

APPROVED Budget Process ad-hoc Committee Minutes
October 25, 2017

6:00 p.m.

Community Development Building, Lithia Room

51 Winburn Way

Call to Order/Opening Remarks

5:59 p.m.

Roll Call

Present:

Garrett Furuichi

Paula Hyatt

Dennis Slattery

Mark Welch

Rich Rosenthal

David Lohman (Non Committee Member)

Bryn Morrison (Non Committee Member)

Absent:

Adam Hanks

Approval of Minutes from September 27, 2017

Committee Member Furuichi asked that the approval of the minutes be deferred until the next meeting as he had not had time to review the minutes from either set. Committee Member Hyatt asked that item four on page two be corrected to reflect the question she had made to ask if the finance department had analyst assigned to each department. Chairman Slattery agreed they would be deferred until the next meeting, but asked that reviews for the previous and the current meeting be completed by the next meeting.

Public Form None

Discussion Item #1-Legal Framework Discussion

1. Slattery asked that the committee begin to look at closing steps. He added that the committee needs to look at what the nine meeting will be used for.
2. Slattery noted that David Lohman, City Attorney would be presenting tonight and that the committee would be able to discuss the big issues of the supplemental budget questions. He also added that Lohman acts as the legal interpreter and the arbitrator of the rules and for the most part he would like to see the legal framework nailed down.
3. Furuichi asked he could comment on the calendar. Slattery noted that the discussion for this would happen in the second part of the meeting, and that the onboarding guide was inclusive of the onboarding calendar.
4. Lohman started the legal framework discussions by noting that the committee is beginning to look the fine distinctions, which he added are many times not seen in the statues. He also stated that sometimes these distinctions are seen in the guidance documents from the department of revenue within the administrative rules of local budgeting. What he takes from this is that the council has a lot of leeway to set perimeters with a few expectations laid out form the department of revenue, it's the council that is the empire.
5. Lohman referred two documents that he had sent to the committee members regarding supplemental budget information. Some corrections included:
 - a. Page 3 at the bottom of the page under "Points and Authorities for Response #2" under (a) where it refers to (4b) and it should read (4c), which the option of the attorney general on gatherings less then quorum.

- b. Page 5 under (c, ii) should read approves rather than improves.
 - c. Page 8 item (b, ii,2ii) Budget Committee should be changed to council. Furuichi questioned the order of the where this item was listed. He noted that item (c) was the last item that he had on the document he was looking at. He added that this was the memo that was sent out on 9.27.17. Lohman responded by stating that the current document that the committee was looking at had had section (c) deleted but it should have not have been. He clarified by saying that section (c) stated that anyone can ask for a public document. The committee agreed that section (c) would be added.
 - d. Hyatt asked from a version control standpoint if the legal framework that was imported would it be the same document that the committee is currently looking at with the corrections. The committee responding by saying yes.
6. Lohman added that he would give a few summary points and then possibly the committee could look at Furuichi's document and his comments on it. The main points on the 9/27/17 memo include:
- a. There is really no action that the budget committee has or can take in the off season, but that council can invite the members of the budget committee to participate in training.
 - b. Individual budget committee members don't have the right to demand answers, that is a decision by the budget committee as a whole. Item 12 he noted was how accommodations for questions might be structured for individuals.
 - c. (10) and (11) state what the definitions are. The protocol in number (12) is Lohman thoughts on how to respond to questions. He asked that committee review to make sure that it makes sense.
 - d. Items (4) and (5) had to do with meetings of less than a quorum during and in the off season. He added that there is nothing in the statues. There are guidance statements in the documents in that are stated, this suggests that during the budget season even in less than quorum should not be meeting to talk about the budget. There is no law on this he added. He also added that according to the attorney general if the budget committee is meeting with less than quorum that you are violating the purpose of the public meeting law.
 - e. Slattery asked how we establish who is officially budget committee members post June 30th and how would this would be different for budget committee members to meet in good faith as less than quorum. Lohman added that he was referring to during budget season. Councilor Rich Rosenthal asked if this would be considered a planning action. Lohman noted that the budget is different kind of document and this the only way that he could explain the quotes from the budget guidance. Hyatt added the defining characteristic would be the special status of the document being discussed. This would mean that council can discuss these types of items as they do not center around a document. Slattery clarified that there are special rules when the budget document has been opened. Furuichi noted the thought of active deliberation. And not discussing any future budget. He added that the topics should center around past and current budgets. Slattery asked what differentiates when the budget committee disbands, they would have no standing and why they would not have the same freedom to discuss the budget as another citizen. Lohman noted that that is a gray area. Slattery added that as a citizen member of the budget committee you can talk about future budgets. Furuichi noted that in the guidance citizen appointed members are in a special position and that you are not just a regular citizen. Slattery noted that as it is stated as of July 1st appointed citizen budget committee members would no longer budget committee members. If it is decided that they have continued status as a budget committee member, whether or not they are called in, then they would be prohibited. Lohman added that they have some existence and that they are deactivated. He also added that they can get together to talk about anything except for the details of the issuing budget. Slattery added that as a council member that they can continue the conversation. Hyatt noted that herself and Furuichi could not have the same conversation as Slattery because of their standing. Furuichi added that as regular citizen they could. Slattery that Hyatt could not go talk to a citizen about the ensuing budget because of her special status. Lohman confirmed.

7. Rosenthal noted that the rules of engagement had been codified at the council level and that it is code. He asked if these rules should be put in place for the budget committee, due to the lack of rules at the state level. Lohman added that this would be too much detail. Rosenthal noted that this would not be binding. He added that if the committee is taking the time to hash out the details that they should be put in as rules of engagement for committees. Lohman noted that some rules of engagement for committees already. Slattery asked if Rosenthal wanted to modify this beyond this committee. Rosenthal stated that yes he thought it would be best to modify the municipal code and that this could be in the recommendation to the council. Lohman added that this would be consistent with how other commissions have rules. Furuichi added that what makes the budget law unique is that there is flexibility for different councils to set different standards. He would ask that there not be a code section in, that the council and committee would come up with their own adopted rules of engagement and that it not be codified. It was established that he disagreed with Rosenthal, as Lohman noted the over emphasizing of the word codify, as it changeable by council. Rosenthal added that sections (4) and (5) would form different points that could be used for rules of engagement. Furuichi disagreed stating that too much time was being spent framing and forming when there could be a simple document. Rosenthal added that it is not binding having a simple document. Furuichi discussed what would happen with a code violation. Rosenthal noted that the code could be changed by council and that it takes of subjection would be from all parties. Furuichi discussed how the code would be adopted and that future councils could make changes. Slattery added that this would be there to strengthen. Furuichi added that he would be willing to listen to conversation. Lohman also added that this could be a resolution. Rosenthal added to created constancy with the other committees that it would be helpful to keep as a code. Hyatt noted that there is fluidity with committee members and by adding this the rules would be the same and understood the same way. Slattery added that many of these items would be in a beta testing mode as they are presented to council and that this a work in process. Furuichi added that he understood that this was a process and that at the end of the process if something needs to be codify it could be done then. He added that he did not want to codify what the department of revenue has already issued guidance. Rosenthal noted that there is difference in opinions on what the codes look like. Slattery added that the budget rules have some gray areas and that the committee is taking them further so they are our rules. He added that he that it would make the rules stronger. Furuichi added that he sees these as a function of the committee based on the guidance. He added that if we needed to make this Ashland's way he is willing to listen. He is added that codify rules will not allow for transparency with the budget committee. Furuichi explained that his budget document had items taken from budget law sections as it was a good frame work to help guide new committee members. Slattery asked why there was resistance in the wording that would be used for the rules of engagement whether that be that be from the document that was created by Furuichi or the supplementary budget questions created by Lohman. Slattery stated the recommendation of the process will come to council and whatever it ends being called will have the weight of council behind it. Furuichi noted that this feels that these codes would be permanent and it will get pointed to as the code. Slattery noted that will be looked at as a common understanding and that there is something that everyone can agree on. Furuichi asked that this would work as long as the word code was dropped. Slattery stated the council will give direction as to whether it is a code or an ordinance, as it is there job as it is their responsibility. Furuichi asked if the budget committee would meet first and then items would go to council or if it would go to council and then to the budget committee. Slattery confirmed that it would go to council first. Furuichi asked as a process question if the budget process ad hoc committee would seek the option of the budget committee on what has taken place. Slattery stated that they would do well to go out and talk to people. He also added that at the meetings where they talk about it that they would be open for the public, but that at that the end it would be the council that decides. Furuichi asked if the 7 members of the budget committee would be the governing board and would these be joint authority. He also noted that there the body of the governing board that can make these rules of engagement as an adoption of the committee as a whole. Slattery noted that this will be under council's authority to decide this. Furuichi objected to

this, and added that he respects the role of the governing body to change items over time but in terms of budget committee and a functioning advisory board that there are practices that he believes are appropriated as a committee as whole. Slattery that this would then put the committee in a place to create policy. Furuichi noted that this would not be. Lohman said that this would be policy, as the committee establishes what will happen in this process. He added that the committee does not have policy making or legal standing to do other things outside of adopting the budget. Furuichi noted that he could accept this. Lohman he added that advice is a statement that we accept, acknowledge and respect the role of different players. He also stated the role of committee members to offer advice is a very strong one and that is why there are special rules. He added that there is a fine line between who makes the policy. Rosenthal also noted that it is in code that the council is the final decision maker, as a city policy. Hyatt added that this is what makes this unique. That all the council is on the budget committee and this were many questions arise and that council members have where more than one hat and that this why some of the rabbit holes happen. She also asked if the budget committee was the only committee with all council and the mayor in it. Slattery responded by saying yes for the four meetings within a two-year window. He also added that we need understand roles as the process is bigger than just the four meetings. Slattery added that the committee might not come to 100% agreement on everything and that the conversation can be picked up at a later time. Lohman stated that committee was in agreement that during budget season that the only discussion should be in a public meeting and that during the off season that as long as the discussion are not about the specifics of the upcoming budget that individual members that are less than a quorum can get together to discuss any topic. If they were a quorum then it could not happen. Furuichi added that it would be easier to have it simply stated. Slattery noted that the handbook should clearly state what the rules are, so that it can be retained if needed. Lohman suggested that he could put together a document that could become an ordinance that has a few key points and then it be decide later what would be done with it. Furuichi suggested calling it budget committee guidelines. Lohman brought up section (12) on questions for staff members. Furuichi asked that this be tables as it is a for in depth conversation, as well as the calendar. Slattery asked if there are more questions that he would like to bring those out know and wrap up the conversation.

8. Lohman suggested going over the document created by Furuichi .
 - a. Page 1 Lohman explained the comment “budget committee members have a fiduciary duty” which he stated is not the case as the budget committee approves the budget which the council adopts. He added that legally the two are different. Approval is only a recommendation he noted which means that the committee has no fiduciary responsibility. Slattery noted that this is because people are elected into a fiduciary position.
 - b. Page 2 he clarified the approval of the CIP is the function of the council alone, as a 6-year plan. He added that the 2-year slice is what is the budget committee can make recommendations on. Furuichi that is what the distinction was for capital outlay versus CIP. He also commented on this about the fiduciary duty as it is worded. Slattery clarified that the capital outlay is approved by the budget committee in the budget process and adopted by the council.
 - c. Page 2 he also noted that “there appears to be no distinction of policy topics and revenue and expenditure topics.” is an item he does not agree with as the committee is not a policy making body. Furuichi noted that had been placed because there was not a specific citation to prompt if this a code or statue, budget he noted what an implantation of policy and in that way they are tied. Slattery that this goes in two different directions because policy is derived before and after the budget season. He added the budget informs policy and that the budget committee does not have time to make policy. Lohman noted that it is stated the budget committee is a fiscal planning advisory committee. Rosenthal added that this is a really important piece that should be Clearfield, he asked for suggestion on what would be a recommended phrase. Lohman stated he could come up with a recommendation.
 - d. Page 3 under “Role of the Budget Officer and Staff” the last sentence. He stated that in relation to personnel and how much detail was appropriate for the budget committee

- members to ask. He quoted from the statute what could be given in relation to salaries and salary range and that they can be lumped by program. Furuichi added that the 1st part is a detailed in a narrative from stating that you may invoke the grouping for convince. Slattery asked if he was trying to ask for the level of detail that included names. Furuichi clarified that he was asking for titles such as city Administrator, etc., as the way it was budgeted. Slattery asked if it would be possible to use highs and lows for salary range. Lohman said yes that permission was given for this rather than line by line. Mark Welch, Finance Director added that this is a matter of public record. Rosenthal added that this was done prior and how this impacting what we are currently doing. Lohman stated that he was not qualified to answer this but it is not a requirement of state law to provide line by line items. Rosenthal questioned if this was something that the Furuichi agreed with. Furuichi asked how the budget would be presented. Welch added that it would be listed by line item for personal. He did state that this something that they have in a working document and that can be provided. He agreed that salary ranges are something that should be in the budget document, but that working documents should not be in the document. Furuichi clarified that we asked for was a breakdown into salaries, overtime, benefits and FTE. He stated that this was in section 388. Slattery wanted to make sure that everyone was on the same page when it came down to the wording of what could be asked for. Furuichi also commented that he does not want what was individual names and information. Welch noted that a breakdown was given on May 18th and asked if this is what he was looking for. Furuichi stated that he would like FTE's. Hyatt added that this was a biggie and that one of the biggest frustrations was not having a single sub schedule working document that included the range, the FTE, the breakout of salary, overtime and benefits. She also added that there are analytical reasons driving the need for this information. The suggestion was made to use an LB30. Slattery added that it was important to approved the readability, and that this is what the committee is working toward. Rosenthal asked that the committee agree on the format that they are looking for. Furuichi agreed that this should be a process that improves readability. Hyatt added that it is not an easy job to bring in different kinds of data, Welch noted that overall the data presented does a poor job in the summary section.
- e. Lohman stated on page 4 that a single budget committee member can ask a question about anything. He responded by saying that the budget law says that they can make a request for information that is required for the revision and preparation of the budget document which is a limitation and that it is not any individual budget committee member that can ask for anything and it a majority of the budget committee, 8 members that can ask questions. Slattery stated that there is a certain type of question that should be brought to the entire committee to say that they want and that there are other questions that can be easily answered by staff. Rosenthal added that there needs to be a revision. Hyatt added that as a new budget committee member that she wanted to be able to know what was ok to ask and that it is important of rules of engagement and protect staff time. The committee agreed that the direction from Lohman is how the question should be revised.
 - f. Lohman added that on the last page in regards to the specific powers of the budget committee and that is not an individual member. Lohman added that the word adopted should be changed to approved. Furuichi added that this is clear and added that the information was in budget guidance documents. Lohman responded by adding that his information was from the statutes.
 - g. Furuichi clarified that budget members are free to discuss items outside of the public setting. Hyatt confirmed that this was true as long as they were not discussing next biennium, but this not true for the budget season. Slattery added that they will come back to discuss section 12. Lohman added that he had made his suggestions Rosenthal pointed out that the city attorney is there to help council sort things out if needed and that his interpretation is significant. He also added that Furuichi may have differences of options with the city attorney, but that as a group they have to decide whose interoperation and recommendation

- would be used. Lohman added that he could attend the next meeting continue the work on the legal framework. Hyatt added that that the committee may want to add another meeting.
- h. The committee added November 15th to the scheduled and also committed to staying longer if needed on the November 8th meeting.
 - i. Welch stated that he would like to have the committee send him any suggestions needed for the onboarding guide.
 - j. Furuichi asked if this would be a review of draft, and that a recommendation will be formulated to the council. He asked what format this will look like. Slattery answered by saying it will probably come as a staff communication with attachments. Furuichi clarified that this will included a motion to adopt and asked when the budget committee would be able to review the document. Slattery stated that his worry in sending this out for review would be wordsmithing and that does not serve what they are trying to accomplish. Rosenthal added that this committee is report to the mayor and council and not the budget committee. Furuichi added that he worried that council members would not be up to do speed if they were not included in the process. Slattery added that whatever is put forward could be adjusted or sent back and that the council members are accountable, and that that he feels that they have made progress. He added that in the future he would like to see what other budget committee members feel about the work that was done. Furuichi asked that a meeting be added after adoption and that it could be on the interim calendar to look at rules and the onboarding document. Slattery stated that this will not happen. Furuichi stated that there may be resistance to this. Rosenthal asked to look at process and procedure and be able to look at what best practices that makes sense policy to makers for the future, he understand there may be objections and that there will be ways to express opinions. Slattery added that this is to better the process. Furuichi added that it feels top down. Slattery stated that it is top down and that the citizens voted in, he explained what this process looks like as council member. Furuichi added that as a citizen that they are participants, and that he feels the budget committee is being excluded. Slattery noted that no one has been excluded. He noted that he wants to honor others opinions and that the process has worked as designed. He explained the difference between policy makers and advisory boards. Furuichi added he was all about inclusion. Lohman added he will bring back edits to the next meeting in relation to what has been discussed.

Meeting adjourned at 7:29 p.m.

Next Meeting

Next meeting scheduled for November 8, 2017 at 6:00 p.m.

- David Lohman will attend to review item from section (12)
- Review onboarding document and calendar

Respectfully Submitted By: Natalie Thomason