

**ASHLAND CITY COUNCIL
STUDY SESSION
MINUTES
May 1, 2023**

Mayor Tonya Graham called the meeting to order at 5:31 p.m.

Mayor Graham, Councilor Hyatt, Bloom, Dahle, Kaplan, DuQuenne and Hansen were present.

1. Public Input – None

2. Rogue Valley Transportation District Presentation

Rogue Valley Transportation District Senior Planner Paige West provided a presentation (see packet) regarding the Fiscal 2023 project plans:

- Today's Presentation
- 2023-2025 STIF Formula Projects
- Driver Recruitment
- Route 17 – RVTD's first since 2019
- Route 17 Alignment

Ms. West explained the buses would have GPS devices that riders could access through various trip planning apps.

- Annual Ridership Comparison
- 2023 RVTD Onboard Passenger Survey: Preliminary Results
- Construction Update

Route 17 would initially run five days a week, Monday – Friday from 9:00 a.m. to 4:00 p.m. with plans to expand that time and add Saturday service. Expanding regular service from 4:00 a.m. to 10:00 p.m. was in their 2040 master plan.

Reduced bus fare programs were available to the public. RVTD had free fare days throughout the year and planned to have one as a promotion for the new route.

3. Adjournment of Study Session

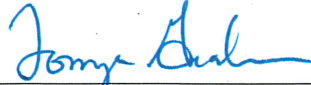
The Study Session adjourned at 6:03 p.m.

Respectfully Submitted by:

DocuSigned by:

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City Recorder Melissa Huhtala

Attest:


Mayor Tonya Graham

ASHLAND CITIZENS' BUDGET COMMITTEE
PUBLIC FORUM MEETING AGENDA
MINUTES
May 1, 2023

Citizens' Budget Committee Chair Shane Hunter called the meeting to order at 6:09 p.m.

Committee Chair Shane Hunter, Committee member David Runkel, Andy Card, Leda Shapiro, Eric Navickas, Mike Gardiner, and Linda Adams-Peterson were present. Mayor Tonya Graham, Councilor Paula Hyatt, Dylan Bloom, Jeff Dahle, Bob Kaplan, Gina DuQuenne, and Eric Hansen were present.

4. Public Forum on the 2023-2025 Biennium Budget Forum

Ted Hall/Ashland/Asked why the city was planning to have one hundred million dollars in debt revenue over the next two years.

Administrative Services Manager Bryn Morrison explained the debt revenue was for large capital projects coming forward. This included the water treatment plant was almost half of the debt revenue. Funds the city received through grants would decrease the debt revenue amount.

Deputy City Manager Sabrina Cotta addressed franchise fees in relation to the debt revenue. Utility rates were part of long-term plans and did not affect property taxes by debt issuance for capital plans. It could affect utility rates depending on what the utility required long-term for the viability.

Ms. Morrison confirmed \$46million of the debt revenue was for the water plant. The Street Fund was approximately \$14million, the SDC Water Fund was also \$14million, Wastewater was \$8million, Electric was \$3million, SDC Wastewater was \$1.4million, Storm Water was \$390,000, and Parks CIP was \$8.2million. The city took an IFA loan and a WIFIA for the water treatment plant project.

Susan Hall/Ashland/Question 1. The 21-23 Budget included a list of all positions with salaries and benefits. Please provide the most recent comparable data.

Ms. Cotta clarified the current budget listed staff positions and average salary information. The Citizens' Budget Committee did not have purview over salaries per union contracts. Union contracts showed salary information and benefits. All this information was on the city website under the Human Resources Department.

Question 2. We are repeatedly being told that franchise fees will pay for street repairs, rather than the Food & Beverage taxes. How much of the franchise fees are paid by City of Ashland rate payers on our utility bill? My bill has a monthly street fee of \$9.56 equaling just under \$120 per year just for me.

Councilor Kaplan explained the sum of franchise fees was \$8,124,059 estimated for the next two years. This information was also on the website. Ms. Cotta would bring back information on what entities were providing franchise fees.

Nancy K. Boyer/Ashland/Provided background on a prior finance director providing staff salary information and another director who did not. She commented on the ambiance, audio system incapacibilities and the water fountain not working. The president had lifted covid limitations.

City Manager Joe Lessard further confirmed that salary and personnel information was not under Citizens' Budget Committee purview. City Council had already approved three of the four union contracts and adopted pay schedules for city staff for the next three years.

Missy Kaminsky/Ashland/Spoke about the decline in tourism and suggested allocating funds to help the town transition during this time.

Ms. Cotta explained the classic grant program was returning with a focus on tourism. Once staff appropriated the funds, they would create a timeline for the beautification grant.

Community Development Brandon Goldman addressed a question on neighboring city's construction fees. Staff conducted an analysis that he would send to the committee.

Mayor Graham suggested an analysis comparing the city's debt with other areas.

Staff provided a Questions & Answers presentation (see attached for full presentation) that included:

Q: Is there a \$6.7 million structural deficit in the General Fund?

A: By Oregon Budget law the city must present a balanced budget. A balanced budget is defined as expenditures cannot exceed revenues. Revenues include new taxes, fees, etc. collected during the biennium as well as monies carried forward to fund the budget. The budget presented on April 27th is balanced.

A: The confusion may lie in the carryover being used in the next 23/25 Proposed Budget. The City has an estimated \$17,784,964 in carryover from this BN to fund the general fund moving forward. This is a common practice for numerous municipalities.

Ms. Morrison clarified revenues and expenditure must be at zero, but resources will always have a carry forward. Staff would prepare a table depicting that information.

Q: Why does the city pick up the 6% Employee Portion of PERS?

A: Since 1946 inception the state has required a mandatory retirement contribution (now 6% of PERS-covered salary).

A: Years ago, employers began the "pick up" of this cost for employees as a money-saving concession in lieu of wage increases

A: This has since become a standard part of collective bargaining agreements

Q: Please explain the ballot measure on the Food and Beverage Tax

A: The Proposed Budget has been prepared with the use of Food and Beverage Tax in accordance with the current Ashland Municipal Code

A: If the ballot measure passes, the City Manager will be required to recommend how the 73% of the tax will be utilized for either operations and maintenance of parks, and/or capital expenses.

A: The success of the ballot measure will require the City Manager to assure the tax revenues will be/are used for only the following purposes:

- City parks
- Open space
- Recreation
- Senior Services

Mr. Lessard clarified if the Food and Beverage Tax passed, they would go back to using franchise fees to pay for street dept. The allocated 73% of the tax would go into the Parks and Recreation Department fund, making additional money available in the general fund for council to appropriate for other projects.

Councilor Hyatt confirmed companies who use the right of way like Spectrum, Mobile and AT&T paid franchise fees. Staff would provide information on franchise fees being based on the revenues collected.

5. Adjournment of Budget Committee Meeting

The meeting adjourned at 7:11 p.m.

Respectfully Submitted by Alissa Kolodzinski.



City Manager's Recommended Budget

City Council Study Session
May 1, 2023

Questions & Answers (Q & A)

Q: Is there a \$6.7 million structural deficit in the General Fund?

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Q & A
A:

	Carry Forward Fund Balance	BN 2023/25 Proposed
Water Fund	\$	12,341,551
Wastewater Fund		4,407,490
Electric Fund		6,080,192
Telecommunications Fund		3,021,118
Stormwater Fund		2,036,637
SDC Wastewater Fund		1,585,034
SDC Water Fund		1,183,793
SDC Stormwater Fund		14,954
General Fund		17,784,964
Equipment Fund		7,197,226
Insurance Service Fund		1,167,481
Street Fund		1,701,979
SDC Street Fund		3,002,755
Reserve Fund		1,784,761
Housing Fund		1,221,798
Tourism Fund		1,015,037
Airport Fund		86,831
Community Block Fund		36,619
Parks Capital Improvement Fund		5,590,786
Capital Improvement Fund		1,035,362
SDC Parks Fund		284,878
Debt Service Fund		815,165
Cemetery Trust Fund		946,395
Total	\$	74,342,806



Questions & Answers (Q&A)

Q:Why does the City pick up the 6% Employee Portion of PERS?

A:Since 1946 inception the state has required a mandatory retirement contribution (now 6% of PERS-covered salary).

A:Years ago, employers began the “pick up” of this cost for employees as a money-saving concession in lieu of wage increases

A:This has since become a standard part of collective bargaining agreements



Questions & Answers (Q&A)

Q: Please explain the ballot measure on the Food and Beverage Tax

A: The Proposed Budget has been prepared with the use of Food and Beverage Tax in accordance with the current Ashland Municipal Code

A: If the ballot measure passes, the City Manager will be required to recommend how the 73% of the tax will be utilized for either operations and maintenance of parks, and/or capital expenses.

A: The success of the ballot measure will require the City Manager to assure the tax revenues will be/are used for only the following purposes:

- City parks
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- Recreation
- Senior Services



Questions & Answers

Food and Beverage Ballot

CAPTION: Proposed amendment to Ashland's Food and Beverage Tax ordinance.

QUESTION: Shall the ordinance be amended to dedicate revenues to city parks, open space, recreation, and senior service purposes?

SUMMARY: A "Yes" vote for this measure authorizes the City of Ashland to use the Food and Beverage Tax for city parks, open spaces, recreation, and senior service purposes as follows, consistent with City policies and practices: twenty-five percent (25%) for capital expenses including acquisition, planning, development, repair, and rehabilitation; seventy-three percent (73%) for operations, maintenance, or capital expenses. Two percent (2%) of the tax will be used for administration of the tax.

The tax rate will remain unchanged at 5%, and any increase to the tax rate or change of its use will require voter approval. The expiration date of the tax will be December 31, 2040.

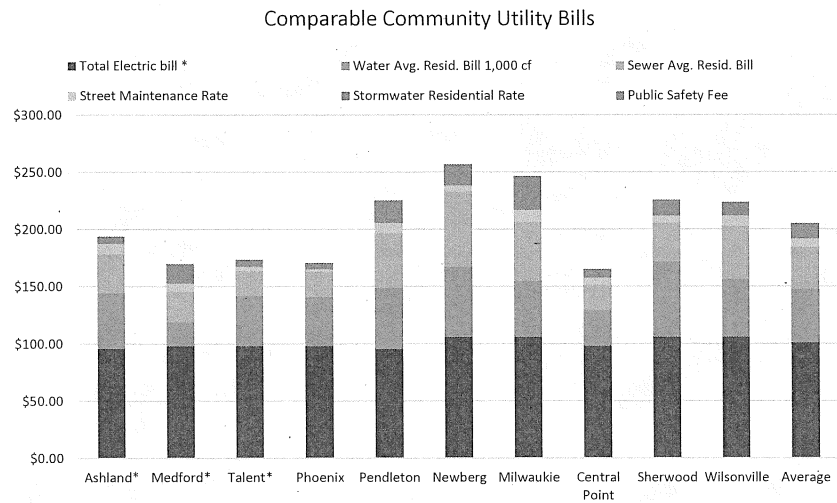
A "No" vote means the existing Food and Beverage Tax allocation will stay the same, with tax revenues going towards park capital expenses (not less than 25%), street repair debt or parks capital expenses (up to 73%), and tax administration (2%).



Questions & Answers (Q&A)

Q:How do our utility rates compare to other cities?

A:





**May 16, 2023, Special Election:
Ashland Food & Beverage Tax (F&BT) Measure**

Ballot Measure Information
May 1, 2023

Current Ordinance Language

4.34.020 Tax Imposed *(Sections 1- 4 have been supplanted/superseded by Section 5)*

5. Beginning in fiscal year 2023, the Council may, through the statutory budget process, appropriate taxes under this chapter as follows:
- a. Not less than twenty-five percent (25%) for the acquisition, planning, development, repair and rehabilitation of City parks.
 - b. Not less than an amount necessary to pay for debt service on any borrowing for street repair and rehabilitation per the City of Ashland Pavement Management Program.
 - c. Up to two percent (2%) for the collection and administration of the tax.
 - d. Except as provided in subsection D of this section, any remaining amounts shall be appropriated for purposes consistent with this chapter unless other purposes are approved by a Council-adopted ordinance enacted by a vote of the Ashland electorate.

4.34.160 Termination of tax

This chapter shall expire on December 31, 2030, unless extended by a vote of the electorate.



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This chapter shall expire on December 31, 2030, unless extended by a vote of the electorate.



Current Ordinance – Key Points

1. **Ashland voters must enact Council adopted ordinance**
 - uses &/or expiration date
2. **Use not less than 25% of funding**
 - City Parks capital expenses – acquisition, planning, development repair & rehabilitation
3. **Use up to 2% of funding**
 - Administration of the tax
4. **Uses for 73% of Tax Funding**
 - City parks' capital expenses, or
 - Debt for street repair and rehabilitation per Pavement Management Plan
5. **Extends expiration date**
 - Dec. 31, 2030
6. **All funds remain under the City Council's appropriation authority**



Proposed Ordinance Language

4.34.020 Tax Imposed

C. _____ The taxes collected under this chapter shall be used for city parks, open space, recreation, and senior services as follows, subject to other Ashland Municipal Codes and City financial and administrative policies:

1. Not less than twenty-five percent (25%) for capital expenses, including acquisition, planning, development, repair and rehabilitation.
2. Up to seventy-three percent (73%) for operations and maintenance and the uses of subsection 3.C.1 above.
3. The City will retain two percent (2%) of the tax collected for costs of tax administration and collection.
4. Amounts shall be appropriated in the City's General Fund for purposes consistent with this chapter unless other purposes are approved by a Council-adopted ordinance enacted by a vote of the Ashland electorate.

4.34.160 Termination of tax

This chapter shall expire on December 31, ~~2040~~2030, unless extended by a vote of the electorate.



Proposed Ordinance Language

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Ballot Measure Summary

Summary 175 words which concisely and impartially summarizes the measure and its major effect.

A "Yes" vote for this measure authorizes the City of Ashland to use the Food and Beverage Tax for city parks, open spaces, recreation, and senior service purposes as follows, consistent with City policies and practices: twenty-five percent (25%) for capital expenses including acquisition, planning, development, repair, and rehabilitation; seventy-three percent (73%) for operations, maintenance, or capital expenses. Two percent (2%) of the tax will be used for administration of the tax.

The tax rate will remain unchanged at 5%, and any increase to the tax rate or change of its use will require voter approval. The expiration date of the tax will be December 31, 2040.

A "No" vote means the existing Food and Beverage Tax allocation will stay the same, with tax revenues going towards park capital expenses (not less than 25%), street repair debt or parks capital expenses (up to 73%), and tax administration (2%).



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A **"No"** vote means the existing Food and Beverage Tax allocation will stay the same, with tax revenues going towards park capital expenses (not less than 25%), street repair debt or parks capital expenses (up to 73%), and tax administration (2%).



Proposed Ordinance – Key Points

1. **Ashland voters must enact Council adopted ordinance retained**
 - uses &/or expiration date
2. **Use not less than 25% of funding retained but broadened**
 - Capital expenses– acquisition, planning, development repair & rehabilitation
 - parks, open space, recreation & senior services
3. **Use of 2% of funding retained at set amount**
 - Administration of the tax
4. **Uses for 73% of Tax Funding changed**
 - **From:** – City parks' capital expenses, or
 - – Debt for street repair and rehabilitation per Pavement Management Plan
 - **To:** – City Parks, Open Space, Recreation, and Senior Services
 - – Capital expenses and operations & maintenance (O&M) of specified uses
5. **Extends expiration date changed**
 - **From:** Dec. 31, 2030
 - **To:** Dec. 31, 2040
6. **All funds remain under the City Council's appropriation authority retained**



QUESTIONS?



Study Sessions

Speaker Request Form

THIS FORM IS A PUBLIC RECORD
ALL INFORMATION PROVIDED WILL BE MADE AVAILABLE TO THE PUBLIC

THOSE INTERESTED IN GIVING ORAL TESTIMONY AT A COUNCIL MEETING WILL NEED TO:

- 1) Complete this form, including the topic you want to speak on and send to the City Recorder:
<mailto:melissa.huhtala@ashland.or.us>
- 2) Begin the oral testimony during the meeting by stating your name for the record.
- 3) Limit your comments to the amount of time given to you by the Mayor, usually 3 or 5 minutes.
- 4) If you present written materials, please email a copy of the materials with this form to the City Recorder for the record.
- 5) Speakers are solely responsible for the content of their public statement.

Meeting Date

May 1 2023

Name

Missy Kaminsky

Study Session

Agenda topic/item number/Topic

Budget + tourism

The Public Meeting Law requires that all city meetings are open to the public. Oregon law does not always require that the public be permitted to speak.

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Study Sessions

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Meeting Date

5-1-23

Name

Nancy K Boyer

Study Session

Budget

Agenda topic/item number/Topic

Budget

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Meeting Date MAY 1, 2023

Name Susan Fall RW

Budget Study Session

Agenda topic/item number/Topic Public Forum?

- ① The 21-23 Budget included a list of ALL positions with salaries and benefits. Please provide the most recent comparable data.
- ② We are repeatedly being told that Franchise Fees will pay for street repairs, rather than Food & Beverage taxes.
How much of the Franchise Fees are paid by City of Ashland rate payers on our utility bill. My bill has a monthly street fee of 9.56 = just under \$120/yr
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Budget Meeting

Meeting Date MAY 1, 2023

Name ~~XXXXXX~~ Ted Hall

Budget
~~Study Session~~

Agenda topic/item number/Topic Public Forum?

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