revenue: Expenditure\*: Ending Fund Balance: Revenue less Expenditure:



\*less contingency



# BN2021-2023 and Beyond

## **Three questions guided much of the budget development:**

- What services is the City not going to provide anymore?
- What services will customers/residents see reduced?
- What is the ideal means to deliver the services the City has to deliver?

## **The Budget Committee added two recommendations:**

- BE IT THEREFORE RESOLVED, the Citizen Budget Committee recommends the Ashland City Council analyze what is viable to outsourcing in the General Fund and to bring it back for discussion; and
- BE IT THEREFORE RESOLVED, the Citizen Budget Committee recommends the Ashland City Council to find reductions and/or revenues to cover \$1 million in the General Fund over the next two years.

# Policy Decisions

- Update of the TOT ordinance to meet State regulations and approval of an intergovernmental agreement with the State of Oregon for administration of Ashland's lodging tax (IGA approved);
- Update of the F&B ordinance to distribute 98% of the proceeds to the Ashland Parks & Recreation Commission and 2% to be retained by the General Fund to offset administration. Can place on the ballot;
- Adopt an ordinance directing the specific allocation of property tax millage to be transferred to the Ashland Parks & Recreation Commission on a stepwise decreasing schedule;
- Adopt a Franchise Fee ordinance to establish universally applied franchise fees to all purveyors of utilities within Ashland City limits and direct a stepwise increasing amount to the Streets Fund for capital investment; and
- **Schedule exploratory discussions for Council of strategic financial plan elements including Capital Improvements Plan, debt management, labor negotiations strategy, and service array options such as a regional fire district or partnership.**

# Approved Schedule of Study Sessions

<b>Date (5:30-7:30 p.m.)</b>	<b>Topic</b>
June	Ambulance Study (held on June 14, 2021)
8/9/2021	Food & Beverage/ Franchise Fees
8/23/2021	General Fund Mandated vs. Discretionary Services
9/13/2021	General Fund Mandated vs. Discretionary Services
9/27/2021	General Fund Priorities
10/11/2021	General Fund Revenues
10/25/2021	Municipal Service Structures- Governmental Operations
11/8/2021	Water/ Wastewater Capital
11/22/2021	Stormwater/Transportation Capital
12/13/2021	Electric/ Other Capital
1/10/2022	Utility Rates
1/24/2022	Ashland Fiber Network
2/14/2022	Debt
2/28/2022	Municipal Service Structures- Enterprise Operations
3/14/2022	TBD
3/28/2022	TBD

# Some Recommended Topics for Discussion

- Regionalize services
- Reduce or Divest programs or services
- Consolidate/ Reduce Facilities
- Increase revenues
- Decrease expenses (not directly allocated to services)

This list is NOT all inclusive.

# Recommended Questions to Consider

- What does the option solve?
- What doesn't get solved that is targeted?
- Who is most impacted, particularly indirectly?
- How are respective stakeholders impacted?
- What other options are affected or related?
- How long does the option solve the intended target?
- What other services or activities are disrupted or indirectly impacted?
- What other resources are necessary for implementation?
- What is the realistic timeline for implementation?

# Next Steps

- Conduct a joint meeting with Ashland Parks & Recreation Commission as largest stakeholder and discretionary portion of the General Fund budget
- Update Transient Occupancy (Lodging) Tax ordinance to comply with State requirements for contracted services through Intergovernmental Agreement approved April 20, 2021 (August 3, 2021, and August 20, 2021)
- Council Financial Strategy Study Sessions (August 2021 – March 2022)
  - Determine most viable and productive options to consider/ study
  - Determine most pressing and/or viable timelines for options