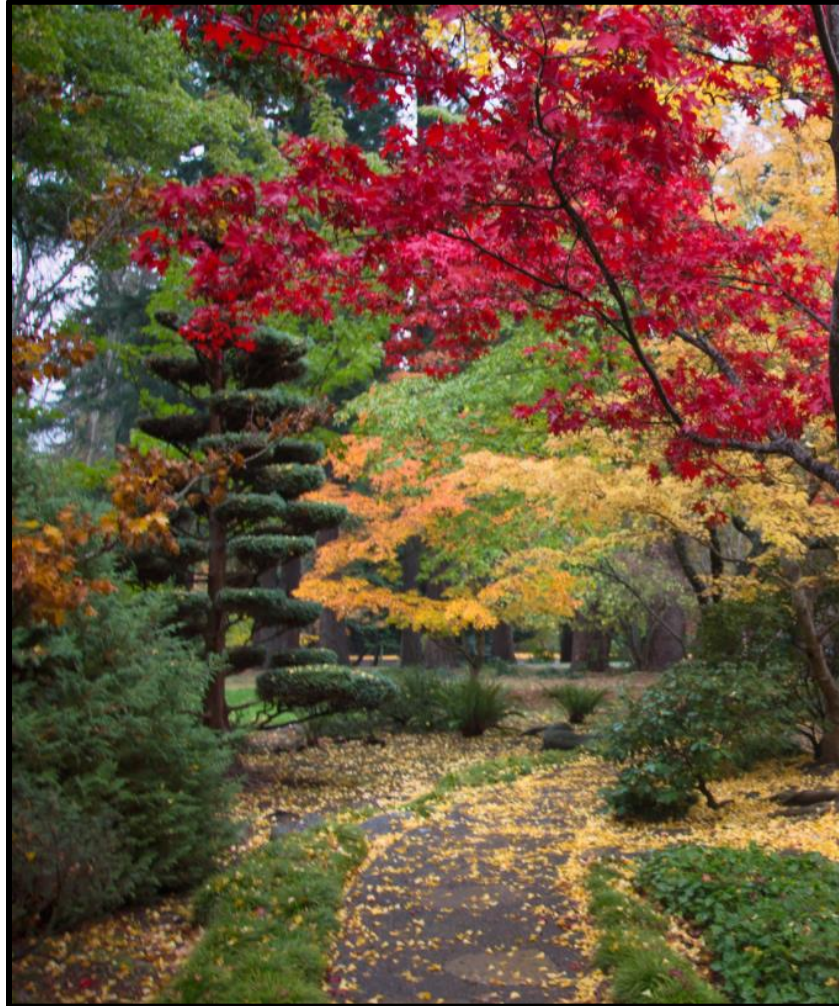


**CITY OF  
ASHLAND  
Oregon**



**City Managers Recommended  
2021-2023 Biennium Budget**

## ABOUT THE COVER

For several years it has been our policy to cover our annual/biennial budget and the corresponding comprehensive annual financial report with original art by a member of our community.

### Front

*Follow the Yellow Leaf Road*  
City of Ashland employee

### Back

*Sweetness*  
City of Ashland employee



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# CITY OF ASHLAND



Oregon

## City Managers Recommended 2021-2023 Biennium Budget

### CITIZENS' BUDGET COMMITTEE

#### **ELECTED MEMBERS:**

Julie Akins, Mayor  
Gina DuQuenne, Councilor  
Tonya Graham, Councilor  
Paula Hyatt, Councilor  
Stephen Jensen, Councilor  
Shaun Moran, Councilor  
Stefani Seffinger, Councilor

#### **APPOINTED MEMBERS:**

To Be Determined- Chair  
To Be Determined – Vice Chair  
Jim Bachman  
Shane Hunter  
Bob Kaplan  
Mike Morris  
David Runkel  
Saladin Amery  
Ellen Alphonso

#### **ADMINISTRATIVE STAFF**

Adam Hanks, City Manager Pro Tem  
Melanie Purcell, Director of Finance, Budget Officer



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Ashland  
Oregon**

For the Biennium Beginning

**July 1, 2019**

*Christopher P. Morill*

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award for Distinguished Presentation to the City of Ashland for its biennial budget for the Biennium beginning July 1, 2019.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

The award is valid for a period of two years only. We believe our current budget continues to conform to program requirements. We are submitting it to GFOA to determine its eligibility for another award.

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# SUMMARIES

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### Budget Message

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I am pleased to be able to present a City Manager's Recommended Budget for the 2021-23 biennium (BN2021-2023) that I believe is both forward-looking and prudent given the unprecedented circumstances our organization, our community, region, nation and planet have had to and continue to navigate. While final decisions made in constructing this budget were necessarily mine, this budget is the result of intense collaborative effort on the part of the City and APRC's executive management team and their staff, with Finance Director Melanie Purcell and her staff leading the way.

As the reality of the coronavirus pandemic set in over the spring and summer of 2020, significant and challenging decisions were thrust upon City management and Council to adjust to a stark dichotomy: the need to reduce expenses in nearly every area of the organization, while facing increased level of service demands and needs from the community. Difficult decisions were made to implement cost reductions with the following core principles:

- Maintain to the extent possible the existing service levels in core public safety services
- Preserve to the extent possible the investments made in the existing employee base; and
- Prioritize reductions that have cost savings extending into BN 2021-2023 over short-term savings that impact service levels, but do not have sustained expenditure savings over time

One measure of the effect of those decisions is the general fund ending fund balance carried forward to this proposed budget. Despite the COVID related revenue losses, the general fund ending fund balance available for this budget is larger than originally estimated in the (pre COVID) approved BN2019-2021 budget. Those decisions and the dedication of staff at all levels of the organization to meet the increased service level needs of our community provide a more solid financial foundation than would otherwise have been likely.

Near the eleventh hour of the development of this budget, the federal Rescue Plan was approved by Congress further bolstering the financial foundation in place. Many operational details of the federal financial aid to cities are still in development, but staff is confident that a significant portion of revenues lost in the past twelve months will be restored through this plan.

### Financial Survivability vs Resiliency

The combination of prudent financial management and federal pandemic relief make it feasible to address a consistent and strong message from the community, including current and prior Councils, for increased financial stability and sustainability. However, it bears repeating throughout this budget review process that the federal aid and a portion of the COVID expenditure reductions are one-time events. These infusions provide a short window within which to take actions that sustain the City of Ashland going forward.



The opportunity is now to develop a financial plan that spans this and the next three to four biennia to move the organization and the community from our current status of financial survival to that of financial resiliency. This cannot be accomplished with this proposed budget alone; financial resiliency also must be a critical target of decision-making over the next several biennia as we strive to maximize the value to the community of the funds entrusted by the community to manage.

### **Affordability vs. Livability**

What can often get lost in the need and desire to “dig into the numbers” is the very real and extremely difficult job the Budget Committee -- and even more so, the Council -- has in balancing affordability and livability. The impact to residents is paramount in determining whether a “smaller City budget” or a cost-effective comprehensive service model is best for Ashland. In the development of this budget, staff incorporates its most refined and realistic estimates on both the expected revenues for this upcoming two-year period and the expenditures necessary to responsibly meet the level-of-service expectations most Ashlanders seem to have. The costs to meet those level-of-service expectations regarding public safety, planning, building and development, Parks and Recreation, the transportation/streets system, and general administrative operations of the City are the primary components of the Governmental Funds section of the budget.

In addition to the traditional municipal services above, the City of Ashland operates more utility “businesses” than most cities. These include supply, treatment, and distribution of (excellent quality) water, a DEQ compliant wastewater collections and treatment plant, a reliable electric utility supplied by low carbon hydropower, a broadband fiber network (AFN), and a storm drain collections system. Revenues in each of these utility “enterprises” are limited and allocated for operations, maintenance and capital investments within their own utility, are subject to local control, and help keep the dollars used to pay utility bills circulating with the local economy.

Investments to maintain, replace and expand the infrastructure of each system impacts the rates that must be charged to provide these utility services. As with revenues and expenditures in the General Fund, staff carefully scrutinizes each of these Enterprise funds. In addition to professional staff within each enterprise, the City utilizes Council-appointed advisory committees (e.g., Ashland Water Advisory Ad-Hoc Committee), as well as outside experts to develop long-term, Council-approved Master Plans for analyzing the short- and long-term needs and associated rates for each of the City’s utility systems. If rates become too high, the community becomes less affordable. If rates are not high enough, the infrastructure is at risk of failure or the improvements are deferred, thereby driving costs even higher for future ratepayers, jeopardizing local economic development and overall livability.

### **Council and Community Values, Priorities and Goals**

A budget document is a difficult place to clearly identify and articulate the connection between key community values and priorities and the City's finances and planned use of funds. Some projects or programs lend themselves readily to making the connection between a community value or priority and a proposed action. One example: Support for Climate and Energy Action Plan implementation made possible through participation and expansion of activity in the State Clean Fuels Credit program.

Other value or priority programs, projects or activities are more difficult to pinpoint in the budget because they aren't necessarily an added, new expenditure but are instead a result of doing a program or activity differently. One example is the re-working of the City's hiring processes implemented this past year driven by Council passage of the Social Equity & Racial Justice Resolution in July of 2020.

Still other values or priorities can be challenging to identify in the budget such as implementation of operational efficiencies consistent with the Ad-Hoc Cost Review Committee that formed in 2019 and met for nearly a year after the adoption of the BN2019-2021 budget. These efficiencies sometimes lead to actual current cost reductions; sometimes to future cost avoidance; and sometimes even to greater service levels to the community. These efforts include the transition to contracted administration of the Transient Occupancy and Food & Beverage Taxes anticipated in this budget; the contracting of City survey work implemented this past year; and the Community Development Department implementing new electronic building plan submittal, review and issuance software within the last budget.

Core community and Council values of climate action, housing solutions, homeless services, and social equity and racial justice are embedded in the work of the City and are likewise embedded in this recommended budget, some elements more visible and tangible than others, but none less important. Improving the financial condition of the City is a necessity to continuing to work on and enhance efforts on these and other core values and priorities of this and future Councils.

### **The Challenge Ahead**

The City and community face many challenges ahead to move towards financial resiliency while wrestling with the balance between affordability and livability. These challenges often overlap both in terms of the timing necessary to address them and in how they affect community goals and objectives. Some are already underway, and some are being prioritized and mapped out for greater education and engagement. A few significant challenges ahead include:

- Determining the most cost efficient and effective service levels for the Ambulance Services
- Establishing stable and sustainability funding structures for:

- Ashland Parks and Recreation Commission
- Street Capital Improvement
- Funding Wildfire Prevention in the urban and woodland interface
- Funding Emergency Management and greater regional participation
- Investment in updated AFN Infrastructure
- Regionalization of public safety operations
- Rehabilitation and funding solutions for City Hall and other key City facilities

### **Fiscal Resiliency – Phase I**

This recommended budget contains several significant proposed changes that increase financial stability and introduce additional structure to the utilization of several key revenue streams.

- Commitment of the full Food and Beverage Tax revenue to Ashland Parks and Recreation Commission with a phased reduction of General Fund revenue to APRC;
- Reduction of Franchise Fee rates and payments from Utilities (Water, Wastewater and Electric) to the General Fund to assist in rate relief; and
- Allocation of a portion of General Fund franchise fee revenue to Street Fund dedicated to capital improvement only ensuring targeted improvements in the transportation system.

The realignment of these revenue streams strengthen the long-term position of each of the areas they target and result in a tighter policy and financial nexus between the revenues and their newly intended operational and infrastructure investments. However, significant discussion and decision making will be required within this upcoming biennium to develop the Phase II and III actions that will be necessary to build upon Phase I and reach financial resiliency for the organization and community.

The executive summary that follows this opening message provides an excellent description of the City's current financial condition; key issues being faced; the approach used to develop a balanced budget; and a detailed description of the key revenues the City relies upon to provide services and maintain public infrastructure.

Staff is eager to present this proposed budget and work with the Budget Committee with a goal of focusing on the most critical financial issues facing the organization and community now and into the next several biennia, including specific structural decisions that will be before Council soon after the ultimate adoption of a 2021-2023 Biennial Budget for the City of Ashland.

Thank you,

Adam Hanks,  
City Manager Pro Tem

Melanie Purcell,  
Finance Director, Budget Officer

## Accomplishments

*More details are also available in the department section.*

### Fire Department

- Switched to in house Ambulance Membership program
- Contacted property owners in March and then sent 884 letters at the end of 2020 to repeat property owners who are in violation of the Ashland Municipal Code as community outreach. 288 notices to abate violations were issued in 2020 and after extensive work to abate the hazards without compliance 4 citations were issued to citizens.
- CERT maintains an active roster of 125 volunteers who provided 2,914.75 hours of service to the community with 604.5 hours of service alone in the Alameda Fire. CERT additionally assisted the Wildfire Division in the distribution of 600 air purifiers to Ashland's vulnerable population.
- Staff and Wildfire Safety Commission developed a partnership with Rogue Valley Association of Realtors to institute wildfire safety inspections during home sales and realtor education classes.
- Two Wildfire Division staff passed tests to become NFPA Certified Wildfire Mitigation Specialists.
- Over 900 acres of wildfire fuels reduction was completed through thinning of trees and brush in the City's watershed and on City and Parks property next to neighborhoods. Controlled burning is in progress with over 1,700 acres burned in the BN2019-2021 thus far, despite COVID restrictions.
- A City Forestlands climate adaptation plan is underway with the Forest Lands Commission's oversight. An initial analysis of tree mortality was completed in 2020 as a first step. The plan is intended to be completed in summer 2021.
- Built relationship with Options for Helping Residents of Ashland (OHRA) to educate clients on wildfire safety.
- Secured \$155,000 dollars from Oregon DEQ for smoke adaptation including over 600 HEPA-grade air purifiers given at no cost to the most vulnerable Ashland residents and OHRA winter shelter site. Staff completed a Community Smoke Response Plan through collaboration with community partners convened by the Chamber of Commerce.
- A watershed drone patrol program was piloted successfully during BN2019-2021 to identify and prevent potential ignition sources in the lower Ashland watershed.
- Assisted in the fire cause and origin investigation into the Alameda fire
- The weed abatement coordinator re-inspected 1,052 lots, received and processed 83 citizen complaints in reference to fire danger, of which 12 were repeat property violators from 2019. He sent 528 preseason mailers to repeat property owners in March and then sent 884 letters at the end of 2020 to repeat property owners who are in violation of the Ashland Municipal Code as

- community outreach. 288 notices to abate violations were issued in 2020 and after extensive work to abate the hazards without compliance 4 citations were issued to citizens.

### **Police Department**

- Every sworn member of the department is a certified police officer, licensed through the Oregon Department of Public Safety Standards and Training. Many officers hold intermediate, advanced, supervisory, management or executive certifications as well.
- All officers have a basic certificate, many have earned more advance certifications such as intermediate, advanced, supervisory, management and executive.

### **Community Development**

#### *Long-Range Planning Program:*

- Adopted the “Transit Triangle (TT) overlay” to provide an area for development of moderately-sized housing units near the bus route in the southeastern part of Ashland.
- Amended the open space requirements and design standards to eliminate code inconsistencies and improve the function and desirability of common open space for residents of new housing developments.
- Amended land use requirements that regulate affordable housing to increase the effectiveness and efficiency of the Housing program by making the program more readily understood by affordable housing and private market developers.
- Implemented a Vertical Housing Development Zone (VHDZ) that offers a financial incentive in the form of a ten-year partial property tax exemption as an incentive for the construction of housing and new businesses along Ashland Street and Siskiyou Boulevard.
- Amended the zoning requirements for duplexes and accessory residential unit parking as required by new state legislation passed in 2019, HB 2001.

#### *Housing Program*

- Supported the development of new long-term affordable housing benefiting low-income households.
- Completed a five-year update of the Fair Housing Analysis of Impediments to Fair Housing Choice. The Fair Housing Analysis of Impediments furthers Ashland’s commitment to social equity and racial justice in supporting equal access housing opportunities regardless of race, religion, familial status, source of income, disability, sex or gender identity.
- Completed an update of the five-year Consolidated Plan for use of CDBG funds (adopted 5/2020). As a recipient of CDBG funds, the City is required to prepare a five-year strategic plan that identifies housing and community needs, prioritizes these needs, identifies resources to address needs, and establishes annual goals and objectives to meet the identified needs.
- Developed a Housing Strategy and Implementation Plan, specifically focusing on understanding obstacles and barriers to multi-family and

- suggesting strategies to address affordability and availability low and moderate cost housing.

*Current Planning Program:*

The Current Planning program processed and approved the following significant planning applications and building permit reviews in 2019 and 2020.

- Plaza East, Oregon Shakespeare Festival's (OSF) new housing project on Lithia Way.
- Snowberry Brook II, a 60-unit affordable housing project at Villard and Engle Streets.
- West Village Subdivision, a 27-lot residential subdivision at Otis and Randy Streets.
- A mixed-use building at Russell Drive including approximately 5,000 square feet of ground floor commercial and 13 housing units less than 500 square feet in size.
- Kestrel Park, 15-unit cottage development in North Mountain Neighborhood.
- A 12-unit cottage project on Alicia Ave.
- Two major school district projects at Helman Elementary and Ashland Middle School.
- A 16.87-acre annexation at 1511 Highway 99 including. The conceptual plan for the multifamily residential development includes 196 apartments including one and two-bedroom units ranging from 500-700 square feet in size, with 30 of the housing units required to be affordable under the Housing program.

**Ashland Parks and Recreation**

- Responded to COVID-19 pandemic: Collaborated on the Adopt a Neighbor Ashland program to help high-risk residents with shopping, developed a Senior Phone Buddy program to fight social isolation, conducted outreach calls to vulnerable seniors, created a Find Your Space marketing campaign to be utilized when events beyond our control disrupt daily life (The campaign offers ways to stay connected and was recognized by the National Recreation and Parks Association), developed outdoor and online programming for recreation and education, and supported car camping and meal distribution sites. Made several cost-reduction actions to address the loss of revenue due to COVID 19 restrictions.
- Responded to Alameda Fire: Helped with fire suppression on Parks properties and cleared hazardous trees and brush after fire. Worked on housing, staffed an Ashland Response helpline and email, and created a resource webpage to help community members find help and give help; the webpage had over 6000 views in the first three days and over 14,000 views in 30 days.
- Held the first Ashland Senior Volunteer Fair on January 20, 2020, with 25 community organizations tabling and over 100 participants discovering rewarding volunteer opportunities.
- Staff began drafting a new mission, vision, and values for APRC.

## Executive Summary:

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**The focus of the BN2021-23 Budget process, as well as the next several biennia, is to use strong foundations in building structure and stability that manage the community's and the agency's risk tolerance.**

### Key Issues

The City of Ashland, like most local governments in the United States, is facing revenue constraints that do not correlate with the rate of cost increases. In particular, the State of Oregon restricts property tax revenue to no more than three percent (3%) while pension and healthcare routinely increase up to double that rate. Personnel costs are the largest component of the City's budget due to the nature of services provided: the human element is basic to most municipal services including law enforcement, fire and emergency responses, and community development.

Over the past two budget development processes, the City has worked to balance the high quality and level of services provided with the need to maintain the affordability and competitiveness of City services. The City initiated a Cost-Review Ad Hoc Committee after adoption of the last budget to develop recommendations for cost-saving actions and practices. The Committee met 13 times between July 2019 and March 2020 and provided the following recommendations for Council:

1. Review closely the total compensation package of all employees as needed overtime specifically looking at, but not limited to, costs related to PERS (pension), Healthcare, COLA's (Cost-of-Living Adjustments) and HRAVEBA (Health Reimbursement Arrangement Voluntary Employee Benefits package for pre-tax medical self-reimbursement).
2. Review the ambulance service and study it as a unit of the Fire Department and provide future direction by June 30, 2020 to the letter of intent deadline for the five-year Ambulance Service Area contract.
3. Review the recommended levels of response for the Fire Department and what level of service is provided on different levels of calls.
4. Consider removing the model of staffing of the Fire Department with only Paramedics and look at a team model of Paramedic/EMT.
5. Direct staff to advise definitive ways where they could streamline operations with the goal of creating a meaningful cost/benefit review of series offered and that also creates efficiencies and reduces costs.
6. Consider outsourcing services with the goal of reducing costs.
7. Review the essential and value-added services list for the General Fund

Consistent with these recommendations, City employees have taken on more of the cost of healthcare coverage; non-represented employees did not receive a COLA for FY2020-2021; and the City Council will be giving directions on the upcoming negotiations with all five bargaining units. The ambulance study is underway, and a report is anticipated this summer. Recent hires for the Fire Department include EMT level first responders rather than all paramedics. Other recent and pending actions include contracting for surveying rather than hiring to fill the City Surveyor role, contracting of Transient Occupancy Tax (TOT) and Food & Beverage Tax (F&B) administration with the State of Oregon and a private vendor to streamline collections and allowing for a smaller staff on-site; purchase and installation of a payment kiosk to offer another cost-effective payment method for residents; and preparation of this budget with a focus on distinguishing those services mandated by law from those that are expected and/or discretionary.

On top of years of intensive evaluation and cost cutting, the COVID-19 pandemic has clarified the need for policy decisions on the structure and composition of services provided by the City and for long-term strategic thinking to transition the organization from status quo reactions to sustainable operations to resilient vibrance. While the City Manager's Recommended BN2021-23 Budget is balanced and continues the organization's commitment to continuous improvement and the most efficient operations possible, the structural disconnect between recurring revenues and minimum operating expenditures

## Executive Summary

and capital investment remains a grave concern. As noted in prior budget messages, the City has carried and continues to carry a recurring \$2 million structural imbalance which is addressed by small adjustments each year rather than systematic shifts in operations or service composition. The City is no longer able, however, to balance by making small adjustments; it must now address the underlying structural misalignment between the ongoing cost of desired and mandated services and the revenues to support them. **Simply put, the City of Ashland cannot afford the high level of services it has historically enjoyed under the existing funding structure.**

The City Council took a strong step to strengthen the City's financial foundations by adopting new Finance Policies with higher minimum ending balance requirements, stringent parameters for the Reserve Fund, and clear directions for restoring its financial position when navigating fiscal challenges. Further, the Council supported consolidating funds and streamlining reporting and organizational structures to make the City's finances even more transparent and accountable. The full text of the Financial policies is in the Appendix. Evaluation of the City's vehicles and equipment as well as usage policies are assisting the organization to streamline and target its efforts and ensure as accurate an assessment of the cost of service as possible. Other funds and structures will be evaluated over the next biennium as well.

The Insurance Fund has required additional contributions over the past two years and is a key starting place for evaluating opportunities to better control costs through compelling policies and procedures. The first step of this process is to fully fund the costs of insurance through the transfers made by operating departments. This more accurately reflects the cost of services within those departments and ensures greater attention to funding status. Similarly, the cost of administrative support, previously provided by the Central Services Fund and now through the General Fund, has not been fully distributed to the operating departments for the past several budgets and has led to inadvertent understatement in some activities while fully burdening others. These course corrections, while necessary to accurately reflect and address the true cost of services, require shifts in resources.

As a service agency, the largest cost component for the City is its employees. The City has contracts with five bargaining units representing 61% of its total employees including the Parks Commission. Cost-of-living increases have remained close to the Consumer Price Indices for the past few years and employees have taken on a greater portion of the cost of healthcare coverage. All five labor contracts expire and will need to be negotiated over the next two years lending some uncertainty to future year estimates. Additionally, the Oregon Public Employee Retirement System (PERS) lowered the rates charged to the City for the upcoming biennium in reflection of its greater than anticipated investment earnings and shifting member composition as more employees eligible for Tier 1, the highest benefit category, retire from Oregon governments. There is no general consensus yet among economists and actuaries on the likely impact of the current economic climate on pension systems and healthcare markets, exacerbating the inability to forecast multi-biennium expenditures with confidence.

With the onset of the COVID-19 pandemic, Transient Occupancy Tax (TOT) or hotel taxes and Food & Beverage Tax (F&B) receipts dropped significantly, 58% and 36% respectively. The City adjusted its operations and drastically reduced expenses. This was achieved by holding positions vacant and targeting areas which were most impacted by socialization restrictions, i.e. customer facing services such as recreation and customer service. However, as restrictions on physical interactions ease and vaccinations allow for more in-person transactions, it will be necessary to fill some of these positions to provide responsive customer service.

### **Balancing Approach**

**Background:** Staff began the budget process in December with a focus on finding productive ways to communicate and manage expectations as everyone adjusts to the longer term impacts of the



pandemic compounded with the usual tensions between unlimited wants and needs and limited resources. Three questions were posed to frame the budget discussions, both for staff and for City Council and the Budget Committee:

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?

Recognizing that there is a significant reduction in General Fund resources from FY2020 original budget and flat revenues in the enterprise funds, staff took a hybrid approach to balancing the budget and presenting options to City Council for consideration. It's as if Zero Based Budgeting, Program Budgeting, Incremental Budgeting, and common-sense know-how decided to mix recipes and come up with: Ashland's Guide to Success when the City Doesn't Have as Much Money as It Wants. The intent was to focus the dialogue on the decisions that the City Council needs to make by identifying those program areas or services that are mandated by law or industry regulations and separate that portion of the budget from those areas that are "discretionary". A third category was also included to address "expected" services or those that have a stated or expected level or quality in an adopted plan, the community survey, industry standards, or something that can be cited. For example, Finance is *required by state law* to have an annual audit conducted by an external auditor; it is *mandated by industry regulations*, i.e. the bond market and SEC rules, for that audit to be a Comprehensive Annual Financial Report including specific statistical information; it is *expected by industry standards*, i.e. the Government Finance Officers Association (GFOA), to meet the GFOA Comprehensive Annual Financial Report Awards program criteria. Good news for the City- all three standards are met with virtually the same cost (no definable or modifiable difference in cost). The accounting division that works on reporting and auditing is a "mandated" service. The intent is to keep the limited resources focused on the information needed for Council to make the necessary decisions that staff cannot make for them, i.e. what services the City is willing to live without and/or see reduced.

Staff was charged with developing budget proposals that:

- Identify and maintain mandated services
  - Identify expected (formally community identified)
  - Identify discretionary programs and services
- Streamline and find efficiencies where possible
- Ensure changes are sustainable (must be able to continue for more than 2 biennium)
- Include realistic assessments of costs
- Include realistic evaluations of revenues
- Include best practices as foundations: fund balance, central services/ allocated charges, professional standards for operations, formalized structure, and policy adoption!

Two key elements were also required as part of recommending changes to services:

- Identify service impact of actions; explain how residents and visitors may be affected, and
- Establish a strict timeline for any supporting actions necessary to implement any changes.

Initial estimates of available revenue and planned expenditures with service at levels similar to those in the past indicated a gap of approximately \$5.2 million. The Recommended budget includes specific actions to balance this budget and many of these actions provide opportunity for long-term organizational efficiencies.

**Federal Stimulus Package:** The ability to now design and implement initiatives for long-term fiscal stability relies greatly on federal funds made available under the Coronavirus State and Local Fiscal

## Executive Summary

Recovery Fund included in the American Rescue Plan Act signed into law on March 11, 2021. The City of Ashland is to receive \$4.3 million in revenue replacement funding with the potential for additional capital funding for water, wastewater, and broadband projects. To receive and retain these funds, the City is required to comply with strict reporting and use regulations which limit the flexibility of these funds but allow for the most pressing basic municipal services to continue with minimal impact for the next two years. This influx of funding spares the City from more drastic reductions in service for the first year of the biennium and allows a brief timeframe to make more strategic adjustments in funding and operations to begin addressing the structural imbalance.

The Government Finance Officers Association (GFOA) offered the following Guiding Principles for the use of the American Rescue Plan Act (ARPA) funds:

Temporary Nature of ARPA Funds. ARPA funds are non-recurring so their use should be applied primarily to non-recurring expenditures.

- *Care should be taken to avoid creating new programs or add-ons to existing programs that require an ongoing financial commitment.*
- *Replenishing reserves used to offset revenue declines during the pandemic should be given high priority to rebuild financial flexibility/stability and restore fiscal resiliency.*
- *Use of ARPA funds to cover operating deficits caused by COVID-19 should be considered temporary and additional budget restraint may be necessary to achieve/maintain structural balance in future budgets.*
- *Investment in critical infrastructure is particularly well suited use of ARPA funds because it is a non-recurring expenditure that can be targeted to strategically important long-term assets that provide benefits over many years. However, care should be taken to assess any on-going operating costs that may be associated with the project.*

ARPA Scanning and Partnering Efforts. State and local jurisdictions should be aware of plans for ARPA funding throughout their communities.

- *Local jurisdictions should be cognizant of state-level ARPA efforts, especially regarding infrastructure, potential enhancements of state funding resources, and existing or new state law requirements.*
- *Consider regional initiatives, including partnering with other ARPA recipients. It is possible there are many beneficiaries of ARPA funding within your community, such as schools, transportation agencies and local economic development authorities. Be sure to understand what they are planning and augment their efforts; alternatively, creating cooperative spending plans to enhance the structural financial condition of your community.*

Take Time and Careful Consideration. ARPA funds will be issued in two tranches to local governments. Throughout the years of outlays, and until the end of calendar year 2024, consider how the funds may be used to address rescue efforts and lead to recovery.

- *Use other dedicated grants and programs first whenever possible and save ARPA funds for priorities not eligible for other federal and state assistance programs.*
- *Whenever possible, expenditures related to the ARPA funding should be spread over the qualifying period (through December 31, 2024) to enhance budgetary and financial stability.*
- *Adequate time should be taken to carefully consider all alternatives for the prudent use of ARPA funding prior to committing the resources to ensure the best use of the temporary funding.*

*The influx of funds will undoubtedly benefit state and local finances, and aid in the recovery from the budgetary, economic, and financial impacts of the pandemic. Rating agencies will evaluate a government's use of the ARPA funds in formulating its credit opinion and, importantly, will consider your government's level of reserves and structural budget balance, or efforts to return to structural*

*balance, as part of their credit analysis. Finance officers will play a critical role in highlighting the need to use ARPA funds prudently with an eye towards long-term financial stability and sustainable operating performance. The funding provided under ARPA provides a unique opportunity for state and local governments to make strategic investments in long-lived assets, rebuild reserves to enhance financial stability, and cover temporary operating shortfalls until economic conditions and operations normalize.*

**Changes in Operations:** Staff made specific adjustments after the initial evaluation based on new information and identified opportunities consistent with best practices. These include:

- Delay replacement of lesser used vehicles and reassigning vehicles for more optimal usage;
- Redistribute position funding to more accurately reflect organizational needs, i.e. Deputy City Manager role is designed to consolidate management for Information Technology and Ashland Fiber Network, and provide support to the Electric Fund as all three departments develop long-term strategic plans over the next biennium;
- Smooth the impact of healthcare costs over several years, taking advantage of lower than anticipated increases; and
- Reduce PERS contribution costs per most recent valuation statement as provided by PERS.

Other actions that directly impact operations are also proposed in this budget to reduce costs, address identified opportunities and needs, and maximize efficiencies. These include:

- Unfund the previously approved Communications Specialist;
- Reorganize Finance Utility Billing Division;
- Restructure the Information Technology Department to utilize more technology solutions and seek regional partnerships;
- Evaluate Police staffing; and
- Discontinue the payment of Marijuana Tax revenues to the Housing Trust Fund with dedication of property or proceeds from the sale of property instead.

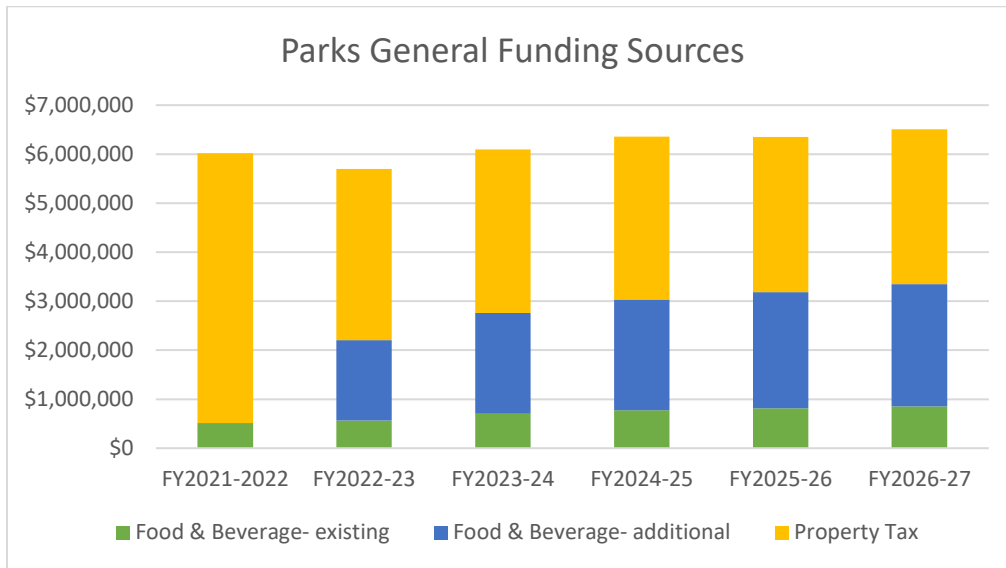
The Recommended Budget includes additional funds to pay for outside legal assistance for labor negotiations and managing 5G ordinance revisions, communications contracts and access. The second year of the biennium also includes further actions to:

- Unfund Fire administration positions if additional grant funds are not secured;
- Increase GEMT or ambulance service reimbursements through the state, anticipating pending changes in legislation and an update of the City's cost evaluation study; and
- Unfund social service grants through Community Development.

**Rate Relief and Funding Stabilization Strategy:** As part of the City Manager's Recommended Budget presented to the Ashland Citizen Budget Committee and the City Council, a series of policy discussion and decisions items were identified for focused discussion. Most critical of these policy actions is a Rate Relief and Funding Stabilization Package, including the adoption of modified and new ordinances to strengthen the structure and stability of funding for the Ashland Parks Commission and Streets Fund while reducing the Franchise Fee burdens on the utilities. Moving in concert, these three elements move expenditures closer to related or more appropriately situated revenue streams and reduce some pressure on utility rates. First, dedicating Food & Beverage taxes to the Parks Commission reflects the more flexible nature of Parks operations over public safety activities or capital projects. Further, it allows the Parks Commission greater ability to forecast and plan its operations and capital projects with a dedicated funding stream rather than through the two-year biennial budget

## Executive Summary

process.



Second, dedicating a portion of Franchise Fees to funding streets capital recognizes the relationship between the franchise rates paid by utilities and the primary municipal infrastructure impacted by the utilities, the roadways. Similar to the Food & Beverage tax shift to Parks, having a dedicated funding stream allows for more consistent and cost-efficient capital planning. The relatively stable funding provided by Franchise Fees allows the longer span roadway capital projects to be secured at optimal pricing and planned in concert with related utility projects.

	FY2022-23	FY2023-24	FY2024-25	FY2025-26
% of Franchise Fees	20.00%	25.00%	35.00%	50.00%
Streets Capital Funding	\$ 620,899	\$ 749,900	\$ 1,049,861	\$ 1,499,801

Finally, in an effort to systemically evaluate the factors influencing utility rates, staff identified the franchise fees as a significant pressure and in some cases, inconsistent with similar rates and structures in other communities. By creating a specific structure in ordinance, the City Council can provide more rate stability and transparency for the utility customers while keeping the multi-faceted system in balance.

Franchise Fees	Current Franchise Rates	Proposed FY2022-23 Franchise Rates	FY2023-24 and forward Franchise Rates
Wastewater	8.00%	7.50%	7.50%
Water	8.00%	7.50%	7.50%
Electric	10.00%	8.50%	7.50%
Avista	7.00%	7.50%	7.50%
Charter	5.00%	5.00%	5.00%
HomeNet	2.00%	2.00%	2.00%
Stormwater	0.00%	0.00%	0.00%
AFN	0.00%	0.00%	3.00%

## **Policy Decisions**

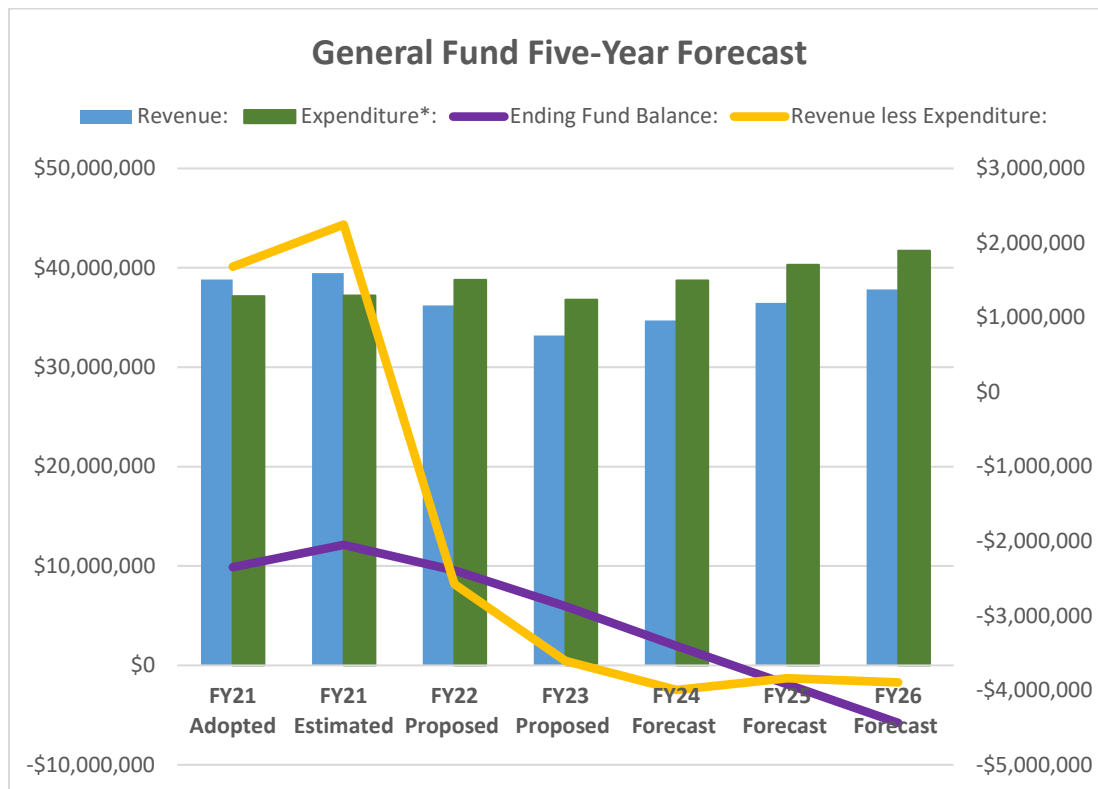
As noted, the City is facing several key decisions as part of its budget deliberations and in establishing a more stable and sustainable financial future. To recap, the BN2021-2023 Recommended Budget includes the following action steps occurring within the first fiscal year of the biennium:

- 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;
- Enter into an intergovernmental agreement with the City of Talent to provide police patrol, supervision, and investigative services;
- Approve the transfer and/or sale of surplus property to benefit the Housing Trust Fund;
- 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. This change does not require an election but F&B modifications have been referred to the voters in the past;
- 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.

## **Forecast**

Looking forward, the City has more difficult choices but the BN2021-2023 Recommended Budget includes a small window of opportunity for the City to examine those choices more closely so as to react only after understanding the full potential consequences. As noted in prior budget messages, the City of Ashland has an approximately \$2 million structural imbalance, net of contingency, that has been addressed through measures that have managed to keep the imbalance from growing significantly but have not addressed the underlying structure sufficiently. This imbalance or gap grows to over \$3.5 million by the end of this biennium and triggers a deficit position by FY2024-2025 if the inherent disconnect between revenues and expenditures is not fixed.

## Executive Summary



\* less Contingency

Through severely restricting expenses over the past year in response to the COVID-19 pandemic and the receipt of federal funds, the City now has an opportunity to make thoughtful and planned adjustments rather than slashing services. Small efficiencies will not be sufficient to address the magnitude of this long-term disconnect between revenues and expenditures. Amongst some of the topics to consider and evaluate over the next year in preparation for the BN2023-2025 budget are:

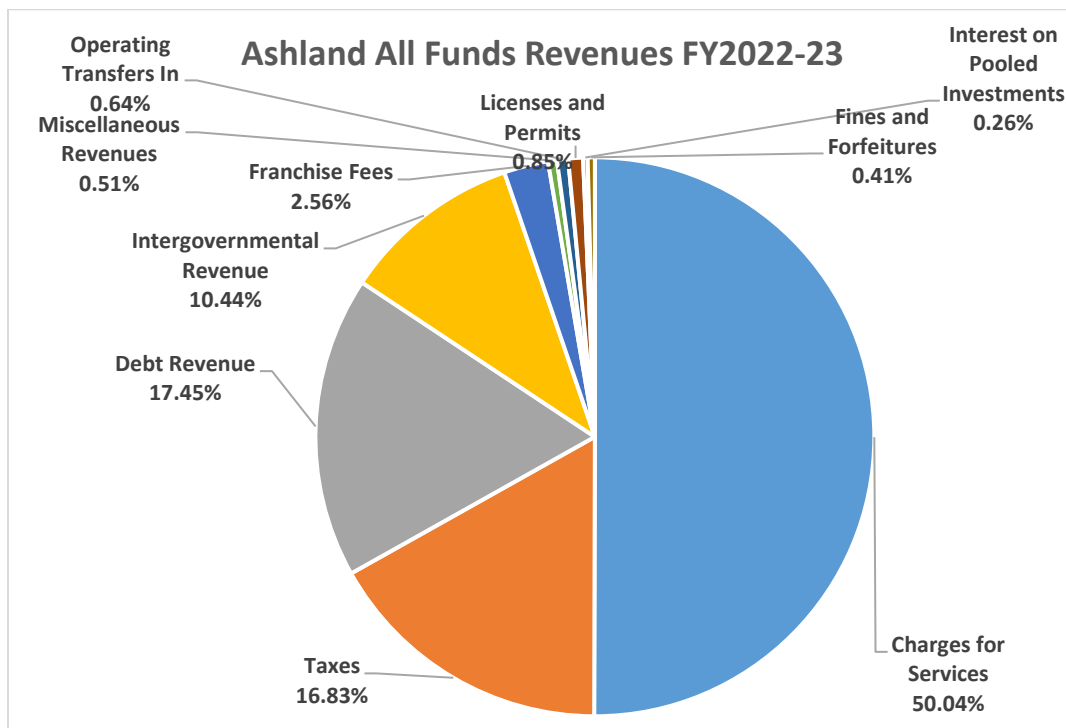
- Feasibility of a regional Parks & Recreation District;
- Feasibility of a Parks Operating Levy;
- Feasibility of a regional Fire & Ambulance District or extended regional partnership;
- Feasibility of a Public Safety Operating Levy for other services;
- Reduce Fire and Medical Response standards;
- Consolidate facilities; and/or
- Other regionalized solutions.

Study sessions are being scheduled for the City Council beginning in September 2021 to begin in-depth discussions of capital plans, debt strategies, and future services and revenues.

## **Sources and Uses**

### **Sources**

The City of Ashland uses a variety of sources to pay for services to residents and visitors. Many revenues are dedicated to specific uses including the charges and fees paid to the utility funds such as water, wastewater, electricity, and the Ashland Fiber Network. These charges pay for direct service so cannot be transferred to pay for unrelated activities such as police or fire protection. Taxes are established to pay for basic municipal services for which fees and charges would be inappropriate or prohibitive.

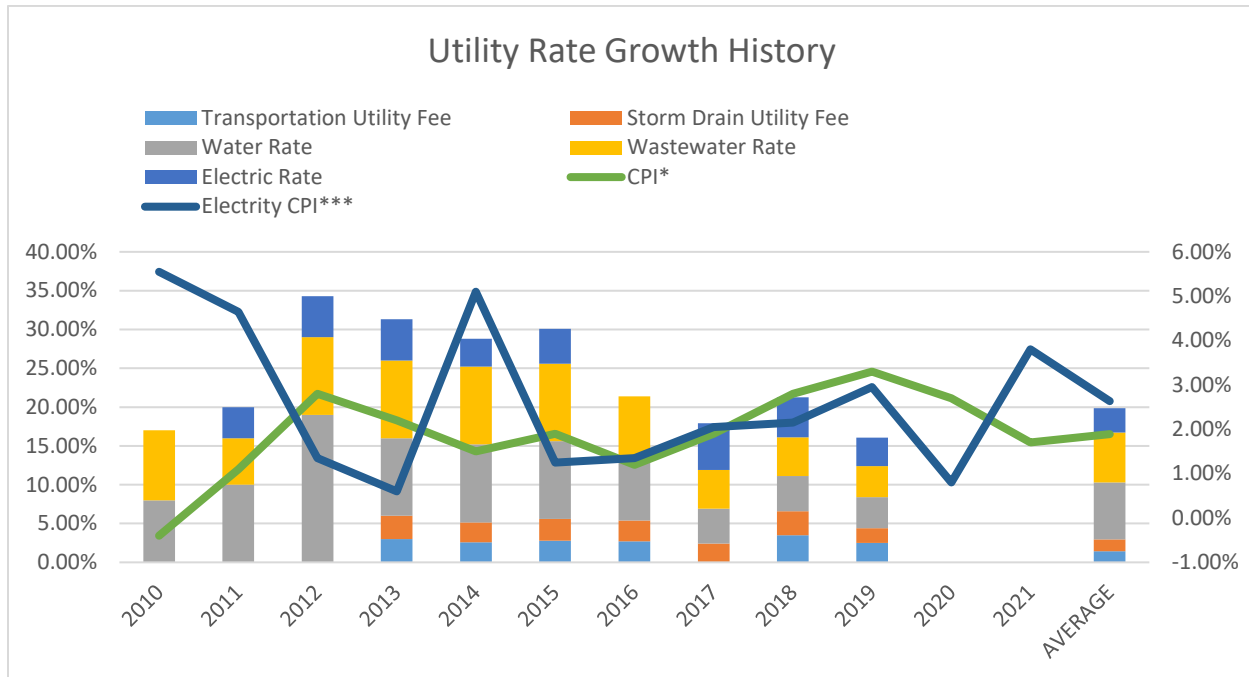


### *Charges for Services*

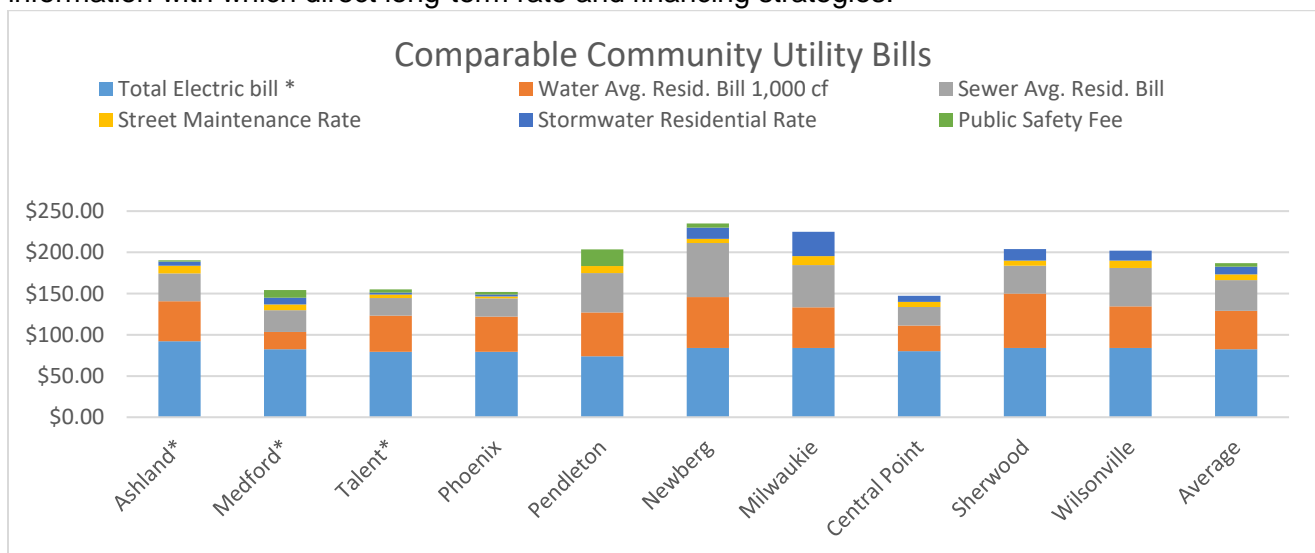
Charges are based on the base cost to provide the service and normally includes a charge that represents level of service used. These services include water, wastewater, electric and high-speed data services provided to residential, commercial, and governmental properties. The Fire Department charges a fee to provide ambulance transport services for patrons. The State of Oregon is working on a program to increase the Medicare reimbursement, which would positively affect future revenues if successfully implemented by the State. The Ashland Parks & Recreation Commission also charges fees for its recreation programs including use of the golf course and rental of facilities. Recreation revenue has been virtually cut-off with the pandemic restrictions although the golf course was able to open for rounds by late summer 2020.

Utility charges and fees for other services are evaluated each biennium to ensure sufficient revenue is generated to cover the cost of providing the services and maintaining the necessary infrastructure to support them. The Council has historically approved gradual increases in charges, particularly utility rates to avoid significantly larger rate shocks more intermittently. The volatility of the market as indicated by the CPI and the Electricity CPI support the need to closely explore the rate structures and long-term plans used by all of the utility systems including consumer impacts and policy implications of the systems together as well as independently.

## Executive Summary

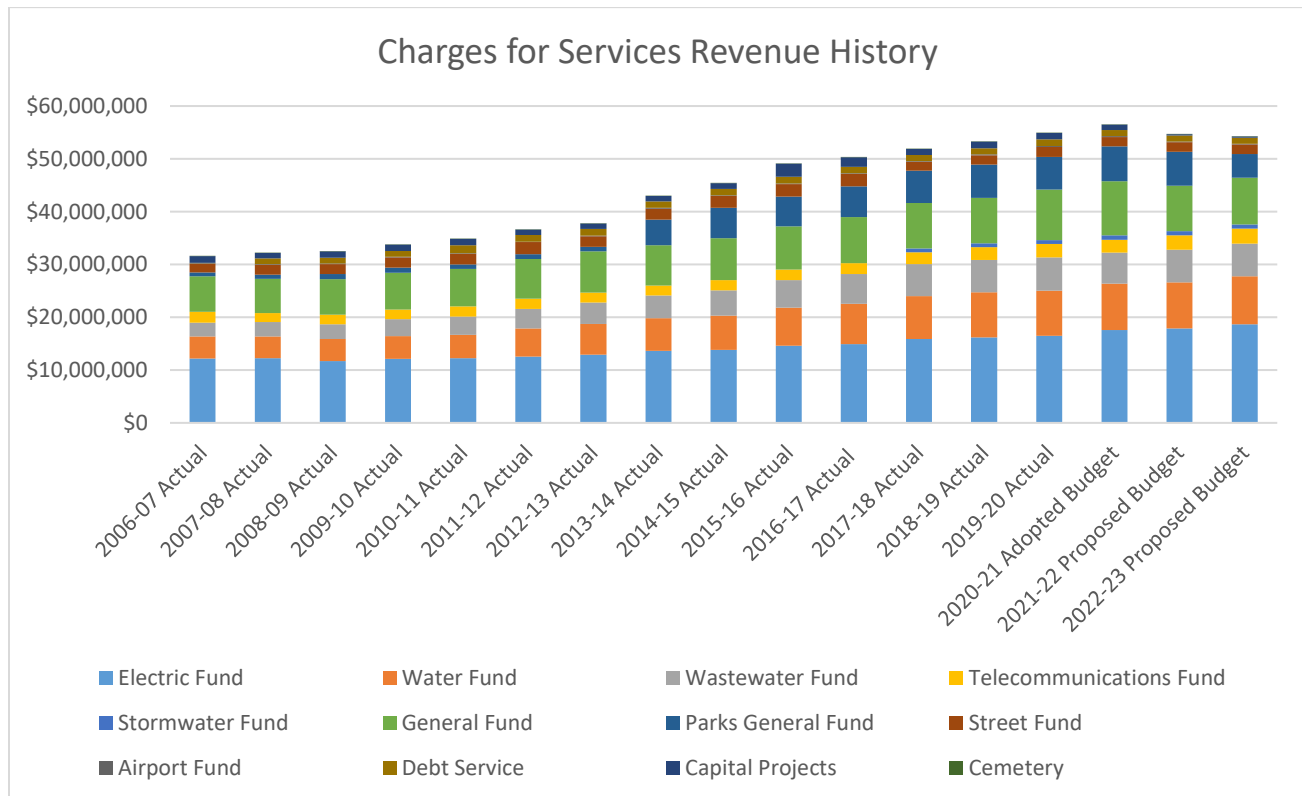


A significant consideration in Ashland's affordability is how it compares in its costs of services with other communities and providers. Ashland residents receive most of their utility services through the City of Ashland rather than multiple providers as many of its comparable communities. While water and sewer services and billing are reasonably consistent across agencies, each community pays for its stormwater, streets, and general fund support using different mechanisms. Three agencies confirmed adding Lower Income Relief and other components to the electric bills while others may include it within the rate structure or use another mechanism. Further analysis is planned for the Fall to provide Council more information with which direct long-term rate and financing strategies.





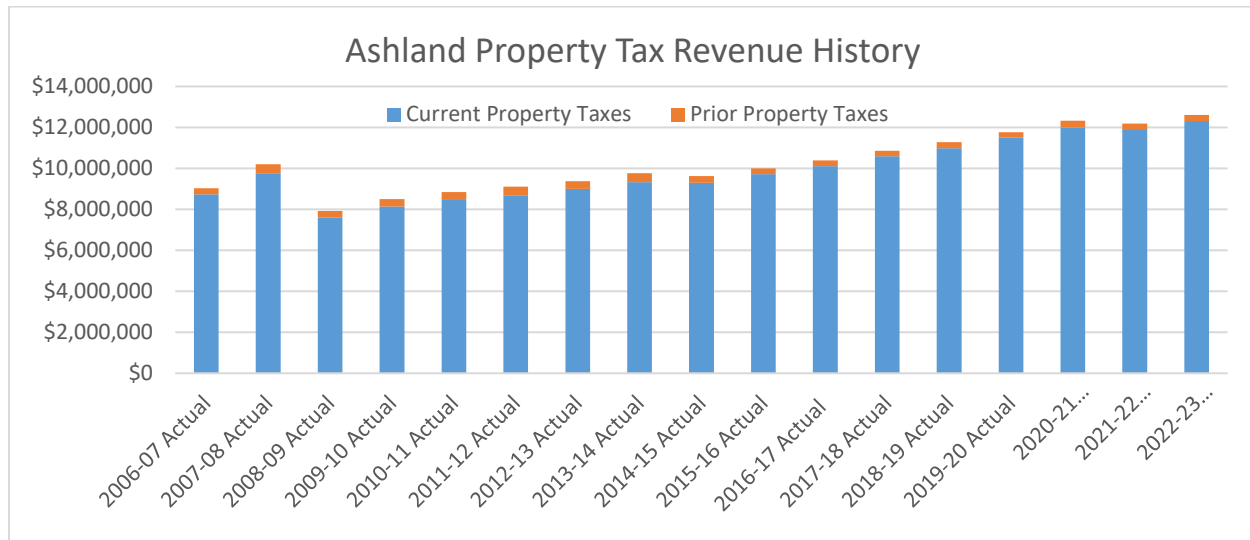
In recognition of the challenges posed to consumers during the COVID-19 pandemic, the City Council did not increase any utility rates for FY2020-2021. The proposed budget includes modest increases in electricity in both years reflecting the increase from Bonneville Power Authority (BPA) from whom the City of Ashland purchases electricity and debt service to pay for the purchase of a relay substation. By purchasing and improving the substation, the Electric Department can reduce transmission expenses from BPA with an expected Return on Investment (ROI) within eight years. The Water and Wastewater Funds do not include rate increases for the first year of the biennium and a 4% increase in Water rates for the second year, anticipating sale of property and federal funding to offset some capital improvements costs and reductions in franchise fees as described earlier.



### Property Tax

Property Taxes are the largest revenue source for the General Fund. The City portion of the overall property tax rate for properties within the City Limits is 4.3561 per \$1,000 of assessed valuation. In addition, the citizens of Ashland also passed General Operating Levies to fund Fire Station No. 2 in the amount of \$0.0696 (FY22 Rate) per \$1,000 of assessed valuation for a total City of Ashland Property Tax Rate of \$4.2865.

Assessed property valuation can only increase a maximum of 3.5 percent per year, per State law. The City has experienced a larger than 3.5 percent assessed valuation growth over the last several years due to added tax assessments from new construction and major remodels. The BN 2021-23 proposed budget forecasts a three and one-half percent assessed valuation growth, and a collection rate of 93 percent which are both consistent with the past several years' actual results and anticipated impacts from the recent wildfires and COVID-19 pandemic.



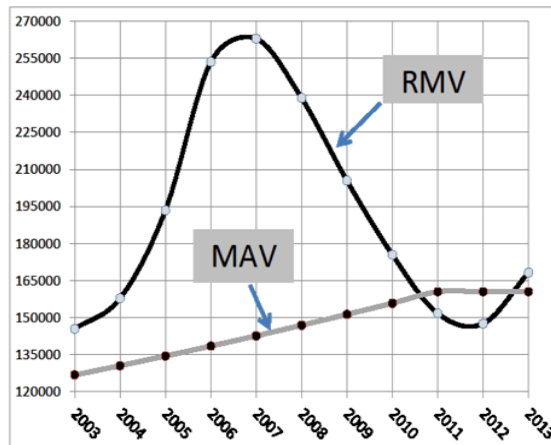
Prior to BN2019-2021, the City had provided the Parks and Recreation Commission an equivalent of \$2.09 per \$1,000 of assessed valuation as a contribution from the General Fund. The new contribution to Parks is equivalent to \$1.89 per \$1,000 of assessed valuation. Recognizing the current economic condition, the Parks and Recreation Commission has recommended that a portion of the Park Commission component of the Food and Beverage Tax revenues be transferred in the Parks General Fund to fund parks maintenance, rather than its historical use for parkland/open space land acquisition for this budget cycle.

The City Charter provides for a maximum levy of 15 mills of which up to 4.50 mills can be dedicated to the Ashland Parks Commission. Measure 5, which introduced tax rate limits, was passed in 1990 and became effective in the 1991-92 tax year. When fully implemented in 1995-96, Measure 5 cut tax rates an average of 51 percent from their 1990-91 levels. Measure 50, passed in 1997, cut taxes, introduced assessed value growth limits, and replaced most tax levies with permanent tax rates. It transformed the system from one primarily based on levies to one primarily based on rates. When implemented in 1997-98, Measure 50 cut effective tax rates an average of 11 percent from their 1996-97 levels.

Below is a brief Summary of Oregon Property Taxation provided by the Jackson County, OR Assessor:

- **Prior to 1991:**
- Taxes were based on Real Market Value (RMV), which is the estimate of what a property could sell for.
- Taxing Districts could raise their revenue by 6% annually. If they wanted more than 6%, they needed voter approval.
- **1991: Measure 5 (M5):**
- M5 still based the amount of taxes on RMV. However, Measure 5 created a cap on the amount of monies taxing districts could receive if they passed a certain limit.
- The categories were broken down into Government and Education.
- The initial fiscal year of 1991-1992 placed a limit of \$15 on Education and \$10 on Government.
- In 1995-1996 the cap had ratcheted down to \$5 on Education while Government stayed at \$10.
- If a property reaches its limit on either category, taxes above that limit are compressed off the tax roll.
- Education experiences far more monies compressed off the tax roll than government.
- Measure 5 still is in effect today.
- **1996/1997 Measure 47 (M47) and Measure 50 (M50):**
- In 1996: M47 was voted into law. However, major flaws existed in the law and in 1997 a revised form M50 was voted into the Oregon Constitution.

- Prior to M50, taxes were based on RMV. M50 created a 2<sup>nd</sup> value on all property called the Maximum Assess Value (MAV)
- If a property existed in 1997, the MAV was established by taking the 1995 RMV – 10%.
- Once MAV is set on a property, it grows by 3% annually.
- The 3% rule has a pro and a con: When the real estate market is robust, the assessed is limited to the 3% growth. However, when the real estate market collapses, the RMV plummets but the MAV still grows. MAV is set, the only way for the tax burden decrease on property is if the RMV falls below the MAV. **Please refer to graph below:**



### Licenses and Permits

The City charges users of the Planning and Building Divisions fees to cover most of the cost of providing plan reviews and permits and inspections. The revenue from these charges fluctuate greatly with the local economy and development activity. Just prior to and during the COVID-19 pandemic, the City has seen consistently high levels of activity for several years and anticipates continued high demand for development through the biennium.

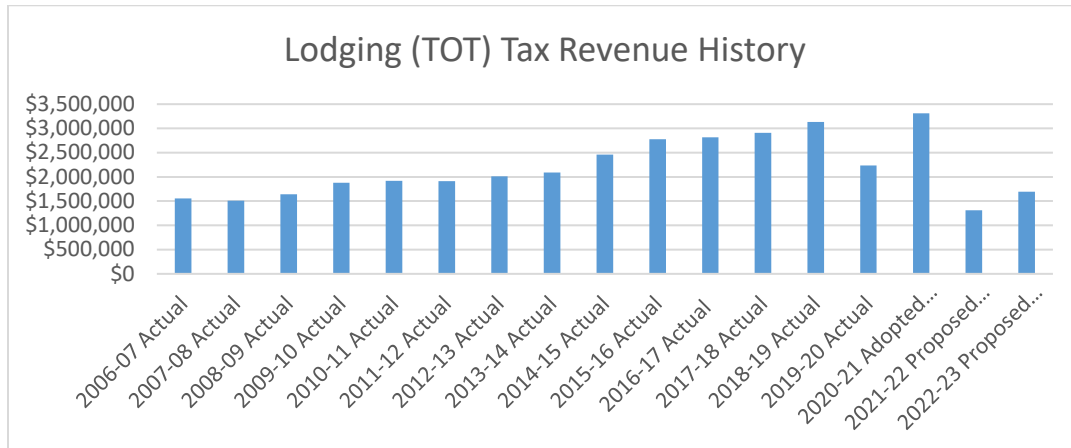
### Transient Occupancy Tax

The City of Ashland charges all short-term room rentals a ten percent Transient Occupancy Tax (TOT). State Law requires that a significant portion of TOT revenues be allocated for tourism promotion or tourism infrastructure. Each year the City Council approves a TOT allocation that complies with State Law. Any new TOT revenue resulting from TOT rate increases would be 70 percent tourism restricted and 30 percent non-restricted (available for general fund operations). The City of Ashland receives just under \$3 million in Transient Occupancy Tax (TOT) collections annually. By State law, the TOT collections yield a combination of restricted and unrestricted funds. On an aggregate level, 70% of the tax collected remains unrestricted and funds General Fund operations.

The City of Ashland attracts over 335,000 visitors a year. The tourism industry is a large portion of the local economy and the TOT is a key indicator in the tourist economy. The TOT collection increased steadily over the last ten years before a decrease in the FY2019 due to extended smoke events in July and August. The City raised the TOT from nine percent to ten percent to fund an additional Police Officer. That decision was made to offset new expenditures but resulted in the tax receipts remaining relatively flat rather than the reduction that would have occurred without the rate increase.

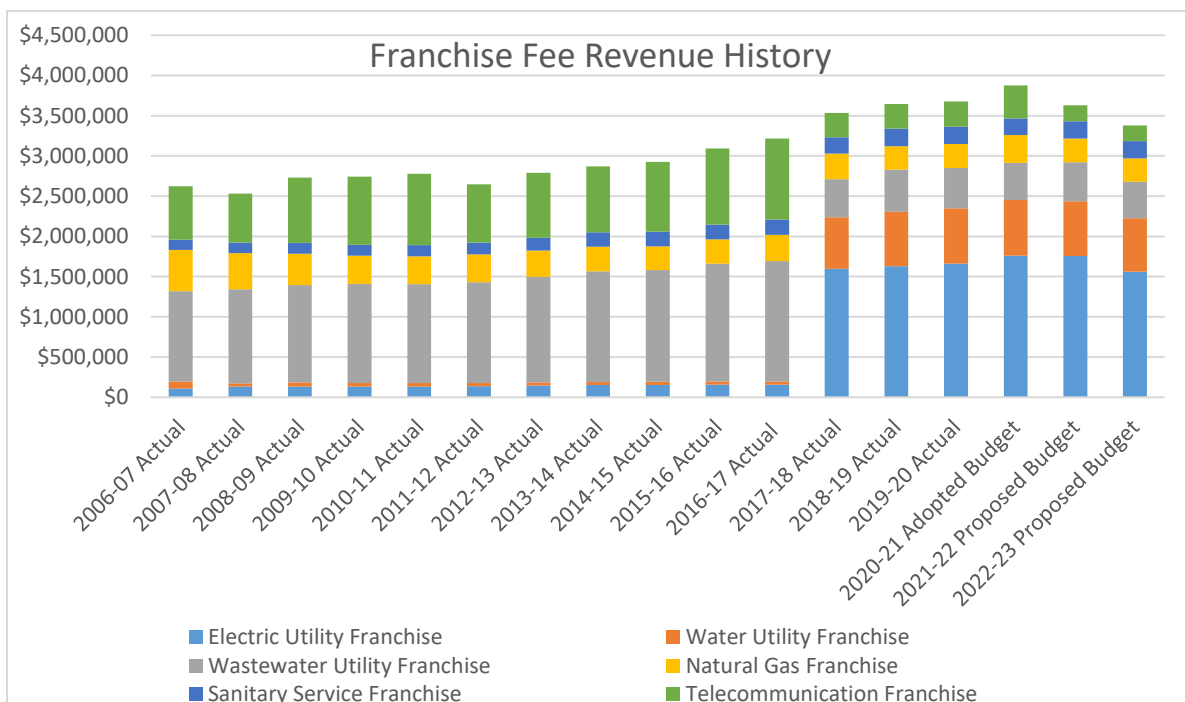
Most of the City's TOT revenue is generated during the peak tourism months, May through September although less drastically than historical trends due to active marketing efforts focusing on the non-peak season. With the impacts of wildfire smoke the City experienced a five percent decrease in TOT

collections in FY2018-19 and projected no increase for the BN2019-2021 budget. After one-year of COVID-19 pandemic restrictions on travel and socialization, TOT revenues have dropped by approximately 50% in total and are projected to recover slowly over the next three years. The BN2021-23 budget includes TOT estimated at 42% of 2019 collections with gradual growth over the next few years. If tax collections exceed the budget, the City Council can revisit options to utilize the increased revenue.



### Franchise Fees

The City charges all utilities for use of the City's rights-of-way. These fees are called Franchise Fees and are revenue to the General Fund. The revenue collected through the Franchise Fees are dependent on the total revenue from each utility, typically meaning that the more consumption of the product (water, electricity, natural gas, etc.) the more franchise tax revenue is received. This revenue is also impacted by changes in weather and consumer behavior and has generally increased by four percent annually in total across the four utilities impacted. These fees are intended to compensate the central government for the impacts of these utilities on the core infrastructure and operations of the agency. Franchise fees are levied through individual agreements with companies or enterprises or through implementation of a city ordinance applying them to all related activities.



To maintain affordability and competitiveness of the utilities, staff recommended a comprehensive review of franchise fees. In concert with considering the fees charged to the utilities, staff recognized the inherent purpose of the franchise fees is to assist the host or general government to recover some of the costs incurred for having such utilities access the community infrastructure, most especially streets, sidewalks, and roadways. Ashland has struggled to find the most appropriate and stable method for funding repairs to its streets infrastructure and by dedicating a portion of the franchise fee revenue to the capital needs of the streets system, the City can create a cohesive structure of revenues and related expenditures. The proposed ordinance to be considered by City Council during the first year of the biennium in anticipation of implementing a staggered reduction in franchise fees and increased commitment to streets includes the following rates:

<b>Franchise Fee Rate Structure</b>			
	<b>Current Franchise Rates</b>	<b>Proposed FY2022-23 Franchise Rates</b>	<b>FY2023-24 and forward Franchise Rates</b>
Wastewater	8.00%	7.50%	7.50%
Water	8.00%	7.50%	7.50%
Electric	10.00%	8.50%	7.50%
Avista	7.00%	7.50%	7.50%
Charter	5.00%	5.00%	5.00%
HomeNet	2.00%	2.00%	2.00%
Stormwater	0.00%	0.00%	0.00%
AFN	0.00%	0.00%	3.00%

The Streets Fund has historically not received dedicated general government revenue except as remained from the Food and Beverage Tax receipts after Parks received its portion and the wastewater treatment plant debt was paid. The proposal, as described above, builds to a solid and supportable recurring revenue for the Streets Fund to tackle capital improvements in the transportation system. The remainder will remain in the General Fund to offset other general government expenses.

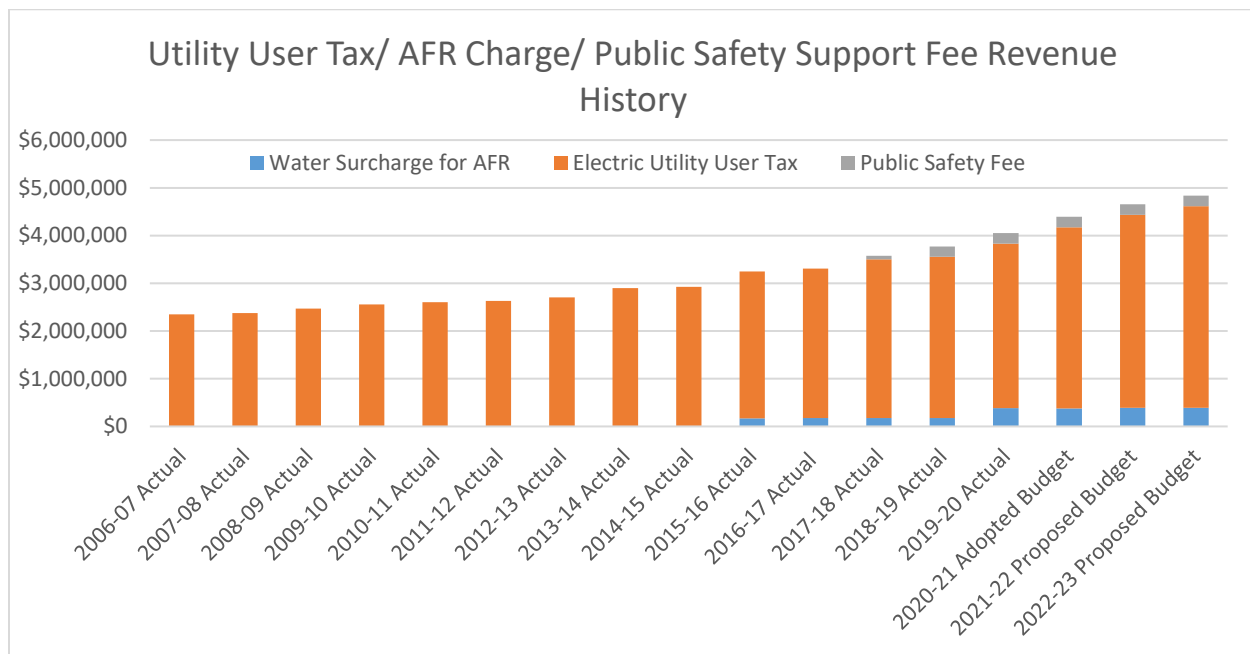
<b>Franchise Fee Distribution</b>	<b>FY2022-23</b>	<b>FY2023-24</b>	<b>FY2024-25</b>	<b>FY2025-26</b>
Dedicated to Streets Funding	20.00%	25.00%	35.00%	50.00%

#### *Utility User Tax/ Ashland Forestry Resiliency (AFR) Charge/ Public Safety Support Fee*

The Utility User Tax, established in 1976, is 25% applied to all the charges on every electric meter account except Governmental accounts that pay a higher usage rate, and paid into the General Fund. Proceeds from this tax assist property tax and other general revenues to fund Police, Fire, Planning, Building and Cemetery Programs. Users who might otherwise be exempt from property taxes are subject to this tax. The tax generates nearly 17% of the General Fund's revenues. This tax relies on the utility usage of businesses and residents and can fluctuate depending on the weather experienced each year. The revenue has grown by approximately eight percent annually with the growth in electric users and rates. Even with the inclusion of this tax, Ashland electric ratepayers, in most cases, have rates equal to or less than rates charged by Pacific Power in the surrounding communities of the Rogue Valley.

The City also charges a fee on all water bills for the purpose of funding the Ashland Forestry Resilience (AFR) program in the General Fund. This fee is not a tax on charges but a fixed amount on each water account based on meter size.

Each electric meter account also pays \$1.50 per month to help fund police services.



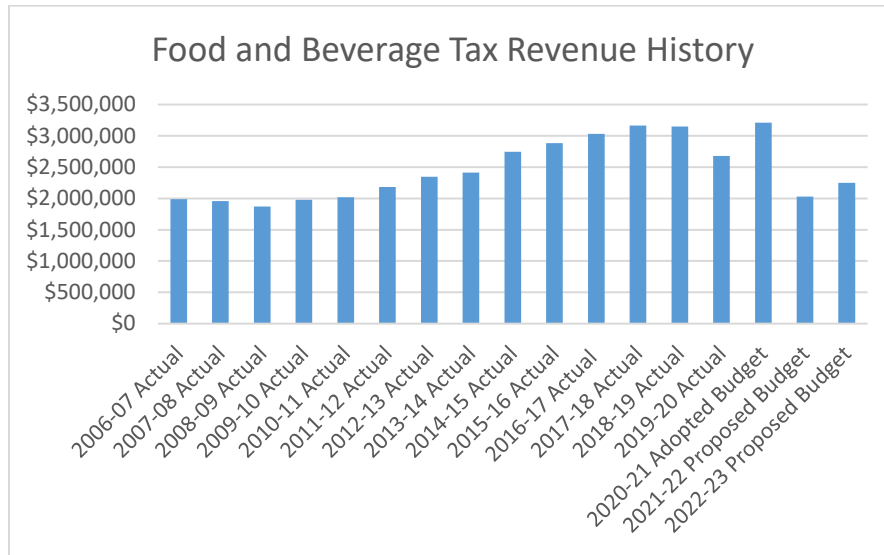
### *Food and Beverage Tax*

The City collects a five percent tax on prepared food and non-alcoholic beverages, originally established in March 1993. The tax is restricted for specific purposes and must be reconsidered by the voters in December 2030. Originally one percent (1/5 of the revenues) of the tax was dedicated for purposes of acquisition, planning, development, and major rehabilitation of City parks per the City of Ashland's Capital Improvement Plan. The Parks allocation portion of twenty percent (20%) was specified and limited for Open Space land acquisition. The other eighty percent (80%) of the tax revenue was dedicated to the Wastewater Treatment Plant upgrade and is shown in the Wastewater Fund. In 2009, two percent (2%) of the total proceeds was dedicated to the Central Service Fund for administrative costs of managing the tax collections and distribution. In November 2016, the disbursement was reallocated to twenty-five percent (25%) of the tax and was expanded to allow the funds to be dedicated for the purpose of acquisition, planning, development, repair, and rehabilitation of City parks per adopted plans of the Ashland Parks and Recreation Commission and is now shown in the Parks Capital Improvement Fund.

The current ordinance specifies that the tax proceeds pay the Wastewater Treatment Plant Debt and intended that after 2023, the remainder be split between Streets and Parks Open Space Acquisition and Parks Maintenance with a small percentage being used for administration of the program. The City Council approved paying the Wastewater Treatment Plan Debt a year early in December 2020; this action saved the City just under \$90,000 in interest payments and freed up funding for projects. The City Council will consider the repayment of the wastewater debt from Food and Beverage Tax (F&B) receipts and other allocation options during Spring 2021. Within this Recommended Budget, the Ashland Parks and Recreation Commission (APRC) receives the full amount of F&B receipts less the two percent (2%) administration fee paid to the General Fund beginning in FY2022-23 with a corresponding reduction in property tax allocation. This is designed to allow for greater stability in forecasting services and funding for both the General Fund and the APRC and is proposed in concert with changes in the franchise fee structures as part of a comprehensive approach to more closely align revenues with compatible expenditures.

Food and Beverage Tax receipts are projected to grow slowly back to pre-COVID-19 pandemic levels as the economy reopens. Revenues dropped approximately 36% over the first year of the pandemic

and are estimated to grow 10% annually through FY2023 with potential to increase faster depending on the tourism market rebounding.



### *Use of Fund Balance/ Reserves*

The City maintains a minimum fund balance in nearly every operating fund per City policies (full text in the Appendix). This fund balance is the cumulative amount of revenues over expenditures each year and represents the City's "savings accounts" and operating cash. Ending Fund Balance (EFB) is calculated as the Beginning Fund Balance (BFB) plus revenues (R) less Expenditures (E) or  $BFB + R - E = EFB$ . Funds over the minimum policy amounts can be used by the City Council to pay for one-time projects most often capital. In cases of emergencies or as a single component part of a longer-term strategy, a portion can be used for operations. The BN2021-2023 Recommended Budget includes the use of some of the amount above the policy limits to balance both years as the City takes actions necessary to implement structural policies to regain long-term balance between operating revenues and expenditures. If actions are not taken to stabilize the operations within the first year of the biennium, the remaining fund balance will be inadequate to maintain current operations within a few years.

### **Uses**

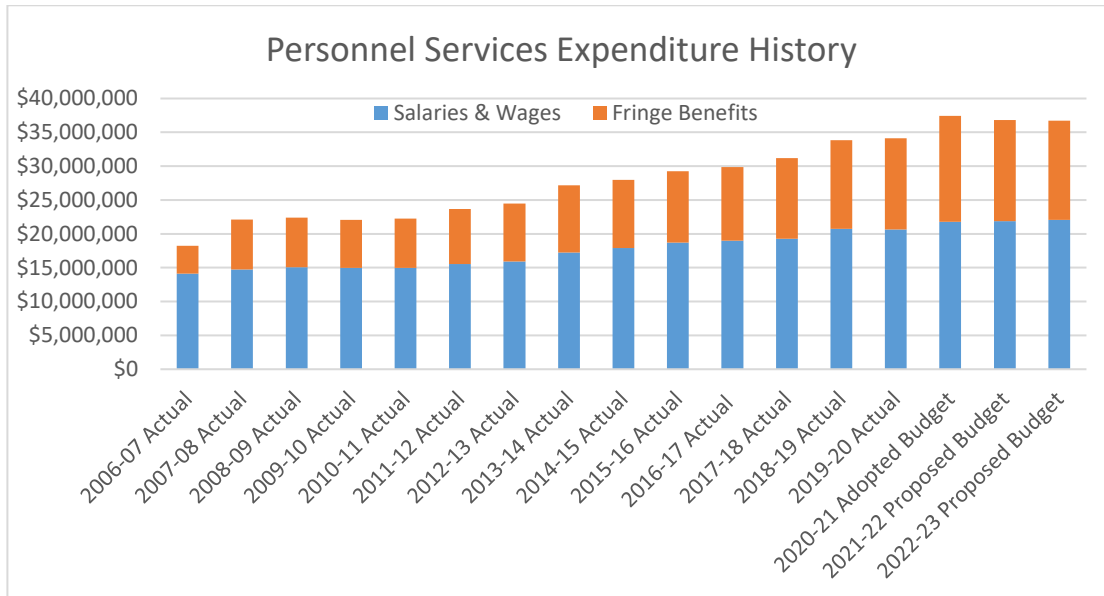
#### *Personnel*

As a service organization, the cost of employees has been and continues to be the largest expense category in the budget. It is through employees that most City services are accomplished. People costs represent 30.9% of all expenses, second to Capital Outlay at 33.7%. The Recommended Budget decreases total personnel costs by 1.7% over the FY2020-2021 Adopted Budget.

The BN 2021-2023 proposed budget includes no new positions, eliminates and defunds several positions, and includes the full cost of all positions. Position reductions affect the Police Department, Finance Department, Fire Department and City Manager's Office. The budget also includes cost-of-living increases in the first year for all employees including those specified by labor contract. However, with all the contracts ending by the end of the first year, second year adjustments are not included and will need to be addressed through the contract negotiation process. Healthcare coverage costs have been maintained below historic levels for the past several years, allowing the City to smooth the operating departments' contributions for both years of the biennium. This means that rather than experience drastic increases or decreases in this expense, the Health Benefits Fund manages its ending balance to keep increases within a few percentage points for the next few years. Pension



contribution rates have shifted down slightly reflecting a growing number of employees in the lower tier benefit levels and positive market behavior for the PERS investments. For budgeting purposes, the City treats the Unfunded Actuarial Liability (UAL) as a fixed cost rather than a percentage of current staffing. The UAL represents the unfunded cost of pension benefits that have already been earned rather than the cost of employees working currently. The obligation to pay the already earned benefits exists regardless of current staffing levels.

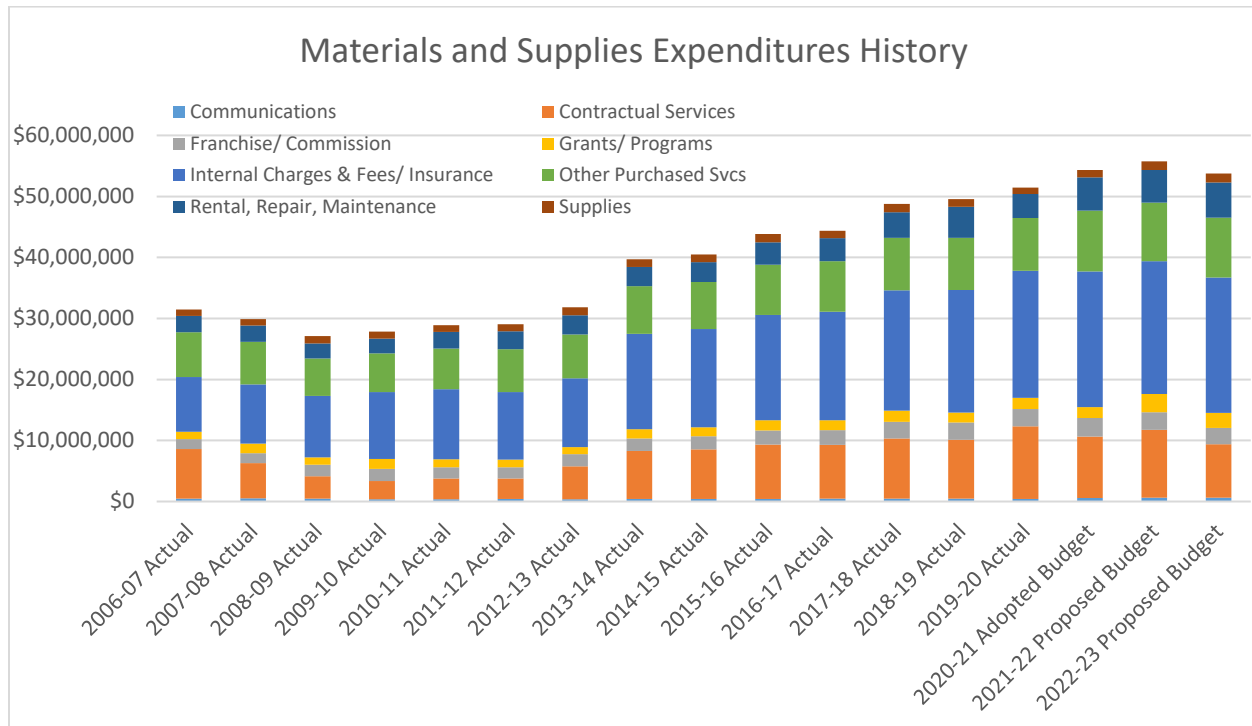


### *Material and Services*

The City uses the Materials and Services category to account for water treatment chemicals, professional services, fuel for vehicles, computer technology and software and the City's 911 dispatch contract, to name some of the items necessary to maintain services. All City Departments remain diligent in ensuring that their Materials and Services costs remain as low as possible while still maintaining the mandated and expected levels of service. Total materials and supplies expenses are projected to increase 2.6% over the FY2020-2021 Adopted Budget and decrease by 3.6% in the second year of the biennium.

The internal charges for administrative functions, equipment and vehicle repairs and replacements, and insurance coverage increased significantly for the biennium. This was by design to accurately reflect the cost of services rather than continue to subsidize activities indirectly through inconsistent application of the cost allocation model. The City uses a cost allocation model designed by an outside consultant several years ago and maintained by the Finance Department using the most recent departmental data to determine the appropriate charges for each operating department. It is critical to maintain accurate cost analysis in the operating departments to manage utility rates and other charges and fees. A key factor driving the increase in charges beyond the need for accurate distribution is the increase in insurance costs, particularly for small property claims that do not meet the threshold for outside insurance coverage but are paid directly by the City. Staff is working to develop more stringent reporting and training standards and will be conducting an intensive assessment of the Insurance Fund prior to the next budget cycle.





### Capital

The City Council adopted the 2021-2040 Capital Improvement Plan on March 16, 2021, providing an overview of the capital needs of the community for the next twenty years. Timing and general information about the planned projects and studies are included in the Capital Improvements Program section of this book and additional details are on the City's website. While the City anticipates some federal and state grants and loans, debt issues will be considered as part of the overall financing structure, especially for the Electric Fund's purchase and update of the transmission substation and the construction of the Water Treatment Plan.

**RESOLUTION NO. 2019-02**

**A RESOLUTION ADOPTING THE CITY COUNCIL'S 2019-2021  
BIENNIAL GOALS**

**RECITALS:**

A. WHEREAS, the City Council desired to develop overall city goals to be used in the creation of the 2019-2021 biennial budget;

B. WHEREAS, the City Council held a listening session, on January 7, 2019 to allow for broad public input on City goals/issues and held two public meetings, on January 18, 2019 and February 1, 2019, focused on developing City Council goals utilizing a facilitator.

C. WHEREAS, the City Council distinguished between "essential services" and "value services" and ranked essential services as the City's first priority.

D. WHEREAS, the City Council defined "essential services" as,

"Fundamental services provided by the City of Ashland without which Ashland would no longer function as a community. The process of allocating City of Ashland resources will ensure that these services meet the needs of Ashland residences."

E. WHEREAS, the City Council addressed value services in the following way,

"The City of Ashland currently partners with other local organizations to provide value services, which strengthen the community by helping to address specific challenges. The City of Ashland will continue to leverage its resources to develop and/or enhance its value services. Note that all value services are important.

The list represents the priority Council is placing on these value services as the 2019-2021 biennial budget is prepared, given the progress that has been made to date to address them and the urgency with which they need to be addressed."

**THE CITY OF ASHLAND RESOLVES AS FOLLOWS:**

SECTION 1. The 2019-2021 goals set forth below are adopted and will be used during the 2019-2021 biennium to guide the preparation of the 2019-2021 biennial budget and City spending, funding and programming during that same budget period.

SECTION 2. The City Council's list of essential services includes those services listed as well as the infrastructure associated with them:

Electric System  
Wastewater System (sewer)  
Street Repair and Maintenance

## City of Ashland Council Goals

Drinking Water System  
Stormwater System  
Fire  
Police  
Municipal Court  
Planning & Building Inspections/Plan Review  
Parks Maintenance

SECTION 3. The City Council's list of value services include:

Tier 1:

Emergency Preparedness  
Address Climate Change

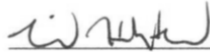
Tier 2:

Reduce Wildfire & Smoke Risk  
Economic Development  
Housing Needs  
Multi-Modal Transportation  
Homeless Services  
All-Age Friendly Community

Tier 3:

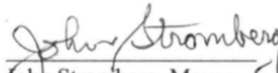
Acquisition of New Parks  
Downtown Parking  
Water Conservation

This resolution was duly PASSED and ADOPTED this 19<sup>th</sup> day of March, 2019, and takes effect upon signing by the Mayor.

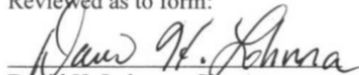


Melissa Huhtala, City Recorder

SIGNED and APPROVED this 20<sup>th</sup> day of March, 2019.

  
John Stromberg, Mayor

Reviewed as to form:



David H. Lohman, City Attorney

Resolution No. 2019-02

Page 2 of 2

## Ashland Parks and Recreation Commission Goals

### Ashland Parks and Recreation Commission

The following 19 goals are the priority goals for the 2019-21 biennium

(July 1, 2019 - June 30, 2021).

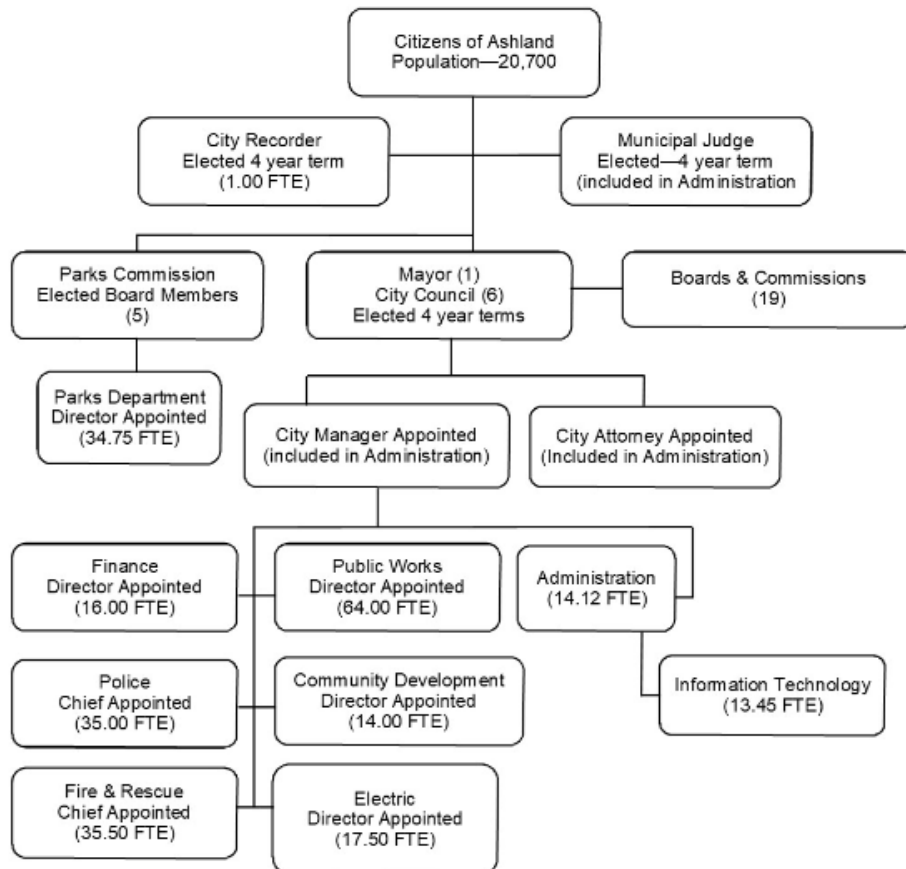
#### Moving forward from 2018

1. Update Trails and Open Space Comp Plans and continue to purchase land according to the plans
2. Develop parks development standards and guidelines
3. Implement/attain easement and purchase agreements on Ashland Pond property and through the few remaining private properties
4. Design and begin building new East Main Street neighborhood park, including the top priority of the second Ashland dog park
5. Improve public aquatic recreation and competitive options in Ashland consistent with the findings and recommendations of the Pool Ad Hoc Committee and ensure the continuous operation of an adequate recreational pool in Ashland during the summer months, at a minimum until construction begins on a new pool
6. Work collaboratively with Ashland School District to keep Lincoln School playground and fields open to the public.
7. Work with volunteers to explore costs and locations for a pump track and a mountain bike skills park
8. Explore suitable locations and build a pickle ball facility within the APRC system, including the Oak Knoll Golf Course, and implement the installation of up to eight new pickleball courts with consideration for lighting and fencing
9. Install basketball court at Ashland Creek Park in the graveled area with striping for multiple uses, including pickleball
10. Explore fire vulnerability on all APRC lands and if discovered there is a large volume of different mitigation work – Explore a bond for fire suppression
11. Explore the feasibility and community support of a low-angle trail on the east side of Lithia Park (kid-friendly)
12. Work with the Ashland School District to get agreements to use school gyms for recreation leagues or open play for volleyball, basketball and pickleball during non-school times and during smoke events
13. Explore the need for and feasibility of centralized recreation center with the following potential uses for the Center: Covered Field house big enough for full court basketball/indoor soccer that would be multi-purpose to include at least pickleball and bike polo; Maintenance yard; Skateboard Park; Bike Skills Park; Dog Park; Aquatic Center
14. Create a small pocket-neighborhood playground/park in the vicinity of Oak Knoll Club House
15. Explore and implement, as funds allow, capital improvements that would reduce long term maintenance costs with a goal for the improvements to pay for themselves
16. Build Mace Property trail – Connect Oak Street to North Mountain
17. Continue to be part of the solution for realizing an Authentic Japanese Garden in Lithia Park and securing a large donation to accommodate the building and long-term maintenance of the gardenPerform a system wide master plan for APRC and determine the need for an increased SDC fee
18. Complete the Lithia Park Master Planning process and promptly consider and act upon the recommendations where appropriate.

# City of Ashland

## 245.32 FTE

### BN 2021-23



The City of Ashland is a municipal corporation first organized in 1874. The Ashland City Council is elected to serve as the governing body for Ashland's 20,700 citizens. The Mayor, who presides at the City Council meetings, is elected at-large for a four-year term. Six council members are elected at-large for four-year staggered terms. Other elected officials are the City Recorder, Municipal Judge, and the five-member Parks and Recreation Commission.

The Mayor, with confirmation of the City Council, appoints a City Manager and a City Attorney. The City Manager has responsibility for all City functions with the exception of the Parks Department.

The City Manager recommends the appointment or dismissal of the Finance Director, Community Development Director, Electric Director, Fire Chief, Police Chief, and Public Works Director.

In addition to the help they receive from their appointed staff and employees, 19 advisory boards and commissions assist the City Council. Over 100 Ashland citizens serve on these boards and commissions and make a valuable contribution to the City of Ashland.

## History of Positions

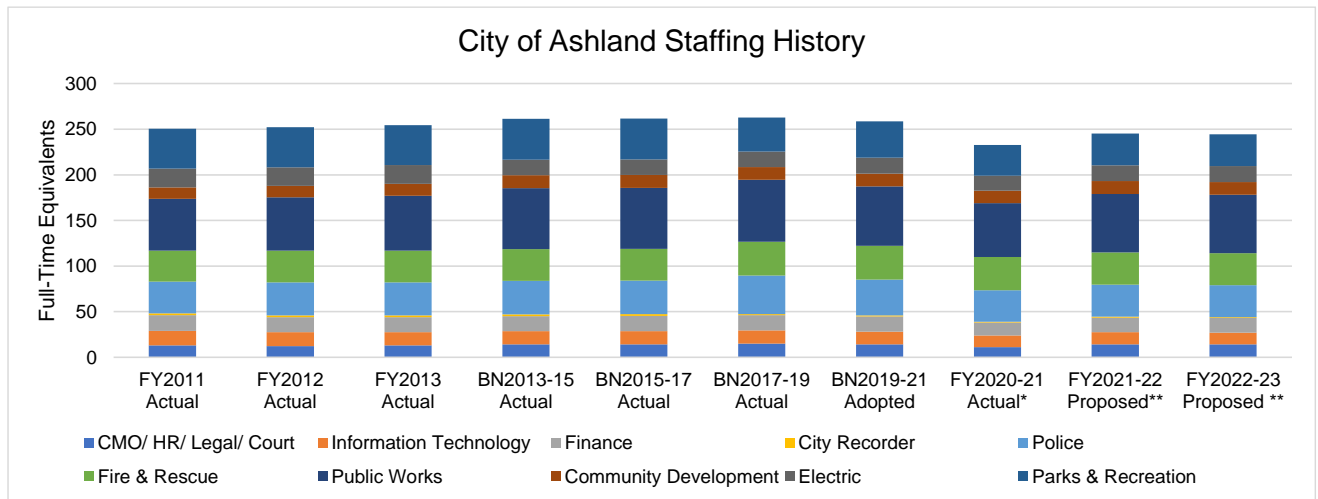
Department	FY2011 Actual	FY2012 Actual	FY2013 Actual	BN2013- 15 Actual	BN2015- 17 Actual	BN2017- 19 Actual	BN2019-21 Adopted	FY2020- 21 Actual*	FY2021-22 Proposed**	FY2022-23 Proposed **
CMO/ HR/ Legal/ Court	12.965	12.15	13.15	14.15	14.15	15.07	14.17	11.17	14.12	14.12
Information Technology	16	15.5	14.5	14.5	14.5	14.5	13.9	12.9	13.45	12.95
Finance	17.25	16.25	16.25	16.5	16.75	16.75	16.75	14	16	16
City Recorder	2	2	2	2	2	1	1	1	1	1
Police	34.8	36.3	36.3	36.75	36.75	42.25	39.5	34.5	35	35
Fire & Rescue	33.9	34.75	34.75	34.6	34.6	37	37	36.5	35.5	35
Public Works	56.7	58.5	60.05	67	67	68	65	59	64	64
Community Development	12.5	12.6	13	14	14	14	14	13.5	14	14
Electric	20.75	20.25	20.75	17	17	17	17.5	16.5	17.5	17.5
Parks & Recreation	43.65	43.8	43.8	44.8	44.8	37.25	39.75	33.75	34.75	34.75
<b>TOTAL</b>	<b>250.515</b>	<b>252.1</b>	<b>254.55</b>	<b>261.3</b>	<b>261.55</b>	<b>262.82</b>	<b>258.57</b>	<b>232.82</b>	<b>245.32</b>	<b>244.32</b>

\*Vacant positions excluded

\*\*Unfunded Public Safety -Police

\*\*Unfunded Public Safety -Fire

4 4  
1 2



**Union Affiliation**

Union Affiliations	FTE
Non-Represented	60.57
Parks	34.75
IBEW Clerical	40
IBEW Electric	17
Laborers	41
Police	22
Firefighter	30
Total	245.32

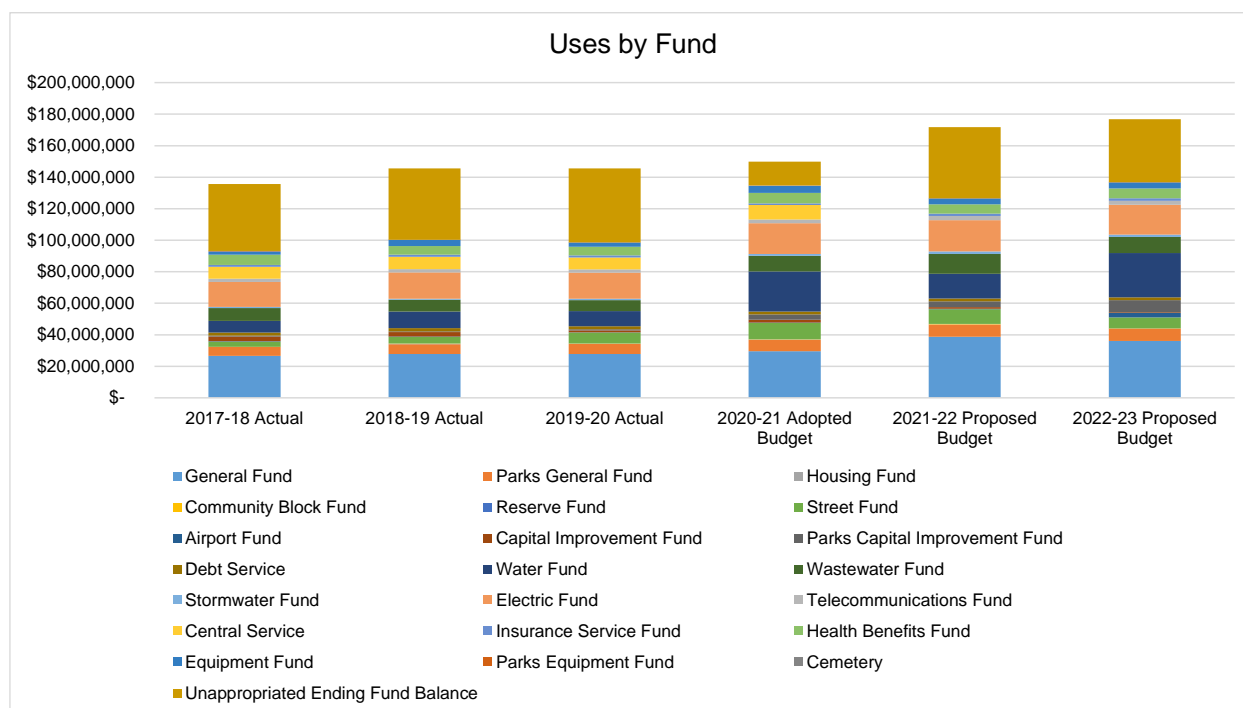
## Budget Appropriation Matrix

**Budget Appropriations Matrix**  
An Overview of Fund/Departmental Budget Relationships

Dept: Fund:	Admin.	Information Technology	Finance	City Recorder	Police	Fire	Public Works	Community Development	Electric	Parks & Recreation	Non Departmental	Contingency, Transfers, Loans, & Ending Fund Balance	TOTAL
General Fund	\$ 6,867,816	\$ 2,855,015	\$ 5,778,298	\$ 348,375	\$ 15,944,395	\$ 20,570,265	\$ 7,011,637	\$ 4,249,536	\$ -	\$ -		\$ 27,405,784	\$ 91,031,121
Housing Trust Fund								\$ 50,079					\$ 50,079
Comm. Develop. Block Grant Fund								\$ 569,910					\$ 569,910
Reserve Fund												\$ 80,512	\$ 80,512
Street Fund							\$ 15,915,589					\$ 1,450,915	\$ 17,366,504
Airport Fund							\$ 3,184,398					\$ 392,733	\$ 3,577,131
Capital Imp. Fund							\$ 1,179,249					\$ 365,549	\$ 1,544,798
Debt Service Fund											\$ 3,531,971	\$ 2,403,659	\$ 5,935,630
Water Fund							\$ 43,250,945					\$ 22,268,791	\$ 65,519,736
Wastewater Fund							\$ 22,337,566					\$ 11,169,441	\$ 33,507,007
Stormwater Fund							\$ 3,038,666					\$ 1,174,754	\$ 4,213,420
Electric Fund	\$ 2,486,300								\$ 35,146,563			\$ 11,331,784	\$ 48,964,647
Telecomm. Fund		\$ 5,069,410										\$ 4,460,825	\$ 9,530,235
Insurance Fund			\$ 3,085,770									\$ 1,571,005	\$ 4,656,775
Health Benefits Fund	\$ 11,685,180											\$ 2,109,555	\$ 13,794,735
Equipment Fund							\$ 7,539,463					\$ 9,176,065	\$ 16,715,528
Cemetery Trust Fund												\$ 1,837,454	\$ 1,837,454
Parks & Recreation										\$ 14,966,324		\$ 1,311,089	\$ 16,277,413
Parks CIP Fund										\$ 10,238,000		\$ 2,071,340	\$ 12,309,340
Parks Equip. Fund										\$ 150,000		\$ 940,874	\$ 1,090,874
<b>TOTAL</b>	<b>\$ 21,039,296</b>	<b>\$ 7,924,425</b>	<b>\$ 8,864,068</b>	<b>\$ 348,375</b>	<b>\$ 15,944,395</b>	<b>\$ 20,570,265</b>	<b>\$ 103,457,513</b>	<b>\$ 4,869,525</b>	<b>\$ 35,146,563</b>	<b>\$ 25,354,324</b>	<b>\$ 3,531,971</b>	<b>\$ 101,522,129</b>	<b>\$ 348,572,848</b>

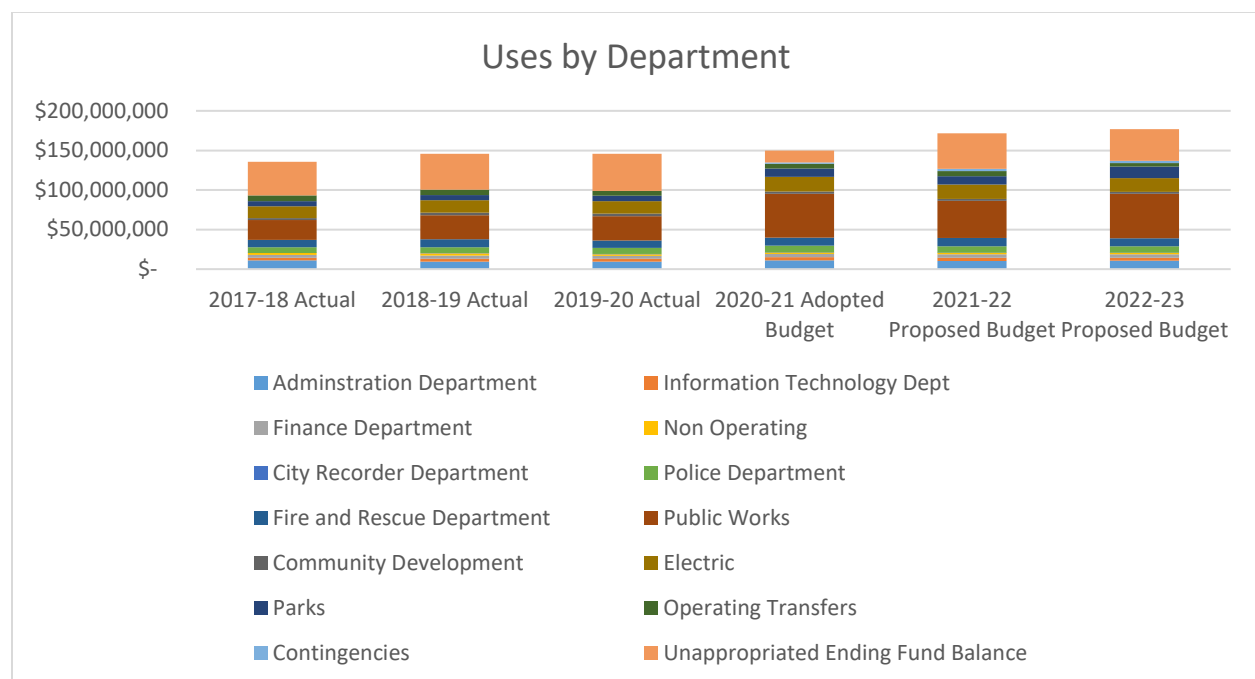


Uses by Fund						
	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
General Fund	\$ 26,587,634	\$ 27,732,804	\$ 27,767,439	\$ 29,639,420	\$ 38,802,480	\$ 36,139,641
Parks General Fund	5,741,266	6,258,910	6,407,902	7,159,770	7,701,282	7,714,033
Housing Fund	-	300,000	65,118	100,000	49,079	1,000
Community Block Fund	113,981	138,735	238,255	175,884	381,109	188,801
Reserve Fund	-	-	-	-	-	-
Street Fund	3,222,950	4,227,831	6,984,022	10,373,227	9,202,511	7,007,974
Airport Fund	310,042	229,246	97,745	368,044	417,375	2,772,525
Capital Improvement Fund	2,881,986	2,872,122	1,176,743	1,732,132	1,005,000	394,249
Parks Capital Improvement Fund	647,355	400,619	696,618	3,439,172	3,675,172	7,810,596
Debt Service	1,872,161	2,029,809	2,026,211	1,765,520	1,765,520	1,766,451
Water Fund	7,385,217	10,524,729	9,595,249	25,403,866	15,738,331	28,077,458
Wastewater Fund	8,237,895	7,535,821	6,973,563	9,900,831	12,506,815	10,198,139
Stormwater Fund	694,701	686,626	855,563	1,187,893	1,686,608	1,426,261
Electric Fund	15,862,288	16,660,316	16,540,093	19,576,527	19,825,045	18,936,803
Telecommunications Fund	2,026,823	2,094,547	2,130,916	2,345,381	2,604,273	2,614,219
Central Service	7,483,448	7,841,285	7,467,247	9,178,669		
Insurance Service Fund	1,186,808	1,300,519	1,356,846	1,071,940	1,521,629	1,656,714
Health Benefits Fund	6,539,590	5,505,680	5,512,841	6,699,195	5,849,983	6,185,753
Equipment Fund	2,127,415	3,797,466	2,638,115	4,434,709	3,821,759	3,847,624
Parks Equipment Fund	305,710	141,092	143,927	150,000	50,060	100,060
Cemetery	16,103	23,598	69,988	75,000	65,000	65,000
Unappropriated Ending Fund Balance	42,476,930	45,295,588	46,881,984	15,077,489	45,043,109	39,957,410
Total	\$ 135,720,303	\$ 145,597,343	\$ 145,626,386	\$ 149,854,669	\$ 171,712,139	\$ 176,860,711



## Uses by Department

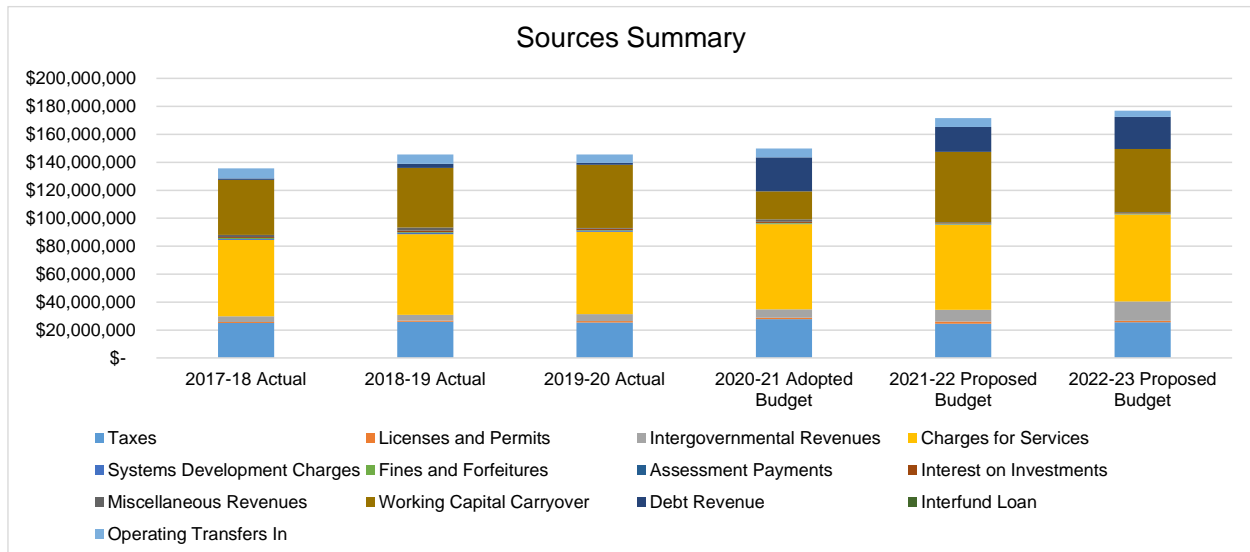
	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Administration Department	\$ 10,903,630	\$ 9,615,008	\$ 9,680,898	\$ 11,275,142	\$ 10,483,792	\$ 10,555,504
Information Technology Dept	3,328,728	3,398,696	3,429,995	3,815,430	4,009,788	3,914,637
Finance Department	3,733,650	4,083,099	3,747,833	4,159,651	4,355,305	4,508,763
City Recorder Department	196,861	182,042	183,363	192,752	173,192	175,183
Police Department	7,197,266	7,504,873	7,768,441	8,482,466	7,999,399	7,944,996
Fire and Rescue Department	9,310,299	10,040,008	9,396,269	9,902,676	10,467,121	10,103,144
Public Works	25,095,824	30,453,583	30,787,453	55,494,225	47,043,345	56,414,168
Community Development	2,487,856	2,855,057	2,999,982	3,013,970	2,616,151	2,253,374
Electric	14,983,315	15,975,063	15,729,583	18,532,946	17,906,104	17,240,459
Parks	6,366,093	6,555,576	6,903,791	10,324,770	10,577,972	14,776,352
Non Operating	2,364,159	3,045,706	2,049,105	1,784,521	1,765,521	1,766,452
Operating Transfers	7,275,692	6,593,043	6,067,044	6,381,572	6,402,611	4,396,093
Contingencies				1,417,059	2,868,730	2,854,176
Unappropriated Ending Fund Balance	42,476,930	45,295,588	46,882,629	15,077,489	45,043,109	39,957,410
Total	\$ 135,720,303	\$ 145,597,343	\$ 145,626,386	\$ 149,854,669	\$ 171,712,139	\$ 176,860,711



## Sources Summary

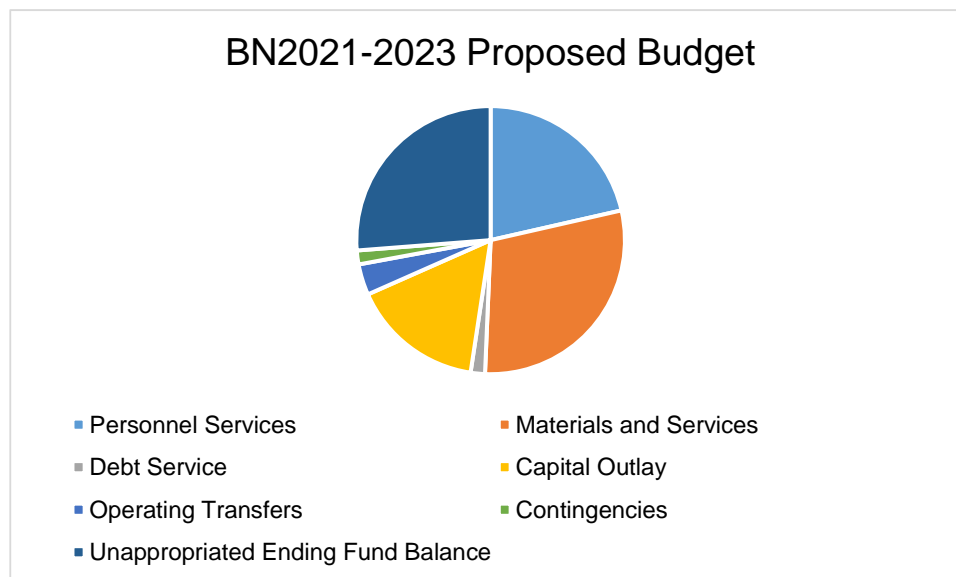
### Sources Summary

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
<b>Revenues:</b>						
Taxes	\$ 25,009,359	\$ 25,940,766	\$ 25,394,514	\$ 27,858,098	\$ 24,597,816	\$ 25,560,771
Licenses and Permits	838,832	859,045	1,095,600	949,150	1,490,500	1,124,000
Intergovernmental Revenues	3,938,740	4,132,531	4,890,829	6,073,768	8,361,338	13,756,761
Charges for Services	54,692,456	57,628,778	59,014,547	60,831,340	60,903,735	62,115,697
Systems Development Charges	779,520	898,309	752,284	396,500	300,000	300,000
Fines and Forfeitures	545,835	588,070	418,514	607,900	544,500	544,500
Assessment Payments	17,535	8,924	3,319	-	-	-
Interest on Investments	708,809	1,035,443	945,387	784,207	348,780	343,480
Miscellaneous Revenues	1,469,462	2,369,877	522,180	1,685,070	566,650	677,850
<b>Total Revenues</b>	<b>88,000,548</b>	<b>93,461,743</b>	<b>93,037,174</b>	<b>99,186,033</b>	<b>97,113,319</b>	<b>104,423,059</b>
<b>Budgetary Sources:</b>						
Working Capital Carryover	39,472,221	42,476,929	45,295,588	20,054,502	50,353,559	45,043,109
Debt Revenue	971,842	3,065,628	1,226,580	24,232,562	17,842,650	22,998,450
Interfund Loan	-	-	-	-	-	-
Operating Transfers In	7,275,692	6,593,043	6,067,044	6,381,572	6,402,611	4,396,093
<b>Total Budgetary Sources</b>	<b>47,719,755</b>	<b>52,135,600</b>	<b>52,589,212</b>	<b>50,668,636</b>	<b>74,598,820</b>	<b>72,437,652</b>
<b>Total Sources</b>	<b>\$ 135,720,303</b>	<b>\$ 145,597,343</b>	<b>\$ 145,626,386</b>	<b>\$ 149,854,669</b>	<b>\$ 171,712,139</b>	<b>\$ 176,860,711</b>



## Uses by Classification

Uses by Classification						
	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
<b>Operating Expenditures</b>						
Personnel Services	\$ 31,203,262	\$ 33,828,865	\$ 34,126,944	\$ 37,429,278	\$ 36,807,386	\$ 36,730,847
Materials and Services	45,156,822	44,672,401	43,641,560	48,922,900	50,196,846	50,203,885
Debt Service	4,608,472	4,624,140	4,925,855	4,329,864	2,963,344	2,964,213
<b>Total Operating Expenditures</b>	<b>80,968,556</b>	<b>83,125,406</b>	<b>82,694,359</b>	<b>90,682,042</b>	<b>89,967,576</b>	<b>89,898,945</b>
<b>Capital Construction</b>						
Capital Outlay	4,999,125	10,583,306	9,982,999	36,296,507	27,430,112	39,754,086
Sub-Total	85,967,681	93,708,712	92,677,358	126,978,549	117,397,688	129,653,031
<b>Budgetary Requirements</b>						
Operating Transfers	7,275,692	6,593,043	6,067,044	6,381,572	6,402,611	4,396,093
Contingencies	-	-	-	1,417,059	2,868,730	2,854,176
Unappropriated Ending Fund Balance	42,476,930	45,295,588	46,881,984	15,077,489	45,043,109	39,957,410
<b>Total Budgetary Requirements</b>	<b>49,752,622</b>	<b>51,888,631</b>	<b>52,949,028</b>	<b>22,876,120</b>	<b>54,314,450</b>	<b>47,207,679</b>
<b>Total Uses by Classification</b>	<b>\$ 135,720,303</b>	<b>\$ 145,597,343</b>	<b>\$ 145,626,386</b>	<b>\$ 149,854,669</b>	<b>\$ 171,712,139</b>	<b>\$ 176,860,711</b>



## **THE BUDGET PROCESS**

According to Oregon Law (ORS 294), the City of Ashland must prepare and adopt a balanced budget biennially. In January, meetings are held with department heads, the Mayor, and City Council to set goals and priorities for the upcoming year. In May, a preliminary budget is prepared and presented to the Budget Committee.

A summary of the recommended budget is published in the local newspaper. The City Council holds a public hearing prior to July 1, which may result in further changes. If a change will increase property taxes or increase expenditures within a fund by more than ten percent or \$5,000, whichever is greater, the budget must be referred back to the Budget Committee. The City Council adopts the budget and levies taxes prior to June 30 each year. The adopted budget is filed with the county clerk and State of Oregon, and the Property Tax Levy is certified to the County Assessor by July 15 each year.

### **The Budget Amendment Process**

Oregon Budget Law allows for amendments to the City budget for reasons unforeseen at the time of adoption. The City Council may adopt resolution changes that decrease one existing appropriation and increase another. Certain changes of ten percent or less to any fund require a supplemental budget. Changes over ten percent to any fund require a supplemental budget process similar to the annual budget requiring a public hearing. Further detail may be found in (ORS 294).

### **The Budget Committee**

By law, the Budget Committee is composed of the Mayor, City Councilors, and seven citizen members appointed by the governing board. Committee members:

- Must live in the City of Ashland
- Cannot be officers, agents, or employees of the local government
- Serve four-year, staggered terms so that approximately one-fourth of the terms end each year
- Can be spouses of officers, agents, or employees of the Municipality

### **The Budget Basis**

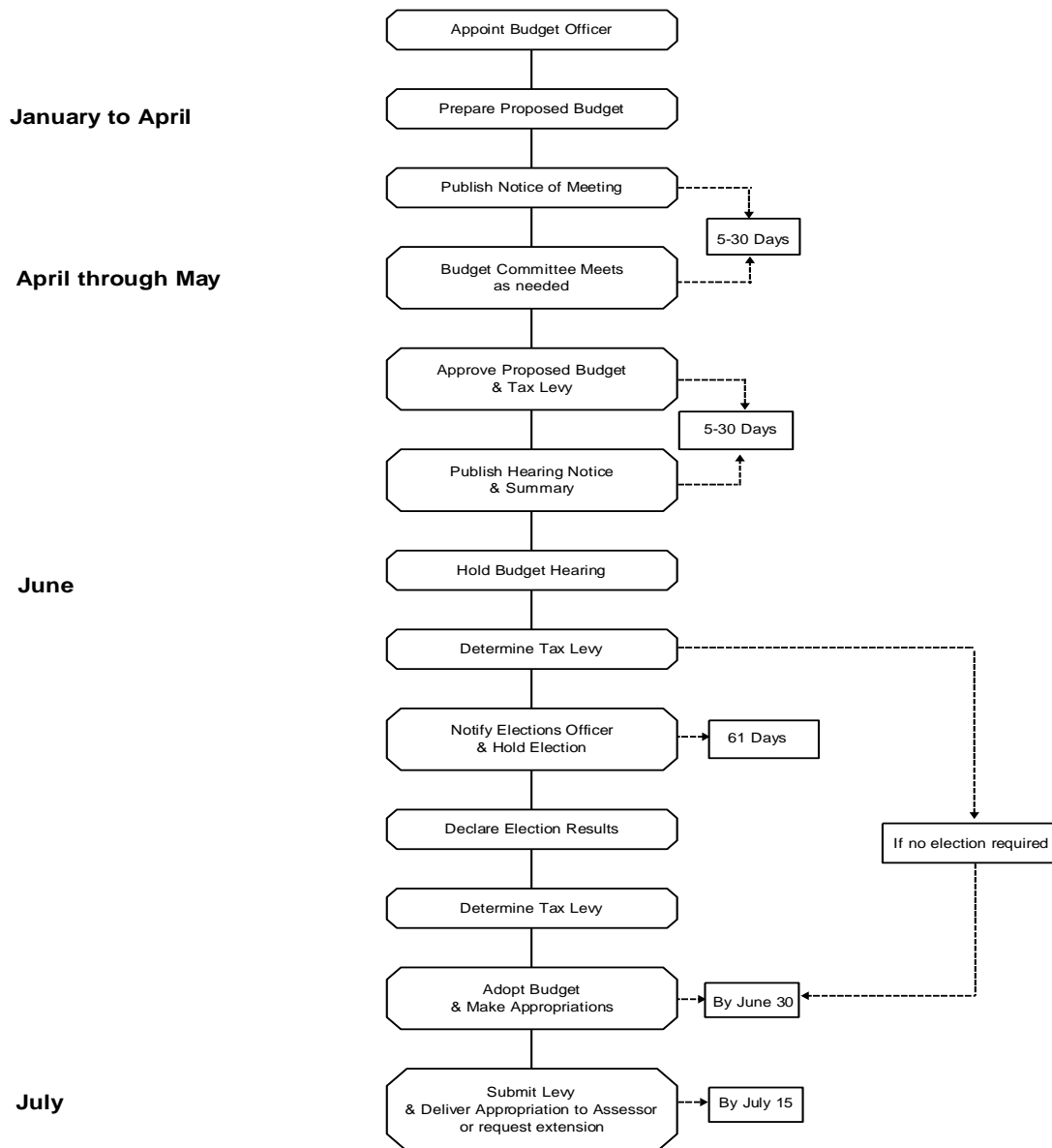
Governmental fund financial statements and enterprise funds are reported (budgetarily) using the current financial resources measurement focus and the modified accrual basis of accounting. The budgetary basis of accounting is the same as Generally Accepted Accounting Principles for governmental funds. Revenues are recognized as soon as they are both measurable and available and are considered to be available when they are collected within the period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the payment is due. For financial reporting purposes the enterprise funds are converted from the modified accrual basis to the accrual basis of accounting, but the budgetary enterprise statements are reported with the modified accrual basis of accounting.

## The Budget & Biennial Process

The City of Ashland manages its finances according to generally accepted accounting principles (GAAP). During the year, expenditures and revenues are closely monitored to ensure compliance with the adopted budget and state law. Monthly budget comparisons are distributed to management. Quarterly financial reports, prepared on the budgetary basis of accounting, are distributed to the Budget Committee, the Audit Committee, and the general public. Annually, an audit is performed and filed with the State of Oregon by an independent certified public accountant. The City of Ashland publishes an annual financial report that documents the City's budgetary performance and the financial health of the City. This report compares budgeted to actual revenues and expenditures, thus documenting the City's budgetary compliance

### The Biennial Process

All provisions remain the same for both fiscal year (12-month) and biennial (24-month) budgets except the length of the budget period & committee terms.

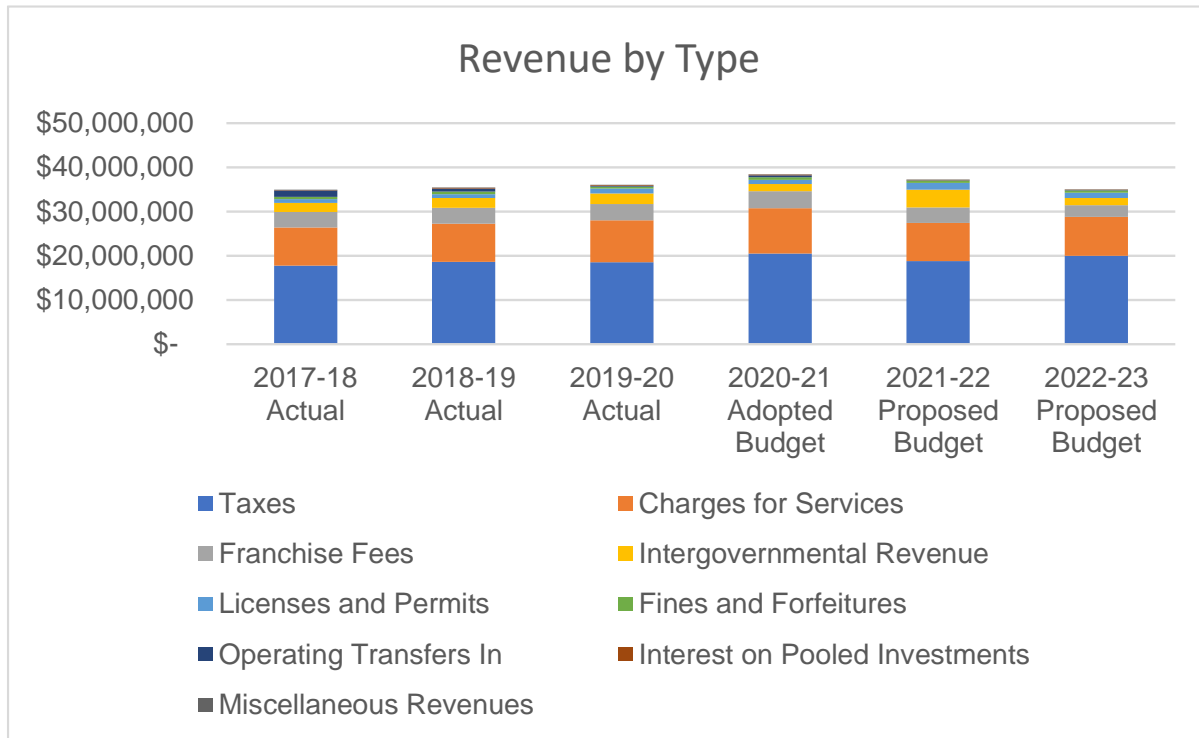


# FUNDS

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## General Fund Summary

The General Fund is the City's largest fund and houses most traditional municipal services supported by taxes. The City of Ashland General Fund supports the Police, Fire and Community Development Departments, along with the Ashland Municipal Court, administrative functions, a contribution to the Parks and Recreation Commission, and several other programs.



The General Fund relies heavily on taxes to fund operations. These taxes include property taxes, the Utility Users Tax (UUT), and Transient Occupancy Taxes (TOT) with a small portion of the Food & Beverage Tax (F&B). In addition to taxes, the General Fund receives money from franchise fees, charges for services, permits, and grants. As of July 1, 2021, the General Fund hosts the services previously provided by the Central Services Fund and is paid the internal charges for providing the administrative support services to the other operating funds. The Central Services was an Internal Service Fund that impacted all funds using an equitable allocation methodology in which Departments are charged for their use of the various service provided. This allocation method is continued and updated each biennium.



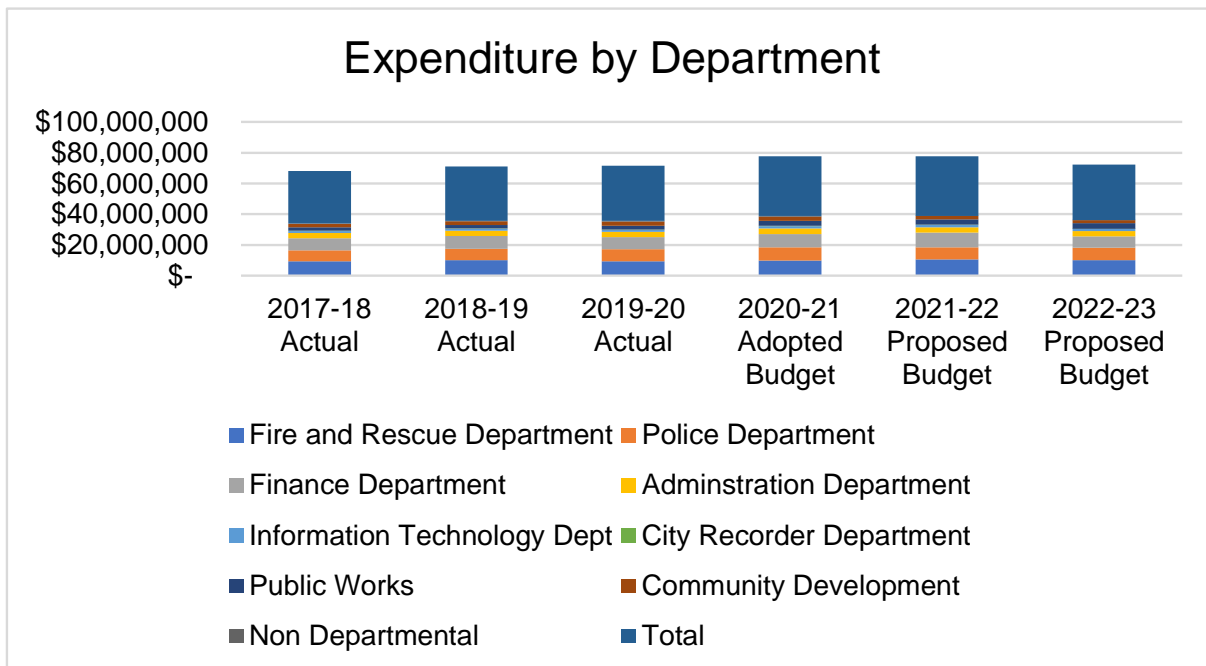
## General Fund

### Revenue by Type

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Taxes	\$ 17,792,584	\$ 18,621,315	\$ 18,506,893	\$ 20,523,364	\$ 18,794,211	\$ 19,965,446
Charges for Services	8,634,035	8,608,171	9,562,217	10,259,503	8,608,549	8,803,449
Franchise Fees	3,475,651	3,588,310	3,618,053	3,819,834	3,569,367	2,700,596
Intergovernmental Revenue	2,057,644	2,255,466	2,433,408	1,657,044	3,997,874	1,647,835
Licenses and Permits	838,832	859,045	1,095,600	949,150	1,490,500	1,124,000
Fines and Forfeitures	545,835	588,070	418,514	607,900	544,500	544,500
Operating Transfers In	1,466,103	740,598	219,988	425,000	115,000	115,000
Interest on Pooled Investments	107,675	151,816	138,983	156,183	38,000	38,000
Miscellaneous Revenues	68,435	79,250	64,631	70,145	57,650	57,650
<b>Total</b>	<b>\$ 34,986,793</b>	<b>\$ 35,492,041</b>	<b>\$ 36,058,286</b>	<b>\$ 38,843,649</b>	<b>\$ 37,215,651</b>	<b>\$ 34,996,476</b>

### Expenditure by Department

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Fire and Rescue Department	\$ 9,310,299	\$ 10,040,008	\$ 9,396,269	\$ 9,902,676	\$ 10,467,121	\$ 10,103,144
Police Department	7,197,266	7,504,873	7,768,441	8,482,466	7,999,399	7,944,996
Finance Department	7,796,342	8,174,480	7,782,887	8,604,111	9,550,187	7,543,894
Administration Department	3,485,067	3,424,075	3,457,547	3,794,866	3,462,684	3,405,132
Information Technology Dept	1,301,904	1,304,149	1,299,078	1,522,549	1,479,911	1,375,104
City Recorder Department	196,861	182,042	183,363	192,752	173,192	175,183
Public Works	2,123,386	2,418,314	2,627,099	3,075,374	3,483,522	3,528,115
Community Development	2,373,875	2,416,322	2,696,608	2,738,086	2,185,963	2,063,573
Non Departmental	218,808	64,310	527,259	505,209	500	500
<b>Total</b>	<b>\$ 34,003,808</b>	<b>\$ 35,528,574</b>	<b>\$ 35,738,551</b>	<b>\$ 38,818,089</b>	<b>\$ 38,802,480</b>	<b>\$ 36,139,641</b>

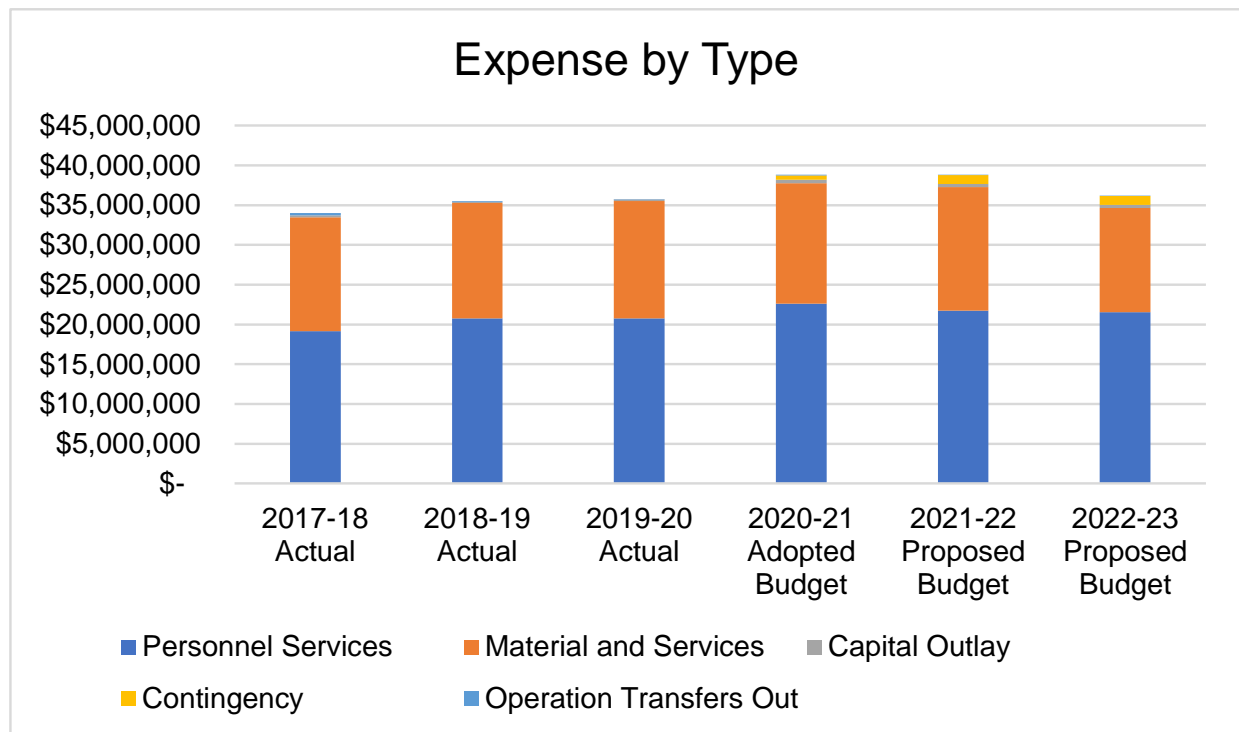


## General Fund

The General Fund expenditures decrease by .04 percent in the first year and an additional 6.86 percent in the second year of BN 2021-2023. The primary drivers of this decrease in year two are systematic reductions in staffing and operating materials and supplies. Administrative Functions and the Police Department are experiencing the most definitive reorganizations and adjustments to services.

### Expense by Type

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 19,145,066	\$ 20,771,933	\$ 20,751,547	\$ 22,600,720	\$ 21,747,230	\$ 21,559,184
Material and Services	14,337,766	14,520,185	14,783,100	15,151,660	15,530,497	13,078,363
Capital Outlay	249,125	130,956	203,404	455,000	405,000	405,000
Contingency	-	-	-	505,209	1,119,253	1,096,594
Operation Transfers Out	271,851	105,500	500	105,500	500	500
<b>Total</b>	<b>\$ 34,003,808</b>	<b>\$ 35,528,574</b>	<b>\$ 35,738,551</b>	<b>\$ 38,818,089</b>	<b>\$ 38,802,480</b>	<b>\$ 36,139,641</b>



## Parks General Fund

### Parks General Fund Summary

The Parks General Fund includes the general operations of all of the Parks and Recreation programs. These include park and open space maintenance, recreation, golf course, aquatics, ice rink, and senior services. By Ashland Charter, the Parks and Recreation Commission (APRC) is a separately elected governing body that has “control and management” of the City’s identified parks and open space properties and provides direction to the Parks Director to implement their goals and objectives.

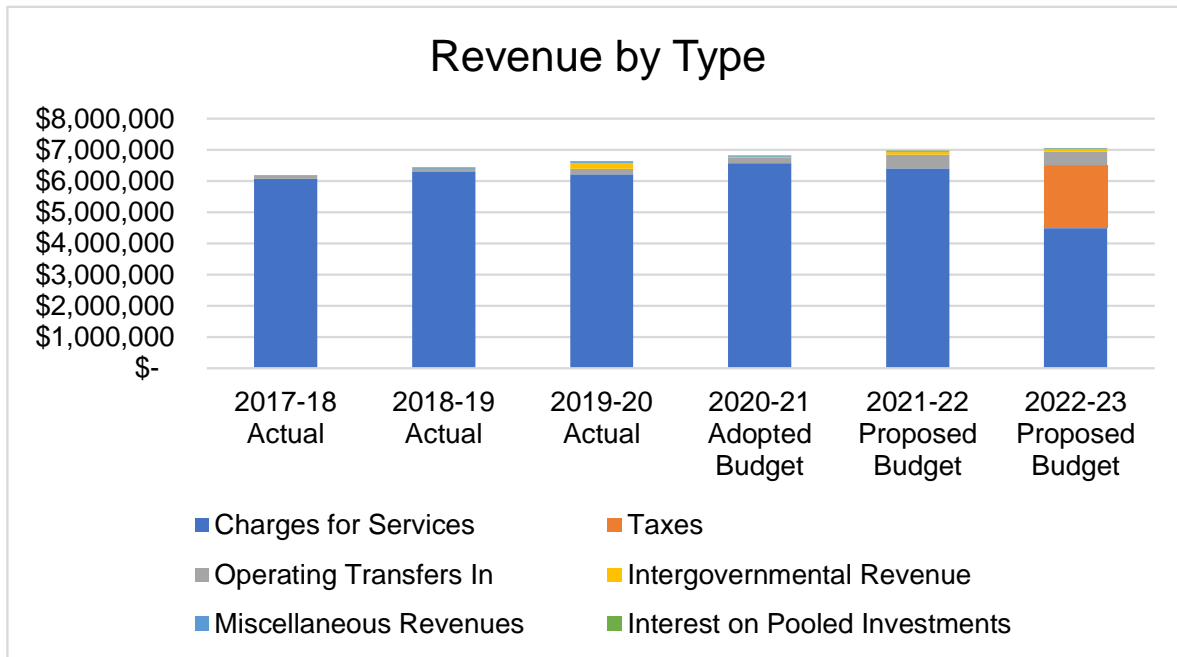
The City of Ashland provides a contribution from the City portion of the overall property taxes received to the Parks and Recreation Commission which is then responsible for the budgeting and management of those funds. The Charter allows up to 4.50 mills out of the City’s limit of 15.00 mills which has fluctuated over the past years in response to the City’s fiscal pressures. The APRC has also been allocated 25% of the Food & Beverage Tax for parks acquisition, capital, and maintenance operations. The City Manager’s Recommended BN2021-2023 Budget includes allocating 100% of the F&B receipts less the two percent administration fee paid to the General Fund and establishing a fixed percentage of property tax mills in ordinance to provide the APRC a dedicated funding source and greater ability to forecast and plan its operations and capital projects with a dedicated funding stream rather than through the two-year biennial budget process. This is proposed to be transitioned in over several years, extending into the next two biennia and then carry forward as part of the base funding structure.

#### Revenue by Type

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Charges for Services	\$ 6,078,063	\$ 6,308,536	\$ 6,211,435	\$ 6,573,375	\$ 6,407,662	\$ 4,495,978
Taxes	-	-	-	-	-	2,005,942
Operating Transfers In	85,000	85,000	185,000	185,000	435,000	435,000
Intergovernmental Revenue	750	500	190,356	15,000	90,000	90,000
Miscellaneous Revenues	19,883	25,700	33,425	31,000	25,000	25,000
Interest on Pooled Investments	9,692	20,599	19,232	23,543	15,000	15,000
Total	\$ 6,193,388	\$ 6,440,335	\$ 6,639,448	\$ 6,827,918	\$ 6,972,662	\$ 7,066,920

Most of the Parks General Fund revenue comes from charges for services. The charges for services include the contribution from the General Fund along with charges for recreational offerings, including classes, aquatics, and golf to name a few

## Parks General Fund

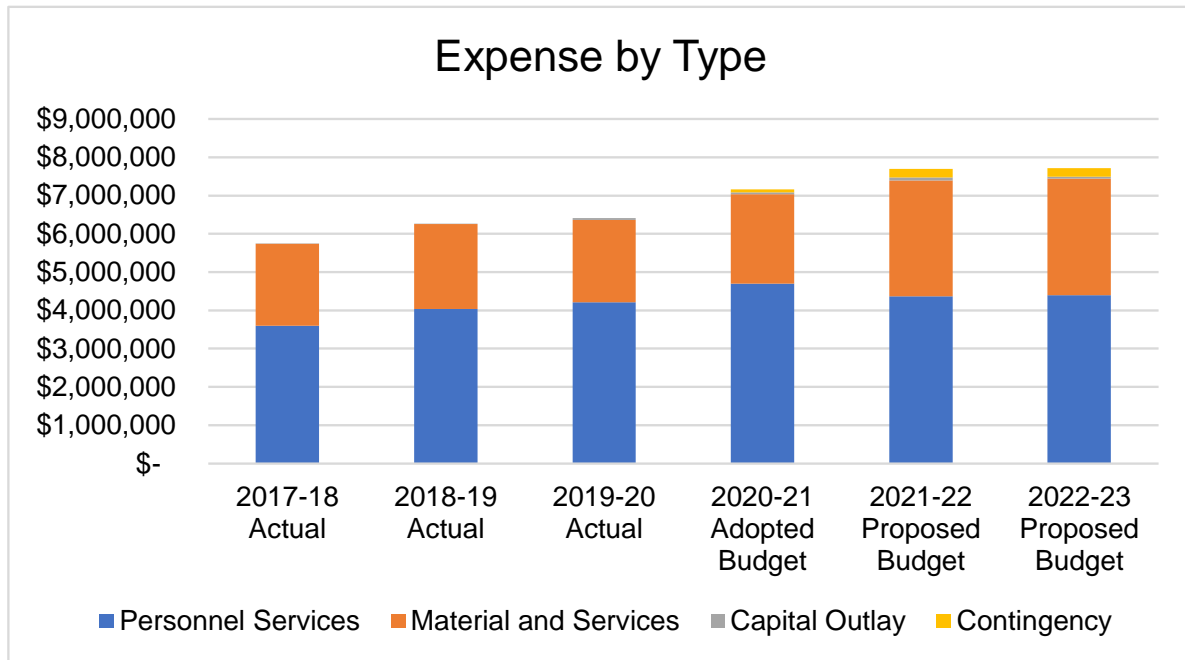


### Expense by Type

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 3,600,645	\$ 4,032,388	\$ 4,212,216	\$ 4,699,426	\$ 4,370,993	\$ 4,400,402
Material and Services	2,135,790	2,221,432	2,147,237	2,335,345	3,020,979	3,038,855
Capital Outlay	4,831	5,090	48,450	50,000	85,000	50,000
Contingency	-	-	-	75,000	223,829	224,198
<b>Total</b>	<b>\$ 5,741,266</b>	<b>\$ 6,258,910</b>	<b>\$ 6,407,902</b>	<b>\$ 7,159,770</b>	<b>\$ 7,700,801</b>	<b>\$ 7,713,455</b>

Similar to the City's General Fund, the Parks General Fund is heavily reliant on people to provide their services and remains flat over the proposed budget. The Parks General Fund is 65% Personnel Services and 33% Materials & Services.

## Parks General Fund





## Special Revenue Fund-Community Development Block Grant

### Community Development Block Grant Summary

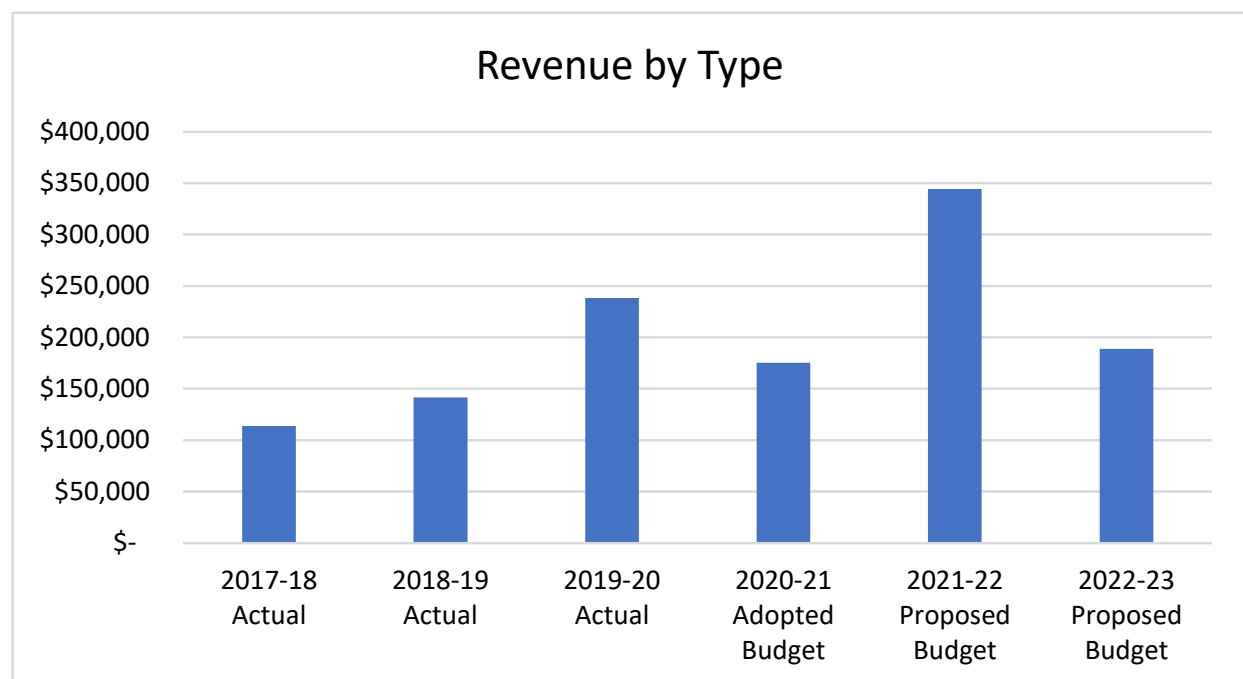
The City of Ashland is an “entitlement” city for Community Development Block Grant funds from the Department of Housing and Urban Development (HUD). “Entitlement” communities receive dedicated funds each year that must be used to assist low- and moderate- income neighborhoods and households. This will be the eighteenth year the City has received these funds.

During FY2021-22, the City of Ashland anticipates an allocation of approximately \$344,489 in Community Development Block Grant funds for program expenses by the Department of Housing and Urban Development (HUD). This includes additional funds to support services in response to the COVID-19 pandemic. Allocations in future years are projected to return to lower historical levels.

CDBG funds have been applied to numerous affordable housing projects in Ashland and services to un- and under-housed populations pursuant to specific federal grants. The CDBG fund supports a portion of an employee’s salary with the majority of expenses being used for grant eligible projects.

#### Revenue by Type

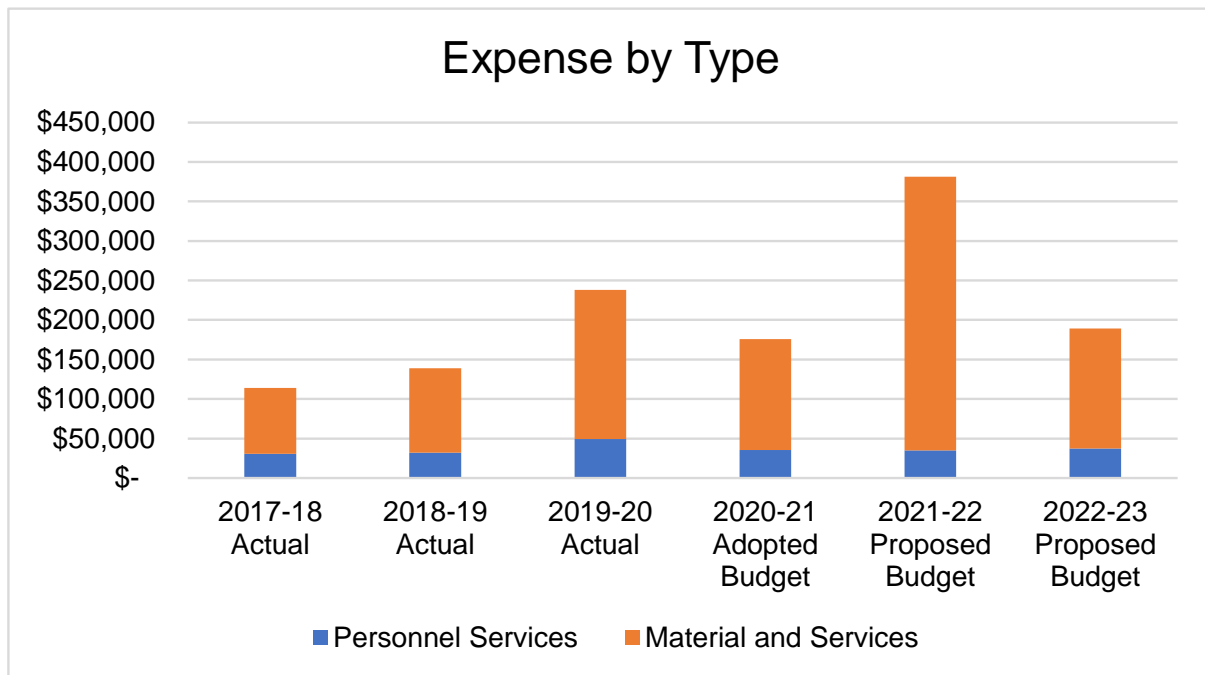
	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Intergovernmental Revenue	\$ 113,981	\$ 141,551	\$ 238,255	\$ 175,422	\$ 344,489	\$ 188,801
Total	\$ 113,981	\$ 141,551	\$ 238,255	\$ 175,422	\$ 344,489	\$ 188,801



## Special Revenue Fund-Community Development Block Grant

### Expense by Type

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 30,691	\$ 32,189	\$ 49,323	\$ 35,495	\$ 34,865	\$ 37,387
Material and Services	83,291	106,545	188,933	140,389	346,468	151,638
Total	<u>\$ 113,982</u>	<u>\$ 138,734</u>	<u>\$ 238,256</u>	<u>\$ 175,884</u>	<u>\$ 381,333</u>	<u>\$ 189,025</u>





## Special Revenue Fund-Reserve Fund

### Reserve Fund Summary

The Reserve Fund was established and adopted by Council on June 15, 2010 by Resolution No. 2010-18 and reaffirmed in June 2020. According to ORS 280.050, the purpose of a Reserve Fund is for “providing funds for financing costs of services, projects, property and equipment”, and is for a limited period. On (or prior to) the 10-year anniversary of the date on which the reserve fund was established, the governing body must review the fund and determine by resolution whether the fund will be continued or abolished.

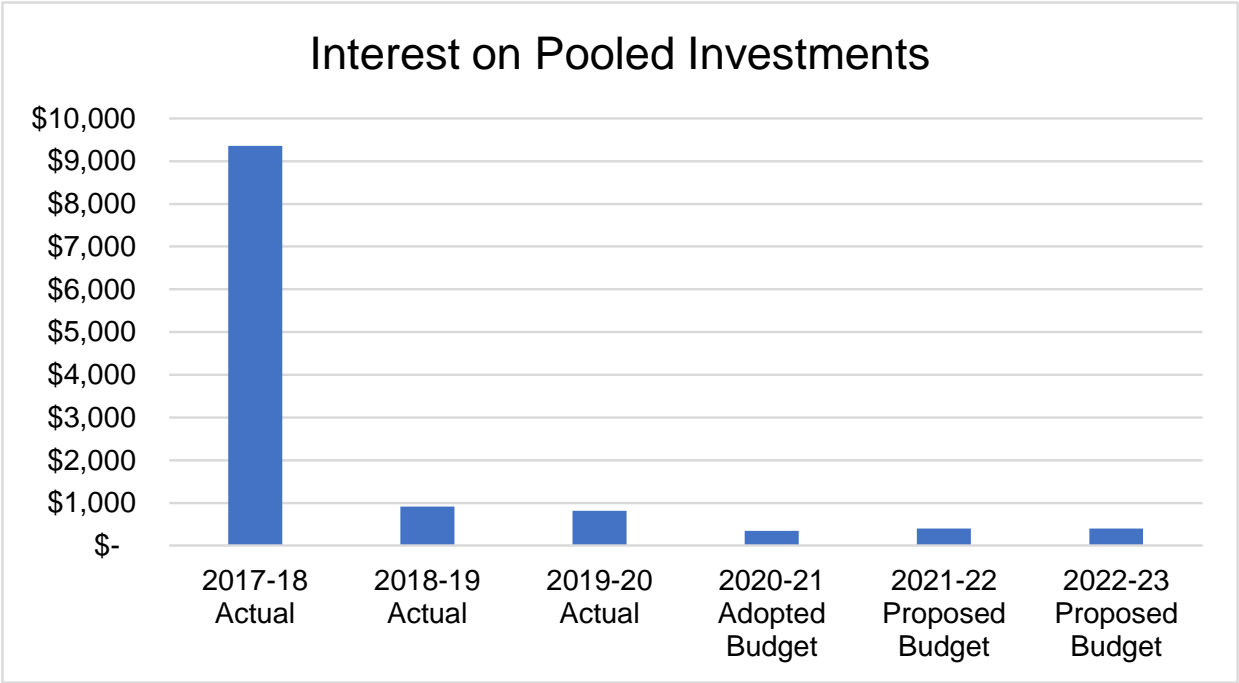
On January 5, 2021, the City Council adopted new Financial Policies that outlined more stringent parameters for the Reserve Fund including the separation of any actions to use Reserve Funds from the budget adoption process and the dedication of a portion of any unanticipated revenues or surplus to the Reserve. This strengthens the City’s ability to build and use the Reserve Fund over time for specific projects or emergencies as defined by Oregon statute.

Past transfers made into the fund from General, Street, Parks and Recreation Funds have been used for a variety of projects in recent years. No regular revenue stream has been established, leaving interest as the only ongoing revenue. The Reserve Fund has a balance of \$39,110.

#### Revenue by Type

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Interest on Pooled Investments	\$ 9,356	\$ 916	\$ 816	\$ 350	\$ 400	\$ 400
Total	\$ 9,356	\$ 916	\$ 816	\$ 350	\$ 400	\$ 400

Special Revenue Fund-Reserve Fund



## Special Revenue Fund-Street Fund

### Street Fund Summary

This special revenue fund houses street related operations and capital projects. Major revenue sources are the State gas tax disbursement, a street user fee collected through the local utility bill, and grants. In prior budgets, the Stormwater related activities were included in the Street Fund but were separated out of this fund with the establishment of the Stormwater Fund in BN2017-2019.

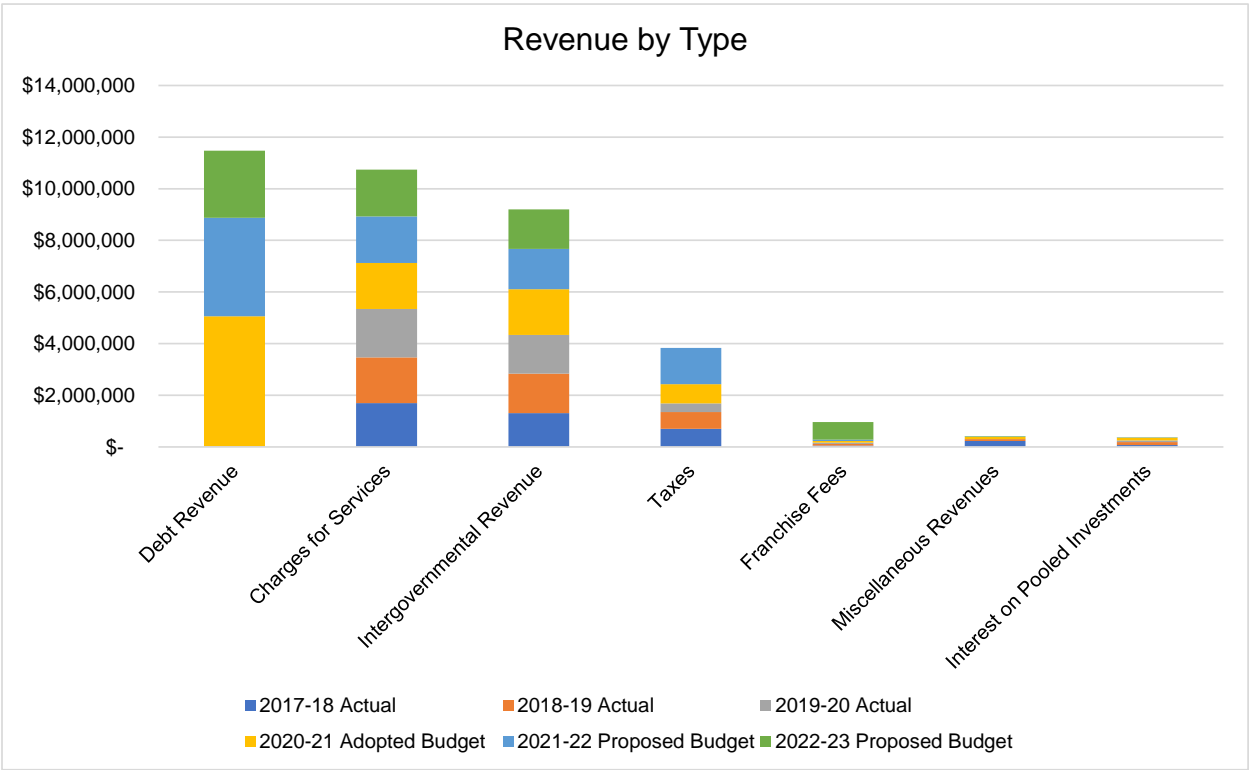
The City Manager's Recommended BN2021-2023 Budget proposes a shift from a portion of Food & Beverage receipts to a more stable and related revenue stream using a dedicated portion of the Franchise Fees charged to utilities to compensate the City for impacts of those utilities on the central government including wear and usage of its transportation system. The proposed package links a staggered reduction in franchise fees to assist in rate stabilization with a staggered apportionment of those revenues to the Streets Fund at the same time the Food & Beverage Tax revenues are directed wholly to the Parks Commission with a staggered reduction in the General Fund property tax transfer to Parks.

#### Revenue by Type

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Debt Revenue	\$ 17,535	\$ 8,924	\$ 3,319	\$ 5,030,000	\$ 3,814,000	\$ 2,594,000
Charges for Services	1,698,770	1,772,743	1,878,653	1,776,000	1,801,100	1,807,500
Intergovernmental Revenue	1,311,390	1,530,941	1,502,423	1,761,302	1,566,375	1,522,125
Taxes	708,397	645,685	340,565	740,000	1,400,000	-
Franchise Fees	58,794	58,913	58,206	55,000	58,500	679,399
Miscellaneous Revenues	232,484	71,668	587	84,145	15,000	15,000
Interest on Pooled Investments	74,835	119,788	65,516	100,000	11,700	11,700
Total	\$ 4,102,204	\$ 4,208,662	\$ 3,849,269	\$ 9,546,447	\$ 8,666,675	\$ 6,629,724

The Streets Fund receives its funding from charges for services through the Transportation Utility Fee, State Gasoline Tax on a pro-rata apportionment by population, grants and small portions of the Cable TV Franchise Fee and Food & Beverage Tax revenues.

Special Revenue Fund-Street Fund

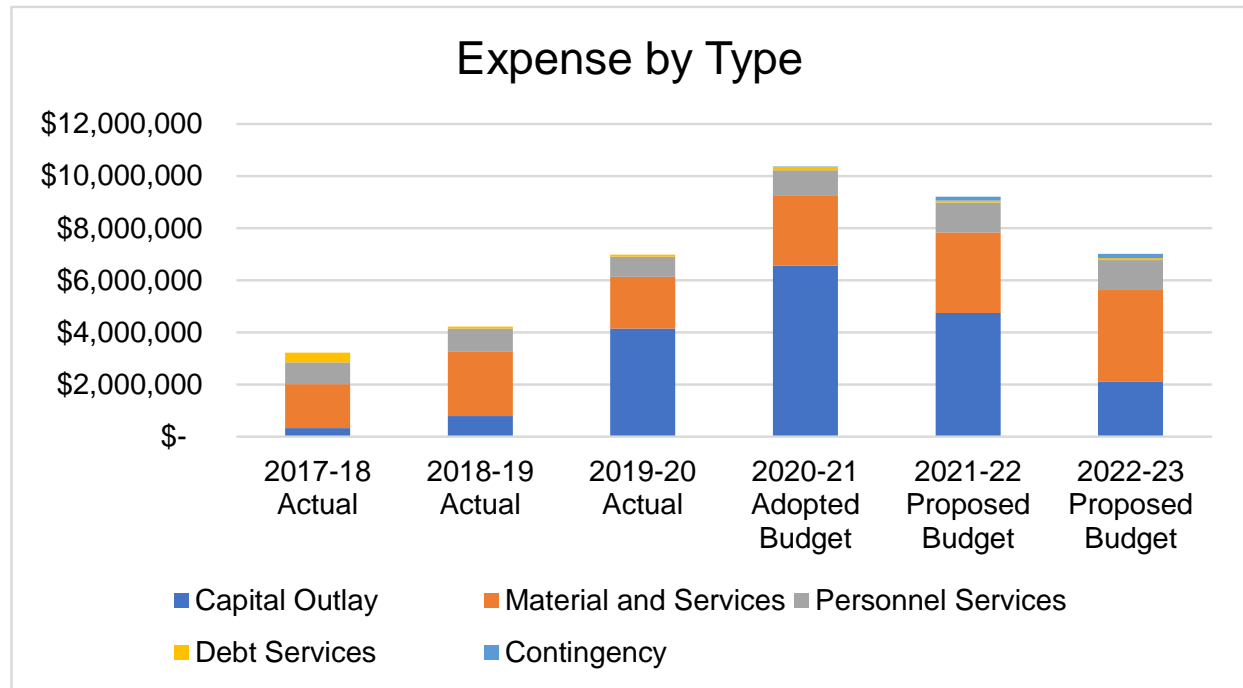


## Special Revenue Fund-Street Fund

### Expense by Type

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Capital Outlay	\$ 323,280	\$ 783,963	\$ 4,147,256	\$ 6,567,237	\$ 4,748,792	\$ 2,123,437
Material and Services	1,683,140	2,460,885	1,978,366	2,676,204	3,091,242	3,497,409
Personnel Services	848,701	903,376	780,088	980,381	1,142,253	1,148,930
Debt Services	367,829	79,607	78,312	127,555	81,963	81,563
Contingency	-	-	-	21,850	138,261	156,635
<b>Total</b>	<b>\$ 3,222,950</b>	<b>\$ 4,227,831</b>	<b>\$ 6,984,022</b>	<b>\$ 10,373,227</b>	<b>\$ 9,202,511</b>	<b>\$ 7,007,974</b>

The Street Fund employs the equivalent of 7.1 FTE. The Street Fund and Stormwater Fund split several employees between each other. The other expenses in the Streets Fund include Materials & Services for street maintenance, along with the cost of completing major street capital projects. Details on proposed capital projects are in the Capital Improvement Plan.





## Special Revenue Fund-Airport Fund

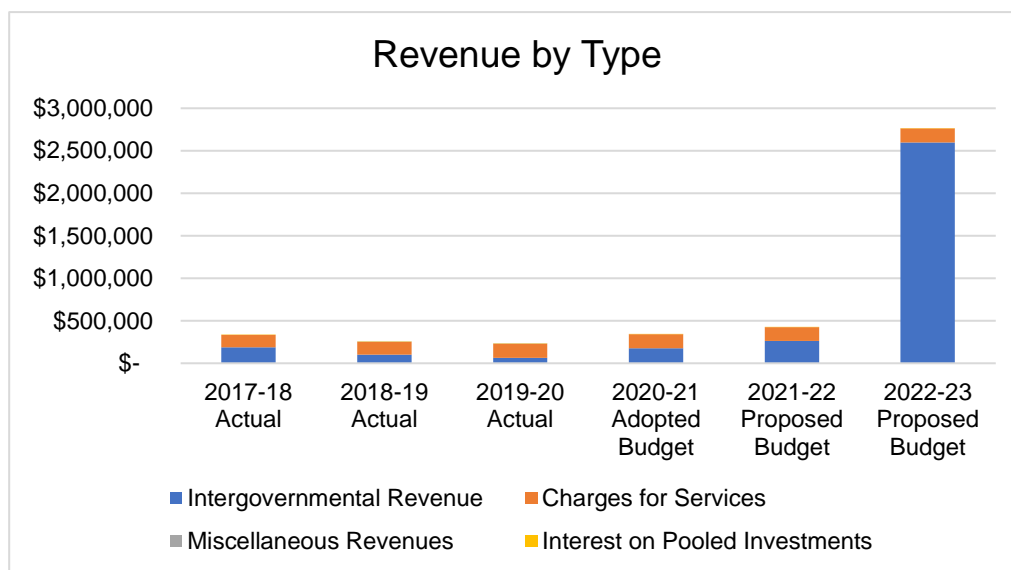
### Airport Fund Summary

This fund is used to account for Airport operations and revenues from service charges, hangar rental, and lease fees. The fund may borrow internally or externally for projects as needed.

Revenue by Type

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Intergovernmental Revenue	\$ 191,186	\$ 101,602	\$ 67,245	\$ 180,000	\$ 263,000	\$ 2,598,000
Charges for Services	145,523	152,403	165,347	162,000	162,000	164,000
Miscellaneous Revenues	-	4,495	1,000	-	-	-
Interest on Pooled Investments	2,123	4,388	5,062	500	3,000	3,000
Total	\$ 338,832	\$ 262,888	\$ 238,654	\$ 342,500	\$ 428,000	\$ 2,765,000

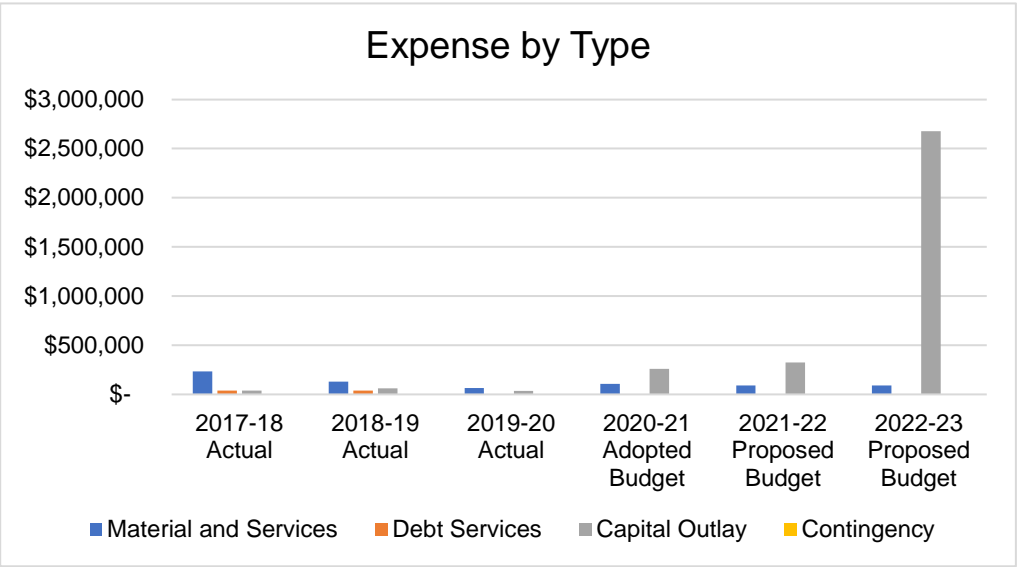
The Airport receives money from several sources. The two main sources are Charges for Hangar rentals along with grants for projects.



The Airport spends money on maintenance and capital projects. Details on proposed capital projects are in the Capital Improvement Plan.

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Material and Services	\$ 233,897	\$ 129,636	\$ 63,591	\$ 108,044	\$ 91,626	\$ 91,772
Debt Services	38,536	38,536	-	-	-	-
Capital Outlay	37,609	61,074	34,154	260,000	323,000	2,678,000
Contingency	-	-	-	-	2,749	2,753
Total	\$ 310,042	\$ 229,246	\$ 97,745	\$ 368,044	\$ 417,375	\$ 2,772,525

Special Revenue Fund-Airport Fund





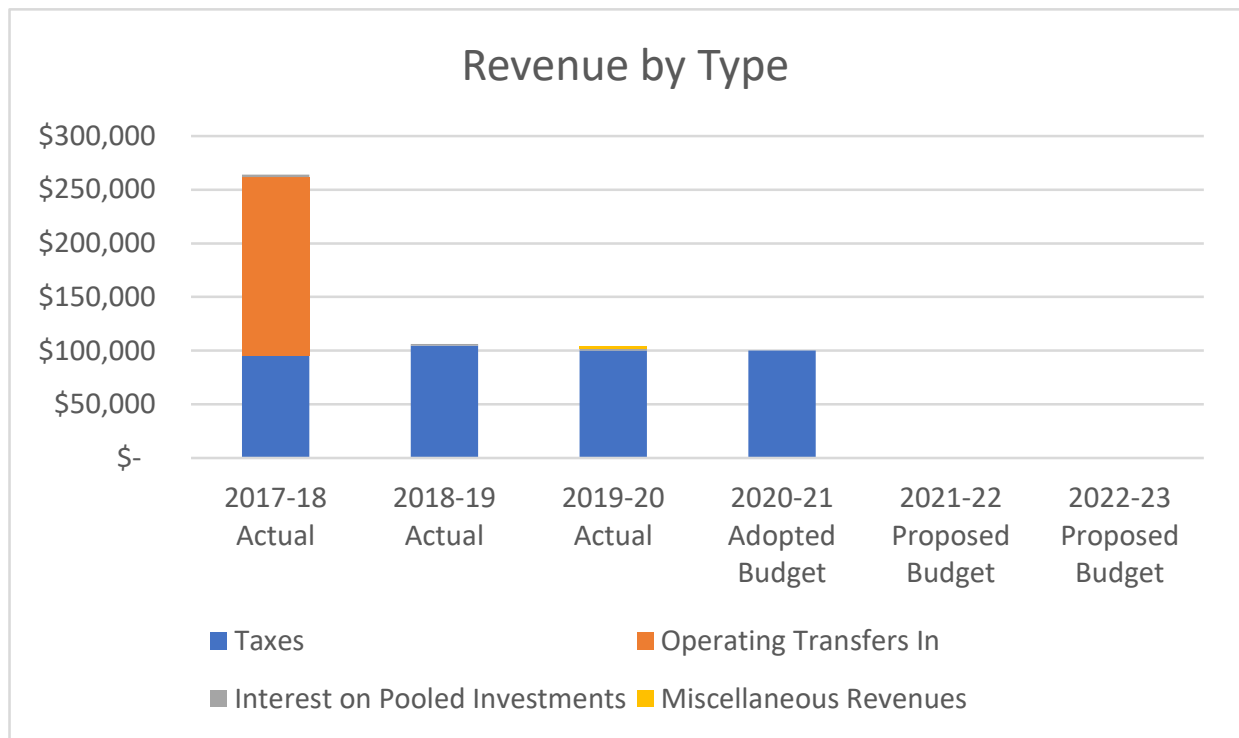
## Housing Fund

### Housing Fund Summary

The Housing Fund was created in BN2017-2019 with the dedication of up to \$100,000 annually of local marijuana tax proceeds. It is anticipated that the fund will have a beginning balance of \$48,079 to continue programs. The proposed budget does not include the transfer of Marijuana Tax revenues from the General Fund but does anticipate the transfer of property or the proceeds of property to support affordable housing efforts.

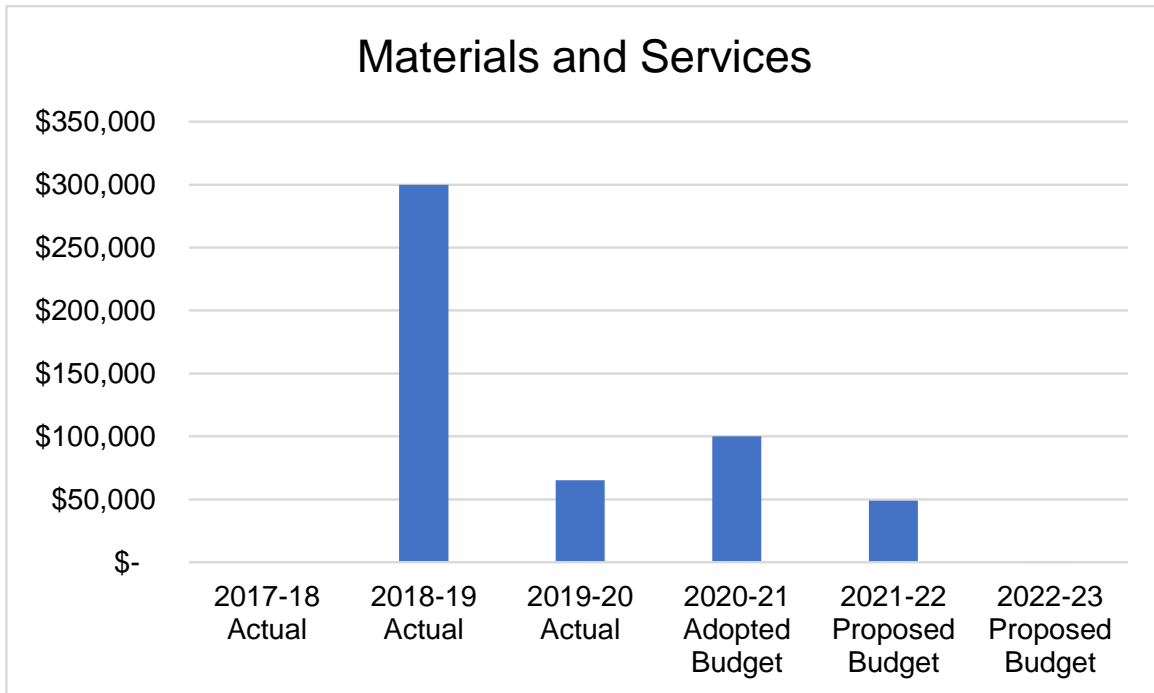
#### Revenue by Type

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Taxes	\$ 95,249	\$ 104,751	\$ 100,000	\$ 100,000	\$ -	\$ -
Operating Transfers In	166,351	-	-	-	-	-
Interest on Pooled Investments	2,303	1,332	1,996	-	1,000	1,000
Miscellaneous Revenues	-	-	2,215	-	-	-
<b>Total</b>	<b>\$ 263,903</b>	<b>\$ 106,083</b>	<b>\$ 104,211</b>	<b>\$ 100,000</b>	<b>\$ 1,000</b>	<b>\$ 1,000</b>



## Housing Fund

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Material and Services	\$ -	\$ 300,000	\$ 65,118	\$ 100,000	\$ 49,079	\$ 1,000
Total	\$ -	\$ 300,000	\$ 65,118	\$ 100,000	\$ 49,079	\$ 1,000



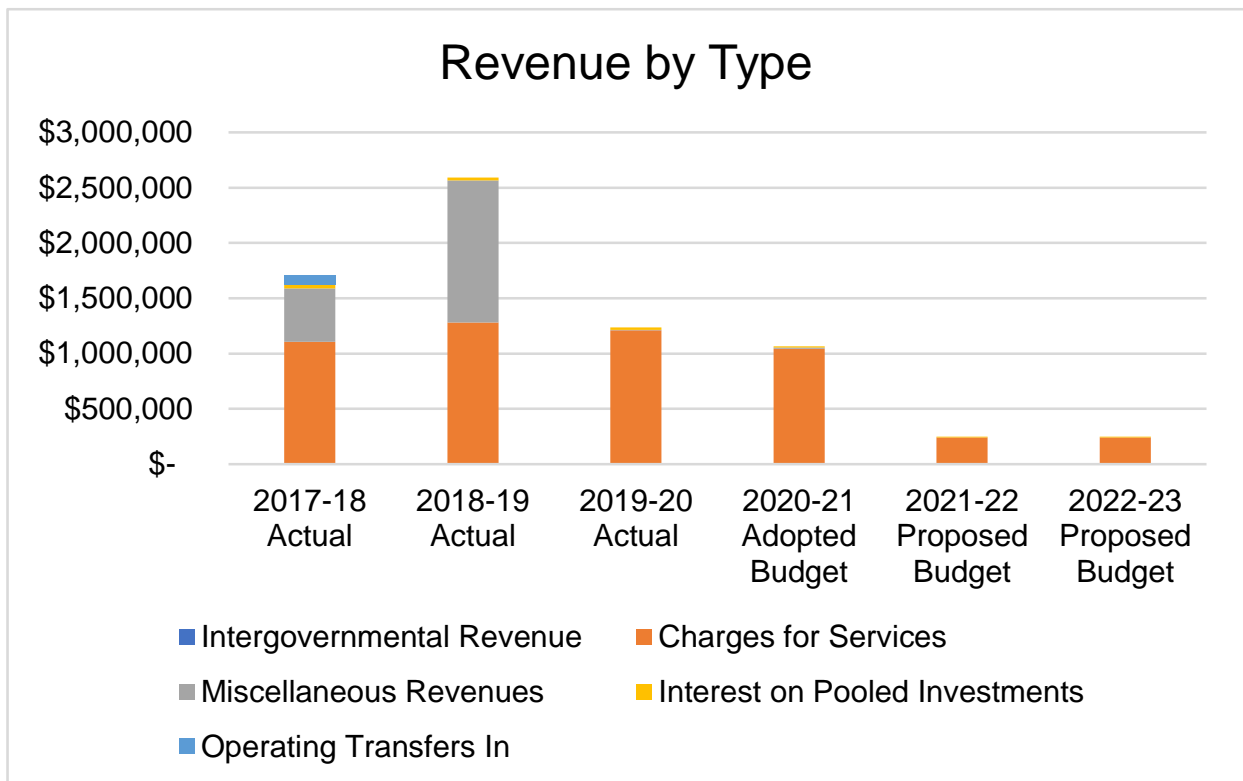
## Capital Improvements Fund

### Capital Improvements Fund Summary

This fund accounts for capital projects that are associated with governmental funds. Primary revenues are from charges for service and system development fees. Previously, the Facilities staff were included within the Capital Improvements Fund and operating departments were charged a fee for cost of maintenance of City facilities related to their operations. These positions and the associated charges for service have been moved to the General Fund as ongoing operating expenses rather than comingled with the capital projects. The majority of the CIP Fund expenses are for maintenance and upgrades to facilities.

#### Revenue by Type

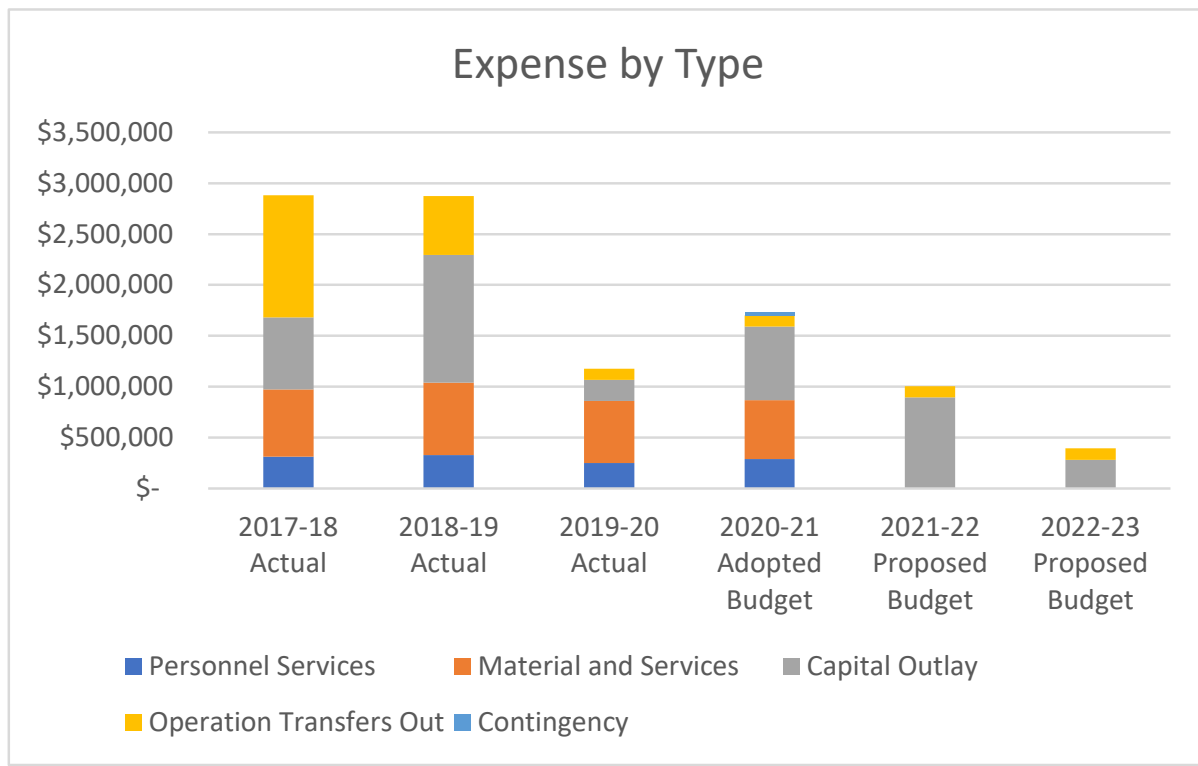
	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Intergovernmental Revenue	\$ -	\$ -	\$ 1,861	\$ -	\$ -	\$ -
Charges for Services	1,107,949	1,280,441	1,209,326	1,042,670	240,000	240,000
Miscellaneous Revenues	479,871	1,284,404	4,306	10,000	-	-
Interest on Pooled Investments	36,037	28,045	19,103	13,000	8,700	8,700
Operating Transfers In	82,843	-	-	-	-	-
Total	\$ 1,706,700	\$ 2,592,891	\$ 1,234,596	\$ 1,065,670	\$ 248,700	\$ 248,700



## Capital Improvements Fund

### Expense by Type

	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	\$ -	\$ -
Material and Services	660,733	711,033	610,445	576,239	-	-
Capital Outlay	708,961	1,253,712	206,054	725,000	895,000	284,249
Operation Transfers Out	1,200,000	577,000	110,000	110,000	110,000	110,000
Contingency	-	-	-	30,000	-	-
<b>Total</b>	<b>\$ 2,881,986</b>	<b>\$ 2,872,122</b>	<b>\$ 1,176,743</b>	<b>\$ 1,732,132</b>	<b>\$ 1,005,000</b>	<b>\$ 394,249</b>





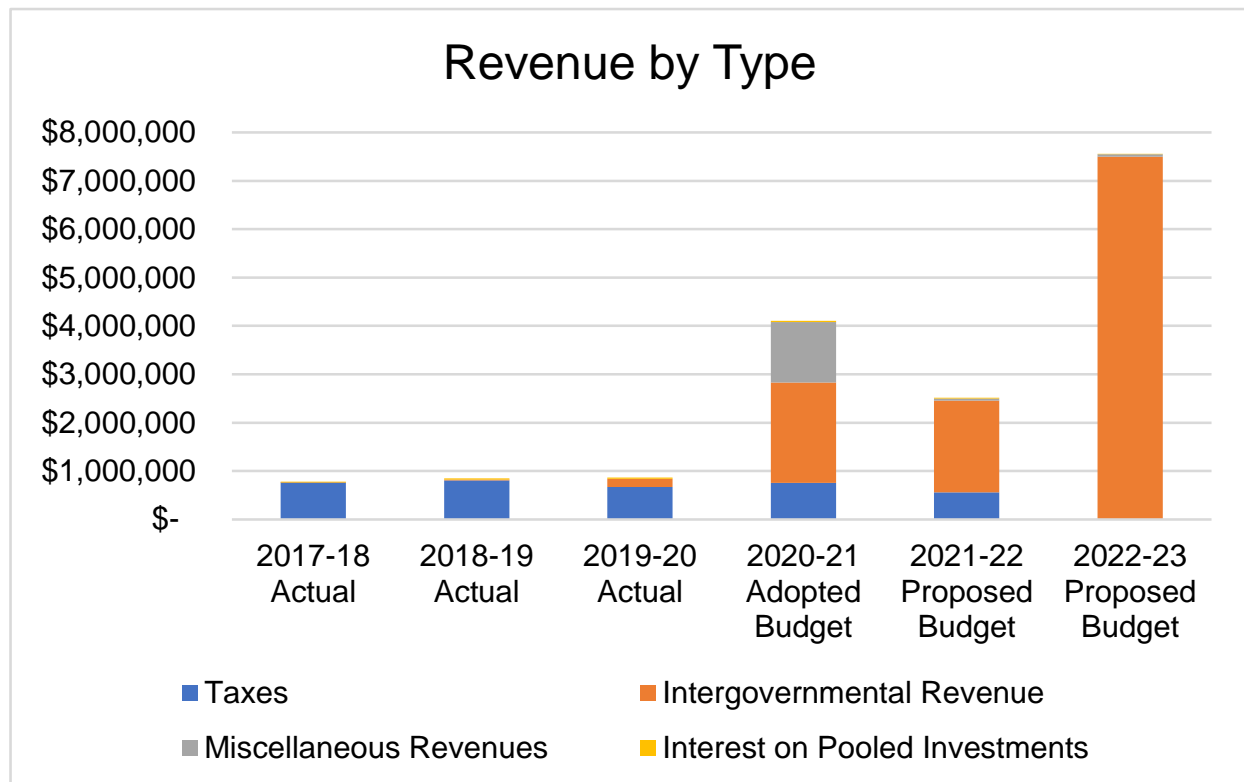
## Parks Capital Improvements Fund Summary

### Parks Capital Improvements Fund Summary

This fund accounts for facility maintenance and capital projects for the Parks and Recreation Commission. Revenues to this fund include Food & Beverage Tax receipts and grants.

#### Revenue by Type

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Taxes	\$ 758,101	\$ 803,844	\$ 664,577	\$ 756,900	\$ 562,000	\$ -
Intergovernmental Revenue	4,695	19,857	171,690	2,075,000	1,889,600	7,500,000
Miscellaneous Revenues	-	-	-	1,250,000	50,000	50,000
Interest on Pooled Investments	13,978	24,077	27,987	20,000	9,700	9,700
<b>Total</b>	<b>\$ 776,774</b>	<b>\$ 847,779</b>	<b>\$ 864,253</b>	<b>\$ 4,101,900</b>	<b>\$ 2,511,300</b>	<b>\$ 7,559,700</b>

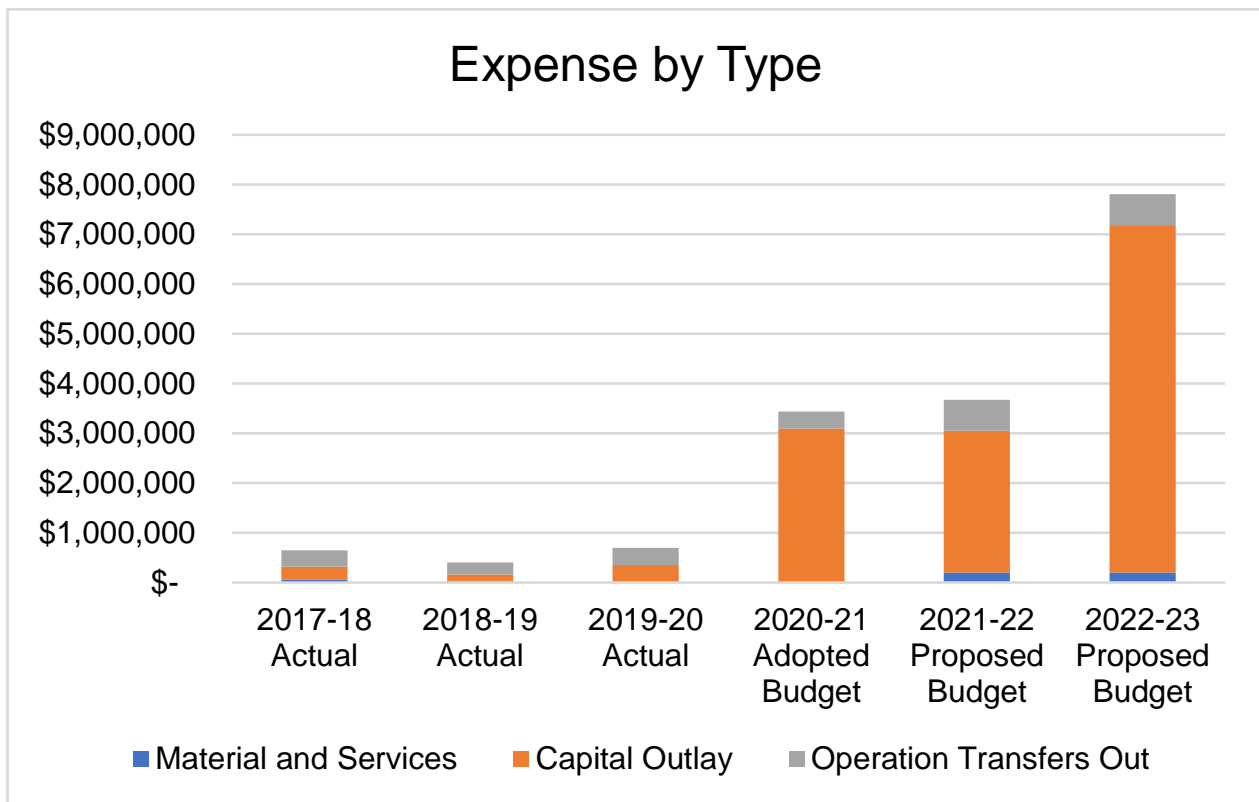


## Parks Capital Improvements Fund Summary

Expense by Type

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Material and Services	\$ 57,754	\$ 30,999	\$ 8,574	\$ -	\$ 202,000	\$ 202,000
Capital Outlay	261,363	124,575	343,387	3,090,000	2,849,000	6,985,000
Operation Transfers Out	328,238	245,045	344,656	349,172	624,172	623,596
Total	\$ 647,355	\$ 400,619	\$ 696,618	\$ 3,439,172	\$ 3,675,172	\$ 7,810,596

The Parks CIP fund pays for Parks capital projects and includes a transfer to the Parks General Fund for major maintenance of park facilities. Details on proposed capital projects are in the Capital Improvement Plan.



## Debt Service Fund Summary

### Debt Service Fund Summary

The purpose of the Debt Service Fund is to account for the payment of principal and interest due on the City's debt, both bonded and un-bonded. All enterprise debt is budgeted within the corresponding fund. The only expense in the Debt Service Fund is the payment of Debt. Details regarding the City's debt limit and outstanding obligations are located in the Debt section of this book.

**Property Tax-** Revenues in this fund are voter approved taxes collected to pay the 2012 GO Bonds for Fire Station #2.

**Charges for Services-** Revenues primarily include payments from system users in other funds to meet technology debt service requirements.

**Assessment Payments-** These payments are from individual benefited property owners who pay for principal and interest for property or service improvements over a period of time at a rate established when the assessment is financed.

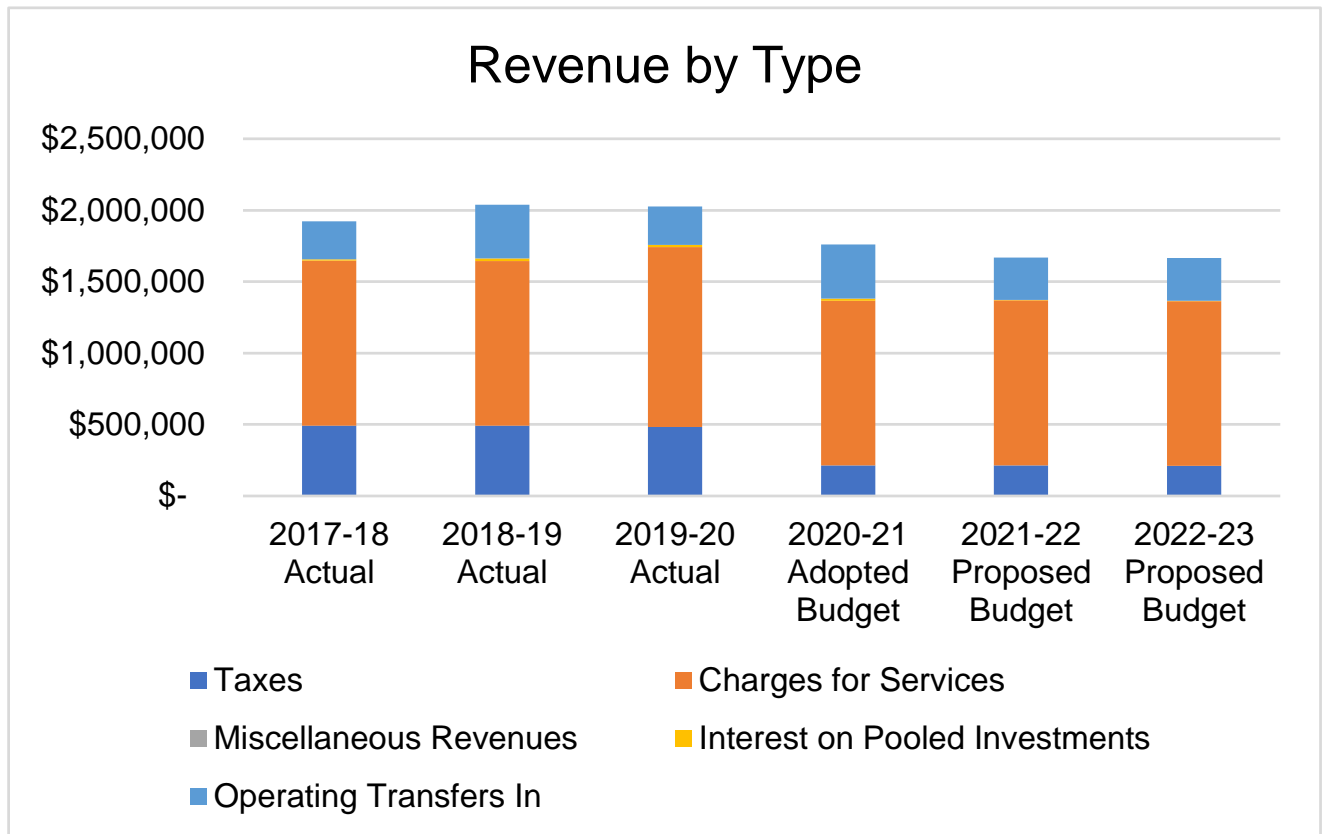
**Operating Transfers In-** These transfers are from the Capital Improvements Fund to support "Open Space" debt for land purchases.

Revenue by Type

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Taxes	\$ 492,170	\$ 491,649	\$ 483,627	\$ 213,000	\$ 213,738	\$ 209,388
Charges for Services	1,154,300	1,154,300	1,259,300	1,154,300	1,154,300	1,154,300
Miscellaneous Revenues	-	-	0	-	-	-
Interest on Pooled Investments	11,503	17,374	15,469	13,130	2,900	2,900
Operating Transfers In	265,395	375,045	269,656	379,172	299,172	298,596
Total	\$ 1,923,368	\$ 2,038,368	\$ 2,028,052	\$ 1,759,602	\$ 1,670,110	\$ 1,665,184

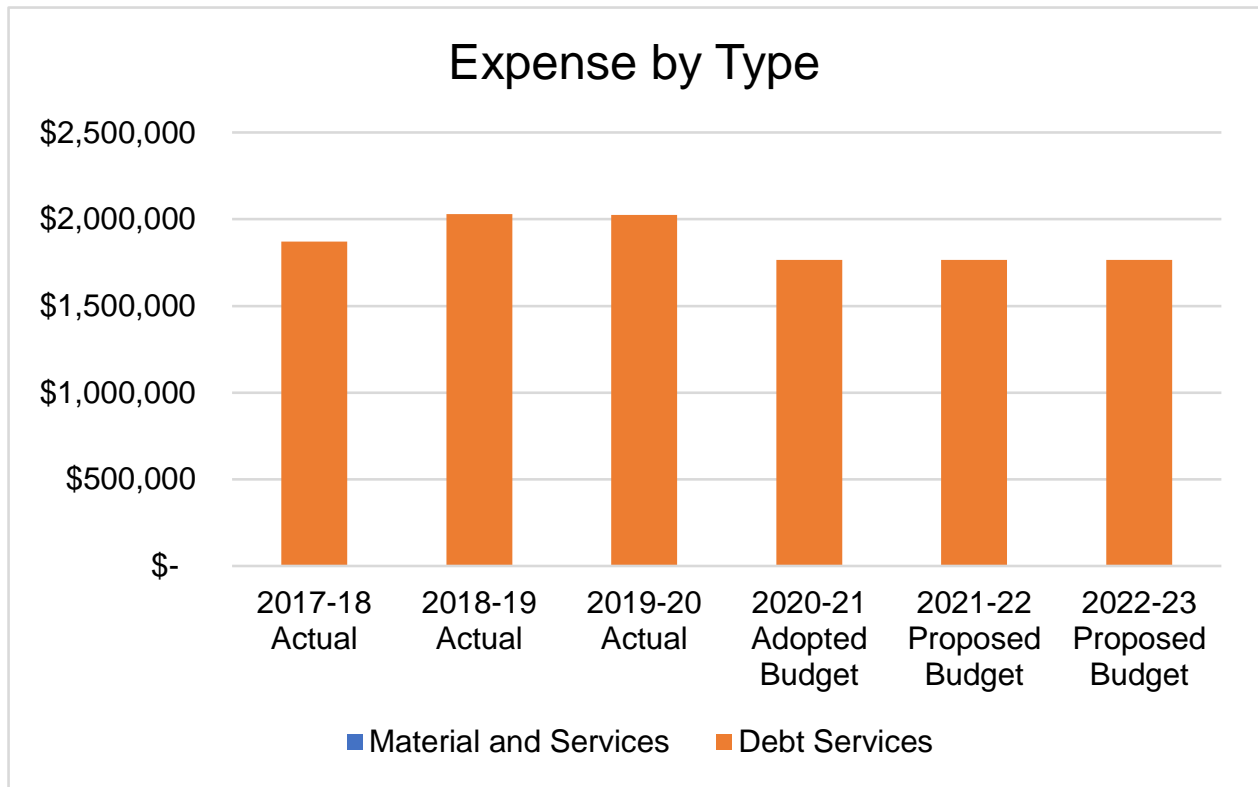


## Debt Service Fund Summary



## Expense by Type

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Material and Services	\$ 800	\$ 900	\$ 900	\$ -	\$ -	\$ -
Debt Services	1,871,361	2,028,909	2,025,311	1,765,520	1,765,520	1,766,451
<b>Total</b>	<b>\$ 1,872,161</b>	<b>\$ 2,029,809</b>	<b>\$ 2,026,211</b>	<b>\$ 1,765,520</b>	<b>\$ 1,765,520</b>	<b>\$ 1,766,451</b>





## Water Fund Summary

The Water Fund houses the Water Division of the Public Works Department and provides drinking water to 7,736 residences, 608 business and 217 “institutions” (Governments and City) within the City of Ashland.

The Water Division manages the City's water system, consisting of storage reservoirs, treatment facilities, and distribution systems. The Water Division operates under a recently updated Master Plan that provides an infrastructure and financing plan for the next 20 years. The Division is currently working on a new water treatment plant and the Crowson II reservoir. These two major projects will strain limited staff resources. Water division staff will be part of the technical advisory committee during the engineering design process of the water plant and reservoir and will manage the project contractors throughout the project duration.

Maintaining and updating aging infrastructure to meet operational and state and federal regulatory changes is a continuous and expensive challenge but critical aspect for all of the City's enterprise funds. Prioritizing replacement and repair activities while working within the limitations of the budget and available staff time will continue to be a mission of the Water Division. Water Division staff maintain a system that provides clean and safe drinking water to nearly 10,000 water services while also supplying water in sufficient volume for firefighting to over 1,200 hydrants.

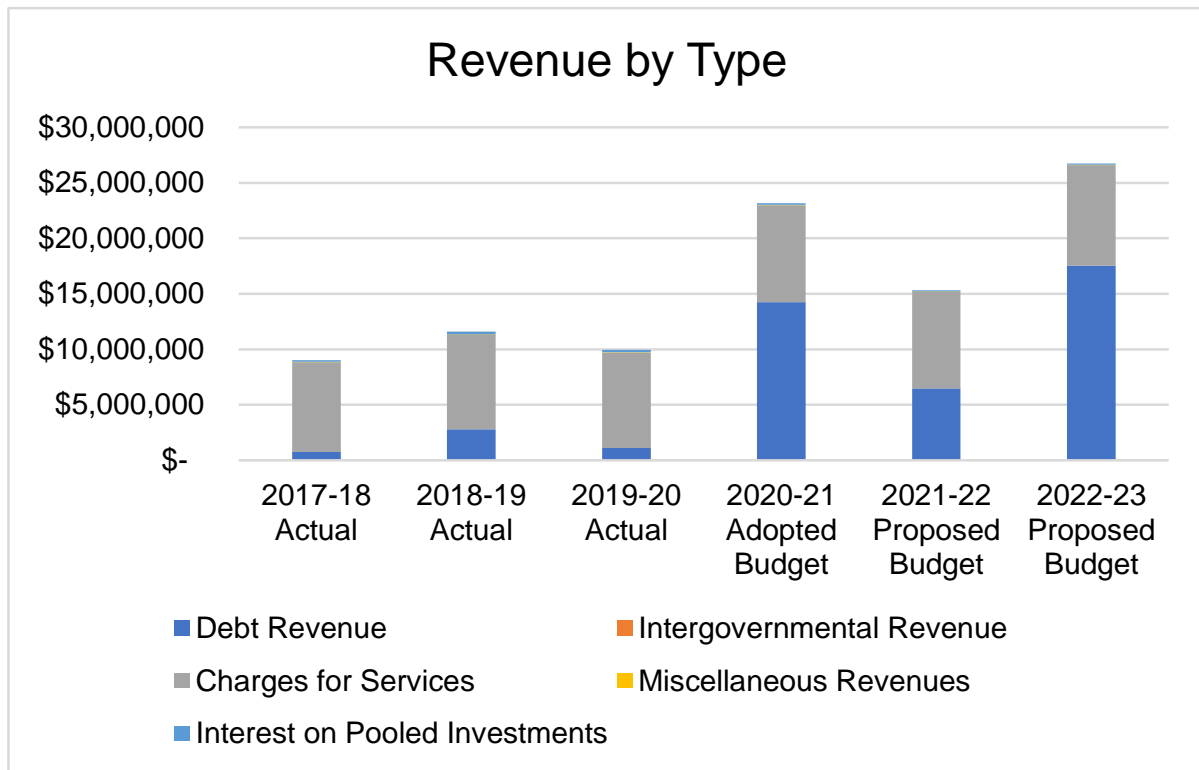
### Revenue by Type

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Debt Revenue	\$ 732,215	\$ 2,795,804	\$ 1,103,851	\$ 14,252,562	\$ 6,465,900	\$ 17,545,800
Intergovernmental Revenue	-	-	6,331	-	-	-
Charges for Services	8,109,860	8,536,154	8,582,394	8,733,400	8,739,000	9,080,000
Miscellaneous Revenues	40,443	26,996	41,749	25,000	25,000	26,000
Interest on Pooled Investments	139,859	228,124	216,316	146,450	92,800	92,800
Total	\$ 9,022,377	\$ 11,587,078	\$ 9,950,641	\$ 23,157,412	\$ 15,322,700	\$ 26,744,600

The Water Fund receives most of its revenue from selling water to customers. The charge for services is expected to remain flat in the first year of the biennium and increase four percent in the second year. Every effort is being made to manage rate increases gradually to avoid rate shocks with spikes in charges hitting consumers. As part of the rate relief package, this budget recommends a gradual reduction in franchise fees paid to the General Fund in concert with shifts in the Food & Beverage Tax revenues to the Parks Commission and commitment of a portion of the franchise fee revenue to streets infrastructure repair and replacement. The other major revenue source in the FY2022-2023 Budget is Debt revenue. As the new Water Treatment plant begins construction, the Water Fund will need to borrow more money to complete construction. With the implementation of the most recent federal stimulus package

## Enterprise Funds-Water Fund

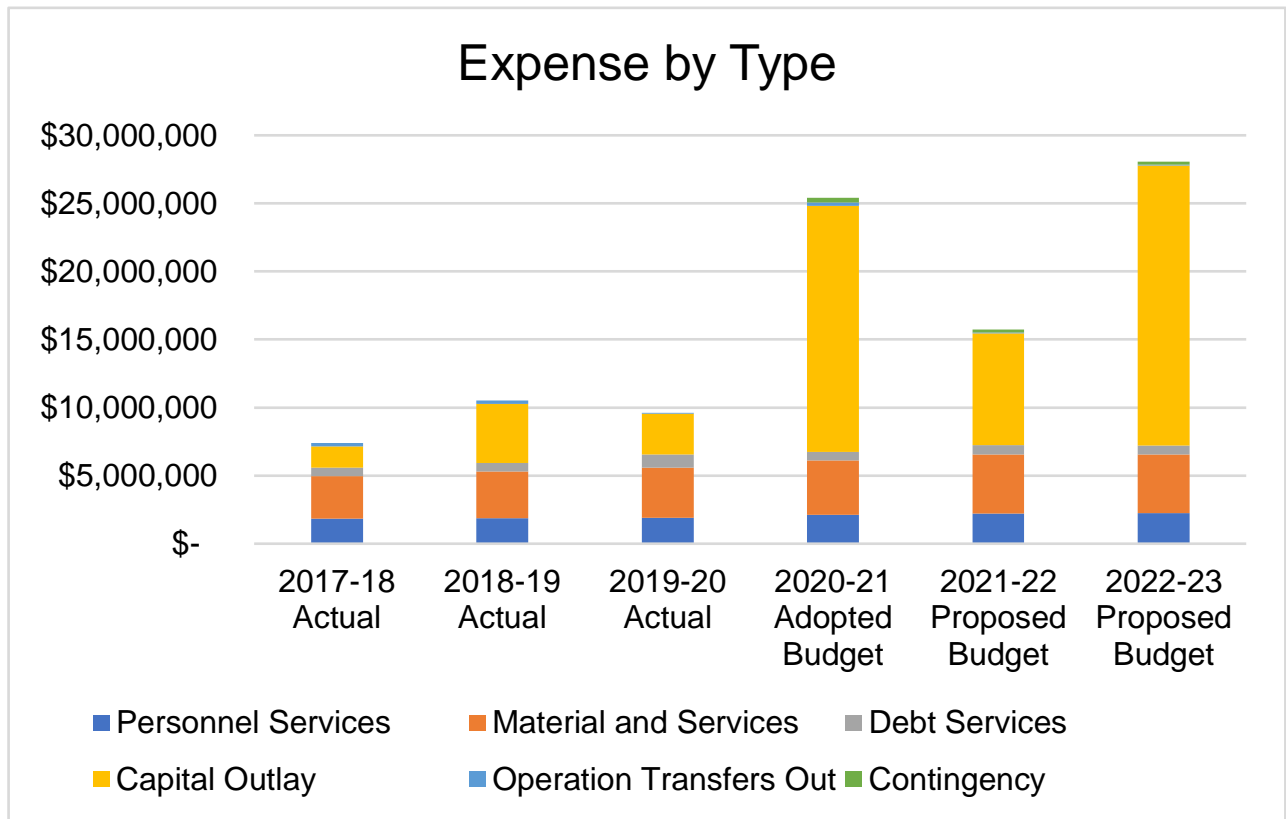
signed by President Biden on March 11, 2021, the City will aggressively pursue available and appropriate grant and other funds for infrastructure improvements.



### Expense by Type

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 1,815,873	\$ 1,863,488	\$ 1,883,177	\$ 2,117,748	\$ 2,210,373	\$ 2,224,198
Material and Services	3,135,546	3,441,770	3,682,053	3,997,398	4,352,194	4,308,624
Debt Services	614,234	617,627	991,033	613,950	684,254	686,132
Capital Outlay	1,569,565	4,351,843	2,988,986	18,082,270	8,208,670	20,576,500
Operation Transfers Out	250,000	250,000	50,000	250,000	50,000	50,000
Contingency	-	-	-	342,500	232,840	232,004
<b>Total</b>	<b>\$ 7,385,217</b>	<b>\$ 10,524,729</b>	<b>\$ 9,595,249</b>	<b>\$ 25,403,866</b>	<b>\$ 15,738,331</b>	<b>\$ 28,077,458</b>

Expenses within the Water Fund are for staff to operate the Water Plant and the distribution system, materials and supplies, and debt service for prior projects. There are no proposed changes to staffing. The large capital outlay planned for FY2022-2023 reflects the most current expected timeline for the Water Treatment Plan design and initial construction. The Water Fund must complete major Capital projects in order to maintain a safe drinking water system for the City. Details on proposed capital projects are in the Capital Improvement Plan.





## Wastewater Fund Summary

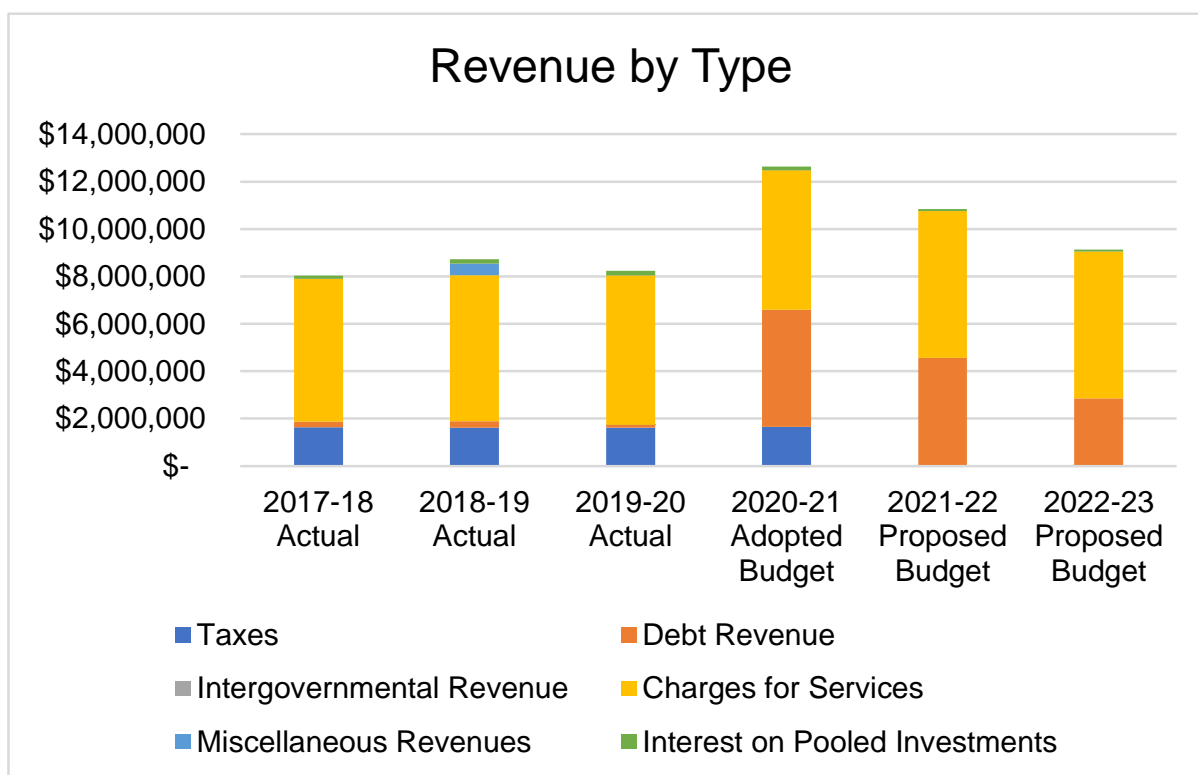
The Wastewater Fund is home to the Wastewater Division of the Public Works Department providing sewage collection and treatment to 8,644 customers. The Wastewater treatment process is closely regulated within Federal and State Law.

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Taxes	\$ 1,628,413	\$ 1,626,299	\$ 1,617,688	\$ 1,650,000	\$ -	\$ -
Debt Revenue	239,627	269,824	122,729	4,950,000	4,562,750	2,858,650
Intergovernmental Revenue	-	-	3,409	-	-	-
Charges for Services	6,025,937	6,156,129	6,298,894	5,883,000	6,190,000	6,190,000
Miscellaneous Revenues	-	480,200	1,610	1,000	-	-
Interest on Pooled Investments	138,548	193,213	188,367	146,450	86,700	86,700
Total	\$ 8,032,524	\$ 8,725,665	\$ 8,232,697	\$ 12,630,450	\$ 10,839,450	\$ 9,135,350

The Wastewater Fund receives the majority of its revenue from providing sewage services to wastewater customers. Rates are proposed to remain at the current levels through the biennium while the City pursues the sale of Fund owned properties. The proceeds of such sales will help fund some needed capital improvements and alleviate some rate pressure. Every effort is being made to manage rate increases gradually to avoid rate shocks with spikes in charges hitting consumers. As part of the rate relief package, this budget recommends a gradual reduction in franchise fees paid to the General Fund in concert with shifts in the Food & Beverage Tax revenues to the Parks Commission and commitment of a portion of the franchise fee revenue to streets infrastructure repair and replacement. Similar to in the Water Fund, staff will be pursuing federal funds to assist with infrastructure repair and replacement as available and appropriate under the most recent federal stimulus package.



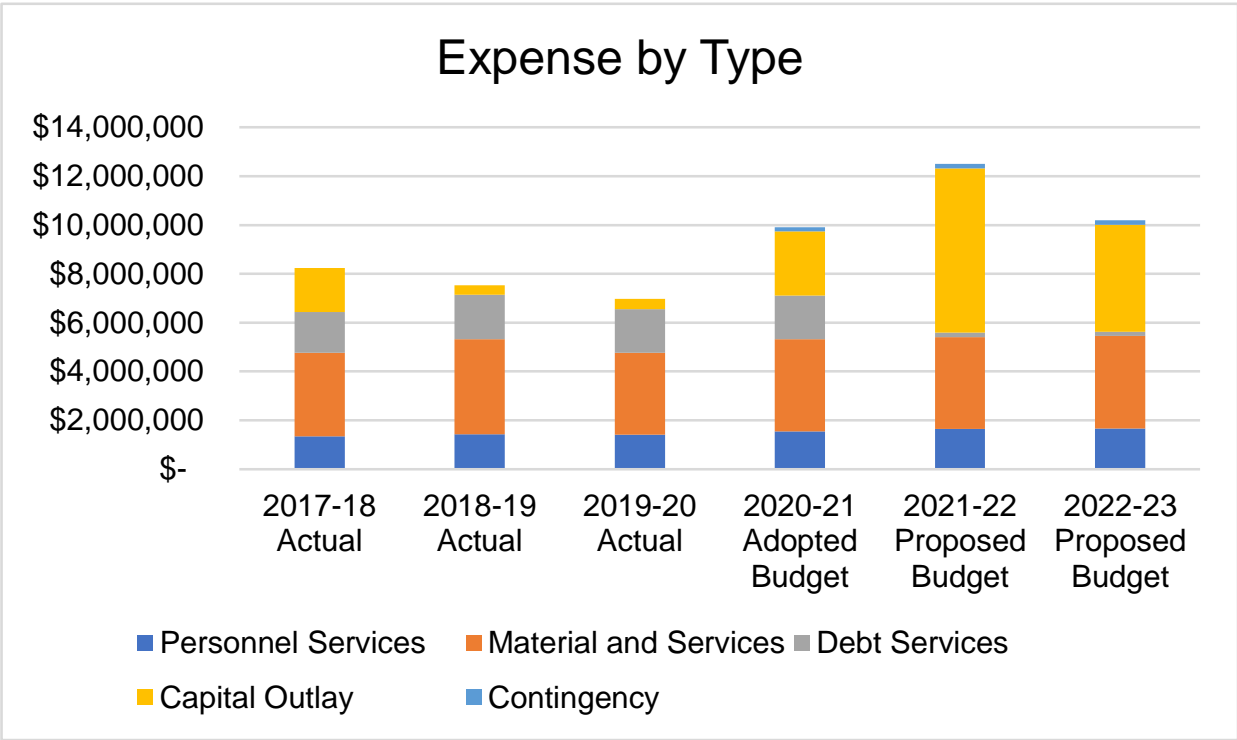
## Enterprise Funds- Wastewater Fund



Staffing remains stable in the Wastewater Fund and materials and supplies remain relatively flat. The Wastewater Treatment Plant debt was paid off early in December 2021, freeing Food & Beverage Tax revenues for other purposes. The Wastewater Fund must complete major Capital projects to maintain a long-term sustainable system. Details on proposed capital projects are in the Capital Improvement Plan.

### Expense by Type

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 1,345,072	\$ 1,420,305	\$ 1,410,734	\$ 1,541,050	\$ 1,653,910	\$ 1,664,579
Material and Services	3,413,298	3,899,557	3,350,754	3,783,816	3,760,097	3,789,432
Debt Services	1,681,228	1,824,648	1,796,856	1,788,966	176,194	174,854
Capital Outlay	1,798,297	391,310	415,220	2,624,500	6,733,500	4,385,000
Contingency	-	-	-	162,500	183,114	184,274
<b>Total</b>	<b>\$ 8,237,895</b>	<b>\$ 7,535,821</b>	<b>\$ 6,973,563</b>	<b>\$ 9,900,831</b>	<b>\$ 12,506,815</b>	<b>\$ 10,198,139</b>



## Enterprise Funds- Stormwater Fund

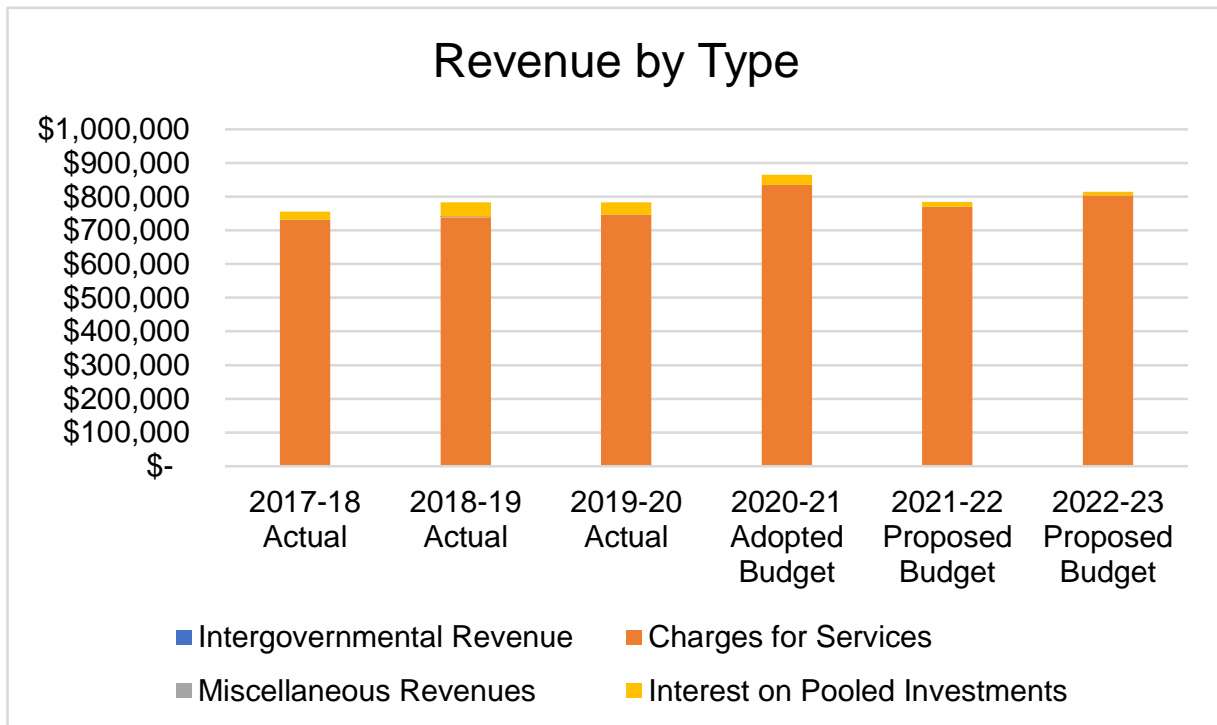
### Stormwater Fund Summary

The Stormwater Fund was created in BN2017-2019 to account for the collection and transportation of Stormwater collected on City streets and properly discharged into approved streams and creeks. These operations were formally housed within the Streets Fund. For this reason, the charts for Stormwater will only show information since FY2017-18

#### Revenue by Type

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Intergovernmental Revenue	\$ -	\$ -	\$ 2,597	\$ -	\$ -	\$ -
Charges for Services	731,273	738,913	744,379	835,000	770,000	804,600
Miscellaneous Revenues	-	2,619	-	-	-	-
Interest on Pooled Investment	24,834	42,640	37,214	30,300	15,300	10,000
Total	\$ 756,107	\$ 784,172	\$ 784,190	\$ 865,300	\$ 785,300	\$ 814,600

The Stormwater Fund receives most of its revenue from providing Stormwater services to customers. The rates are proposed to increase four percent.

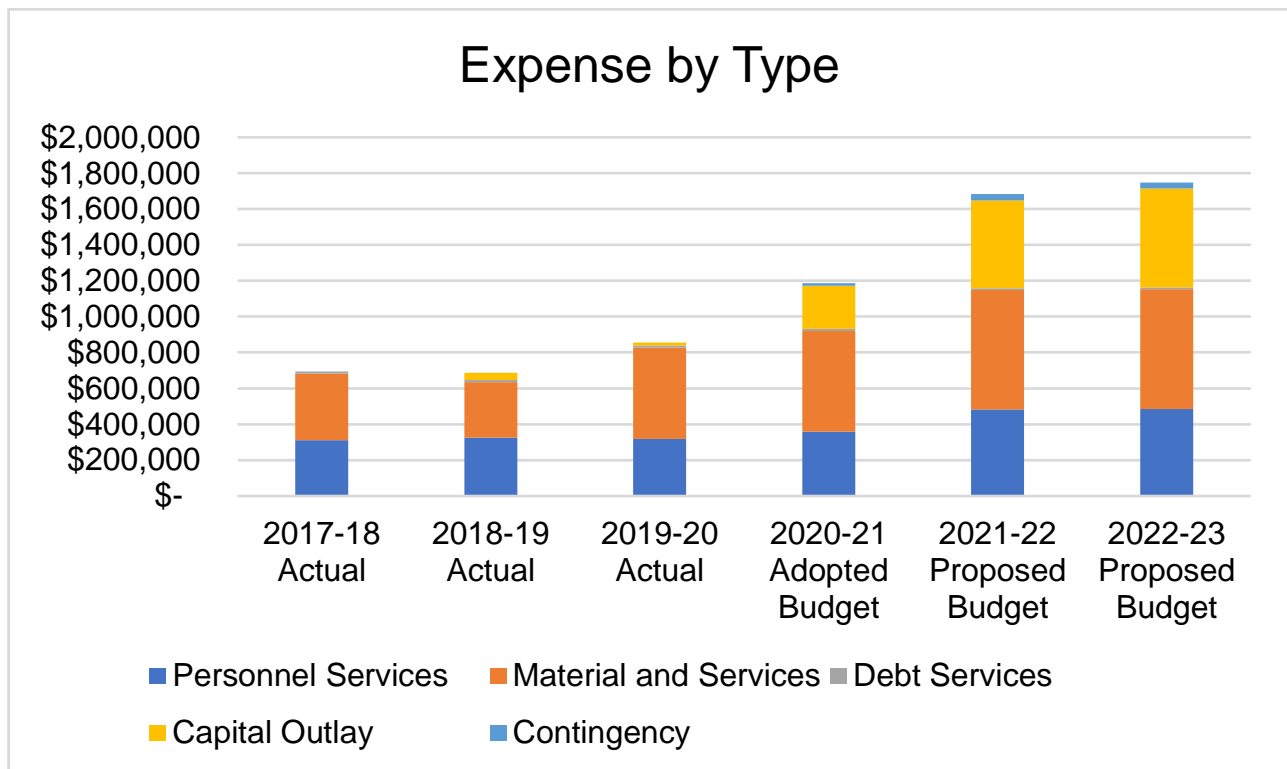


## Enterprise Funds- Stormwater Fund

### Expense by Type

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 311,791	\$ 324,206	\$ 317,769	\$ 358,163	\$ 482,365	\$ 485,225
Material and Services	370,560	310,079	509,417	562,980	665,213	667,313
Debt Services	12,349	12,149	11,950	11,750	11,750	11,550
Capital Outlay	-	40,193	16,428	240,000	490,250	550,000
Contingency	-	-	-	15,000	33,505	33,628
Total	\$ 694,701	\$ 686,626	\$ 855,563	\$ 1,187,893	\$ 1,683,083	\$ 1,747,716

The Stormwater Fund shares some staff with the Streets Fund with no additional staff planned during the biennium. Efforts are being made to increase the City's capacity to address capital needs in the stormwater system. Details on proposed capital projects are in the Capital Improvement Plan.



## Enterprise Funds-Electric Fund

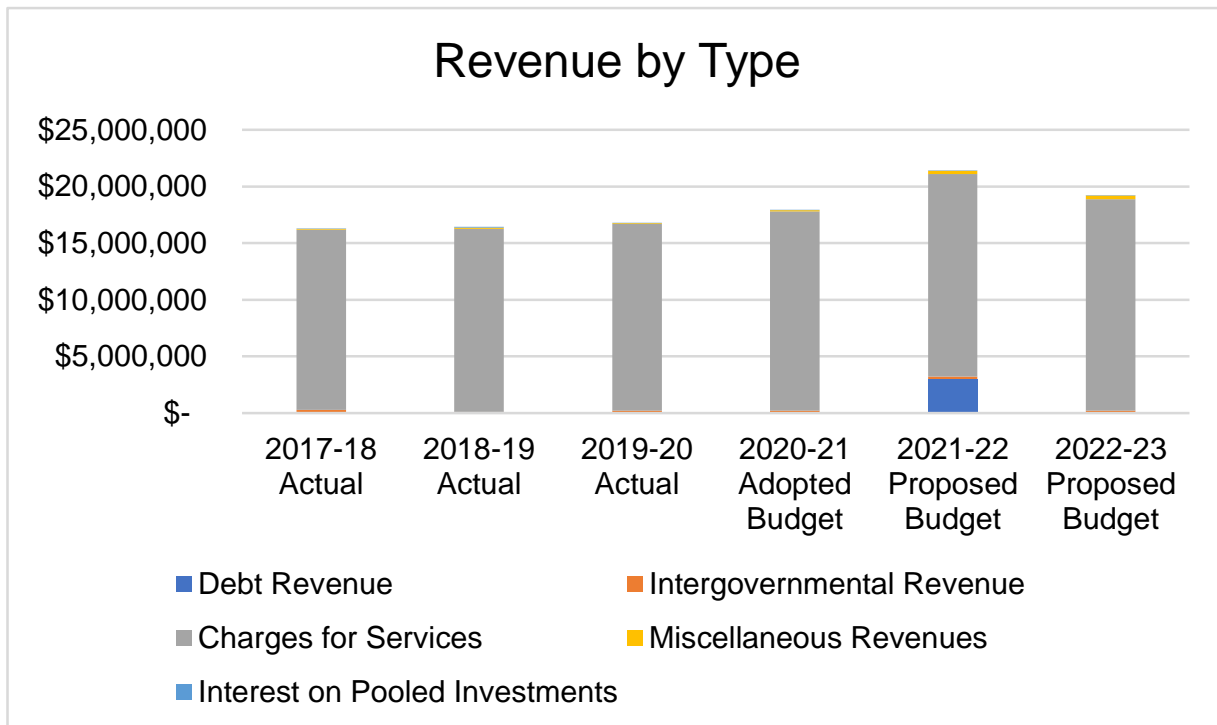
### Electric Fund Summary

The Electric Fund accounts for the all revenue and expenses relating to the Electric Utility operations. The Electric Fund purchases wholesale electricity from the Bonneville Power Administration (BPA), transmits that power throughout the City's distribution system and sells the electricity to residential, business and institutional customers.

#### Revenue by Type

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Debt Revenue	\$ -	\$ -	\$ -	\$ -	\$ 3,000,000	\$ -
Intergovernmental Revenue	259,094	80,914	205,315	210,000	210,000	210,000
Charges for Services	15,917,213	16,182,698	16,478,238	17,613,352	17,877,673	18,676,531
Miscellaneous Revenues	100,464	122,555	74,069	97,780	292,000	302,000
Interest on Pooled Investments	27,709	54,681	54,149	37,333	25,000	25,000
Total	\$ 16,304,480	\$ 16,440,849	\$ 16,811,771	\$ 17,958,465	\$ 21,404,673	\$ 19,213,531

The Electric Fund receives most of its revenue from providing electricity to customers and charging for availability and use. The rates are proposed to increase approximately 4 percent to accommodate increases in the power purchased from BPA and the debt service associated with purchasing and updating the transfer substation. By owning and maintaining the substation, the City can more closely control future rates by reducing transmission costs from BPA and potentially increase reliability through updating of a key component of the system.

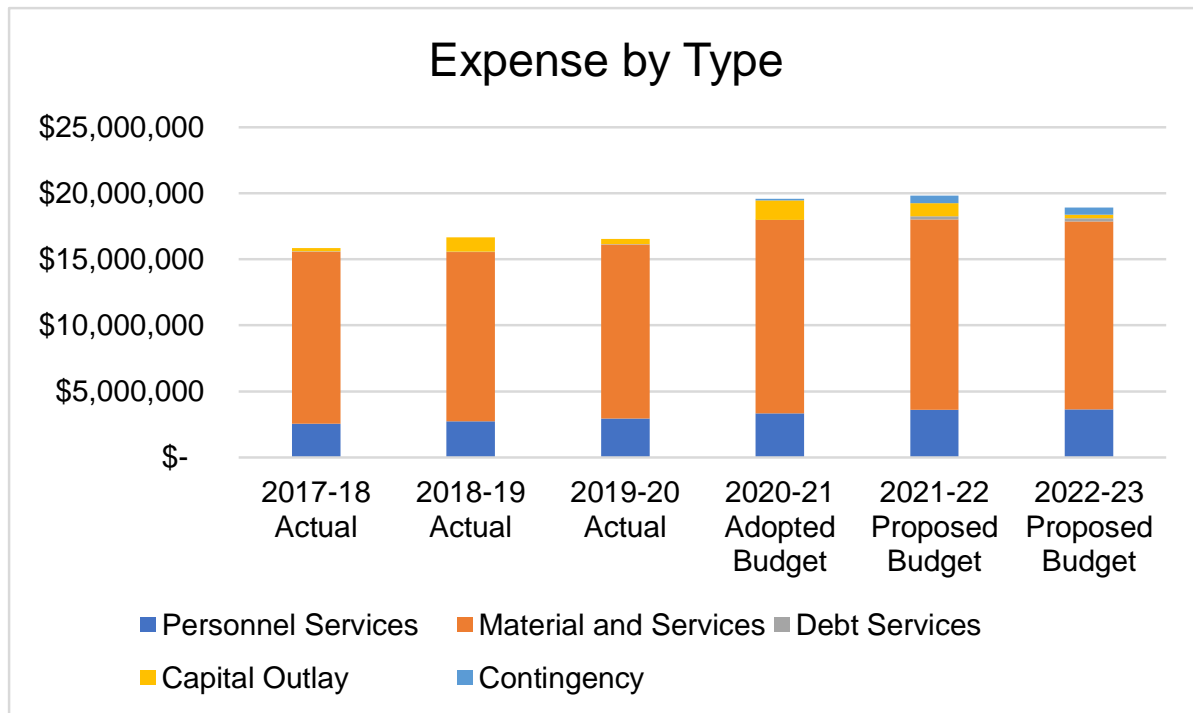


## Enterprise Funds-Electric Fund

### Expense by Type

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 2,536,838	\$ 2,736,997	\$ 2,949,882	\$ 3,331,651	\$ 3,602,843	\$ 3,637,668
Material and Services	13,054,462	12,825,818	13,178,126	14,653,253	14,426,111	14,228,915
Debt Services	22,936	22,664	22,393	22,123	243,663	243,663
Capital Outlay	248,053	1,074,837	389,692	1,457,000	975,000	275,000
Contingency	-	-	-	112,500	577,428	551,557
<b>Total</b>	<b>\$ 15,862,288</b>	<b>\$ 16,660,316</b>	<b>\$ 16,540,093</b>	<b>\$ 19,576,527</b>	<b>\$ 19,825,045</b>	<b>\$ 18,936,803</b>

No new positions are proposed in the BN2021-2023 budget and the purchase and transmission of power continues to be the largest expense. The budget includes the proposed debt issue to purchase and update the transfer substation. Details on proposed capital projects are in the Capital Improvement Plan.



## Enterprise Fund-Telecommunications

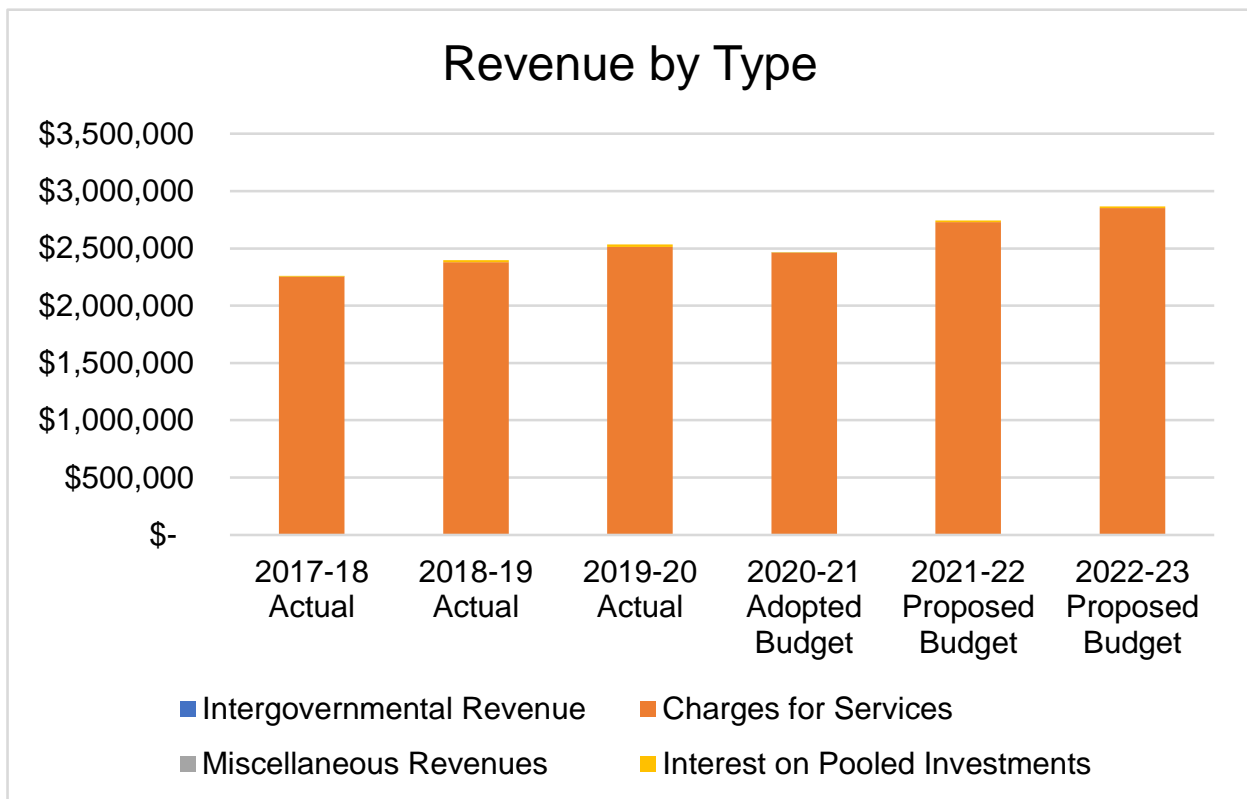
### Telecommunications Fund Summary

The Telecommunications Fund accounts for all revenue and expenses relating to the City's wholesale and retail Internet Service Utility.

#### Revenue by Type

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Intergovernmental Revenue	\$ -	\$ -	\$ 4,904	\$ -	\$ -	\$ -
Charges for Services	2,252,527	2,379,809	2,508,889	2,462,660	2,730,667	2,852,936
Miscellaneous Revenues	945	-	-	1,000	-	-
Interest on Pooled Investments	8,042	15,939	22,338	2,000	12,330	12,330
<b>Total</b>	<b>\$ 2,261,514</b>	<b>\$ 2,395,748</b>	<b>\$ 2,536,132</b>	<b>\$ 2,465,660</b>	<b>\$ 2,742,997</b>	<b>\$ 2,865,266</b>

The Telecommunications Fund receives most of its revenue from providing internet services to customers and charging for this access. AFN anticipates growth in revenue of four percent without rate increases, but rather through the growth of its customer base.

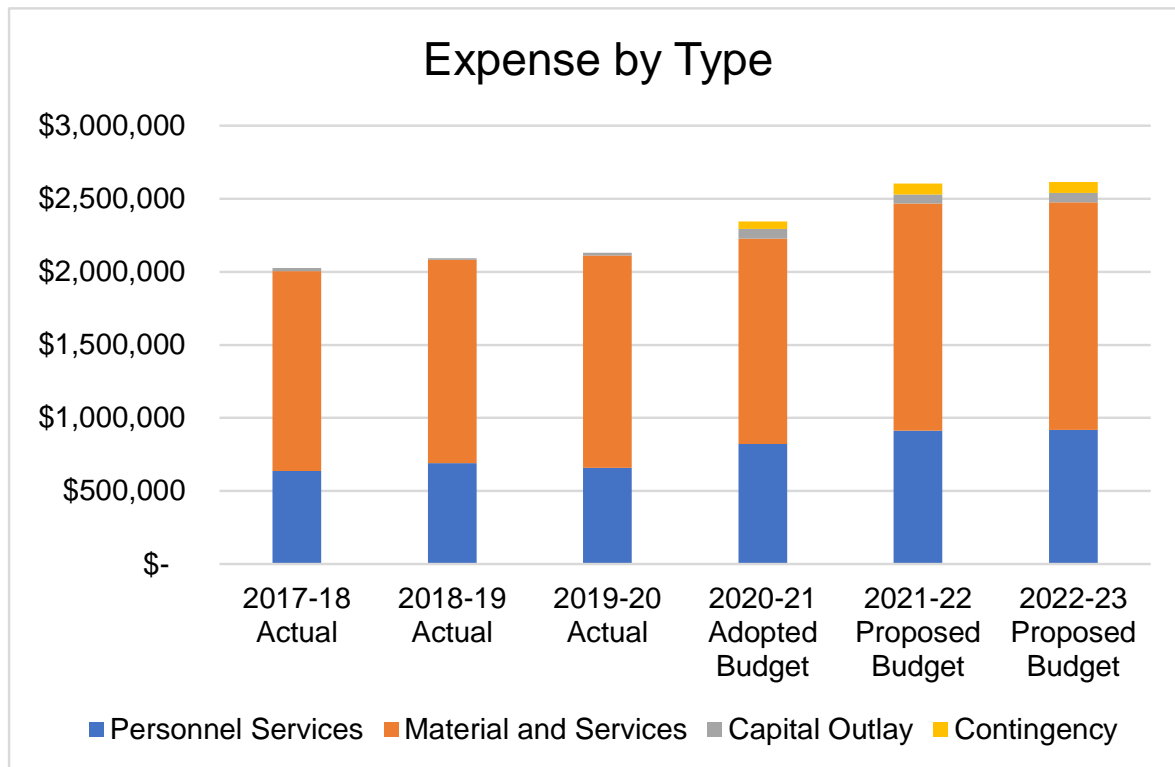


## Enterprise Fund-Telecommunications

The Telecommunications Fund does not reflect any change in staffing and has included funds to develop a strategic plan outlining future challenges and opportunities for optimally maintaining the system. AFN pays for its assigned portion of the overall AFN debt obligations through a transfer to the Debt Service Fund. As part of the overall rate relief and funding structure proposal threaded throughout the BN2021-2023 Budget, franchise fees for all utilities will be institutionalized in ordinance including fees for AFN. Currently, AFN does not pay franchise fees to the General Fund in recognition of the debt assignments and service exchange in place. However, it is anticipated that franchise fees will be imposed beginning in the next biennium as the debt is retired and a more defined structure is identified. Details on proposed capital projects are in the Capital Improvement Plan.

### Expense by Type

	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
Contingency	-	-	-	52,500	74,396	74,686
<b>Total</b>	<b>\$ 2,026,823</b>	<b>\$ 2,094,547</b>	<b>\$ 2,130,916</b>	<b>\$ 2,345,381</b>	<b>\$ 2,604,273</b>	<b>\$ 2,614,219</b>





## City Equipment Fund/Parks Equipment Fund Summary

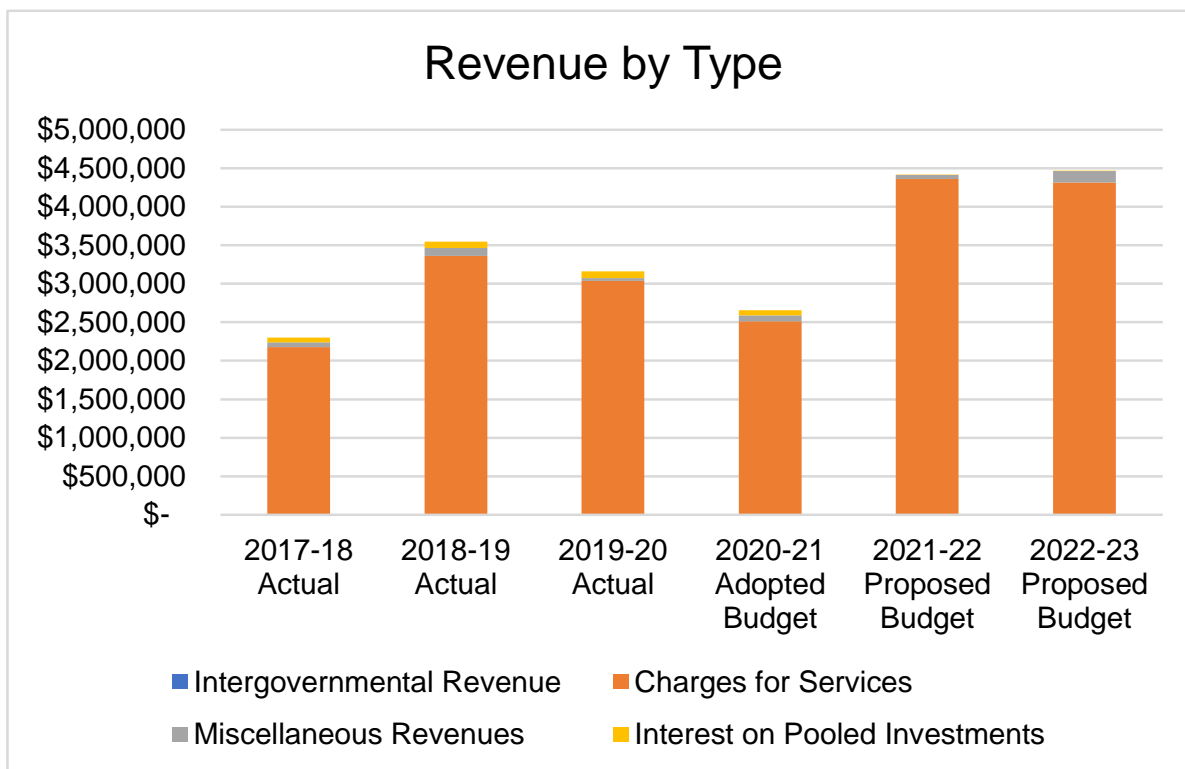
### City Equipment Fund/Parks Equipment Fund Summary

These funds are internal service funds that provides for the maintenance and replacement of most motorized equipment (rolling stock) and some larger non-rolling stock equipment (generators, cutting equipment, etc.) within the City.

#### Revenue by Type

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Intergovernmental Revenue	\$ -	\$ -	\$ 3,943	\$ -	\$ -	\$ -
Charges for Services	2,176,891	3,365,351	3,033,111	2,514,171	4,363,957	4,313,885
Miscellaneous Revenues	64,254	100,773	37,269	75,000	52,000	152,200
Interest on Pooled Investments	60,806	80,284	86,945	68,680	3,000	3,000
Total	\$ 2,301,951	\$ 3,546,408	\$ 3,161,267	\$ 2,657,851	\$ 4,418,957	\$ 4,469,085

The City Equipment Fund receives Charges for Services defined through the Cost Allocation Plan based on departments' usage. These charges represent the charges to departments for operating, maintaining, and replacement of vehicles. The Parks Equipment Fund receives a transfer from the Parks General Fund for replacement of vehicles.

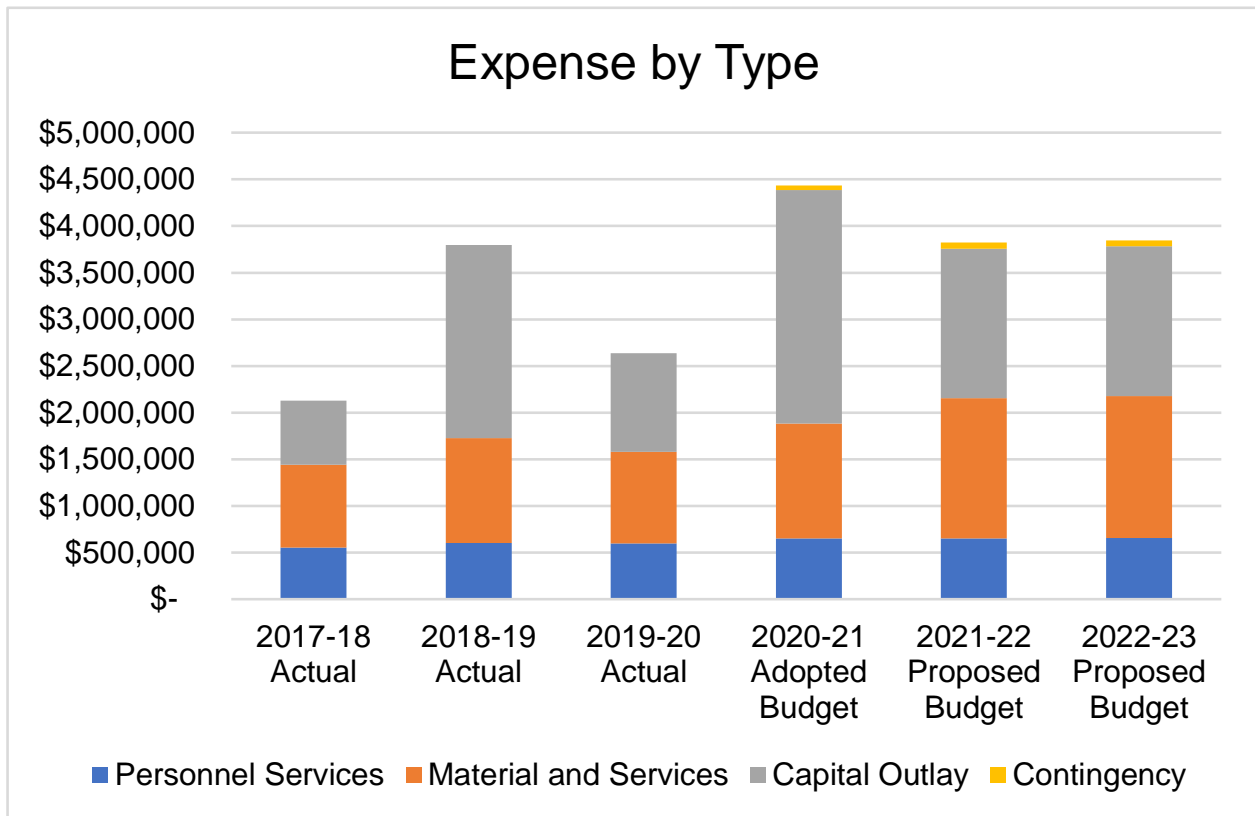


## City Equipment Fund/Parks Equipment Fund Summary

The City developed an entirely new Equipment Replacement schedule for the BN2019-2021 budget which has carried through to the BN2021-2023 budget. This schedule reflects realistic costs of equipment and lifespans. The plan is data driven and the decision to replace a piece of equipment is completed once the maintenance and history of the vehicle are considered. As part of a comprehensive review of departments' vehicle needs during and post-pandemic, the Fleet Division of Public Works has recommended delaying the replacement of 38 vehicles and the reassignment of one vehicle between departments without replacement.

### Expense by Type

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 551,831	\$ 600,497	\$ 599,939	\$ 652,524	\$ 650,510	\$ 653,979
Material and Services	889,916	1,125,590	980,275	1,231,683	1,502,266	1,523,908
Capital Outlay	685,668	2,071,379	1,057,901	2,500,500	1,604,400	1,604,400
Contingency	-	-	-	50,000	64,583	65,337
<b>Total</b>	<b>\$ 2,127,415</b>	<b>\$ 3,797,466</b>	<b>\$ 2,638,115</b>	<b>\$ 4,434,707</b>	<b>\$ 3,821,759</b>	<b>\$ 3,847,624</b>

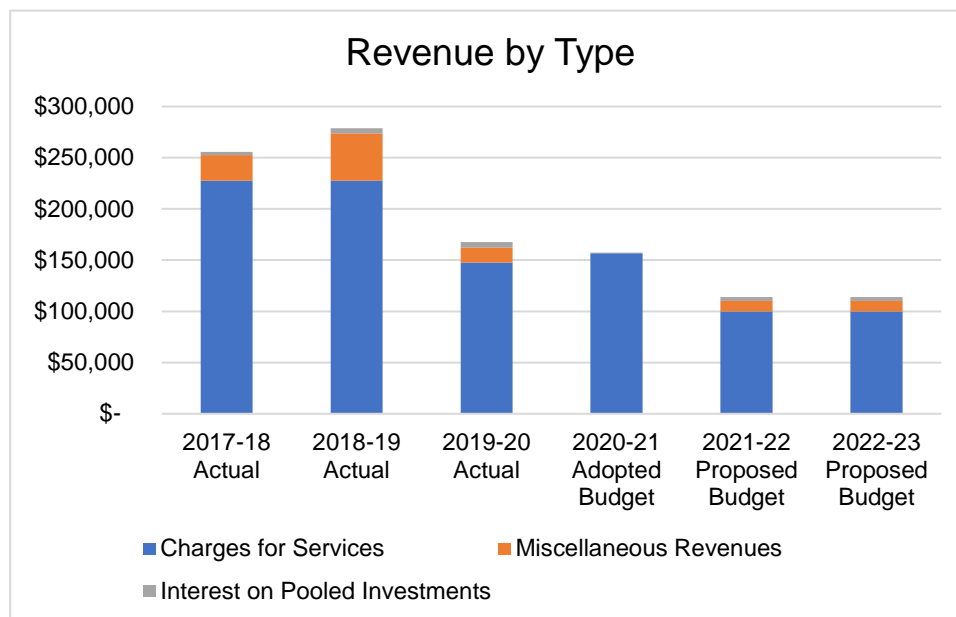


## City Equipment Fund/Parks Equipment Fund Summary

### **Parks Equipment Fund**

#### Revenue by Type

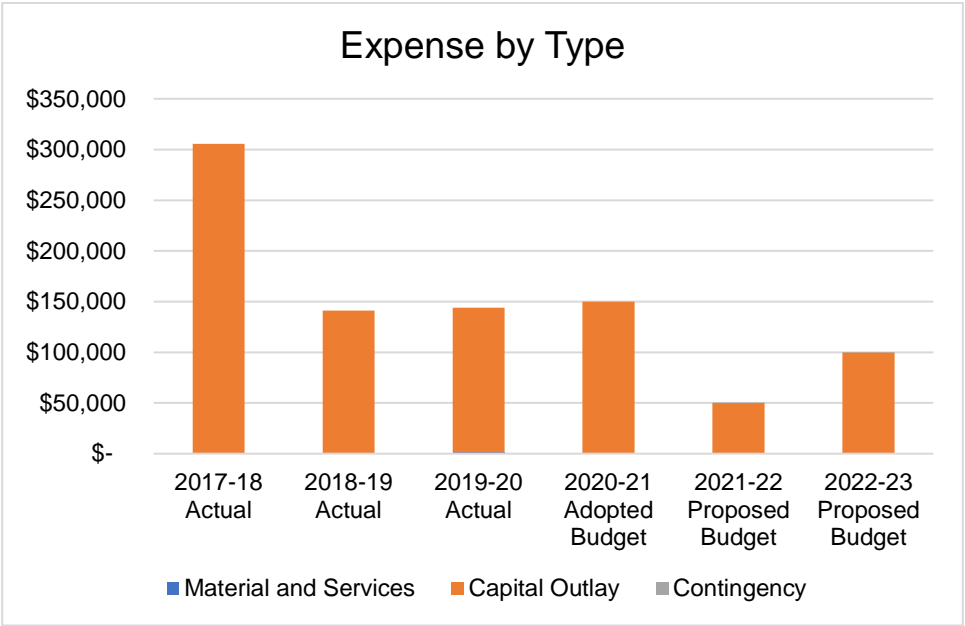
	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Charges for Services	\$ 227,500	\$ 227,500	\$ 147,500	\$ 156,700	\$ 100,000	\$ 100,000
Miscellaneous Revenues	25,129	46,331	14,693	-	10,000	10,000
Interest on Pooled Investments	3,081	4,898	5,589	725	4,000	4,000
<b>Total</b>	<b>\$ 255,710</b>	<b>\$ 278,729</b>	<b>\$ 167,782</b>	<b>\$ 157,425</b>	<b>\$ 114,000</b>	<b>\$ 114,000</b>



#### Expense by Type

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Material and Services	\$ -	\$ -	\$ 1,336	\$ -	\$ -	\$ -
Capital Outlay	305,710	141,092	142,591	150,000	50,000	100,000
Contingency	-	-	-	-	60	60
<b>Total</b>	<b>\$ 305,710</b>	<b>\$ 141,092</b>	<b>\$ 143,927</b>	<b>\$ 150,000</b>	<b>\$ 50,060</b>	<b>\$ 100,060</b>

City Equipment Fund/Parks Equipment Fund Summary



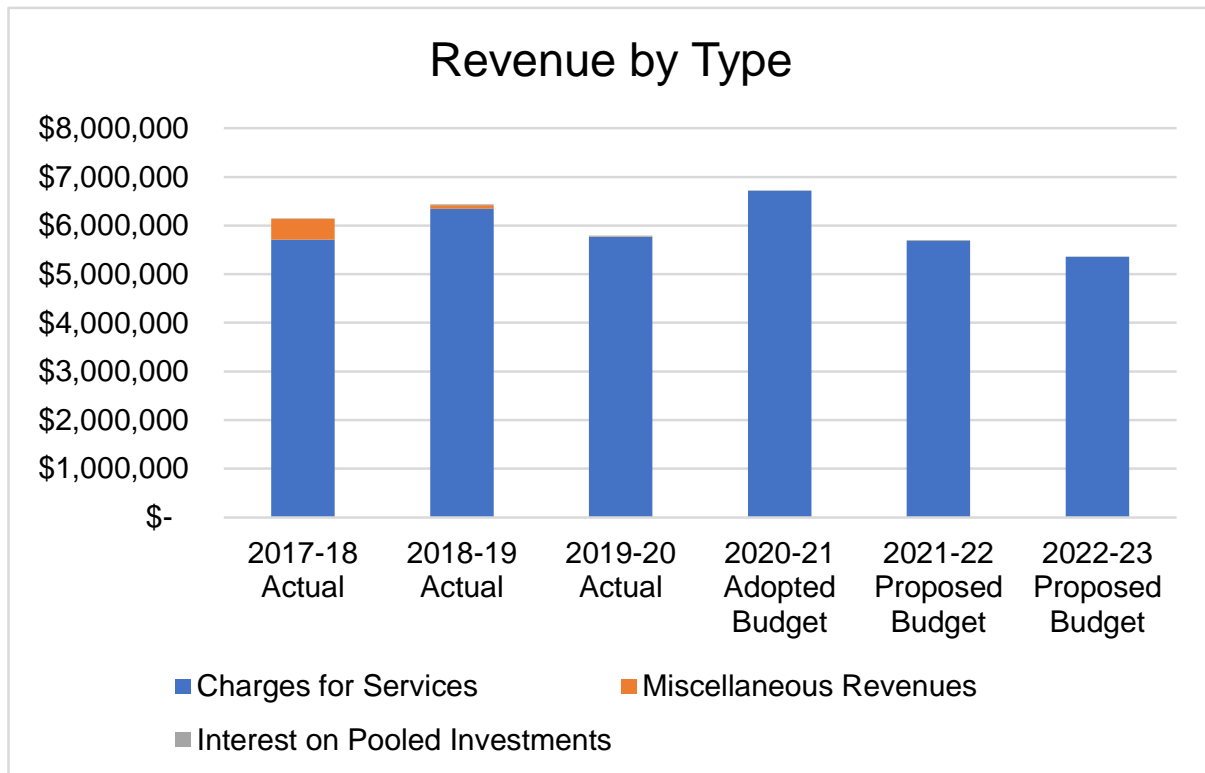
## Health Benefits Reserve Fund/Insurance Services Fund

### Health Benefits Reserve Fund

The City operated a self-funded health insurance plan before changing to a fully insured plan on July 1, 2019. The City made the decision to keep the fund open and build a reserve to help mitigate future rate increases. All Funds/Departments contribute to the Health Benefits Fund a rate based on their employee's health insurance premiums. The Health Benefits Reserve Fund then pays the insurance company for the premiums. The City Manager's Recommended BN2021-23 Budget includes lower charges to departments than anticipated expenses with the intent of smoothing costs to the operating departments by utilizing a modest portion of the available surplus balances.

#### Revenue by Type

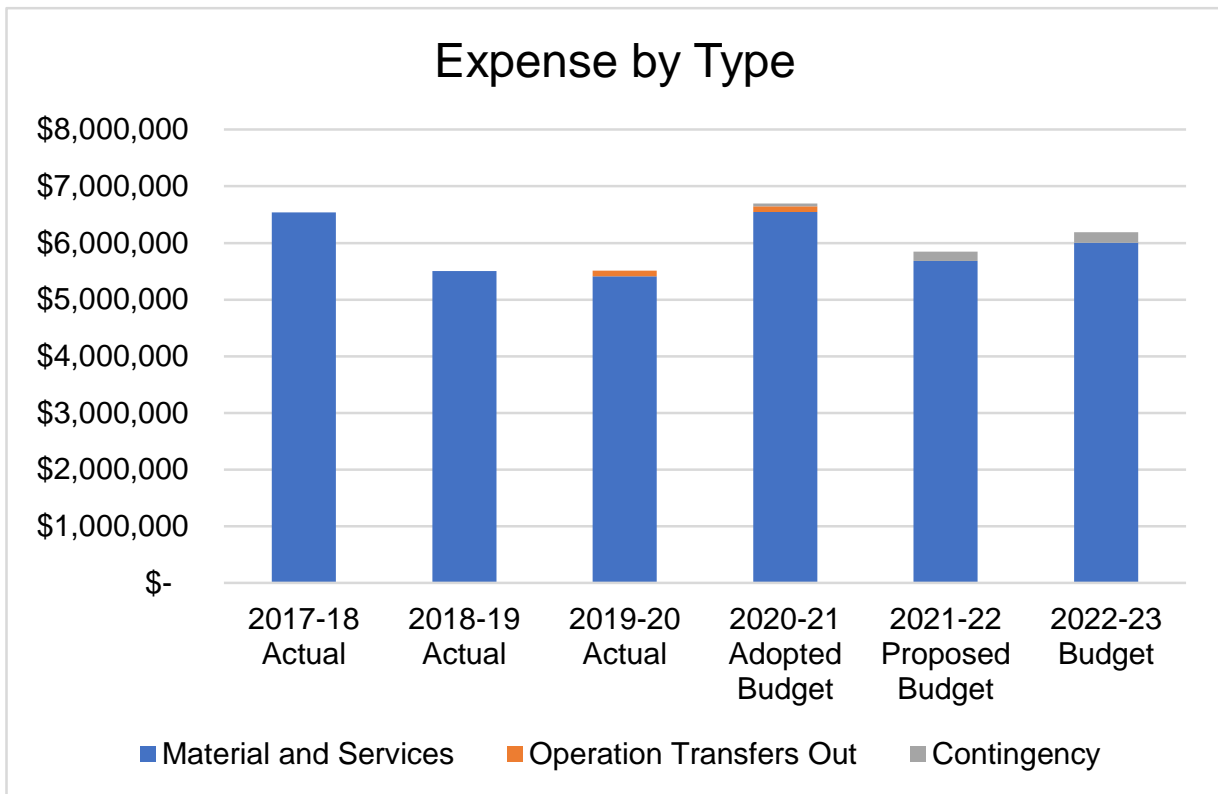
	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Charges for Services	\$ 5,713,697	\$ 6,347,864	\$ 5,771,133	\$ 6,715,665	\$ 5,689,944	\$ 5,357,193
Miscellaneous Revenues	426,833	70,862	2,933	-	-	-
Interest on Pooled Investments	7,337	14,634	18,573	10,313	10,100	10,100
<b>Total</b>	<b>\$ 6,147,867</b>	<b>\$ 6,433,359</b>	<b>\$ 5,792,639</b>	<b>\$ 6,725,978</b>	<b>\$ 5,700,044</b>	<b>\$ 5,367,293</b>



## Health Benefits Reserve Fund/Insurance Services Fund

### Expense by Type

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Budget
Material and Services	\$ 6,539,590	\$ 5,505,680	\$ 5,412,841	\$ 6,549,195	\$ 5,679,595	\$ 6,005,585
Operation Transfers Out	-	-	100,000	100,000	-	-
Contingency	-	-	-	50,000	170,388	180,168
<b>Total</b>	<b>\$ 6,539,590</b>	<b>\$ 5,505,680</b>	<b>\$ 5,512,841</b>	<b>\$ 6,699,195</b>	<b>\$ 5,849,983</b>	<b>\$ 6,185,753</b>



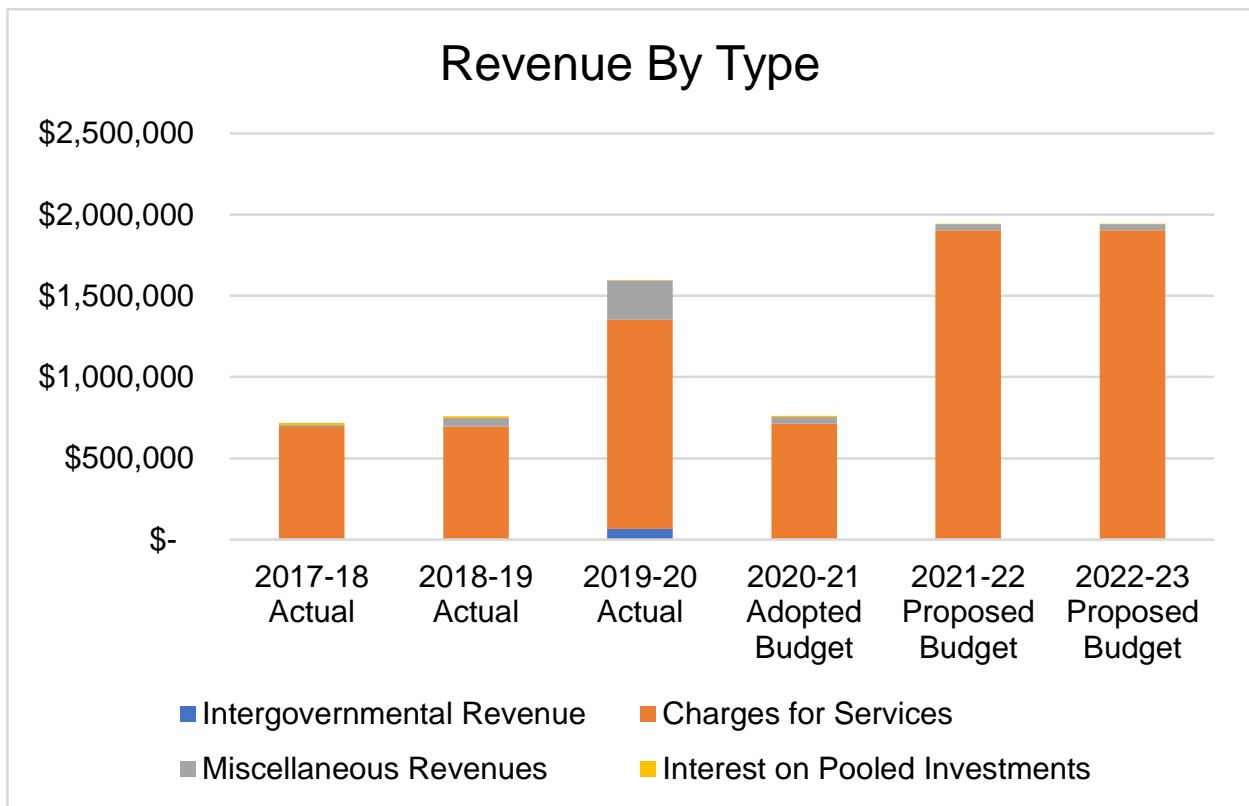
## Health Benefits Reserve Fund/Insurance Services Fund

### Insurance Services Fund

The Insurance Services Fund accounts for the purchase of insurance for the City along with the City's Workers' Compensation program. The Insurance Fund outsourced much of the insurance program to a third-party administrator to reduce expenses and manage risk within this Fund. Increased claims under the insured level and increases in premiums continue to put pressure on this Fund resulting in increased charges to operating departments. Staff is planning policy and procedure updates as well as working with the third-party administrator early in the biennium to help reduce and manage claims more aggressively.

#### Revenue by Type

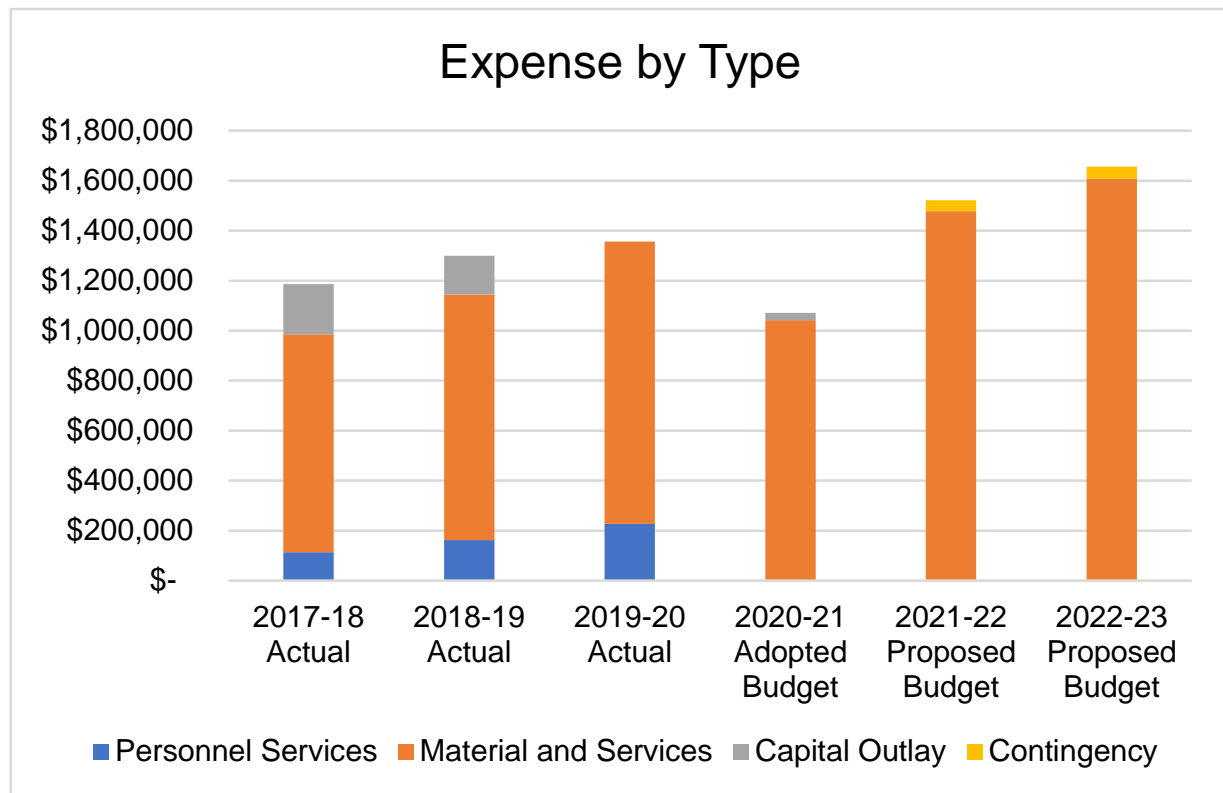
	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Intergovernmental Revenue	\$ -	\$ 1,700	\$ 63,998	\$ -	\$ -	\$ -
Charges for Services	693,492	693,867	1,288,503	712,944	1,902,822	1,902,822
Miscellaneous Revenues	10,723	54,024	243,694	40,000	40,000	40,000
Interest on Pooled Investments	14,987	9,095	1,746	8,750	950	950
Total	\$ 719,202	\$ 758,686	\$ 1,597,941	\$ 761,694	\$ 1,943,772	\$ 1,943,772



## Health Benefits Reserve Fund/Insurance Services Fund

### Expense by Type

	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	-	-
Contingency	-	-	-	-	44,319	48,254
<b>Total</b>	<b>\$ 1,186,808</b>	<b>\$ 1,300,519</b>	<b>\$ 1,356,846</b>	<b>\$ 1,071,940</b>	<b>\$ 1,521,629</b>	<b>\$ 1,656,714</b>





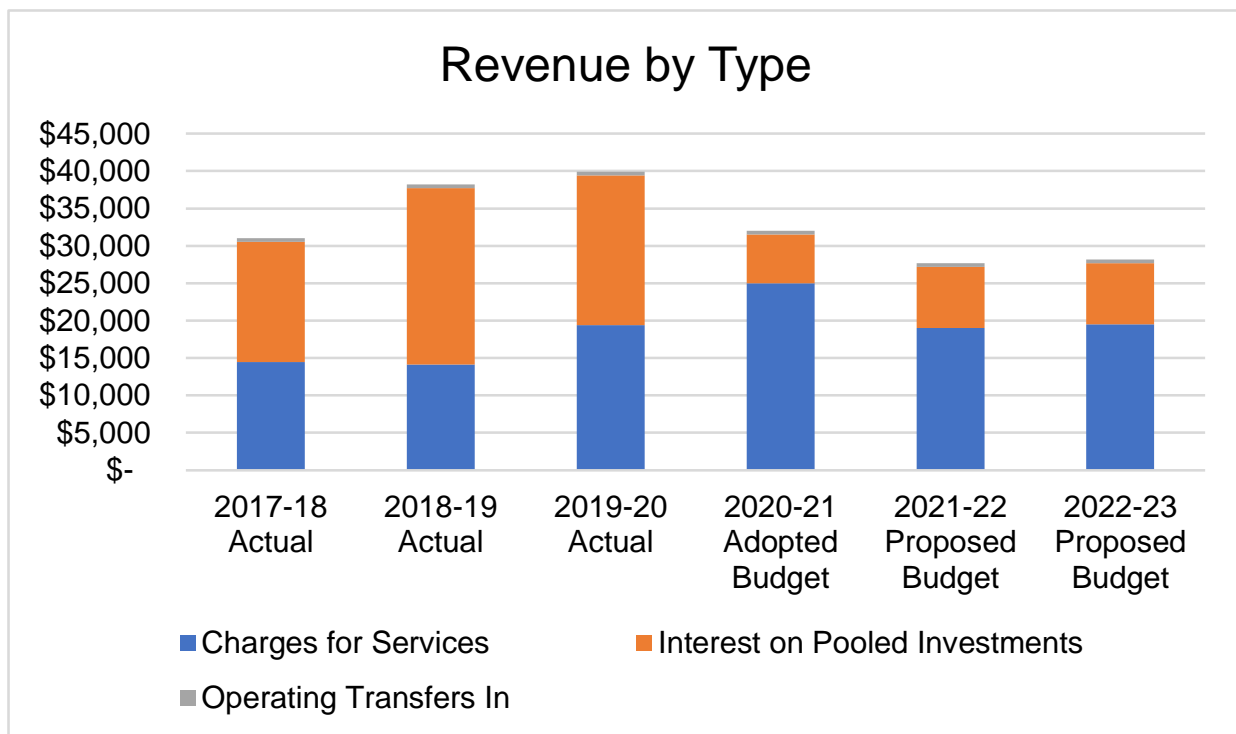
## Cemetery Trust Fund

### Cemetery Trust Fund

The City has a Cemetery Trust Fund for the long term maintenance of the three City owned Cemeteries. The Cemetery Trust Fund generates interest that is then used for maintenance. Included in the BN2021-2023 workplan is a detailed review of the Cemetery Trust Fund and related charges.

Revenue by Type

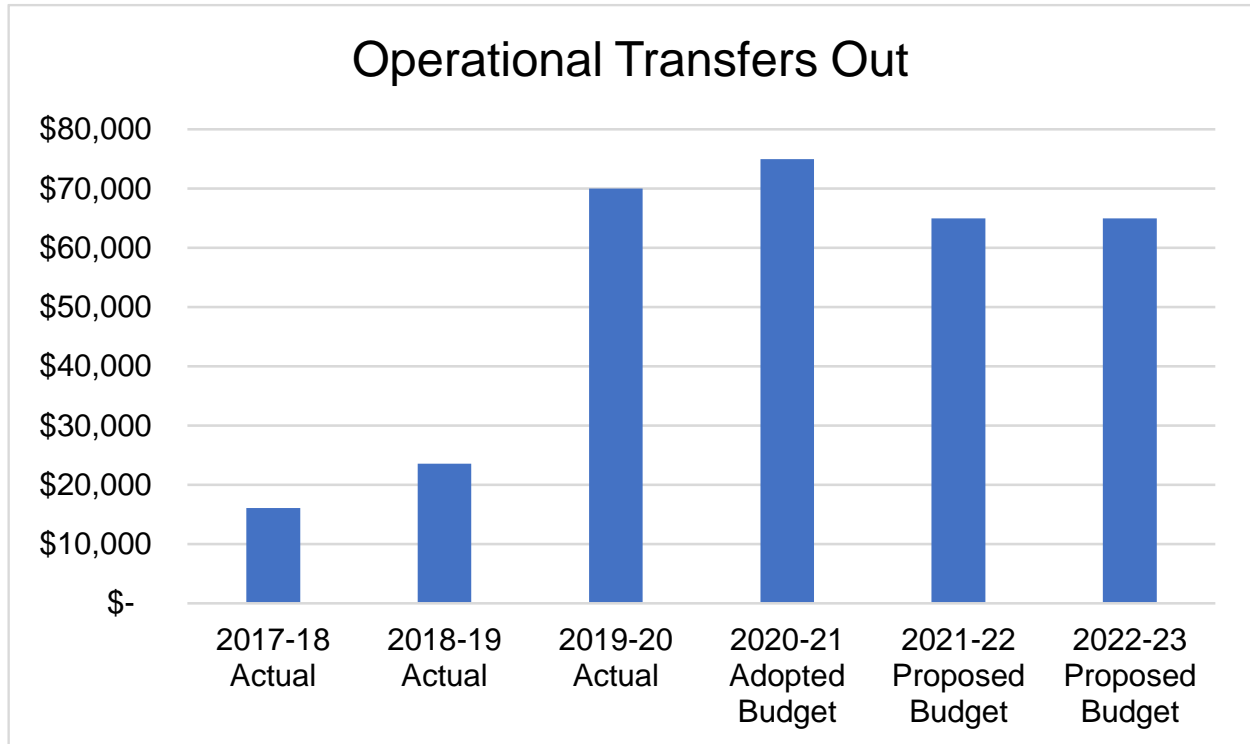
	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Charges for Services	\$ 14,447	\$ 14,110	\$ 19,411	\$ 25,000	\$ 19,000	\$ 19,500
Interest on Pooled Investments	16,103	23,598	19,988	6,500	8,200	8,200
Operating Transfers In	500	500	500	500	500	500
Total	\$ 31,050	\$ 38,208	\$ 39,898	\$ 32,000	\$ 27,700	\$ 28,200



## Cemetery Trust Fund

### Expense by Type

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Operation Transfers Out	\$ 16,103	\$ 23,598	\$ 69,988	\$ 75,000	\$ 65,000	\$ 65,000
Total	\$ 16,103	\$ 23,598	\$ 69,988	\$ 75,000	\$ 65,000	\$ 65,000



## Fund Balances Compared to Policy Limits

<b>Fund</b>	<b>Fund Balance</b>	<b>2021-2022 Requirement</b>	<b>2021-22 Proposed Budget</b>	<b>2022-2023 Requirement</b>	<b>2022-23 Proposed Budget</b>
General	Not less than 20% of the average annual expenditures of the prior three years	\$ 7,461,684	\$ 8,616,083	\$ 7,310,626	\$ 7,472,918
Parks General	Not less than 20% of the average annual expenditures of the prior three years	1,328,195	754,606	1,385,064	107,492
Street	Maintain a balance of annual revenue of 15% of the average annual expenditures of the prior three years, less the SDC revenue	770,442	767,134	388,885	388,885
Airport	Maintain a balance of annual revenue of 10% of the average annual expenditures of the prior three years	22,231	197,378	59,018	189,853
Water	Not less than 25% of the average annual expenditures of the prior three years in addition to debt	2,362,450	11,518,402	4,290,031	10,185,545
Wastewater	Not less than 25% of the average annual expenditures of the prior three years in addition to debt	2,116,545	5,932,421	2,675,526	4,869,632
Electric	Not less than 25% of the average annual expenditures of the prior three years in addition to debt	4,154,610	4,963,036	4,218,671	5,239,763
Telecommunications	Not less than 20% of the average annual expenditures of the prior three years in addition to debt	432,749	2,030,348	482,346	2,281,395
Stormwater	Not less than 20% of the average annual expenditures of the prior three years	155,469	856,106	244,445	244,445
Insurance Services	Not less than 50% of the average annual expenses of the prior five years or \$500,000 whichever is more	612,530	595,687	669,329	882,745
Health Benefits	Not less than 10% of the average annual expenses of the prior three years	543,691	1,288,729	562,647	470,270
Equipment	Not less than value to fund equipment replacement and not less than 20% of average annual operating expenditures of prior three years	2,437,313	4,212,343	2,437,313	4,833,802
Parks Equipment	Not less than value to fund equipment replacement and not less than 20% of average annual operating expenditures of prior three years	38,037	463,407	32,278	477,347

# DEPARTMENTS

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## ADMINISTRATION FUNCTION OVERVIEW

The Administration Function provides the policy and communication link with the citizens of Ashland and the employees of the City who serve those citizens. There are four departments and one division: Mayor and Council, City Manager's Office, Human Resources Department, Legal Department, and Climate & Energy Division. The Municipal Court is also housed organizationally within this area.

Among the services provided by the Administration Function are:

- Leadership on and development of City policy
- Guidance and direction to all departments on work plans, employee development and customer service
- Economic development
- Human Resources policy and management
- Legal counsel
- Communications and public outreach
- Judicial process for local traffic and municipal code violations
- Climate Action Planning and Implementation
- Energy Efficiency and Renewables Planning and Implementation

### Goals:

- Support and accomplish Council adopted goals and objectives
- Conduct and complete a Strategic Plan for the City
- Conduct Departmental performance audits
- Re-structure and update all City Administrative Policies

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 2,018,908	\$ 2,117,765	\$ 2,111,787	\$ 2,409,076	\$ 2,438,380	\$ 2,451,411
Material and Services	8,861,786	7,474,579	7,546,718	8,843,943	8,023,561	8,082,242
Debt Services	22,936	22,664	22,393	22,123	21,851	21,851
Total	\$ 10,903,630	\$ 9,615,008	\$ 9,680,898	\$ 11,275,142	\$ 10,483,792	\$ 10,555,504

## Administration Function – Mayor and Council

### ***MAYOR AND COUNCIL***

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The Mayor and City Council are elected by the citizens of Ashland and are responsible for setting policy, establishing city-wide goals and objectives, providing a link to City government for citizens and businesses, meeting with and (as necessary) lobbying other government agencies and business groups, and supervising the City Manager and City Attorney. The Council holds regular meetings and study sessions each month to conduct the business of the City and to hear from Ashland citizens. The Mayor and Council also appoint and serve as liaisons to the many City commissions that advise the Council on policy matters and as liaisons to local and regional organizations.

	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	<u>\$ 138,711</u>	<u>\$ 148,943</u>	<u>\$ 115,626</u>	<u>\$ 216,744</u>	<u>\$ 227,754</u>	<u>\$ 215,562</u>

***CITY MANAGER’S OFFICE***

The City Manager’s Office provides general oversight and management of the City organization consistent with both internal policies and policies of the City Council. The City Manager’s Office prepares the Council agendas, manages the City’s website, handles a number of special projects, tracks state and federal legislative activities, prepares and distributes a variety of communication pieces, manages the City’s economic development programs and the Energy Conservation Division. In addition, the City Manager’s Office provides staff support for the Public Art Commission, the Conservation Commission and other ad hoc committees as needed. It provides leadership, coordination, and management for the City organization to ensure effective community services.

	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

## Administration Function – Human Resource Department

### ***HUMAN RESOURCE DEPARTMENT***

The Human Resource Department provides guidance and support to all City departments in recruiting and retaining a diverse workforce that is committed to providing quality service to our community. Through policy direction and training efforts, the Human Resource Department helps reduce the risk of employment-related legal claims and work-related injuries. The Human Resource Department promotes positive labor-management relations through collaboration, open communication, and fair and inclusive employment practices. Employee recruitment is one of the most important and time-consuming administrative tasks for Human Resources due to the high volume of retirements and COVID-19 regulations.

#### **Goals**

- Support the recruitment and retention of talented City staff.
- Continue to serve as a resource for all City departments on personnel matters.
- Complete transition of employee healthcare program.
- Re-structure and update City Administrative Policies.
- Interpret and implement federal regulations regarding the COVID-19 pandemic and related concerns.

	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



***MUNICIPAL COURT***

The Municipal Court provides Ashland with a unique opportunity to have cases heard by a local judge elected by the citizens. The Ashland Municipal Court hears three types of cases when they occur within the City limits: traffic violations, violations of the Ashland Municipal Code, and various misdemeanors (crimes).

	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	<u>\$ 497,785</u>	<u>\$ 507,950</u>	<u>\$ 653,523</u>	<u>\$ 615,952</u>	<u>\$ 592,642</u>	<u>\$ 593,956</u>

***LEGAL DEPARTMENT***

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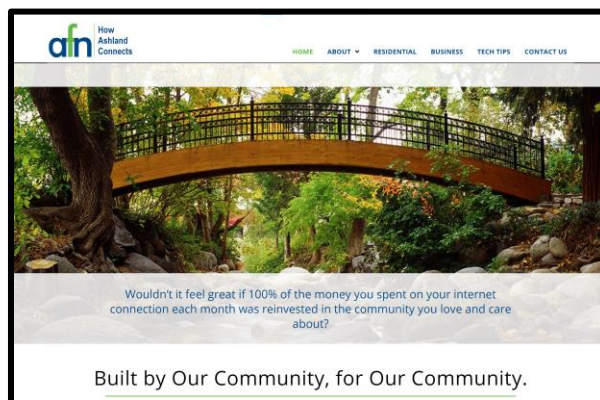
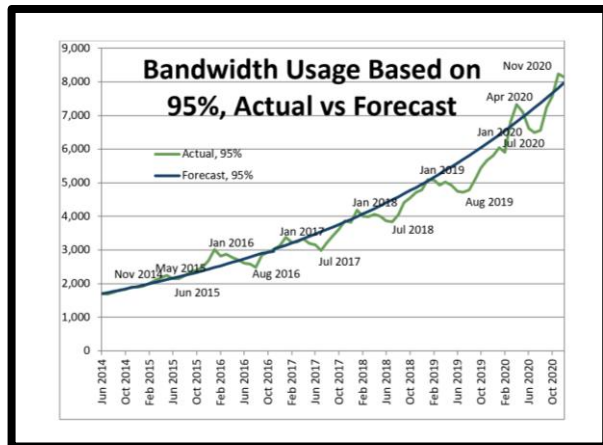
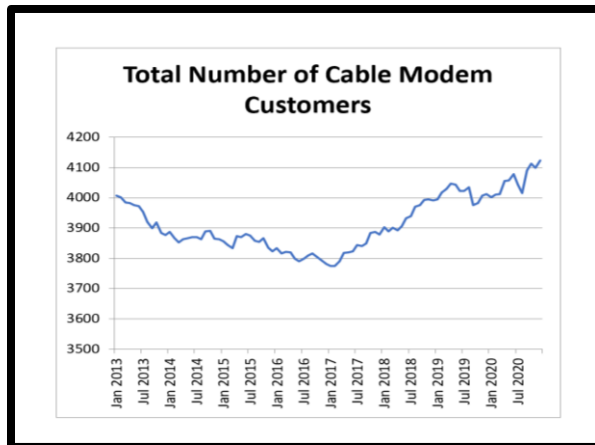
The Legal Department (City Attorney's Office) helps the City achieve its goals by providing thorough, timely and economical legal advice and representation to the City's elected officers, departments, employees, boards, and commissions, including the Ashland Parks and Recreation Commission. The Legal Department is largely reactive in that its work is dictated primarily by initiatives from other parts of the City. The Legal Department prepares ordinances, resolutions, contracts, and other legal documents and assists in property transactions, employee grievances and disciplinary actions, union negotiations, and land use matters. It is also responsible for prosecution of misdemeanors traffic offenses and (when a defendant is represented by legal counsel) code violations.

**Goals:**

- Meet the core responsibilities described above efficiently and objectively.
- Ensure compliance with public records, public meetings, and ethics requirements.
- Update and streamline public contracting procedures and contract templates.
- Revise Ashland Municipal Code to remove inconsistent and obsolete provisions.
- Support Human Resource Division with labor negotiations and employment claims.
- Minimize legal challenges to City operations and activities and the costs of such challenges while also facilitating innovative problem-solving.

	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





## **INFORMATION TECHNOLOGY DEPARTMENT OVERVIEW**

The Information Technology (IT) Department has two divisions: Information Systems and Ashland Fiber Network (AFN). Information Systems provides for the internal technology needs supporting the employees and operation of city government, while AFN serves the community with a high-speed fiber optic network upon which city operations, residential homes, and local businesses depend.

### **Accomplishments:**

The events of 2020 provided powerful examples of the value represented by both divisions of the IT Department. The work of municipal offices was sustained remotely during the pandemic by the technology/support of the Information Systems Team. Similarly, AFN's network connectivity was the underlying backbone which *allowed* this voice/data/video communication during both the pandemic and the Alameda Fire. Both teams adjusted operations and shifted some staff to work-from-home, in response to the COVID-19 pandemic.

### **Goals/ Performance Measures:**

- *See division sections for division specific performance measures*

### **Significant Changes in Service:**

- The Information Systems Division is anticipating no significant changes to service levels.
- AFN's recent addition of another field technician is already yielding improvements in customer service response time, which will continue, and, to the extent technicians can now return to proactively maintaining the cable plant, there will be fewer equipment-related service impacts.

### **Upcoming Issues and Future Considerations:**

- Best practices would suggest that IT should periodically be doing 3rd-party cybersecurity assessments, to identify vulnerabilities and allow for remediation of any vulnerabilities. To date, such an assessment has never been performed. Such an assessment is proposed, this year as well as a comprehensive strategic plan to determine timing and scope of capital and operating updates.

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 1,634,830	\$ 1,651,765	\$ 1,643,990	\$ 1,913,871	\$ 1,890,605	\$ 1,792,954
Material and Services	1,670,203	1,718,050	1,768,559	1,816,559	2,036,683	2,039,183
Capital Outlay	23,695	28,882	17,446	85,000	82,500	82,500
Total	\$ 3,328,728	\$ 3,398,696	\$ 3,429,995	\$ 3,815,430	\$ 4,009,788	\$ 3,914,637

## ***INFORMATION SYSTEMS DIVISION***

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Information Systems delivers technology solutions that enhance the capabilities and efficiencies of city government. This division administers production systems and software, telephony, employee hardware and software, cybersecurity, IT inventory, IT policy and standards, and technical support.

### **Accomplishments:**

- During the 2020 pandemic, the IT Department was critical to the continuance of city business operations, by rapidly deploying remote-work solutions for desktop computing, video meetings, work collaboration, digital file exchange, and extending the city phone system to work from home offices, and then delivering technical support to the newly remote workforce.
- Previous Goal - Information Systems successfully transitioned the City telephone system off an end-of-life PBX and onto VoIP phones at all sites which made remote work possible.
- Completed previous goals of transitioning all City PCs to Microsoft Windows 10 operating system and deploying new backup/recovery systems for enhanced resilience and continuity of government.

### **Goals:**

- Develop Strategic Plan for IT Department
- Contract for Professional Cyber Security Risk Assessment
- With network and phone system projects complete, emphasis now shifts to implementing enhanced security protection for City systems and data, and security awareness training for staff, commensurate with the heightened risk environment of new cybersecurity threats and remote-work exposure.

### **Performance Measures:**

- Represented the City for cybersecurity audits; maintained ongoing 100% cybersecurity compliance with applicable CJIS, PCI, DHS, FERC, and ODSP oversight bodies, in support of Police, Courts, Finance, Risk Management, Public Works, Electric Departments.
- Administered, and supported: 344 PCs, 168 mobile devices, and 89 servers/production-devices, 24 wireless access points, 79 subnetworks servicing over 1,100 IP addresses, 535 network accounts.
- 10% improvement in User Support Ticket completion rate (2019-2020)
- Projected to close >8,000 User Support Tickets ( >675 IT purchases for other departments)

	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

## **ASHLAND FIBER NETWORK DIVISION**

Ashland Fiber Network is the public-facing operation which provides cost competitive, high-performance internet connectivity to citizens and businesses of Ashland, as well as the fiber backbone interconnecting all City buildings. AFN also works in partnership with local Internet Service Providers to offer a wide range of services to the community.

### **Accomplishments:**

- Set new records in customer count, bandwidth usage, and connects/trouble-tickets, despite being short one technician for 25% of 2020.
- Added a second 10 Gbps fiber link from Ashland to Portland via Eastern Oregon. This increased reliability which allowed AFN to join NWAX, a public internet exchange. Through NWAX, AFN can peer directly with Google, Facebook, Twitch, and 90 other member companies at a significantly reduced cost.
- Installed a new CMTS (core) router to improve performance, reduce downtime, and add capacity for all AFN customers, allowing for the retirement of routers from 2007 and 2015.
- Established new internet bandwidth contracts with upstream service providers. The per megabit price through one provider decreased by 25%. AFN's traffic is now more evenly distributed among upstream providers which increases reliability.
- In response to customer demand, added a 3<sup>rd</sup> AFN field technician to eliminate delays in new customer connections, improve technical support for existing customers, and add resources for keeping up with cable plant maintenance, tuning, and troubleshooting.

### **Goals:**

- Continue to improve customer service with reduced trouble tickets and improve system reliability with fewer downtime incidents.
- Increase subscriber count and revenue.
- Continue to achieve industry standard benchmark performance in areas impacting customer service.
- Deploy pilot project to implement gigabit fiber-to-the-premises as part of a new housing development. [Council goal of Economic Development.]
- Working with APRC to extend fiber to Oak Knoll Golf course, and deliver fiber for security cameras at Ashland airport

	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





## **FINANCE DEPARTMENT OVERVIEW**

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The Finance Department manages and reports Ashland's assets and resources including the receipt, maintenance, and usage of its funds. This department is divided into three divisions: Finance Administration, Accounting and Customer Services with oversight of the City's risk management activities which are budgeted within the Insurance Services Fund.

Finance works within nearly every fund of the City with the Customer Services division providing billing and collections for most services and taxes flowing through the City. Accounting and Administration provide support to operating departments with financial and operational analysis, procurement, and transaction processing and reporting.

### **Accomplishments:**

- Awarded the Government Finance Officers Association (GFOA) Comprehensive Annual Financial Report award for the 31st year in a row.
- Awarded the Government Finance Officers Association (GFOA) Distinguished Budget Presentation award for the 31st year in a row.
- Updated City of Ashland Financial Policies and fund structures

### **Goals:**

- Continue to improve communication with the City's financial records
- Continue to improve operating efficiency through technological advancements and implementation of already purchased software
- Work to enhance the public's ability to access and pay utility bills online, over the phone, and via a 24-hour kiosk.

## Finance Department

### Performance Measures:

City-funded Assistance Program	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target
<b>Low Income Energy Assistance</b>						
Applications	352	311	282	281	292	280
Distributed	\$ 88,012	\$ 87,083	\$ 86,614	\$ 84,253	\$ 91,656	\$ 100,000
<b>Average relief/applicant-family</b>	<b>\$ 250</b>	<b>\$ 280</b>	<b>\$ 307</b>	<b>\$ 300</b>	<b>\$ 314</b>	<b>\$ 357</b>
<b>Senior/Disabled Program</b>						
Applications	165	174	181	195	216	228
Distributed	\$ 45,523	\$ 50,285	\$ 55,487	\$ 60,370	\$ 73,527	\$ 85,000
<b>Average relief/applicant-family</b>	<b>\$ 276</b>	<b>\$ 289</b>	<b>\$ 307</b>	<b>\$ 309</b>	<b>\$ 340</b>	<b>\$ 373</b>

Donation-funded Assistance Program	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target
<b>Donations from the Public</b>						
Heat	\$ 2,906	\$ 2,906	\$ 2,625	\$ 2,481	\$ 2,215	\$ 4,000
Roundup	2,990	2,715	2,562	2,399	2,563	2,800
Total Donated	\$ 5,896	\$ 5,621	\$ 5,187	\$ 4,880	\$ 4,778	\$ 6,800

Total Assistance Programs	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target
<b>Distributed Amount</b>						
Low Income Energy Assistance	\$ 88,012	\$ 87,083	\$ 86,614	\$ 84,253	\$ 91,656	\$ 100,000
Senior/Disabled Program	45,523	50,285	55,487	60,370	73,527	85,000
Heat Program	4,800	2,800	4,400	3,200	4,500	4,500
<b>Total Distributed</b>	<b>\$ 138,335</b>	<b>\$ 140,168</b>	<b>\$ 146,501</b>	<b>\$ 147,823</b>	<b>\$ 169,683</b>	<b>\$ 189,500</b>
Budget	\$ 149,500	\$ 149,500	\$ 156,000	\$ 159,120	\$ 160,038	\$ 160,038
<b>% of Distributed/Budget</b>	<b>93%</b>	<b>94%</b>	<b>94%</b>	<b>93%</b>	<b>106%</b>	<b>118%</b>

Payment Processing	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target
Automatic payment ACH or Credit Card # of Payments	39,267	41,517	43,124	34,160	56,451	58,709
Telephone Credit Card # of Payments	8,465	8,219	8,660	7,669	11,053	11,606
On Line # of Payments	37,665	29,734	34,562	44,712	44,458	48,904
Total	85,397	79,470	86,346	86,541	111,962	119,218
<b>Percentage of Total Processing</b>	<b>64%</b>	<b>59%</b>	<b>62%</b>	<b>58%</b>	<b>58%</b>	<b>61%</b>

Business Licenses Processed	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target
Renewals Completed	2,035	2,177	2,199	2,016	2,013	2,013
Applications Completed	445	251	347	238	229	210
Revenue Collected	\$ 237,028	\$ 248,064	\$ 233,185	\$ 231,801	\$ 212,943	\$ 215,000

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 1,710,530	\$ 1,958,657	\$ 1,806,620	\$ 1,972,165	\$ 1,904,974	\$ 1,918,308
Material and Services	1,717,127	1,929,086	1,925,078	2,107,486	2,375,331	2,515,455
Capital Outlay	345,993	195,356	16,135	80,000	75,000	75,000
<b>Total</b>	<b>\$ 3,773,650</b>	<b>\$ 4,083,099</b>	<b>\$ 3,747,833</b>	<b>\$ 4,159,651</b>	<b>\$ 4,355,305</b>	<b>\$ 4,508,763</b>

<b>Comprehensive Annual Financial Report (CAFR)</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
On site audit complete within 75 days of end of fiscal year	Yes	Yes	Yes	Yes	Yes	Yes
Audit Committee acceptance of the Financial Report within 120 days after year end	Yes	Yes	Yes	Yes	Yes	Yes
City Council acceptance of the Financial Report within 150 days after year end	Yes	Yes	Yes	Yes	Yes	Yes
Issue Financial Report within six months of year end per State requirement	Yes	Yes	Yes	Yes	Yes	Yes
GFOA Award received	Yes	Yes	Yes	Yes	Yes	Yes
Municipal Auditor Comments	0	0	0	0	0	0
Comments cleared the following year	0	0	0	0	0	0

<b>Performance Measures</b>	<b>FY 2016 Actual</b>		<b>FY 2017 Actual</b>		<b>FY 2018 Actual</b>		<b>FY 2019 Actual</b>	<b>FY 2020 Actual</b>	<b>FY 2021 Goal</b>
	<b>City</b>	<b>Parks</b>	<b>City</b>	<b>Parks</b>	<b>City</b>	<b>Parks</b>	<b>Combined</b>	<b>Combined</b>	<b>Combined</b>
Pay Checks	5,792	2,175	5,601	2,286	5,308	2,197	7,146	6,898	5,200
Percentage as Direct Deposit	80%	52%	81%	60%	91%	88%	92%	95%	100%
Payable Checks Processed	7,408	2,212	7,133	1,989	6,849	1,909	7,447	6,126	7,000
Electronic Fund Transfers	457	222	666	260	606	229	659	685	800
Percentage electronically	6%	10%	11%	8%	11%	8%	8%	10%	12%
Single Audit:									
Federal Grants	12	-	15	-	15	-	13	14	20

	<b>Band</b>					
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Actual	Actual	Adopted Budget	Proposed Budget	Proposed Budget
Personnel Services	\$ 3,840	\$ 3,829	\$ 1,909	\$ 4,118	\$ 3,895	\$ 3,973
Material and Services	56,594	60,383	46,472	62,341	54,876	54,876
<b>Total</b>	<b>\$ 60,433</b>	<b>\$ 64,213</b>	<b>\$ 48,382</b>	<b>\$ 66,459</b>	<b>\$ 58,771</b>	<b>\$ 58,849</b>

## Finance Department-Administration Division

### ***ADMINISTRATION DIVISION***

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This division provides services and oversight of financial management and reporting, budget preparation, rate modeling and cost allocation systems, purchasing, tax collections, debt management, risk management and various other services.

	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	<u>\$ 779,425</u>	<u>\$ 977,045</u>	<u>\$ 689,523</u>	<u>\$ 1,119,759</u>	<u>\$ 1,057,326</u>	<u>\$ 1,063,175</u>

***CUSTOMER SERVICES DIVISION (UTILITY BILLING)***

This division's primary responsibility is to provide day-to-day customer service, billing, and information support to the public for electric, water, wastewater, storm drain, transportation, and utility fees, and to monitor taxes and other regulated activities. While other departments provide and document use of services, Customer Services does the billing and processing of payments for these services based upon those metrics; the money collected funds the services provided. Over 13,000 bills are prepared each month with most of them including charges for multiple systems including electricity, water, wastewater, telecommunications, transportation, and storm water services; these services generate over \$36 million in receipts each year. Approximately 49% of all payments received are done through automated processing (online web payments or automated bank account transfers).

Several Customer Service employees manage the various taxes collected through the utility bills and other specific billing systems. This division is responsible for business licenses, tobacco licensing, transient occupancy taxes (hotel/motel), food & beverage taxes, and the electric user tax. Over \$9.6 million in these governmental revenues are processed each year.

Customer Service employees also play a key role coordinating with the Parks' Senior Program (and other local service organizations) to manage the senior and disabled discount program and the Electric Fund low income energy assistance program. In the prior fiscal year, 508 customers were assisted with either an ongoing commitment due to age or disability or short-term support to pay winter heating bills. Approximately \$165,000 is distributed to assist with paying utility bills in these programs.

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Actual	Actual	Adopted Budget	Proposed Budget	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

## Finance Department– Accounting Division

### ***ACCOUNTING DIVISION***

The Accounting Division manages and performs accounting activities necessary for the biennium budget, audits, accounts payable, accounts receivable, payroll, monthly reports, internal controls, and annual financial reports. Accounting functions for the Ashland Parks & Recreation Commission (APRC) are included in this division.

Accounting manages the annual audit contract and process and takes a lead role in creating the City's Comprehensive Annual Financial Report which includes the APRC information. Both documents are long-term national award winners. The division assists other administrative services divisions and departments in their accounting procedures, costing, rate modeling, fixed asset management, training, and use of the financial software – Munis. Stewardship of city funds is the primary focus.

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Actual	Actual	Adopted Budget	Proposed Budget	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

### **RISK MANAGEMENT PROGRAM**

The Risk Management program is responsible for handling all property and liability claims involving the City. This includes claims made against the City as well as subrogation claims against those individuals that damage city property. Claims are analyzed by cost, type, number, and department/division.

This program is also responsible for administering the City's insurance program making sure adequate insurance coverage is in place for general liability, auto liability, auto physical damage, property, earthquake, flood, crime, and cyber liability. Risk Management works closely with Brown and Brown, the City's Agent of Record, along with City County Insurance Services (CIS), the City's insurance pool, on both the claims handled through CIS and on insurance coverage for the City's properties, vehicles and mobile equipment. Subrogation claims do not go through CIS; they are handled entirely by the City's Risk Management Department. This program also assists in obtaining insurance coverage through other companies for cybersecurity, excess workers compensation, airport insurance, flood insurance, and other insurances as needed.

The Risk Management Program also supports the City-wide Safety Committee, recommending training and policy options and assisting with facilities inspections.

	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	<u>\$ 1,186,808</u>	<u>\$ 1,300,519</u>	<u>\$ 1,356,846</u>	<u>\$ 1,071,940</u>	<u>\$ 1,477,310</u>	<u>\$ 1,608,460</u>





## CITY RECORDER DEPARTMENT OVERVIEW

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### Description:

The City Recorder Department provides election, municipal code, record maintenance and Council/Commission support among other services. The budget for this department includes the elected position of City Recorder.

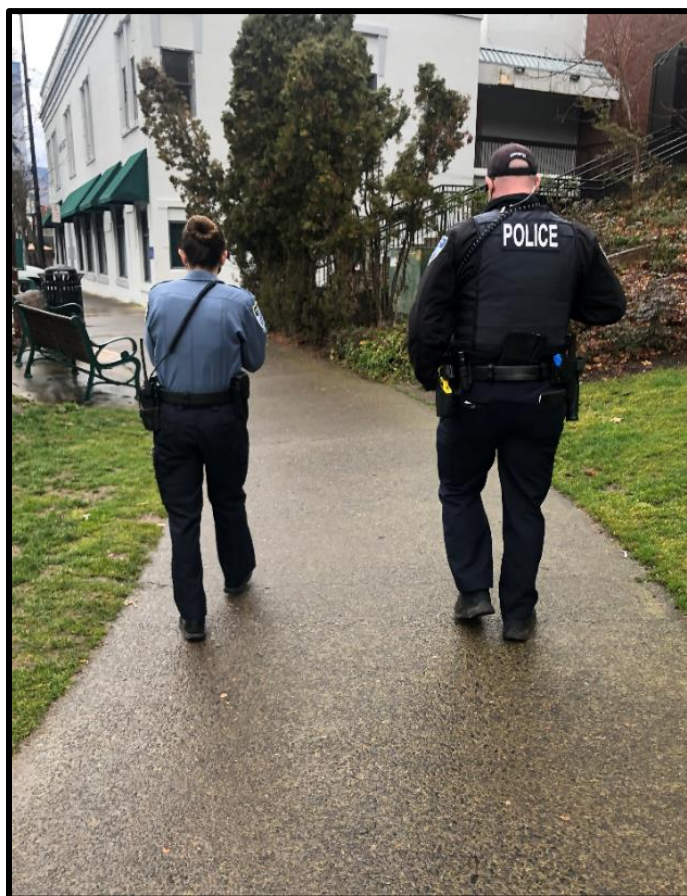
### Accomplishments:

- Facilitated the 2020 General Election.
- Trained Staff and Council on Public Meeting Law and Ethics.
- Implemented a software program called Conduits for lien searches.
- Implemented a software program called DocuSign to allow digital signatures for Staff to sign important documents.
- Implemented a software program called Granicus for Department Heads to use for Agenda Packets and Minutes.
- Was appointed Region V Director for the Oregon Association of Municipal Recorders for a second term.

### Goals:

- Continuing to scan all Ordinances, Resolutions and Minutes.
- Scan all backdated documents.
- Update the Records Request Policy and Procedure.

	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



## **POLICE DEPARTMENT OVERVIEW**

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*The Ashland Police Department partners with the community to promote public safety, public order, and the development of innovative crime prevention strategies while providing exceptional service.*

### **Description:**

- The City is legally obligated to provide police services to the community
- 24/7 police response and service, full service criminal investigations services,
- There are three divisions in the Department
  - Administration including an Administrative Analyst and the Police Chief.
  - Support which is headed by the Deputy Chief and includes the
    - Records section
    - Criminal Investigations Division (detectives)
    - Evidence/property
    - Crime Analyst
  - Operations under the supervision of the Patrol Lieutenant (Patrol Commander)
    - Patrol
    - Community Service Officer
    - Central Area Patrol
    - Cadets

### **Accomplishments:**

- Over the last two years, the department handled approximately 60,000 calls for service and 6,000 investigations.
- In concert with approximately 180 other police resources, responded to the Alameda fire and directly contributed to saving countless lives.
- Maintained high clearance rate of 80% for violent crimes.

### **Goals:**

- Continue to engage members of the Black Indigenous and People Of Color (BIPOC) and the full community to continue to build trust, legitimacy and credibility.
- Re-engage with a regional task force.
- Maintain higher than average clearance rates.
- Support the creation of bolstered crisis intervention services.
- Minimize reports of disorderly conduct downtown.

## Police Department – Administrative Division

### **Significant Changes in Service:**

During the BN2019-2021 budget process, the police department was authorized to increase police staffing to 32 officers from 28. This was because, Pre-COVID, the case load was steadily increasing, as were calls for service. The population (residential, tourist and student) had all increased significantly over the last 20 years, but the police staffing has remained at 28. New best practices require that officers slow down each interaction/investigation, so each person feels heard and respected, regardless of their role. This builds credibility and legitimacy and lessens the need to use force. The BN2021-2023 budget returns police staffing to 28 which, when the call load returns to normal, will lessen our ability to engage in such best practices, and it will be harder to build legitimacy and trust.

### **Upcoming Issues and Future Considerations:**

- There is pending legislation that would require all police officers to obtain either an associate's or bachelor's degree. If passed, this will be a major obstacle for the department.
- An Emergency Operations Center (EOC) was authorized by Council several years ago; staffing and equipment capacity are still undersized.

### **Focus Areas and Filters:**

- All members of the police, sworn and non-sworn, have received Implicit Bias training, as well as Procedural Justice Training. Our work in these fields led to APD being asked to sit on a work group convened to re-define the basic curriculum for the police academy. As a result of this work all recruits in the state now receive this training.
- Implicit Bias training teaches us that we are all subject to sub-conscience programming that, if left unchecked and unexamined, can inform our decision.
- Procedural Justice training dictates that every person we contact be treated with respect, be allowed their voice, is given neutrality in decision making, and does not have their dignity challenged.

	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

**ADMINISTRATIVE DIVISION**

The Administrative Division consists of the Chief of Police and an Administrative Analyst. The cost of maintaining and administering all contracts is included in this division. The Administrative Division oversees department budget, purchasing, hiring, expenditure tracking, payroll, and accreditation.

**Performance Measures:**

- Maintained a hiring eligibility list.
- Remain current with annual documents for team members.
- Conduct citizen surveys.
- Maintain current standards to retain accreditation.

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 309,054	\$ 324,925	\$ 343,963	\$ 351,220	\$ 355,301	\$ 359,256
Material and Services	666,099	680,597	740,392	815,504	756,519	772,774
Total	\$ 975,153	\$ 1,005,522	\$ 1,084,355	\$ 1,166,724	\$ 1,111,820	\$ 1,132,030

## Police Department – Support Division

### ***SUPPORT DIVISION***

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The Support Division is overseen by the Deputy Chief of Police. The Support Division includes the records team and the detective section. The records team is responsible for processing all police reports and citations and ensuring that all applicable state laws and local procedures are followed for the retention and dissemination of reports.

The detective unit is responsible for investigating significant and long-term crimes, conducting background investigations on all police applicants, and managing the department's new problem-solving unit (PSU). The PSU is a two-detective team that will work to address acute issues as they come up, using a combination of uniformed patrol and plain clothes operations as needed. The detective unit also oversees the property and evidence section of the department.

The Support Division is also responsible for administrative functions such as technological support, training, communications liaison to the Emergency Communications of Southern Oregon (ECSO) dispatch center, internal affairs investigations, policy and procedures, and coordination of the Citizen Volunteer in Policing Services (VIP) Program. A recently appointed volunteer crime prevention specialist has been very successful in engaging the community in crime prevention efforts over the last two years.

### **Performance Measures:**

- Accuracy in reports that are sent to the Oregon State Police.
- Pass monthly compliance checks.
- Pass quarterly and yearly evidence/property audits with at least 99% accuracy.

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 1,625,725	\$ 1,525,212	\$ 1,441,620	\$ 1,503,120	\$ 1,417,979	\$ 1,391,405
Material and Services	252,544	240,667	219,126	274,491	447,999	447,999
Total	\$ 1,878,269	\$ 1,765,879	\$ 1,660,745	\$ 1,777,610	\$ 1,865,978	\$ 1,839,404

## ***OPERATIONS DIVISION***

The Ashland Police Department Operations Division is responsible for providing most of the field services, such as patrol and traffic enforcement. This Division is overseen by a Patrol Lieutenant, who in turn reports to the Deputy Police Chief. The Community Service Officer (CSO) is primarily responsible for graffiti eradication, code enforcement and abandoned vehicles.

The School Resource Officer (SRO) and Central Area Patrol officers are part of the Operations Division as well. The SRO, which the department hopes to re-institute soon, acts as a valuable liaison between the Police Department and the Ashland School District. The Central Area Patrol officers are a vital part of the Department's attempts to maintain a safe and welcoming environment downtown.

The Patrol Unit is the backbone of the Police Department and provides the patrol staff that responds to all emergency and non-emergency calls within the city. The Patrol Unit has one Traffic Officer who responds to most traffic accidents, conducts traffic accident investigations, provides traffic enforcement, and provides support for special events which occur in the city.

### **Performance Measures:**

- Maintain a response time of under 264 seconds for priority calls.
- Maintain a clearance rate of >30%.
- Maintain high clearance rate for violent crimes (currently at 80%-2019).
- Minimize disorderly type calls for service downtown.

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 3,443,499	\$ 3,863,267	\$ 4,096,471	\$ 4,475,473	\$ 4,204,574	\$ 4,244,569
Material and Services	900,346	870,206	926,869	1,062,659	817,026	728,993
Total	\$ 4,343,845	\$ 4,733,473	\$ 5,023,340	\$ 5,538,133	\$ 5,021,600	\$ 4,973,562







## Fire and Rescue Department

### DEPARTMENT OVERVIEW

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*Ashland Fire & Rescue is dedicated to protecting lives, property, and the environment. By delivering fire suppression, emergency medical, disaster management, fire prevention and public education services by professionally trained, dedicated personnel, we strive to achieve the highest quality of public service to our customers.*

Ashland Fire & Rescue provides fire suppression, fire prevention, emergency medical, rescue, and watershed management services to the 21,621 citizens and 6.9 square miles of Ashland. Ashland Fire & Rescue also provides advanced life support medical transportation for Jackson County Ambulance Service Area #3 making up 650 square miles from the California border to Phoenix. Ashland Fire & Rescue also provides the following services:

- Firewise Communities
- Fire Adapted Communities
- Community Risk Reduction
- Public Safety Education
- City Emergency Management
- Emergency Preparedness
- Citizen Alert and 1700 AM Radio
- CERT and CPR
- Fire Alarm and Sprinkler Plan Reviews
- Fire Prevention Inspections
- Smoke and Wildfire Hotline
- Fire Investigations
- Management of Ashland's Forest Lands
- Weed Abatement
- Citizen Complaints

AF&R is comprised of 4 divisions, Administration, Operations, Fire and Life Safety and Wildfire. Administration provides the operational oversight of the fire department.

The Fire Department is regulated and directed by ORS-476 and stipulations of the National Fire Protection Agency

### **Accomplishments/ Goals**

*See division sections for division specific accomplishments and goals*

### **Upcoming Issues and Future Considerations:**

- Need to increase Staffing by 6-line personnel, two Administrative positions, and a dedicated emergency manager.
- Need to change reporting software to increase efficiency of crews' regionalization reporting to match State and other local reporting software

- Need to obtain software for ambulance membership processing.
- Will need to replace all Self-Contained Breathing Apparatuses which are reaching end of service time constraints.
- Need to reach 2 sets of turnouts per firefighter to meet recommended 10-year replacement of sets or replacement schedule.
- Need to determine Request for Proposal for Ambulance service and Staffing guidelines.
- Fire operations continue to operate without a dedicated training officer or training facility to increase staff proficiency, and availability to conduct necessary training without leaving the community or incurring overtime.
- The Alameda Fire displayed the increasing impact of climate change on our safety and quality of life. Models continue to show increasingly hot, smoky, and dangerous conditions in the future. Wildfire adaptation measures and program capacity lag the threat of significant community loss. The Wildfire Safety Commission presented a list of enhanced wildfire protection and prevention options to Council at the end of 2020.
- With completion of the Evacuation Study in Spring 2021, there will be an overarching need to communicate with citizens along with updating emergency communications pathways such as the 1700 AM radio station.
- The Emergency Operations Center (EOC) was activated during the Alameda Fire, however, the leadership personnel needed to operate the EOC were committed to the incident and unavailable to respond to the EOC, leaving an EOC without an EOC leadership team, and thus the EOC was not able to open.
- Complete the EOC buildout at the Grove

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 6,032,040	\$ 6,616,369	\$ 6,534,949	\$ 6,704,160	\$ 6,766,004	\$ 6,613,184
Material and Services	3,200,894	3,363,639	2,704,246	2,873,516	3,701,117	3,489,960
Capital Outlay	77,366	60,000	157,074	325,000	-	-
Total	\$ 9,310,299	\$ 10,040,008	\$ 9,396,269	\$ 9,902,676	\$ 10,467,121	\$ 10,103,144

### ***FIRE ADMINISTRATION DIVISION***

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The Administration Division is responsible for planning and tracking the financial, organizational, and developmental aspects of the Department, which are essential for operational readiness. These include fleet and equipment management, facilities, personnel, budgeting, operational programs, and community relations. Through the Fire Chief, this Division provides vision and leadership to the Department and a healthy environment for employee development and morale. It is the responsibility of the Fire Chief to guide the organization and evaluate the effectiveness of the services delivered to the community.

#### **Accomplishments:**

- Updated Emergency Management Plan and Natural Hazard Mitigation Plan
- Continued work towards making the Grove a functioning multi-functioning Emergency Operations Center.
- Continued work with the Emergency Management Advisory Council

#### **Goals:**

- Continue working on the Oregon State GEMT program which will lead to an increase in our ambulance revenues
- Researching the possibility of lease-purchase options for future high-cost apparatus acquisitions to reduce future capitalization requirements and meet reduced emissions standards.
- Funding for a proper Emergency Operations Center, support, and training
- Implement actions identified in the Community Smoke Response Plan to increase awareness and action in protecting residents from smoke. This addresses Climate Change Mitigation goals.

#### **Performance Measures:**

- Reach a minimum of 5,000 citizens through our public education and training programs.
- Secure an upgrade to our Insurances Services Office (ISO) Public Protection Classification Program (PPC) to a Class 2 organization.
- Improve our fleet to continue moving towards meeting goals for reduced emissions standards.

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ -	\$ -	\$ 360,777	\$ 377,962	\$ 358,195	\$ 362,347
Material and Services	-	-	67,668	64,583	101,714	102,388
Total	\$ -	\$ -	\$ 428,444	\$ 442,545	\$ 459,909	\$ 464,735

### **OPERATIONS DIVISION (FIRE & EMS)**

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The Operations Division is primarily tasked with providing the day to day emergency and non-emergency responses to the public we serve. Typical responses include: wildland fires, structure fires, public assistance, traumatic injuries, hazardous materials, technical rescues, medical emergencies and various other hazardous conditions. As AF&R is also the transporting ambulance for Southern Jackson County, our department routinely transports those persons who need to be seen by emergency department physicians to nearby hospitals.

When not responding to calls for service, personnel perform station and vehicle maintenance, conduct company level fire prevention and life safety inspections, teach CPR, CERT and other public education classes, give station tours, install Child Safety Seats and participate in daily firefighting and EMS training. Department personnel are also assigned organizational duties, greatly reducing the need for additional administrative staff.

With initial COVID lockdowns, fire department calls for service fell in the months of March and April over the same time frame in 2019. However, even with the continual lockdown of COVID and the reduction in calls for service in March and April, AF&R's calls for service increased from 4,098 in 2019 to 4,510 calls for service in 2020 or an increase of 10.05%. Operations personnel also responded to 2 deployment requests from the Oregon State Fire Marshal's office for fire conflagration assignments.

#### **Accomplishments:**

- Responded to 4,510 calls for service.
- Responded to 97% of all medical calls within established response time requirements.
- Provided engine and personnel to the Obenchain Fire.
- Received a Stryker \$142,794 grant to install powered gurneys into our first-out ambulances.

#### **Goals:**

- Develop a dedicated training site for realistic hands-on fire training.
- Accelerate apparatus replacement schedule where needed to maintain engine and ambulance operational readiness
- Increase staffing to 36-line personnel with a daily minimum of nine personnel.
- Respond as part of newly formed Task force on Red Flag Warning Days for pre-emptive fire deployment.

#### **Performance Measures:**

- Indicator #1: 5.8-minute average response time for all ambulance calls in Ashland

## Fire and Rescue Department –Operations Division (Fire & EMS)

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- Indicator #2: Successful resuscitation of 6 cardiac arrest patients
- Indicator #3: Property Value/Loss - \$12,583,900 in property saved (\$230,500 in losses)
- Indicator #4: Each firefighter received an average of 426 hours of training for the year

	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

## **WILDFIRE DIVISION**

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The AF&R Wildfire Division is charged with reducing wildfire risk to all facets of our community. Wildfire Division staff partners with citizens, state and federal agencies, non-profit groups, schools, and businesses to create awareness and actions that lead to healthier and safer forests, neighborhoods and homes prepared for wildfire, and resistant and resilient infrastructure and economy. The division manages the City forestlands, forest patrol, Fire Adapted Communities (including Firewise), the Ashland Forest Resiliency Stewardship Project (AFR), and delivers wildland firefighting training. These efforts are supported by citizen volunteers on the City's Forest Lands and Wildfire Mitigation Commissions.

### **Accomplishments:**

- Secured \$3 million FEMA grant for wildfire safety on 1,100 properties. Work begins Spring 2021.
- Created Fire Adapted Ashland program of work and brand, with community-wide rollout featuring individual wildfire risk web portals displaying data on 6,791 residences. Each owner was sent a postcard with portal link including recommended actions to mitigate identified hazards. Exactly 550 properties have been re-evaluated to show lowered risk scores due to work completed.
- Created 3-month wildfire awareness campaign with Wildfire Safety Commission. Local businesses hosted displays along with media outreach and community messaging. Annual woody debris drop-off day continued in partnership with Recology, resulting in 150 loads of flammable debris disposed.

### **Goals:**

- Increase Ashland's risk by completing wildfire mitigation projects on at least 700 properties in BN 2021-23. This addresses Emergency Management, Climate Change Mitigation and Fiscal Resiliency goals.
- Reduce Ashland's wildfire risk city-wide by 20% in the biennium. Track change in community wildfire risk through updating property risk assessments when work is completed on a property through FEMA or voluntary means. Report the change in risk annually.
- Implement ramp-up of wildfire home assessments through the volunteer risk assessment program to assess at least 500 properties per year. This addresses Emergency Management, Climate Change Mitigation and Fiscal Resiliency goals.
- Increase annual controlled "underburn" burn acres to 500 acres/year from current 150 acres average along with completion of all backlogged pile burn acres by summer 2023. Underburning is the most difficult type of burning to accomplish, but with the highest value for community wildfire protection and forest resiliency. This goal will require significant community outreach using the Smokewise Ashland program and implementing the Ashland Community

## Fire and Rescue Department – Wildfire Division

- Smoke Response Plan. This will be on a combination of federal, City, and private lands. This addresses Emergency Management, Climate Change Mitigation and Fiscal Resiliency goals.
- Offer at least three contractor training courses for fire safe construction and landscaping per year. This addresses Climate Change Mitigation goals.
- Implement actions identified in the Community Smoke Response Plan to increase awareness and action in protecting residents from smoke. This addresses Climate Change Mitigation goals.

### **Performance Measures:**

- Conduct 500 wildfire home safety assessments per year
- Increase under burning acres completed to goal of 500 acres per year
- Complete 50 wildfire mitigation projects per month with goal of 350 per year
- Reduce community wildfire risk by 20% during the biennium

### **Financial Summary:**

- Increases in wildfire protection and prevention proposed by Wildfire Safety Commission remain unfunded in the proposed budget.

### **Significant Changes in Service:**

With limited staff time, focus on the FEMA grant program (which will help some homes inside Firewise neighborhoods) along with assessing and assisting non-FEMA eligible properties will increasingly be the focus of efforts. We have worked to establish self-governance with each of the 35 Firewise Communities over the past two years and will continue to pursue funding and capacity opportunities as available to support their efforts. Though it has had a positive impact over the past 11 years, Firewise ultimately does not offer the degree of measurable risk reduction we believe can be achieved through other means and outside of established homeowner's associations

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 331,823	\$ 409,555	\$ 366,760	\$ 373,864	\$ 298,982	\$ 230,932
Material and Services	1,385,963	1,538,642	1,036,015	946,738	1,420,462	1,220,462
Capital Outlay	-	50,000	-	-	-	-
Total	\$ 1,717,786	\$ 1,998,197	\$ 1,402,776	\$ 1,320,602	\$ 1,719,444	\$ 1,451,394

## **FIRE & LIFE SAFETY DIVISION**

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The Fire & Life Safety Division (F&LS) provides services related to the education about and compliance with the Oregon Fire Code, fire related provisions of the Ashland Municipal Code and nationally recognized safe practices. The division provides fire plans review services, building fire inspections, fire code research, fire safety education, fire code compliance and consultation services to the community. F&LS conducts fire investigations for cause determination and provides training to department members on these topics. The Division is responsible for oversight of the Ashland Community Emergency Response Team (CERT). The Division is also responsible for providing public education programs, such as fall prevention to our seniors and fire and life safety education to our elementary schools.

### **Accomplishments:**

- Reviewed 509 3rd party Brycer inspection reports. These reports revealed that Ashland's commercial fire suppression systems comprising of fire sprinklers, fire alarms, restaurant hood fire protection systems, paint booths, and emergency generators are 86% compliant and without deficiencies. Leaving 14% or 69 structures systems in danger of not working in the event of needed use.
- Provided public education and outreach to 5,734 children and citizens
- Assisted at the state level to write and adopt a state building code for construction in the wildland urban interface.

### **Goals:**

- Create Fire Inspector/Deputy Fire Marshal position to ensure compliance and reduce liability. Position to receive some funding from increase in inspections from established fees.
- Continue to pursue the grant funds for commercial building safety system updates.
- Gain compliance with State Fire Code and City resolution on completion of fire inspections
- Improve fee and permit collection process
- Replace ½ FTE lost to COVID-19 pandemic reductions in conjunction with the Weed Abatement Coordinator, to create a Fire and Life Safety Specialist which will be able to work on community risk reduction on a year around basis.

### **Performance Measures:**

- Measure # 1: Complete Fire Plan reviews for new construction within two weeks of submittal. 80 % of time
- Measure # 2: Initiate code violation complaints within 5 business days for immediate hazards 100 % of time and within 10 business days for low and moderate hazard reports 100 % of time



## **Fire and Rescue Department – Fire & Life Safety Division**

- Measure # 3: Hire Fire Inspector/Deputy Fire Marshal and complete annual fire inspections on all commercial and multi-family residential properties
- Measure # 4: Complete new construction inspections and certificates of occupancy inspections within 2 weeks of notification 80% of time
- Respond to Community Risk Complaints for vegetation within 5 days
- Continue to re-evaluate properties for vegetation fire risk
- Measure # 5: Continue bi-annual CERT academies

## Fire and Rescue Department – Fire & Life Safety Division

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 300,586	\$ 311,965	\$ 351,783	\$ 345,885	\$ 330,620	\$ 185,201
Material and Services	81,425	73,354	63,025	84,656	132,533	130,657
Total	<u>\$ 382,011</u>	<u>\$ 385,320</u>	<u>\$ 414,809</u>	<u>\$ 430,541</u>	<u>\$ 463,153</u>	<u>\$ 315,858</u>

## Public Works Department



## DEPARTMENT OVERVIEW

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*The City of Ashland's Public Works Department plans for, preserves and enhances our community infrastructure assets through responsible stewardship. We strive to provide the highest quality public infrastructure and municipal core service to the citizens of Ashland in a safe, efficient, and fiscally responsible manner that is protective of our environment. The department is committed to delivering services in a courteous, efficient and professional manner.*

The public works department employs sixty-five (65) full-time equivalent (FTE) and four (4) temporary FTE employees across nine (9) divisions. The Public Works Department and its employees are responsible for regulatory compliance across all divisions within the department. The Department includes Water, Wastewater, Streets, Facilities, Fleet Maintenance and Acquisition, Cemetery, Airport, Stormwater, and Administration/Engineering.

To ensure regulatory compliance and appropriate public services, Public Works engages in long range planning efforts for all major divisions. Long range planning ensures regulatory compliance, develop capacity requirements for future growth, recommend maintenance activities, capital improvements, staffing levels, and associated financial plans strategies for the associated enterprise funds in order to provide core services to the community. Divisions within Public Works perform construction activities, provides internal and external customer service, develop and improve physical asset and data management, staff commissions, permits activities in the public right of way, and provides project.

### **Accomplishments:**

- Hersey Street Rehabilitation
  - The complete rehabilitation of Hersey Street including railroad crossing safety improvements completed in 2020 at a total cost of \$4,179,986.
- Independent Way Roadway Construction
  - New road connection between Tolman Creek Road and Washington Street that facilitates improved safety and economic development in the area at a total cost of \$1,996,871.63, dating back to 2013.
- Airport Master Plan
  - The 2020 master plan is a required element for the City's airport by the Federal Aviation Administration and ensures as the airport develops over the next 20 years federal regulations are met. The total cost was \$341,893 and funded at 98% by grants.
- Water Master Plan
  - The 2020 master plan is a required element of the City by the Oregon Health Authority and provides a roadmap for infrastructure maintenance and improvement requirements to ensure all regulatory standards are met

## **Public Works Department**

- with respect to the delivery of potable water customers for the City. Total cost of plan development was \$312,285.
- TAP Master Plan
  - The 2020 master plan for the TAP system is the first one completed in conjunction with Talent and Phoenix to provide a roadmap for infrastructure and maintenance improvement anticipated for the TAP system over the next 20 year. The total plan cost \$140,476 and was split equally among all three communities.
- Oak Street Waterline
  - The waterline replaced an existing 2-inch galvanized distribution line with new 8-inch ductile iron and provided for additional fire hydrants on Oak Street below Nevada Street to the wastewater treatment plant. Total project cost was \$355,660.
- IT infrastructure security improvements
  - Network security improvement including hardware and software upgrades were made to both the water and wastewater treatment plants. These security upgrades provided a more robust system to protect the City's electronic assets for both plants. Total cost \$19,119 (WW) + \$24,518 (Water).
- Alameda Fire Response
  - Public Works provided additional support for both evacuation and fire activities over multiple days/weeks in response to the Alameda Fire.

### **Department Goals:**

- Continue to develop and enhance the asset and data management system to better inform maintenance and lifecycle replacements of critical infrastructure, facilities, and fleet vehicles.
- Deliver timely and fiscally responsible capital improvement and maintenance projects that minimize environmental impact by supporting Climate Energy Action Plan goals.
- Work with and expand relationships with regional partners on emergency management related issues including evacuations, fuel mitigation and management and training.
- Complete a Transportation System Plan update that includes information obtained from the Evacuation Time Study to enhance the City's emergency response and evacuation abilities.
- Develop an integrated water supply resource dashboard that convey water supply status including daily inflows, production, consumption (indoor vs. outdoor) and overall reservoir level that includes all three of Ashland's water supplies.

**Significant Changes in Service:**

Public Works Engineering and GIS will continue to promote electronic customer service interactions, including permitting to the maximum extent feasible. In-person interactions will need to be scheduled as staff availability for walk in discussions will be extremely limited.

An intergovernmental Agreement with the Medford Water Commission to assist with the temporary loss of the Water Conservation Analyst role due to vacancy will assist in ensuring specific water conservation programs and associated inspections will continue to support the communities water conservation needs. Once a new conservation staff member is hired there will be a learning curve to bring them up to speed and function at the high level expected for the City's conservation program. Turnaround and response times for water efficiency and conservation services will be slowed due to this during the biennium.

Loss of the City Surveyor/Project manager has required additional project management duties to be dispersed among existing staff increasing workload. In-house surveying needs will now require the use of professional contract surveyors on an as needed basis. This could potentially increase turnaround and response times for customer inquiries and project development. Surveying requirements for partition plats and subdivisions have gone to the County Surveyor for compliance review per OAR requirements.

**Upcoming Issues/ Future Considerations:**

Develop a planning study of the potential for in-vessel composting of wastewater solids at the wastewater treatment plant in order to reduce trucking and disposal of solids in the current manner. This aligns with the Climate Energy Action Plan goal of reducing solid waste and wastewater greenhouse gas emissions.

Public Works long range planning has developed numerous critical large capital needs for the City's infrastructure systems that provide life cycle replacement, redundancy, resiliency and capacity enhancements that will require a significant amount of staff time to effectively deliver. Major projects include upgrades to the wastewater treatment plant (WWTP) ultra-violet disinfection system, WWTP headworks upgrades, final engineering and construction of a new water treatment plant, emergency generator power system for the TAP pump station, safety modifications to Hosler Dam, water and sewer pipeline improvements and roadway rehabilitation projects for Ashland Street and Mountain Avenue.

Anticipated issues include compliance with the Department of Environmental Quality (DEQ) newly developed stormwater MS4 (Municipal Separate Storm Sewer System) permit requirements. Compliance requires additional maintenance and inspection activities that were not previously mandated by DEQ. This will put an additional burden on existing equipment and staff while reducing level of services already provided by the wastewater and street divisions until such time as additional staff and equipment can be

## Public Works Department

added. Public Works is actively coordinating with regional partners including Rogue Valley Sewer Services to assist as a resource through an intergovernmental agreement to ensure permit compliance requirements are satisfied in the biennium. Compliance with the MS4 permit requirements also include updating existing Ashland Municipal Code for illicit discharges and regulatory authority for enforcement to also include monetary penalties.

The City's contract professional who provides consultant services for the Hosler Dam monitoring systems and early warning alarm system is retiring and will need to be replaced. Public Works will need to issue a new request for proposals for this specialized service and spend additional time bringing them up to speed on the Dam Safety Program and associated appurtenances.

With a federal legislative change the potential for infrastructure stimulus including grants and low interest loans could potentially benefit the City with respect to planned capital projects. Having projects in design or shovel ready provide the best opportunities to obtain grant and low interest loan funding providing a benefit to the City's rate payers.

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 6,900,028	\$ 7,412,314	\$ 7,393,591	\$ 8,425,707	\$ 8,241,012	\$ 8,294,333
Material and Services	10,791,009	12,526,799	11,648,134	13,466,790	14,534,560	14,979,151
Capital Outlay	4,690,611	7,941,902	8,868,224	31,059,507	23,313,612	32,186,586
Debt Services	2,714,176	2,572,567	2,878,151	2,542,221	954,161	954,099
Total	\$ 25,095,824	\$ 30,453,582	\$ 30,788,100	\$ 55,494,225	\$ 47,043,345	\$ 56,414,169

**Public Works Department – Facilities Maintenance, Cemetery,  
Fleet Maintenance & Acquisition Divisions**

**FACILITIES MAINTENANCE, CEMETERY, FLEET MAINTENANCE & ACQUISITION  
DIVISIONS**

**FACILITIES MAINTENANCE DIVISION**

The Facilities Division supports 132,473 square footage of building space from 29 buildings within the City's inventory.

- The focus for the Facilities Division is to provide adequate maintenance and evaluation for long term safety and improvement needs for all City Facilities.
- Facilities maintenance and improvement functions are regulated by Oregon Building Code and Ashland Planning Code.

**Goals:**

- Develop internal assessment practices and a prioritized maintenance program
- Complete improvements to Pioneer Hall and the Community Center and restore community use of each facility.
- Develop plan of action to address City Hall and its associated deficiencies.
- Continue to foster energy efficiency measures for maintenance and improvement activities for City facilities.
- Develop an updated comprehensive facilities optimization plan that accounts for the City's future space needs along with alternatives to properly use existing facilities and itemize divestment opportunities for un-needed facilities.

**Performance Measures:**

- Complete 90% of planned maintenance activities annually.

	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



**Public Works Department – Facilities Maintenance, Cemetery,  
Fleet Maintenance & Acquisition Divisions**

**CEMETERY DIVISION**

The Cemetery Division supports three historic cemeteries including two mausoleums and 25 acres of total cemetery space

- Maintain all three of the City's historic cemeteries in a respectful manner.
- The operations and maintenance of the cemeteries falls under rules established by the Oregon Cemetery Board.
- Total internments for the three cemeteries are 10,512. Total grave spaces available is 2,435 and 1,160 cremation spaces.

**Goals:**

- Finalize a water right transfer and associated irrigation improvements to reduce potable water needs.
- Develop a plan to utilize the cemetery trust fund for maintenance .

**Performance Measures:**

- Maintain compliance with the Oregon State Mortuary Board reporting requirements annually.

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 219,058	\$ 230,095	\$ 234,923	\$ 254,507	\$ 256,028	\$ 257,406
Material and Services	144,359	201,702	222,016	227,621	211,835	224,871
Capital Outlay	-	-	2,225	60,000	60,000	60,000
Total	\$ 363,418	\$ 431,797	\$ 459,164	\$ 542,128	\$ 527,863	\$ 542,277

**Public Works Department – Facilities Maintenance, Cemetery,  
Fleet Maintenance & Acquisition Divisions**

**FLEET MAINTENANCE DIVISION/ PURCHASING AND ACQUISITION DIVISION**

The Fleet Division purchases new fleet vehicles and equipment along with performing maintenance and vehicle setup activities as required. The Fleet Division maintains a total of 167 pieces of equipment and vehicles within the City's inventory as required by all operating divisions to successfully perform work missions.

**Goals:**

- Continue to foster fleet innovation strategies including conversion to electric based equipment and vehicles when appropriate.
- Provide maintenance and evaluation for long term operational utilization, safety and replacement needs for all City Fleet assets.

**Performance Measures:**

- Keep 95% of fleet in service annually.

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 551,831	\$ 600,497	\$ 599,939	\$ 652,524	\$ 650,510	\$ 653,979
Material and Services	889,916	1,125,590	980,275	1,231,683	1,502,266	1,523,908
Capital Outlay	685,668	2,071,379	1,057,901	2,500,500	1,604,400	1,604,400
Total	\$ 2,127,415	\$ 3,797,466	\$ 2,638,115	\$ 4,384,707	\$ 3,757,176	\$ 3,782,287

## ***STREET DIVISION***

The Street Division consists of operations and ground maintenance. The core of the system includes 220.98 lane miles, 5,023 signs, 37 miles of markings, 320 cross walks, 365 stop lines, curb/gutter, and ground maintenance of the boulevards.

- The focus for the Street Division is to maintain and provide a safe and efficient integrated network for transportation uses, pedestrian, bicycle, transit and vehicles. This includes signage and marking maintenance, roadway crack-sealing, asphalt overlays, curb/gutter and ADA ramp improvements, slurry seals, and chip seals.
- Regulatory oversight comes from numerous adopted standards including: the Oregon Department of Transportation and the Department of Land Conservation and Development and Manual on Uniform Traffic Control Devices.

### **Goals:**

- Develop prioritized Transportation System Plan (20 year); including funding plan.
- Complete roadway rehabilitation projects for Ashland Street and North Mountain Avenue.
- Enhance the pedestrian and bicycle networks with infill sidewalk projects and striping signage enhancements.
- Improve middle Clay Street to a city standard including new pavement, sidewalk, curb/gutter, parkrow\*, lighting and speed reduction treatments.

*\*Parkrow is the landscaped area between sidewalk and curb and gutter sections of a roadway cross-section.*

### **Performance Measures:**

- Inspect 25% of the system annually and update the Pavement Condition Index as appropriate.
- Prepare ten (10) centerline miles of roadway annually for surface treatments including slurry seals, chip seals and overlays.

	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

**Public Works Department – Street Division**

**Streets SDC**

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Material and Services	\$ 44,058	\$ 45,184	\$ 299	\$ 100,000	\$ 150,000	\$ 150,000
Capital Outlay	-	2,238	353,546	638,149	53,377	214,660
<b>Total</b>	<b>\$ 44,058</b>	<b>\$ 47,422</b>	<b>\$ 353,846</b>	<b>\$ 738,149</b>	<b>\$ 203,377</b>	<b>\$ 364,660</b>

**Grounds Maintenance**

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Material and Services	\$ 248,097	\$ 241,995	\$ 240,936	\$ 268,200	\$ 270,000	\$ 279,270
<b>Total</b>	<b>\$ 248,097</b>	<b>\$ 241,995</b>	<b>\$ 240,936</b>	<b>\$ 268,200</b>	<b>\$ 270,000</b>	<b>\$ 279,270</b>

**AIRPORT DIVISION**

Ashland Municipal Airport is part of the National Plan of Integrated Airport Systems (NPIAS) and supports a single 3,600' lighted runway with landing aides, adjacent associated taxiway and taxi lanes for ingress/egress to 14 conventional box hangars, four t-hangar complexes (45 spaces) onsite. The airport also supports fuel sales, 74 based aircraft and an estimated 26,000 operations annually.

- The focus for the airport is to actively support and provide oversight to the Fixed Base Operator (FBO) through the Airport Commission for operation and long-term maintenance of the City's municipal airport including fund sustainability.
- The airport operates under Federal Aviation Administration regulatory oversight.

**Goals:**

- Continue site maintenance to ensure appropriate supporting revenue from ground leases and hangar rentals.
- Continue to promote private hangar development to increase revenue.
- Complete proposed taxiway rehabilitation project.
- Continue investigation into onsite solar, both rooftop and ground-based arrays.

**Performance Measures:**

- Ensure 95% of hangar inventory is rented/leased annually

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Material and Services	\$ 233,897	\$ 129,636	\$ 63,591	\$ 108,044	\$ 91,626	\$ 91,772
Capital Outlay	37,609	61,074	34,154	260,000	323,000	2,678,000
Debt Services	38,536	38,536	-	-	-	-
Total	\$ 310,042	\$ 229,246	\$ 97,745	\$ 368,044	\$ 414,626	\$ 2,769,772

**WATER DIVISION**

The Water Division consists of Supply, Treatment, Distribution and Conservation. The core of the water system includes Hosler Dam and Reeder Reservoir, a water treatment plant, over 119 miles of distribution piping, six booster pump-stations, telemetry equipment, 32 pressure relief valves, 1,281 hydrants and four potable water storage reservoirs providing 6.7 million gallons of storage.

- The focus for the Water Division is to provide the highest quality drinking water for the community, comply with required standards and reporting, maintain the storage and distribution systems and provide fire flow needs.
- The Conservation Division provides the community the tools to understand water as a resource and how to use it efficiently both indoors and outdoors.
- The Oregon Health Authority provides regulatory oversight for the treatment and distribution of potable water.
- The Federal Energy Regulatory Commission provides regulatory oversight on Hosler Dam as the City is a generator of hydroelectric power.

**Goals:**

- Add backup power to the Talent, Ashland, Phoenix (TAP) pump station.
- Finalize design of a new water treatment plant and begin construction.
- Finalize design and begin construction on recommended dam safety improvements.
- Continue the lifecycle and capacity pipe replacement program.
- Develop off-peak wholesale water agreements with Talent and Phoenix.
- Update the TAP system operating Intergovernmental Agreement between Talent, Ashland and Phoenix.

**Performance Measures:**

- Keep unaccounted for water loss under 10% annually as required by the State and specified in the City's Water Conservation and Management Plan
- Have zero water quality violations annually.

<b>Water Supply</b>						
	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 51,754	\$ 58,793	\$ -	\$ 59,963	\$ -	\$ -
Material and Services	445,918	488,867	611,547	680,607	577,215	702,215
Capital Outlay	202,748	1,041,303	151,001	2,313,510	3,206,170	3,419,000
Debt Services	9,485	9,562	245,129	9,455	127,956	127,776
Total	\$ 709,905	\$ 1,598,525	\$ 1,007,677	\$ 3,063,535	\$ 3,911,341	\$ 4,248,991

## Public Works Department – Water Division

### Water Treatment

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 592,976	\$ 623,024	\$ 668,937	\$ 726,102	\$ 855,871	\$ 862,032
Capital Outlay	607,809	870,669	1,891,422	11,837,000	2,432,000	13,862,000
Material and Services	594,000	620,483	659,388	726,248	830,863	831,263
Debt Services	140,780	141,393	141,963	140,576	75,195	75,195
Total	\$ 1,935,565	\$ 2,255,569	\$ 3,361,709	\$ 13,429,926	\$ 4,193,929	\$ 15,630,490

### Water Distribution

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 996,760	\$ 1,061,363	\$ 1,097,940	\$ 1,201,333	\$ 1,237,625	\$ 1,244,780
Material and Services	1,992,794	2,244,328	2,229,331	2,430,083	2,476,232	2,458,862
Capital Outlay	562,084	2,187,209	657,687	1,054,260	1,775,400	1,164,300
Debt Services	248,996	251,281	388,157	249,105	267,261	269,197
Total	\$ 3,800,634	\$ 5,744,181	\$ 4,373,114	\$ 4,934,780	\$ 5,756,518	\$ 5,137,139

### Water SDC

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Material and Services	\$ 3,502	\$ -	\$ 96,354	\$ -	\$ 300,000	\$ 150,000
Capital Outlay	196,923	252,663	288,876	2,877,500	795,100	2,131,200
Debt Services	214,973	215,391	215,784	214,814	213,842	213,964
Total	\$ 415,398	\$ 468,054	\$ 601,014	\$ 3,092,314	\$ 1,308,942	\$ 2,495,164

### Water Conservation

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 174,383	\$ 120,308	\$ 116,300	\$ 130,351	\$ 116,876	\$ 117,386
Material and Services	99,332	88,092	85,434	160,460	167,884	166,284
Total	\$ 273,715	\$ 208,400	\$ 201,734	\$ 290,810	\$ 284,760	\$ 283,670

**WASTEWATER DIVISION**

The Wastewater Division consists of collection and treatment of wastewater. The core of the system includes 112.9 miles of collection system piping, 2,245 manholes, six (6) lift stations, telemetry equipment and a wastewater treatment plant.

- The focus for the Wastewater Division is to ensure all sewage is effectively collected and treated to regulated standards for release into Ashland/Bear Creeks.
- The City operates under a National Pollution Discharge Permit (NPDES) that is overseen by the Department of Environmental Quality (DEQ).

**Goals:**

- Continue coordination with DEQ to renew the Department of Environmental NPDES permit and resolve effluent temperature concerns (outfall relocation, water quality trading, and constructed wetlands).
- Complete the Collection System Master Plan.
- Continue a focused effort to eliminate cross connections from storm drain lines to reduce inflow and work to minimize stormwater infiltration into sewer collection system.
- Complete proposed capital and maintenance projects to the ultraviolet disinfection system and headworks at the treatment plant.
- Complete collection system lifecycle and capacity pipeline projects.

**Performance Measures:**

- Have zero sanitary sewer overflows annually.
- Have zero National Pollution Discharge Elimination System Permit violations annually.

<b>Wastewater Collection</b>						
	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 635,862	\$ 684,457	\$ 663,029	\$ 732,162	\$ 726,485	\$ 730,502
Material and Services	1,554,499	1,774,753	1,702,918	1,690,226	1,580,507	1,549,521
Capital Outlay	327,375	31,112	213,282	587,000	513,600	513,600
Debt Services	72,675	71,974	76,224	75,429	46,857	46,057
Total	\$ 2,590,411	\$ 2,562,296	\$ 2,655,453	\$ 3,084,816	\$ 2,867,449	\$ 2,839,680



## Public Works Department – Wastewater Division

<b>Wastewater Treatment</b>						
	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 709,211	\$ 735,849	\$ 747,705	\$ 808,888	\$ 927,425	\$ 934,077
Material and Services	1,851,491	2,118,444	1,590,061	1,893,590	1,829,590	1,889,911
Capital Outlay	1,470,921	274,956	150,231	1,632,500	4,484,150	2,890,050
Debt Services	1,608,552	1,752,674	1,720,632	1,713,537	129,337	128,797
Total	<u>\$ 5,640,175</u>	<u>\$ 4,881,923</u>	<u>\$ 4,208,629</u>	<u>\$ 6,048,515</u>	<u>\$ 7,370,502</u>	<u>\$ 5,842,835</u>

<b>Wastewater SDC</b>						
	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Material and Services	\$ 7,308	\$ 6,360	\$ 57,775	\$ 200,000	\$ 350,000	\$ 350,000
Capital Outlay	-	85,242	51,707	405,000	1,735,750	981,350
Total	<u>\$ 7,308</u>	<u>\$ 91,602</u>	<u>\$ 109,481</u>	<u>\$ 605,000</u>	<u>\$ 2,085,750</u>	<u>\$ 1,331,350</u>

**STORMWATER DIVISION**

The Stormwater Division consists of collections with staff support included with the Street and Wastewater Divisions. The core of the storm drain system includes 133.4 miles of storm drainage pipe and culverts, 4,348 inlets/catch basins, 990 manholes, and 449 outfalls.

- The focus for the Stormwater Division is to assess, maintain and repair all storm water lines, ditches and water quality treatment structures to effectively move storm flows from streets to waterbodies and reduce contaminants and potential flooding.
- The stormwater conveyance and outfall system operate under a Department of Environmental Quality (DEQ) MS4\* permit, which regulates maintenance and inspection schedules in addition to public outreach and education regarding stormwater conveyance and treatment.

*\*A municipal separate storm sewer system, commonly called an MS4, is a conveyance or system of conveyances, such as roads with drainage systems, municipal streets, catch basins, curbs, gutters, constructed channels or storm drains, owned or operated by a governmental entity that discharges to waters of the state.*

**Goals:**

- Manage new regulatory (DEQ) requirements for water quality and riparian solutions.
- Complete capital improvement maintenance projects defined in the City's updated Stormwater Master Plan.

**Performance Measures:**

- Clean 50% of the existing systems catch basins within the five-year reporting window required by the MS4.
- Perform camera inspections and cleaning of 20% of the pipeline system annually.

<b>Stormwater Collection</b>						
	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 311,791	\$ 324,206	\$ 317,769	\$ 358,163	\$ 482,365	\$ 485,225
Material and Services	279,053	285,820	422,060	437,980	390,213	392,313
Capital Outlay	-	40,193	16,428	174,000	432,538	225,000
Debt Services	12,349	12,149	11,950	11,750	11,750	11,550
<b>Total</b>	<b>\$ 603,193</b>	<b>\$ 662,368</b>	<b>\$ 768,207</b>	<b>\$ 981,893</b>	<b>\$ 1,316,866</b>	<b>\$ 1,114,088</b>

## Public Works Department – Stormwater Division

Stormwater SDC						
	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Material and Services	\$ 91,507	\$ 24,259	\$ 87,356	\$ 125,000	\$ 275,000	\$ 275,000
Capital Outlay	-	-	-	66,000	57,712	-
Total	\$ 91,507	\$ 24,259	\$ 87,356	\$ 191,000	\$ 332,712	\$ 275,000

**ADMINISTRATION AND ENGINEERING DIVISION**

The Public Works Support Division includes administration, engineering/project management and GIS Technology. The Support Division ensures coordinated planning and execution of all master plans and projects within each of the operating divisions. The Support Division, building upon a GIS foundation, provides the framework through which municipal infrastructure is tracked, maintained, and ultimately reported on.

**Goals:**

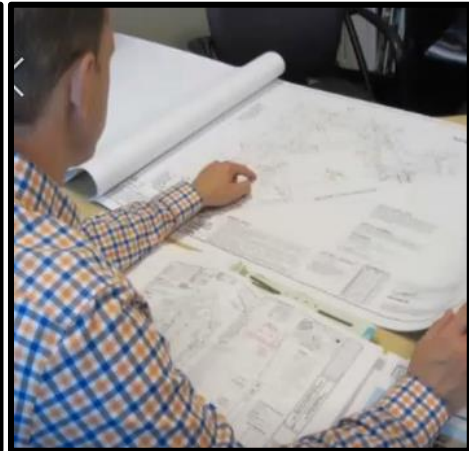
- Continue to enhance the asset and data management program.
- Continue to efficiently work remotely while providing the highest service levels.
- Continue master planning efforts on a 7-10 year timestep and foster community participation and input on plan development.
- Promote project information avenues like the capital improvement program dashboard and utilize the Engage Ashland resource.
- Promote Climate Energy Action Plan goals in capital project development.

**Performance Measures:**

- Complete master plans on an 8-10 year time step.

	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

## Community Development Department



## COMMUNITY DEVELOPMENT DEPARTMENT OVERVIEW

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### **Description:**

The Community Development Department's two divisions are Planning and Building. The Planning Division maintains and updates the Ashland Comprehensive Plan and Ashland Municipal Code (AMC) Title 18 Land Use, reviews and conducts the public noticing and hearing process for development proposals, evaluates building permits for compliance with land use standards, and provides staff support for four advisory commissions and the City's Planning Commission. The Housing program is located within the Planning Division and focuses on affordable housing activities through public education/outreach, zoning initiatives, grants and direct funding and other financial incentives such as permit fee waivers targeted for low to moderate housing projects. Last, the Code Compliance program provides one on one mediation of municipal code infractions as well as direct enforcement actions through the municipal court. The Building Division implements Oregon's Statewide Building Codes program by administering a comprehensive building plan review and inspection program.

The Planning Division was reduced by 1 FTE Assistant Planning position in the BN2019-2021 budget. At the same time, development activity increased which subsequently increased the Current Planning program workload. With six months remaining in the current biennium, new residential units increased over the previous biennium by 11% and the value of all new building residential and commercial construction increased by 81%. As a result, resources were shifted from the Long-Range Planning program to the Current Planning program for answering general inquiries, pre-application conferences, planning application review, building permit review and staffing an advisory commission. Long-Range Planning program activities are currently focused on those projects that are required by new state legislation including a middle housing code update (duplexes and accessory residential unit parking) required by House Bill (HB) 2001 and the housing capacity analysis and production strategy required by HB 2003.

### **Accomplishments/ Performance Measures:**

*See division sections for division specific accomplishments and performance measures.*

### **Goals:**

- Adoption of Wildfire Hazard Mitigation Code – The new requirements will require the use of fire-resistant materials in all new construction projects.
- Adoption of Housing Capacity Analysis (HCA) – Update the Housing Capacity Analysis and implementation strategies to increase the supply of needed housing as required by HB 2003 (mandated by state legislation).
- Adoption of Housing Production Strategy – Prepare a Housing Production Strategy after the completion of the Housing Capacity Analysis that identifies specific actions the City will take, such as revising regulations or providing financial incentives, to promote the development of needed housing within the community as required by HB 2003 (mandated by state legislation)

## **Community Development Department**

- Update Employment Land Needs and Zoning Requirements in the Commercial and Employment Zones – Review existing ground floor area requirements for commercial uses and create greater flexibility for the development of housing in the commercial and employment zones.
- Adoption of Selected Land Use Strategies in the Climate and Energy Action Plan (CEAP) – Update land use code to include CEAP action items such as Electric Vehicle (EV) charging station requirements for new multifamily residential developments, solar panel reserve areas on roofs and the conservation housing density bonus.
- Croman Mill Rezone Analysis – Evaluate plan amendments that result in the construction of additional housing in the Croman Mill District.
- Evaluate compliance techniques that empower neighbors and property owners to resolve their differences between themselves, before requesting arbitration by City Code Compliance.
- Continued conversion of digital permitting process throughout other City departments to improve efficiencies.

### **Significant Changes in Service:**

The Community Development Department anticipates maintaining current levels of service. The residential market, including new construction, additions, and remodels, is expected to stay at the same or increasing level of activity. Similarly, approximately 1,800 draft bills were submitted at the beginning of the 2021 session of the Oregon Legislature and initial reviews indicate that housing, land use and climate change legislation may be passed that will require Long-Range Planning and Housing program resources to implement potential state mandates.

### **Upcoming Issues and Future Considerations:**

Current development activity is expected to continue at or above current levels in the next biennium. The COVID-19 pandemic resulted in a slow start in the housing market followed by a rebound influenced by low mortgage rates and relocations made possible by remote work. Nationwide trends included increases in home sales, home renovations and additions, zoom rooms, and migration, especially of millennials, from urban to mid-size cities and suburban areas.

High buyer demand and lagging housing supply are also expected to continue nationwide. Residential construction continues to face limiting factors including higher supply costs, longer delivery times for building materials and an ongoing labor skills shortage. Locally, the Alameda Fire in September 2020 and devastating loss of approximately 2,500 residential properties nearby intensifies housing market trends such as housing inventory and construction costs.

The demand for housing and homelessness analysis and policy is expected to continue. The rise in home sales and prices boosts wealth accumulation for homeowners but also

## **Community Development Department**

means the continued decline of housing affordability. Housing and homelessness are expected to be one of the key issues in the 2021 session of the Oregon Legislature and may result in mandatory studies and code amendments similar to HB 2001 Housing Choices and HB 2003 Housing Needs and Production from the 2019 legislative session.

At the time of writing, approximately 110 bills related to land use, housing and climate change had been introduced pre-session for 2021 session of the Oregon Legislature. Initially 1,800 bills were submitted, and the list is expected to grow with approximately 3,200 bills anticipated. It is likely some or all of these will lead to passage of land use legislation which may require resources in the Long-range Planning and Housing programs.

In addition, Governor Kate Brown issued Executive Order 20-04, directing agencies to reduce climate pollution. This has resulted in ongoing rulemaking that will focus on significantly strengthening Oregon's administrative rules about transportation and housing planning, particularly for Oregon's eight urban areas with populations over 50,000 people (Albany, Bend, Corvallis, Eugene/Springfield, Grants Pass, Medford/Ashland, Portland Metro, Salem/Keizer).

In 2021 all residential building codes will be updated to reflect the changes from the previous code cycle, and in 2023 all commercial building codes will be updated. The Building Division will need to inform contractors and designers of the code changes to help make a smoother transition for everyone involved in the permitting process. In addition, the adoption of a local wildfire hazard mitigation code will require the Building Division to conduct public outreach to familiarize design professionals and contractors with the new standards.

The Community Development department transitioned to holding the Planning Commission and four advisory commission meetings electronically and adjusted the noticing and public comment process accordingly. The department also transitioned to digital plan submittals for all permits and applications, and successfully transitioned to a 100% building permit review and approval process using EnerGov and BlueBeam software to operate under COVID-19 restrictions. The efficiencies gained in the use of electronic meetings as well as addressing all customer inquiries electronically and by telephone allowed the department to continue its high level of responsive service.

In terms of technology, the Community Development department will complete the transition to reviewing all plans digitally. Specifically, expansion of the digital permitting process will be evaluated to include other City departments to improve efficiencies. Past acquisition of the software and related equipment has been reimbursable under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).



## Community Development Department

	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	<u>\$ 2,487,856</u>	<u>\$ 2,855,057</u>	<u>\$ 2,865,982</u>	<u>\$ 3,013,970</u>	<u>\$ 2,616,151</u>	<u>\$ 2,253,374</u>

## ***PLANNING DIVISION***

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### **Description:**

The City has a statutory obligation to maintain the City's Comprehensive Plan, enact land use regulations that implement the Comprehensive Plan, and make land use decisions in compliance with the Comprehensive Plan and land use regulations [Oregon Revised Statutes (ORS) 197.175].

The City's Comprehensive Plan must be consistent with the Oregon Statewide Planning Program including Statewide Planning Program Goals, Oregon Revised Statutes and Oregon Administrative Rules. Specifically, the goals, statutes and administrative rules require cities to analyze and plan for housing needs and the local economy, as well as citizen involvement, transportation, land needs, public utilities and services, air and water quality, energy conservation, open space and recreation needs, historic and cultural resources and natural resources and constraints (floodplains, riparian areas, wetlands, steep slopes, wildfires).

Long-range planning includes code updates and technical studies required by new state laws such as the duplex code update required by HB 2001 Housing Choices (2019), a housing capacity and production analysis required by HB 2003 Housing Needs and Production (2019), an accessory residential unit (ARU) code update required by Senate Bill (SB) 1051 Multifamily Housing and Accessory Dwelling Units (2017), and local code provisions for recreational and medical marijuana sales required by HB 3400 Recreational Marijuana (2015).

The City has a statutory obligation to process land use decisions in compliance with the City's adopted land use regulations (ORS 197.175). The ORS also prescribes the noticing, public hearing and other procedural requirements for the planning application process which are reflected in the City's land use regulations, Ashland Municipal Code (AMC) Title 18 Land Use. For example, ORS 227.178, the "120-day rule," requires cities to take final action plan on a land use application with 120 days after the application is deemed complete. Other examples of statutory requirements for the land use application process include: 1) a notice about planning permit applications and of land use decisions must be mailed to surrounding property owners (ORS 197.763 and ORS 227.175), 2) a written staff report must be available at least seven days before a public hearing (ORS 197.763), and 3) all land use decisions must include a process for an interested party to request a public hearing (ORS 227.175).

Statewide Planning Goal 1: Citizen Involvement [Oregon Administrative Rule (OAR) 660-015-0000(1)] requires public involvement as part of the land use planning process, for both long-range planning and current development review. Goal 1 calls for "the opportunity for citizens to be involved in all phases of the planning process," requires local governments to have a committee for citizen involvement (CCI) to monitor and encourage public participation in planning, and requires each city and county to have a citizen involvement program that addresses the following items.

1. Opportunities for widespread public involvement
2. Effective two-way communication with the public

3. The ability for the public to be involved in all phases of the planning process
4. Making technical information easy to understand
5. Feedback mechanisms for policy-makers to respond to public input, and
6. Adequate financial support for public involvement efforts

Chapter 1 Citizen Involvement of the Ashland Comprehensive Plan was updated in 2016 and designates the Planning Commission as the CCI (Ordinance 3132). The Planning Commission members are appointed public officials and are citizens of Ashland. In addition to overseeing the public participation process, the Planning Commission fulfills many of the requirements for Statewide Planning Goal 1 by reflecting community values, participating in long-range planning and recommending policies, interpreting and applying ordinance, making land use decisions on current development proposals, and providing a public forum.

### **Accomplishments:**

#### ***Long-range Planning Program***

The Long-range Planning program assisted the City Council and Planning Commission in 2019 and 2020 with several efforts focused on clarifying the City's development standards, improving the planning application process and diversifying the type of housing in Ashland by encouraging smaller homes and multifamily rental units.

- Updated the Housing Element of the Ashland Comprehensive Plan. This update included revisions to housing goals and policies to support a range housing options for residents of Ashland, and to promote new housing development that reflects Ashland's Climate Energy Action Plan goals.
- Worked with ECONorthwest, using a grant from the Oregon Department of Land Conservation and Development, to complete an analysis of the Ashland rental housing market which identified various strategies to encourage rental housing projects.
- Updated the Buildable Lands Inventory (BLI) which reflects changes in land supply that have occurred over the last eight years.

#### ***Current Planning Program***

The Current Planning program processed and approved the following significant planning applications and building permit reviews in 2019 and 2020.

- A 33-unit housing complex located at the intersection of N. Mountain Ave. and East Main St.
- A 15-unit apartment project located at the corner of Siskiyou Blvd. and Park St.
- Addition and renovation at SOU Lithia Motors Pavilion.
- The first 12-unit cottage project on Laurel St.

#### ***Housing Program***

- Distributed nearly \$300,000 in Federal COVID Relief Funds to provide emergency services including shower and sanitation facilities, meals, non-congregate hotel

- vouchers and emergency shelter for residents experiencing homelessness and at high risk of contracting coronavirus.
- Initiated emergency shelter through the purchase and setup of “pallet structures” on parking spaces on the Unitarian Church property as part of the vehicular camping program.
- Awarded and distributed local Community Development Block Grants, Social Service Funds and Affordable Housing Trust Funds to local non-profit organizations assisting extremely low-income and low-income households obtain housing, food and emergency shelter.

### ***Code Compliance Program***

- Adjusted the City’s approach to code compliance to operate under COVID-19 restrictions. Face to face interpersonal action with the residents and businesses of Ashland is vital to achieving successful compliance. Code compliance specialist had to limit physical encounters and resolve them through other media outlets.
- A significant number of residents were homebound leading to an increase in tension and anxiety. It was more challenging, with residents under a significant level of stress and seemingly normal encounters appeared more vulnerable than in the past.
- A chronic neighborhood nuisance involving an illegal board house was brought into general compliance. Code Compliance coordinated with Building Division, Fire and Rescue, Police and Legal Department staff as well as neighborhood residents to obtain compliance through no notice searches and actions by the municipal court.

### **Goals:**

*See division sections for division specific accomplishments.*

### **Significant Changes in Service:**

#### ***Long-range Planning Program***

The Long-range Planning program maintains and updates the Ashland Comprehensive Plan and AMC Title 18 Land Use and performs technical studies as required by the Statewide Planning Program, and conducts projects initiated by the City Council, Planning Commission, advisory commissions and general citizenry.

#### **1. Mandated Services**

The City has a statutory obligation to maintain the City’s Comprehensive Plan consistent with the Oregon Statewide Planning Program and enact land use regulations that implement the Comprehensive Plan (ORS 197.175). These activities involve performing technical studies, amending the land use code and updating the Comprehensive Plan. In the decade from 2010-2019, 34% of the long-range planning projects were mandated by state or federal requirements, 16% were directed by the City Council (i.e. goals) and 50% were initiated from grass roots or citizen advisory commission efforts. In the current decade, 50% or half of the eight

projects thus far are required by state mandates and new state legislation including the Buildable Lands Inventory (BLI) update, amendments to the land use code to allow duplexes (HB 2001), the Housing Capacity Analysis (HB 2003) and the Housing Production Analysis (HB 2003).

Examples of past projects that were required by new state legislation or State or Federal requirements include amendments to the land use and local building codes for the floodplains in Ashland, updates to the flood insurance study and insurance rate map required by the Federal Emergency Management Agency (FEMA), the addition of the Regional Plan to the Ashland Comprehensive Plan, update of the Transportation System Plan (TSP), and ordinance amendments for medical and recreational marijuana home use and businesses. While it is difficult to predict the amount of work that will result from new state legislation or agency requirements (i.e., Governor's Executive Order 20-04 on reducing climate pollution), staff anticipates state land use mandates will stay at the same or increasing levels given statewide concern with housing, homelessness, climate change and COVID-19 pandemic related items.

Long-range Planning program resources were reassigned to the Current Planning program to address a decrease in 1 FTE planner and increases in current development activity in the 2019-2021 biennium. If development activity increases further in the 2021-2023 biennium, additional resources will be reassigned from the Long-range to the Current Planning program. This will translate into possible delays to ongoing long-range planning projects and deferment of new projects.

## **2. Expected Services**

In the past, the Long-range Planning program was expected to perform projects generated by City Council goals as well as those projects initiated at the request of advisory commissions or the general public. Examples of past projects that were generated at the local level include amendments to the Wildfire lands map and development standards, the Normal Neighborhood Plan and land use code, the recent update to the affordable housing standards in the land use code, and the development of the Transit Triangle overlay and land use code.

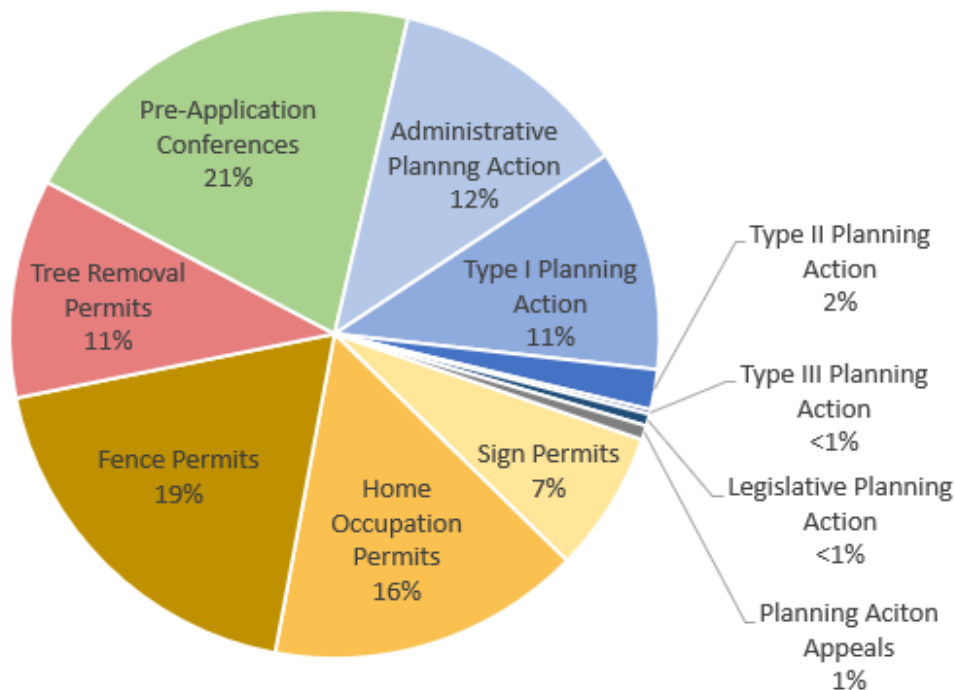
## **3. Discretionary Services**

Long-range Planning program resources are used to support the review of legislative planning actions by the Historic, Tree, Housing and Human Services, and Transportation Commissions. All the aforementioned advisory commissions are assigned an advisory role in the review of amendments to the Comprehensive Plan and land use code in AMC Title 2 Administration.

## ***Current Planning Program***

The Current Planning program assists the public with general inquiries, reviews development proposals, conducts the public noticing and hearing process for development proposals, reviews building permits for compliance with land use

2019-2020 Planning Applications



standards, reviews, issues and inspects ministerial permits such as sign and fence permits, and staffs three advisory commissions and the City's Planning Commission.

### 1. Mandated Services

The City has a statutory obligation to make land use decisions in compliance with the Comprehensive Plan and adopted land regulations (ORS 197.175). Current Planning program resources are necessary to satisfy this state mandate as well as specific state laws which outline the land use process requirements such as public noticing requirements, timelines for land decisions, public hearing requirements and appeal requirements. The Planning Commission serves as the body that largely satisfies the Statewide Planning Program Goal 1 Citizen Involvement [OAR 660-015-0000(1)] as well as the requirement for a Citizen Involvement Committee (CIC) which is reflected in the Ashland Comprehensive Plan.

AMC 18.5.1.050.C requires a decision on Type I planning applications within 45 days of when an application is deemed complete. In contrast, state law requires cities to make a final decision on a land use application with 120 days after the application is deemed complete (ORS 227.178). The use of the shorter 45 days to make a final decision for Type I applications is an example of the City's past emphasis on customer service. Reductions in Current Planning program resources make it difficult to meet the 45-day approval standard. The municipal code may need to be amended to reflect the longer approval period of 120 days allowed by state law and/or public office hours evaluated and possibly reduced.

## **2. Expected Services**

Provide mandated Current Planning program services with a high emphasis on clarity, accessibility, and customer service. Assist other city departments on areas of mutual concern, such as coordinated development services and implementation of council goals.

The Current Planning program attempts to meet its adopted customer services targets as identified in the Community Development Operational and Organizational Review. This includes response time goals such as returning customer inquiries (i.e., phone calls and emails) within 24 hours and finishing completeness reviews of land use applications within seven days. The customer service targets may need to be reexamined and likely adjusted to allow for longer response times and completeness of reviews.

## **3. Discretionary Services**

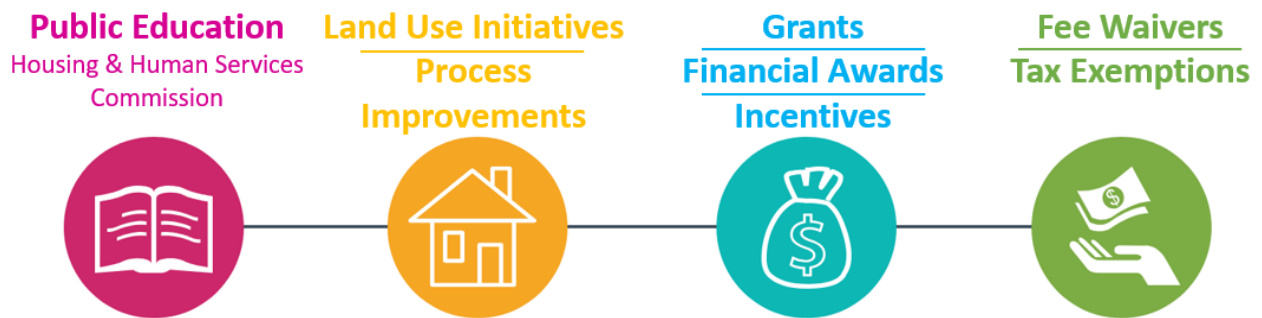
Current Planning program resources are used to support the Historic, Public Arts and Tree Commissions. The Historic Commission is assigned an advisory role in planning application review for conformance with Historic District Design standards (AMC 2.24.040.D) and the Tree Commission is assigned an advisory role in planning applications for conformance with Tree Removal and Preservation standards (AMC 2.25.040.1). Approximately 16% of planning applications are reviewed by the Historic Commission and all tree removal permits are reviewed by the Tree Commission. The Historic, Public Arts and Tree Commissions are established in the municipal code in AMC 2.24, 2.25 and 2.29 respectively.

Ashland was designated as a Certified Local Government (CLG) by the National Park Service in 2000. As a CLG, the City must meet certain qualifications to receive the CLG certification including having a locally appointed body of a variety of experts in the historic preservation field and general citizens to oversee the City's historic preservation program. The Historic Commission fulfills this CLG requirement. The CLG designation qualifies the City to receive federal grants through Oregon State Historic Preservation Office (SHPO) and additional technical assistance.

## ***Housing Program***

The Housing program is responsible for various activities to address the unmet housing needs within the community. There is no single means of adequately addressing the housing issues facing the City so a comprehensive approach toward program development has evolved over time to ensure all available tools are used to increase the supply of affordable housing and address the social service needs of residents of the community. The housing program specialist works closely with the Housing and Human Services Commission, the Planning Commission, and the City Council to accomplish the objectives identified by Council Goals. The focus of the Housing program includes the provision of financial assistance to non-profit organizations through Community Development Block Grants, Affordable Housing Trust Funds and Social Service Grants. Additionally, the administrative work of the housing program specialist includes coordination with other City departments, a

variety of public and private organizations, contractors, citizen groups, and the general public in developing or maintaining housing and social service programs.

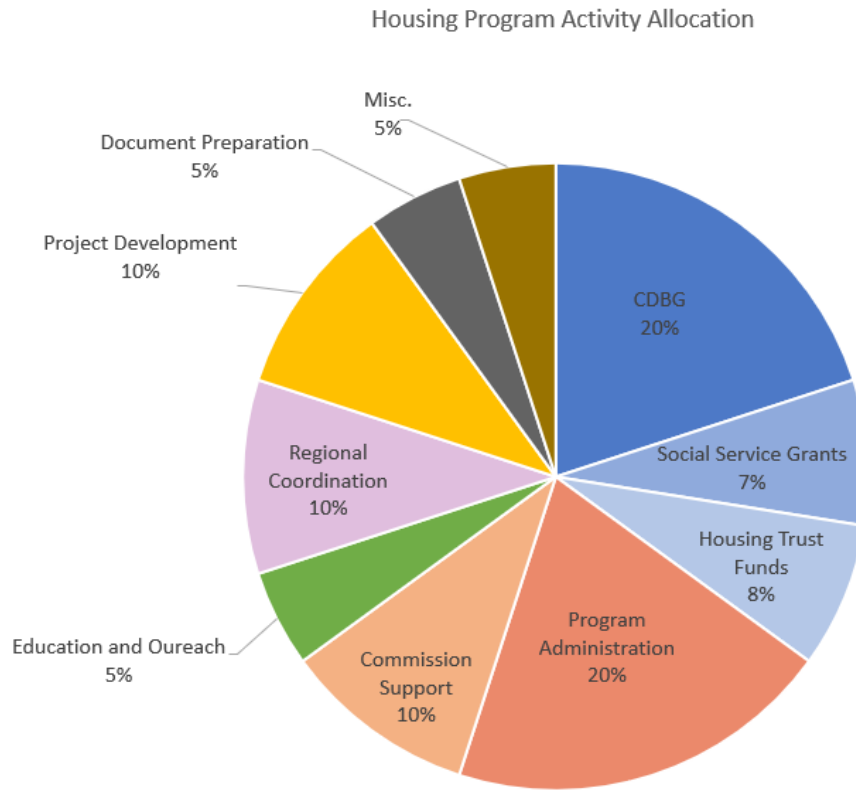


### 1. Mandated Services

The Ashland City Council has consistently promoted the development of policies to support and expand workforce housing and regulated affordable housing within the City, and engagement and collaboration with regional efforts to address homelessness. Land use standards regulating affordable housing were amended in 2020 (ORD 3195) to continue efforts to maintain affordable housing developed through annexations, zone changes, condominium conversions, and as secured through financial contributions from the City including Community Development Block Grants, system development charge fee waivers, and Housing Trust Funds. Regulation of affordable housing to ensure it remains in compliance with the program requires household income verification and review of sales and rental agreements at any change of tenancy through the terms of affordability.

The City of Ashland is designated as an entitlement community for the federal Community Development Block Grant (CDBG) program. Administration of the City's CDBG program to ensure compliance with HUD regulations is a condition of receiving CDBG funds. Were the City to opt out of the program, the City would still be obligated under existing contracts to carryout subrecipient monitoring for a minimum of seven years following the award of funds.





## 2. Expected Services

The Housing program provides regulatory oversight of all affordable housing within the City, including the development and review of contracts, deed restrictions, household income verification and monitoring of rents or sales prices through review of purchase agreements and tax information. Housing program staff conduct studies and collect data to determine housing needs and provide policy recommendations related to the City's housing programs to ensure that the distribution of limited resources and the application of regulatory requirements meet identified housing needs and address City Council Goals.

The Housing program provides grant administration services for the City's Social Service Grant program, CDBG program and Affordable Housing Trust Fund. The Social Service Grant program distributes general funds to agencies and organizations that work to improve the lives of its most vulnerable citizens. The City of Ashland Resolution 86-35 was adopted in recognition that: *"the funding of health care and social service needs is an important City function which contributes to the health and well-being of the citizens of Ashland."* The City of Ashland established the Affordable Housing Trust Fund in 2008 (Ordinance 2966) and funding for the AHTF comes from an annual allocation of \$100,000 from Marijuana Tax Revenue.

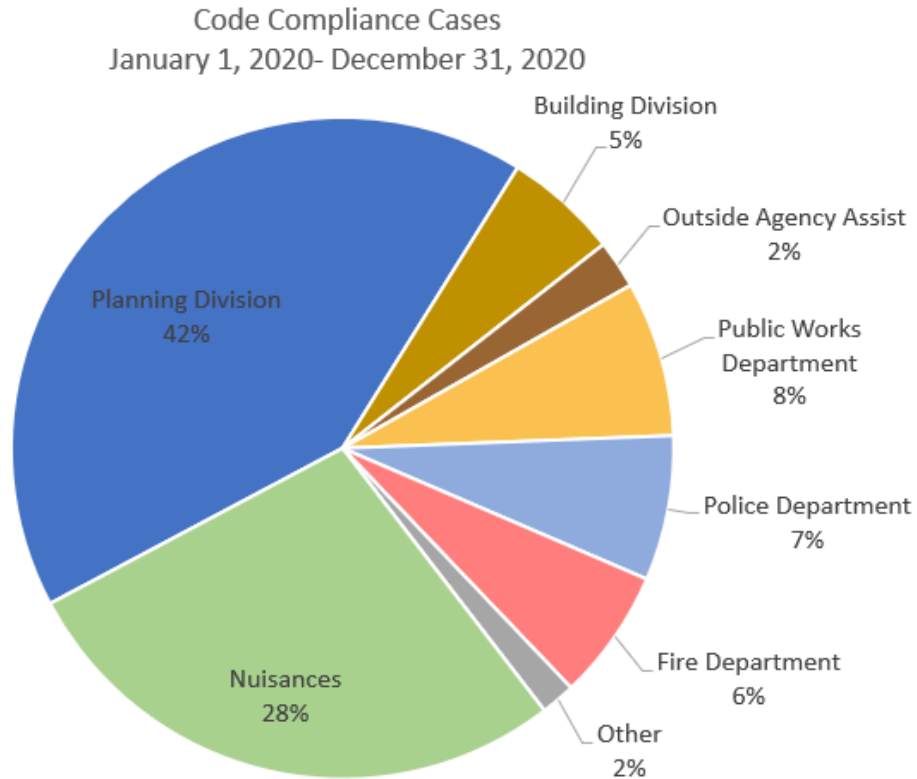
Housing program resources are used to support the Housing and Human Services Commission. The Commission duties involve review of and making recommendations on CDBG allocations and grant awards, on the Ashland Housing Trust Fund and related allocations and to monitor projects funded with CDBG, City of Ashland Social Service Grants and the Ashland Housing Trust Fund. The Commission is established in AMC 2.19

### **3. Discretionary Services**

The Ashland City Council has consistently promoted the development of policies to support and expand workforce housing and regulated affordable housing within the City, and engagement and collaboration with regional efforts to address homelessness.

#### ***Code Compliance Program***

The code compliance specialist is responsible for responding to calls for service and addressing a variety of complaints related to potential infractions of Ashland's Municipal Code. It is common for a substantial portion of the position's time to be directed at land use and zoning issues, building safety and actions impacting environmentally sensitive areas. Many factors influence code compliance activity including the time of year, increases in development and construction activity, as well the adoption of additional City codes. The code compliance specialist responds on average to approximately 800 calls for service annually, with a daily active case load of between 30-50 cases. The position works closely with many City departments, as well as State and Federal agencies to provide a comprehensive and coordinated response.



### 1. Mandated Services

AMC Chapter 1.08 – General Penalties provides the authority for the code compliance specialist to seek compliance and enforce all the provisions of the municipal. The code compliance specialist has the authority to investigate infractions related to buildings and property after first making a reasonable effort to secure permission by the owner or other person having charge of the premises.

### 2. Expected Services

Resolving complaints and seeking agreed upon compliance through mediation and a solution-oriented approach is expected, rather than impersonal enforcement and the presenting of citations in City's municipal court.

### 3. Discretionary Services

The nature of the position and assortment of inquiries often creates opportunities to employ non-conventional techniques. While time-consuming, settling a long-standing neighborhood nuisance through the soliciting of community volunteers can result in more resilient communities and achieve long-standing results.

## **Performance Measures:**

### ***Long-range Planning Program***

- Performance Measure #1: Initiate and complete state mandated Comprehensive Plan updates, land use code amendments and technical studies in accordance with the timelines and deadlines in state law.
- Performance Measure #2: Initiate long-range planning efforts at the direction of the City Council or Planning Commission that include plan timelines for adoption and implementation.

### ***Current Planning Program***

- Performance Measure #2: Median review time to process a land use application. Target is 45 days for Type I applications and 120 days for Type II applications.

### ***Housing Program***

- Performance Measure #1: Award and delivery of Social Service Grants, Affordable Housing Trust Funds, and Community Development Block Grants to eligible projects.
- Performance Measure #2: Quantify the number of homeless individuals, or those at risk of homelessness, that receive direct benefits from city supported activities. While the impact of homelessness may be reduced through supported activities, the number of individuals and families experiencing homelessness can rise or fall due to broader socio-economic factors beyond the City's control.

### ***Code Compliance Program***

- Performance Measure #1: 24- hour response to land use ordinance complaints related to public safety and potential hazards.
- Performance Measure #2: 72-hour response to complaints related to general land use and zoning requirements.

<b>Housing</b>						
	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Material and Services	\$ -	\$ 300,000	\$ 65,118	\$ 100,000	\$ 49,079	\$ 1,000
Total	\$ -	\$ 300,000	\$ 65,118	\$ 100,000	\$ 49,079	\$ 1,000

<b>CDBG</b>						
	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 30,691	\$ 32,189	\$ 49,323	\$ 35,495	\$ 34,641	\$ 37,163
Material and Services	83,291	106,545	188,933	140,389	346,468	151,638
Total	\$ 113,982	\$ 138,734	\$ 238,256	\$ 175,884	\$ 381,109	\$ 188,801

**Community Development Department – Planning Division**

<b>Social Service</b>						
	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Material and Services	\$ 134,000	\$ 134,000	\$ 134,000	\$ 134,000	\$ 134,000	\$ -
Total	\$ 134,000	\$ 134,000	\$ 134,000	\$ 134,000	\$ 134,000	\$ -

## ***BUILDING DIVISION***

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### **Description:**

ORS 455.467 requires the building inspection program to approve a permit application within ten business days of receiving a complete application for plan reviews of simple low-rise residential dwellings. For commercial reviews, the statute requires the building inspection program develop a reasonable process for plan review services. The building inspection program plan is required to be updated every four years to ensure the needs of the department, and participants, are being met (ORS 455.148).

OAR 918-020-0090 mandates municipalities to administer and enforce a building inspection program. These standards cover requirements that must be identified for compliance through the Oregon Building Codes Division. The local program is reviewed for compliance and renewed every four years (OAR 918-020-0070). Building plan examiners and inspectors are also required to maintain key certifications at the state level in order to administer program requirements. Code cycles are updated every three years and continuing education and code update classes are required to maintain these certifications.

OAR 918-020-0010 addresses expected cooperation between local municipalities and the Oregon State Fire Marshal's local designee to consider uniform fire code in the plan review process.

### **Accomplishments:**

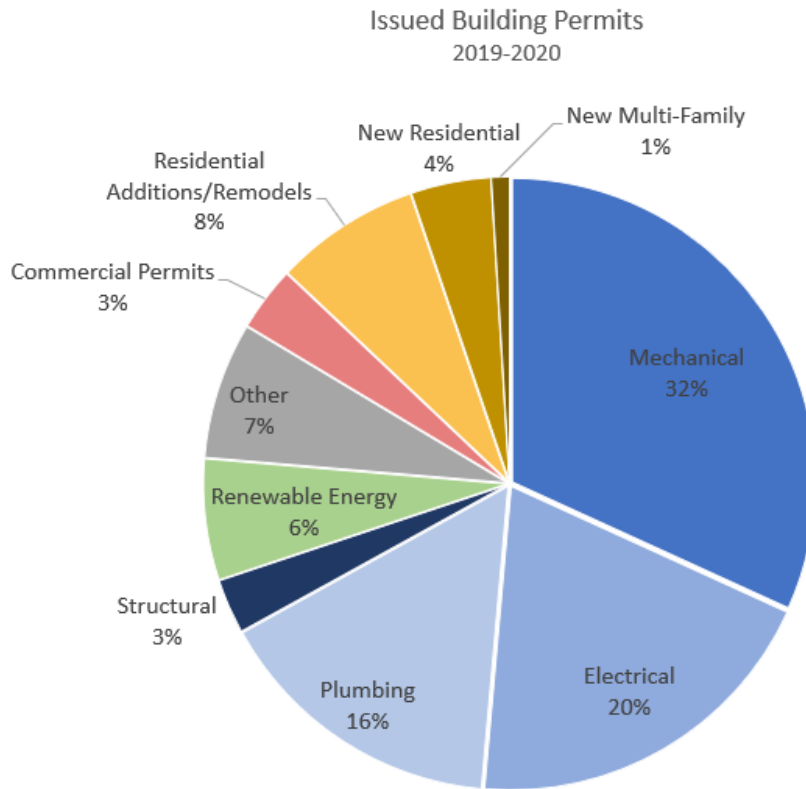
- Implemented new building permit fee schedule to achieve greater cost recovery of the building program.
- Transitioned to a 100% digital plan submittal, review and approval process using EnerGov and BlueBeam software to operate under COVID-19 restrictions.
- Completed review and issued construction permits for a number of large-scale projects throughout the city, including: major renovations and new building additions at Hellman Elementary and Ashland Middle School; Snowberry Brook II, a 60-unit affordable housing project at Villard and Engle Streets; Plaza East Building, Oregon Shakespeare Festival's housing project located on Lithia Way; seismic and remodel of Southern Oregon University's Britt Hall; renovation and addition at SOU's Lithia Motor Pavilion; Park Square Apartment Complex; and Ashland's first cottage housing development located at Laurel St.
- Reviewed and issued 2,066 building permits and conducted over 7,700 inspections from January 1, 2019 to December 31, 2020.

### **Significant Changes in Service:**

The Building Division implements Oregon's Statewide Building Codes program by administering a comprehensive municipal building inspection and plan review program. Building permit applications are reviewed for consistency with statewide building codes for all residential and commercial projects within the city. Everything from a minor home remodel to large commercial developments undergo a thorough review process to

## Community Development Department – Building Division

ensure construction plans meet building code requirements. Following permit issuance, projects undergo a series of inspections during the construction stage to verify the work being done is consistent with the approved plans and all fire and life safety measures are met. The Building Division also works closely with the City's Fire, Electric and Public Works departments to coordinate approval requirements to ensure state and local requirements are met.



### 1. Mandated Services

The City has a statutory obligation to administer and enforce an approved building inspection program, and must establish and maintain the minimum standards, policies, and procedures set forth by OAR 918-020-0090. In addition, AMC 15.04.020 requires timely inspections and review of construction documents for structural, mechanical, plumbing, and electrical work.

These standards require that adequate funds, equipment and other resources necessary to administer and enforce the building inspection program. The program needs to account for all revenues collected and expenditures made relating to administration and enforcement of the building inspection program. The program must adopt a process for receiving public inquiries, comments and complaints, and a process to receive and respond to customers' questions regarding permitting, plan review and inspections. The City is required to provide a location where permits can

## Community Development Department – Building Division

be purchased, and reasonable time periods must be set on days the permit office is open, excluding weekends, and holidays.

The State of Oregon adopts new building codes every three years. Building inspectors and plans examiners are required to study for and attend the code change classes and enforce the newly adopted codes. Structural, energy, mechanical, electric, and plumbing are all individual discipline areas that are updated every three years, for both residential and commercial codes. Residential and commercial codes stagger their updates every other year.

### 2. Expected Services

Provide mandated building program services with a high emphasis on clarity, accessibility, and customer service. Assist other city departments on areas of mutual concern and implementation of council goals.

### 3. Discretionary Services

Customer service support for general inquiries on construction projects and research services for permitted activities. Ashland residents and businesses rely on the Building Division to provide accurate and timely information on current activities, prior uses, and detailed permitting and inspection history. The Building Division provides a variety site specific information to property owners, tenants, contractors, realtors, development professionals, and the general public to provide detailed information to assist them in planning and budgeting for the future endeavors.

### Performance Measures:

- Performance Measure #1: Building permits approved within ten business days of receipt of complete application.
- Performance Measure #2: Building inspections conducted within 24 hours of request.

Building						
	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 291,234	\$ 446,095	\$ 486,562	\$ 516,610	\$ 631,661	\$ 636,542
Material and Service:	414,857	271,093	306,793	331,939	63,596	63,596
Total	\$ 706,091	\$ 717,188	\$ 793,354	\$ 848,549	\$ 695,257	\$ 700,138





## Electric Department

### ELECTRIC DEPARTMENT OVERVIEW

The Electric Department, also known as the Electric Utility, is responsible for the safe and reliable delivery of electricity to residents, businesses, educational, medical, government, and commercial enterprises within the urban growth boundary of Ashland. Given the important part electricity plays in our daily lives, the Electric Utility provides an essential service to the citizens of Ashland.

With seventeen employees, the Electric Department maintains the Reeder Gulch generating station; provides electric service to over 12,500 customers; services 76 miles of underground and 53 miles of overhead lines; maintains 2,600 power poles, over 2,000 transformers, and more than 1,850 streetlights. In addition, the department is responsible for the operation and maintenance of the distribution (City) side of Mountain Avenue and Nevada Street substations.

The Department actively inspects and performs maintenance on the electric system to provide our City's citizens a reliable electrical supply and to minimize service interruptions. The Department has earned national recognition from the American Public Power Association (APPA) for Excellence in System Reliability in 2015, 2016, and 2018. In the most recent Ashland National Citizens Survey, 86% of Ashland's residence rate the Electric Utility as excellent or good.

The Electric Utility obtains its energy locally from Reeder Gulch hydro generating station, net-metered accounts (primarily solar), and regionally from the Bonneville Power Administration (BPA).

#### **Goals:**

- Maintain or improve performance metrics.
- Purchase Mountain Avenue Substation from BPA.
- Complete Hersey St. project- wire and equipment.
- Update cost of service and rate design.
- Perform Short-Circuit and Protection Device Coordination Study.
- Install Self-Healing automated switching equipment.
- Add second transformer at Mountain Ave. substation.
- Upgrade Reeder Hydro generator for increased output.
- Replace aging underground cable.

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 2,284,224	\$ 2,468,048	\$ 2,610,314	\$ 2,958,093	\$ 3,156,473	\$ 3,188,024
Material and Services	12,451,039	12,432,177	12,729,577	14,117,853	13,552,819	13,555,623
Capital Outlay	248,053	1,074,837	389,692	1,457,000	975,000	275,000
Debt Services	-	-	-	-	221,812	221,812
Total	\$ 14,983,315	\$ 15,975,063	\$ 15,729,583	\$ 18,532,946	\$ 17,906,104	\$ 17,240,459

**Electric Department****Distribution**

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 2,284,224	\$ 2,468,048	\$ 2,610,314	\$ 2,958,093	\$ 3,156,473	\$ 3,188,024
Material and Services	4,302,015	4,287,215	4,388,991	4,561,616	4,862,819	4,689,623
Capital Outlay	248,053	1,074,837	389,692	1,457,000	975,000	275,000
Total	\$ 6,834,292	\$ 7,830,101	\$ 7,388,997	\$ 8,976,709	\$ 8,994,292	\$ 8,152,647

**Supply**

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Material and Services	\$ 7,257,773	\$ 7,217,533	\$ 7,446,726	\$ 8,203,553	\$ 7,590,000	\$ 7,738,500
Total	\$ 7,257,773	\$ 7,217,533	\$ 7,446,726	\$ 8,203,553	\$ 7,590,000	\$ 7,738,500

**Transmission**

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Material and Services	\$ 891,251	\$ 927,429	\$ 893,860	\$ 1,352,684	\$ 1,100,000	\$ 1,127,500
Debt Services	-	-	-	-	221,812	221,812
Total	\$ 891,251	\$ 927,429	\$ 893,860	\$ 1,352,684	\$ 1,321,812	\$ 1,349,312

## Parks and Recreation Department



## **PARKS AND RECREATION DEPARTMENT OVERVIEW**

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*The mission of APRC is to provide and promote recreational opportunities and to preserve and maintain public lands.*

Over the last year, our staff have worked together to establish “Values Statements” for APRC.

### ***Community, Education, Pride in Work, and Stewardship***

**COMMUNITY:** We value the cultural, social, and ecological diversity of our community. That’s why APRC is committed to the health of our team, our public and our environment, every day. We are responsive to our community by public processes that build trust through transparency and equity. Our toolkit includes kindness, fairness and a heaping serving of fun!

**EDUCATION:** We believe that learning improves our quality of life. That’s why APRC works collaboratively with partners to cultivate curiosity in our community. We provide accessible opportunities to all, stimulating life-long learning through internal trainings, youth education, recreational programs, publications, and events that both inspire and connect.

**PRIDE IN WORK:** We are inspired to do better and be better. That’s why APRC is committed to excellence through teamwork, innovation and integrity. We hold ourselves professionally accountable to our customers, to our partners, to one another and to ourselves. We love our work, so every day we show up with creativity, compassion and a sense of humor.

**STEWARDSHIP:** We are grateful to be entrusted with public lands. That’s why APRC undertakes careful planning to protect both our natural resources and our fiscal sustainability. As stewards, we take a long view of our responsibility, and we work together with our community and volunteers striving to enhance the beauty, diversity and ecological integrity of our parks.

Since December 1908, when the Ashland City Charter was amended, APRC has been overseen by a five (5) member, elected Commission. The Commissioners have control and management of all City land and facilities for park purposes. In addition, the Commissioners have control and management over all park funds.

### **Accomplishments:**

- The Trails Master Plan was approved, and the Lithia Park Master Plan was finalized.
- The donation funded Japanese Garden Landscape Redesign Project was approved, and construction started at the end of 2020.
- Completed construction of the grant-funded Nature Play Area at North Mountain Park

## **Parks and Recreation Department**

- The Pickleball and Tennis courts were resurfaced at Lithia Park and Hunter Park in the fall of 2020.
- APRC began an extensive Cost Recovery Project in September of 2020 that focuses on the entire department costs and services.

APRC is overseen by five elected Commissioners. For current Commission goals, visit <https://www.ashland.or.us/APRCGoals>

The goal of APRC is to maintain and expand park, recreational and educational opportunities and provide high quality, efficient and safe services with positive experiences for guests and other participants while maintaining community participation in the decision-making processes and protecting the environment while being fiscally responsible.

**Goals:** *See division sections for division specific goals.*

### **Significant Changes in Service:**

Since the declaration of the emergency was announced by the State and the City of Ashland, APRC staff has been heavily involved in the emergency response. APRC Director Michael Black serves on the Emergency Operations Center (EOC) as the Care and Shelter Branch leader and many other staff have been involved in EOC actions. Some of those are:

- Coordination with regional homeless groups in developing a homeless service response to the pandemic that included:
  - Placement of 24-hour portable toilets and hand-wash stations around town and in proximity to food drop-off locations.
  - Creation of a car camping system at three locations in town to address homeless needs.
  - Coordinate with OHRA to operate their shower trailer for homeless.
- Coordinating and providing staffing for Ashland Adopt a Neighbor, that is detailed in the SSD section below.
- Creation and dissemination of public health announcements and signage related to physical distancing guidelines, closure of facilities and programs, and public assistance services
- Creation of remote recreation opportunities through the “Find Your Space” program that has been highlighted by the National Recreation and Parks Association.

All recreation programs were closed at the end of March and remain closed today. The only exception is the golf course and some Volunteer in Parks (VIP) opportunities. Our office buildings, rec centers and other facilities remain closed. School programs, service



learning, in-person learning, the Ashland Rotary Centennial ice rink, and Daniel Meyer Memorial Pool are all currently closed.

Although Ashland Senior Center and other facilities are closed, essential services to seniors continue, and the Senior Services Division has developed several alternative programs to serve older adults remotely during this time of physical distancing:

- Information and referral via phone/email/website and help linking seniors to current community services.
- Phone outreach to vulnerable seniors.
- Senior Phone Buddy program which matches seniors to another senior for phone/video chat check-ins and socializing.
- Collaboration with Adopt a Neighbor Ashland which matches volunteers to at-risk neighbors for help with shopping and errands.
- Community service assistance from YMCA staff for seniors with special needs not currently met by other community resources.
- Remote computer tutoring by a volunteer on issues related to staying at home, such as setting up a Zoom account, figuring out online food delivery programs, or accessing online learning content.

In addition, our partner, Rogue Valley Council of Governments, continues to operate a modified Food & Friend/Meals on Wheels program from Ashland Senior Center for home delivery and scheduled meal pick up. Capacity has expanded with additional emergency funding for senior nutrition.

*Operations and Budget Impacts due to the COVID-19 pandemic-*

Since the announcement of COVID 19 restrictions in Oregon in late March, APRC has been experiencing losses to projected revenue that are unprecedented. Since the first announcements of virus-related physical restrictions, by the Governor on March 12, 2020, APRC has been ordered to stop in-person events, activities and programs that bring most of the revenue that supports our Recreation Division. None of the projected recreation revenue has been collected. On May 1, we reopened the Oak Knoll Golf Course with physical distancing requirements.

To address the loss in revenue due to COVID-19, the following actions have already been taken to address the loss of revenue, as reported:

1. Staff who can be assigned to direct COVID-19 response efforts have been redeployed whenever possible. APRC is responsible for care and shelter in the City EOC, and our staff is engaged in those response efforts. Most of the staff involved with response efforts are in the Recreation Division, which will potentially allow for some reimbursements from federal disaster relief funding. Unfortunately, we do not know how much or when we will see this relief, if at all.

## Parks and Recreation Department

2. All line items in the current biennial budget have been re-evaluated, and the following line-item reductions have been made:
  - a. Park Patrol
  - b. Park Improvements
3. No realistic alternative revenue sources during the COVID-19 restrictions have been identified.
4. All part-time temporary staff have been laid-off due to lack of work associated with the recreation and park shutdown.
  - a. A total of eight part-time temporary employees were laid off, through FY2019-2020.
5. The following full-time positions/staff were also laid-off through FY2019-2020.
  - a. Recreation Office Assistants – 2.75 FTEs – these positions are usually tasked with answering phones, setting up reservations, signing customers up for classes and acting as greeters for the Grove Recreation Center and the Nature Center during busy times.
  - b. Parks Superintendent – 1.0 FTEs – The duties of the Parks Superintendent are largely administrative. This position is usually responsible for the administration of the park's maintenance division, budget management, and employee oversight of parks supervisors.
  - c. Parks Custodial Workers – 2.0 FTEs – these positions are usually tasked with cleaning park restrooms in 18 parks and several facilities.
6. Cost of Living Allowance (COLA) increase was not issued for the fiscal year FY2020-2021.
7. APCR Staff taking one furlough day per month for FY2020-2021

**Performance Measures:** *See division sections for division specific performance measures.*

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 3,600,645	\$ 4,032,388	\$ 4,212,216	\$ 4,699,426	\$ 4,370,993	\$ 4,400,497
Material and Services	2,193,544	2,252,431	2,157,147	2,335,345	3,222,979	3,240,855
Capital Outlay	571,904	270,756	534,428	3,290,000	2,984,000	7,135,000
Total	\$ 6,366,093	\$ 6,555,576	\$ 6,903,791	\$ 10,324,770	\$ 10,577,972	\$ 14,776,352



## ***PARKS DIVISION***

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*Administration*-Parks Administration oversees the operation, maintenance, construction, and planning for park and recreational facilities, including developing new parks and administering open space areas. Administration is responsible for providing oversight and support to Parks Operations, Recreation and Senior Services. Goal setting, property acquisition, budgeting, contracting, commission and subcommittee activities, stakeholder/partner relations, public outreach and promotions coordination are included in the many roles served by the administration team.

*Parks Operations* -This department includes urban forestry and environmental and ornamental horticulture and is responsible for maintaining trees within the urban setting that are safe, functional, and aesthetically pleasing to park users. Staff manages healthy, diverse, and functionally effective natural areas (including riparian corridors) that enhance habitats for wildlife and control erosion while providing aesthetic and educational values to park users.

- Providing parks that are well-canopied with trees and safe for park users
- Planting appropriate species to enhance the effectiveness of natural areas
- Controlling erosion
- Managing native species
- Controlling problematic non-native species
- Enhancing users' appreciation of park environments
- Being historically sensitive about types of plants used in historic parks
- Integrating aspects of environmental horticulture with ornamental horticulture – e.g., using ornamental plants that are also used by wildlife

The Parks Division maintains athletic fields at North Mountain Park and Hunter Park. Athletic fields that include two baseball fields, two softball fields, one soccer field and two Little League fields. Goals of this program include:

- Implementing appropriate turf management principles and schedules for maintaining turf areas
- Maintaining vigorous and healthy stands of turf that are safe and appropriate for park users
- Mowing in such a manner as to ensure healthy and safe turf areas

*Open Space and Trails*- This department manages 577 acres of parks forest lands and 51 miles of city trails/trail routes. Forestry preserves and improves wildlife habitat and manages for biological diversity of native plants and animals while controlling non-native problematic species. A major focus is reducing fire danger on Parks-managed forest lands in cooperation with Ashland Fire, USFS, the Forest Lands Commission, Wildfire Commission and other agencies. Responsibilities include:

- Preserving and improving wildlife habitat.
- Managing for environmental values (air and water quality, soil health).
- Providing for and managing recreational use of parklands

## Parks and Recreation Department – Parks Division

- Reducing fire danger on Parks-managed forest lands in cooperation with Ashland Fire, USFS, the Forest Lands Commission, and other agencies.
- Encouraging and maintaining a healthy ecosystem while incorporating multiple values of ecosystem health.
- Expanding trails opportunities by working with the Planning Department, AWTa, USFS, volunteers, and others.
- Improving trails for safety, access, water erosion mitigation, and ADA possibilities.
- Providing and creating functional and effective natural areas and obtaining all necessary permits.
- Providing other services to produce high levels of public satisfaction.
- Performing construction work on Parks projects, including infrastructure improvements.

### **Goals:**

- Continue efforts to improve operational efficiencies, cost cutting, revenue generating and best practices.
- Organize and create APRC Policies – place on website for transparency to the Ashland Community and for the use of staff.
- Develop parks development standards and guidelines.
- Continue to improve trails and explore trail opportunities consistent with the Trails Master Plan throughout the City.
- Research and identify opportunities to improve operations and implement sustainable practices that are environmentally friendly.

### **Performance Measures:**

#### *Open Space/Trails Performance Measures*

<b><i>Open Space/Trails Performance Measures</i></b>	<b>Actual 2015</b>	<b>Actual 2016</b>	<b>Actual 2017</b>	<b>Actual 2018</b>	<b>Actual 2019</b>
Acres treated/retreated for fuels reduction	75	87	142	82	170
Number of piles burned	1,442	255	2,207	112	816
Piles chipped*	585	600	623	637	797
Miles of trail maintained	34	46	50	50	53
Number of injuries reported	0	0	2	2	0
Noxious weeds treated in acres	97	43	75	80	120
Weed abatement program in acres	26	59	65	65	65

\*Chipping piles have replaces burning when available

**Parks and Recreation Department – Parks Division**

*Horticulture/Arboriculture Performance Measures*

<b><i>Horticulture/Arboriculture Performance Measures</i></b>	<b>Actual 2015</b>	<b>Actual 2016</b>	<b>Actual 2017</b>	<b>Actual 2018</b>	<b>Actual 2019</b>
In-house Pruning and Removal	341	605	349	340	394
Number of new trees planted	84	81	45	116	81

Note: Above numbers are approximate.

*Recreation Performance Measures*

<b><i>Recreation Performance Measures</i></b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019-20</b>
Total number of volunteer hours	15,109 hours, Equivalent to 7.26 FTE	16,364.10 hours, Equivalent to 7.87 FTE	15408.50 hours, Equivalent to 7.87 FTE	13,575 hours, Equivalent to 6.53 FTE	12,693 hours, Equivalent to 6.10 FTE
Participation numbers for recreation programs*	29,447	36,070	38,252	39,374	Meet or exceed participants
Cost Recovery rate at the Daniel Meyer Pool	34%	50%	61%	55%	Meet or exceed % cost recovery
**Total rounds of golf at the Oak Knoll Golf Course	17,859	16,619	14,300	11,400	Meet or exceed 2018 rounds

\*Includes ice rink, pool, Nature Center school programs and general recreation classes

\*\* Quantified rounds of golf differently starting in 2018

*Volunteer-in-Parks Program (VIP)*-in 2019 1,587 volunteers, 12,693 hours of service, equivalent to 6.10 full time employees

*Ashland Senior Center in Hunter Park*-provided 7,500 visits to classes/services and hosted delivery of 15,000 meals for seniors

*North Mountain Park Nature Center*-2,005 elementary students attended school field trips,

*Ashland Rotary Centennial Ice Rink in Lithia Park*- approximately 20,000 patrons hit the ice for the 2019/2020 Season

## Parks and Recreation Department – Parks Division

### Administration

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 412,168	\$ 460,413	\$ 512,262	\$ 533,923	\$ 370,323	\$ 374,400
Material and Services	614,949	611,554	764,184	784,863	1,553,903	1,555,684
Total	\$ 1,027,118	\$ 1,071,966	\$ 1,276,446	\$ 1,318,786	\$ 1,924,226	\$ 1,930,084

### Construction

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Material and Services	\$ 57,754	\$ 30,999	\$ 8,574	\$ -	\$ 202,000	\$ 202,000
Capital Outlay	261,363	124,575	343,387	3,090,000	2,849,000	6,985,000
Total	\$ 319,117	\$ 155,574	\$ 351,962	\$ 3,090,000	\$ 3,051,000	\$ 7,187,000

### Forestry

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ -	\$ -	\$ 418,779	\$ 410,919	\$ 587,311	\$ 591,194
Material and Services	-	-	53,710	86,675	77,650	77,770
Capital Outlay	-	-	8,767	-	-	-
Total	\$ -	\$ -	\$ 481,257	\$ 497,594	\$ 664,961	\$ 668,964

### Operations

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 1,868,396	\$ 2,028,639	\$ 1,592,558	\$ 1,848,818	\$ 1,662,890	\$ 1,672,241
Material and Services	989,960	1,046,063	860,831	923,860	874,475	877,975
Capital Outlay	4,831	5,090	39,683	50,000	85,000	50,000
Total	\$ 2,863,186	\$ 3,079,791	\$ 2,493,071	\$ 2,822,678	\$ 2,622,365	\$ 2,600,216

### Purchasing & Acquisition

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Material and Services	\$ -	\$ -	\$ 1,336	\$ -	\$ -	\$ -
Capital Outlay	305,710	141,092	142,591	150,000	50,000	100,000
Total	\$ 305,710	\$ 141,092	\$ 143,927	\$ 150,000	\$ 50,000	\$ 100,000

## ***RECREATION DIVISION***

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The Recreation Division provides recreational and educational opportunities for participants of all ages and abilities including aquatics, health and fitness classes, environmental education programs and lifetime activities.

The Division oversees operations of the Daniel Meyer Memorial Pool, Ashland Rotary Centennial Ice Rink, Volunteers in Parks Program (VIP), North Mountain Park Nature Center, Calle Guanajuato, indoor and outdoor facility rentals, and adult, youth, and adapted recreation programming. The Division also coordinates and operates special events including the Rogue Valley Bike Swap, Rogue Valley Bird Day, Ashland World Music Festival, Rock the Knoll Concert Series at Oak Knoll Golf Course, 4th of July Run and the Bear Creek Salmon Festival.

### *Amenities-*

- 18 parks in city limits (including one Dog Park)
- Play structures at 11 of the 18 parks
- Nature Play Area at North Mountain Park
- 781 acres of parkland (including sport fields at North Mountain Park and Hunter Park used by local schools and athletic clubs)
- Ashland Senior Center in Hunter Park
- 36 par, 9-hole Oak Knoll Golf Course
- 4 community garden plots (Scenic, Clay, Ashland Creek and Garden Way Parks)
- North Mountain Park Nature Center
- Ashland Rotary Centennial Ice Rink in Lithia Park
- Community pool in Hunter Park
- Basketball in Garfield Park & Briscoe Park
- Community Skate Park
- Tennis in Hunter Park and Lithia Park
- Pickleball in Lithia Park
- Bike Polo in Hunter Park
- Volleyball in Lithia Park and Garfield Park
- Bocce Ball in Sherwood Park
- Horseshoes in Lithia Park
- Ping pong tables at Hunter Park and the Grove

### *Community Events -* APRC hosts several annual events including:

- Rogue Valley Bike Swap,
- Rogue Valley Bird Day,
- Ashland World Music Festival

## Parks and Recreation Department – Recreation Division

- Silent Disco & Movies in the Park,
- Ashland Pollinator Garden Tours,
- Rock the Knoll Concert Series at Oak Knoll Golf Course
- 4<sup>th</sup> of July Run,
- Guided Lithia Park Walks- May through September,
- Bear Creek Salmon Festival,
- Senior Events such as Ice Cream Social, Summer Cookout, Britt Concerts, Firefighters Thanksgiving, and Holiday Luncheon,
- First Frost at the Ashland Rotary Centennial Ice Rink, and
- Island Night at the Daniel Meyer Pool.

### **Goals:**

- Complete the evaluation of and pursue funding for a recreation aquatics facility.
- Implement Cost Recovery goals set at the end of the BN2019-2021 budget cycle.
- Research and identify opportunities to improve operations and generate revenue.

Recreation						
	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 866,578	\$ 949,291	\$ 986,655	\$ 1,118,998	\$ 942,562	\$ 949,319
Material and Services	346,350	336,153	274,481	375,732	318,027	318,327
Total	\$ 1,212,928	\$ 1,285,444	\$ 1,261,136	\$ 1,494,730	\$ 1,260,589	\$ 1,267,646

**GOLF DIVISION**

This Golden Era Samuel Whiting course design has been enjoyed by locals for almost 100 years. The par 36, 9-hole golf course is characterized by sweeping vistas of the surrounding valley mountains and old growth Oak Trees. The Golf Division operates and maintains the nine-hole Oak Knoll Golf Course, which is Southern Oregon's only municipal golf course. The course is open year-round and features a covered driving range, practice areas and a club house. The Golf Division also manages special events that are booked at the course such as weddings, family reunions, corporate events, and golf tournaments.

<b>Golf</b>						
	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Personnel Services	\$ 365,761	\$ 391,922	\$ 423,566	\$ 474,452	\$ 460,278	\$ 463,369
Material and Services	136,357	162,828	154,788	121,850	150,124	157,249
Total	\$ 502,118	\$ 554,750	\$ 578,354	\$ 596,302	\$ 610,402	\$ 620,618

### ***SENIOR SERVICES DIVISION***

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This division enhances the lives of seniors by promoting healthy aging, well-being, dignity, and independence. Older adults are empowered and valued as contributing members of the community and together advocate for the diverse needs of seniors and their families throughout Ashland. Services include:

- Information and referral to help seniors and their families find needed resources,
- Benefits/application assistance including Senior Health Insurance Benefits Assistance,
- Senior utility and internet discount,
- Free bus passes or Valley Lift vouchers,
- Adopt a Neighbor Ashland,
- Senior Phone Buddy,
- Caregiver resources including dementia caregiver support group,
- Fitness classes including yoga, dance, and tai chi,
- Social activities including game groups, discussion group, and Friday movies,
- Education including computer/device tutoring, art classes, and our monthly lecture series,
- Health promotion programs including blood pressure checks and low-income foot care clinic,
- Social and cultural events throughout the year, and
- RVCOG Food & Friends/Meals on Wheels weekday lunch program.

#### **Goals:**

- Identify and reach frail or vulnerable seniors who may be isolated and connect them to services that could help them maintain independence and well-being.
- Raise community awareness of senior needs, available resources, wide range of seniors/families served, and special Ashland Senior Services Division initiatives.
- Advocate for the needs of Ashland seniors and provide input to the City of Ashland and other entities (such as regional partnerships) regarding policies that affect seniors.
- Evaluate/maintain/improve/add facilities to ensure sufficient, safe, accessible venues for programs and activities.
- Expand services and programs: Provide older adults and their families with information and referrals to services, benefits, and support; diversify programs to serve a wider range of senior ages and needs.
- Implement Cost Recovery goals set at the end of the BN2019-2021 budget cycle



## Parks and Recreation Department –Senior 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	\$ 87,743	\$ 202,124	\$ 278,396	\$ 312,315	\$ 347,630	\$ 349,975
Material and Services	48,174	64,835	39,243	42,365	46,800	51,850
Total	<u>\$ 135,916</u>	<u>\$ 266,959</u>	<u>\$ 317,639</u>	<u>\$ 354,680</u>	<u>\$ 394,430</u>	<u>\$ 401,825</u>

## Non-Departmental

### System Development Charges

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Material and Services	\$ 5,000	\$ -	\$ -	\$ 19,000	\$ -	\$ -
Capital Outlay	432,768	1,011,573	-	-	-	-
Total	\$ 437,768	\$ 1,011,573	\$ -	\$ 19,000	\$ -	\$ -

### Operating Transfers

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
General Fund	\$ 5,481,351	\$ 5,497,400	\$ 5,392,400	\$ 5,497,400	\$ 5,553,439	\$ 3,547,497
Capital Improvement Fund	1,200,000	577,000	110,000	110,000	110,000	110,000
Parks Capital Improvement Fund	328,238	245,045	344,656	349,172	624,172	623,596
Water Fund	250,000	250,000	50,000	250,000	50,000	50,000
Health Benefits Fund	-	-	100,000	100,000	-	-
Cemetery Trust Fund	16,103	23,598	69,988	75,000	65,000	65,000
Total	\$ 7,275,692	\$ 6,593,043	\$ 6,067,044	\$ 6,381,572	\$ 6,402,611	\$ 4,396,093

### Contingency

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
General Fund	\$ -	\$ -	\$ -	\$ 505,209	\$ 1,119,253	\$ 1,096,594
Parks General Fund	-	-	-	75,000	224,309	224,681
Airport Fund	-	-	-	-	2,749	2,753
Street Fund	-	-	-	21,850	138,261	156,635
Capital Improvement Fund	-	-	-	30,000	-	-
Electric Fund	-	-	-	112,500	577,428	551,557
Stormwater Fund	-	-	-	15,000	37,030	37,173
Telecommunications Fund	-	-	-	52,500	74,396	74,686
Wastewater Fund	-	-	-	162,500	183,114	184,274
Water Fund	-	-	-	342,500	232,840	232,004
Equipment Fund	-	-	-	50,000	64,583	65,337
Health Benefits Fund	-	-	-	50,000	170,388	180,168
Insurance Service Fund	-	-	-	-	44,319	48,254
Parks Equipment Fund	-	-	-	-	60	60
Total	\$ -	\$ -	\$ -	\$ 1,417,059	\$ 2,868,730	\$ 2,854,176

# **CAPITAL IMPROVEMENTS PROGRAM**

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## Capital Improvements Program Introduction

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The Capital Improvement Program (CIP) is a living and evolving document that is built upon a foundation of master planning. The CIP requires biennial updates based on updated master plans, changes in need or prioritization, changes in funding mechanisms and changes to goals or policy directions.

Master plans or similar planning documents ensure the corresponding utilities and enterprise funds can accommodate growth and keep infrastructure systems fully operational and meeting regulatory requirements. Master plans enable a long-term plan to be developed and strengthen the intent to present the most responsible infrastructure improvement costs. Master plans assess the existing systems, establish level of service goals, review future demand, develop a plan for capital improvements, operations, and ultimately propose a rate structure and other financial guidance to enable adherence to the plan. Typically, master plans are reviewed and updated every seven to ten years depending upon the system changes and should be evaluated at every two-year budget cycle to update costs and verify priorities. Updates on this frequency ensure inclusion of Council goals, new ordinances, changes in the procedures and development of our community, as well as technology advances.

In addition to each master plan, operational requirements are assessed for capital planning. When major infrastructure replacements are necessary, these projects can often be “capitalized”. This is most easily described with the street division’s pavement condition index (PCI) and the resulting street overlay projects. This is an operational requirement and the condition of each street is not specifically evaluated for the Transportation System Plan. With the Food and Beverage tax being shifted to arterial and collector streets, the basis for prioritization is the PCI. The major repairs and replacement of asphalt are considered capital expenses and as such, included in the CIP.

Staff has added the PCI rating for the roadway rehabilitation projects to provide an understanding of the need to perform street maintenance projects. Staff and the Transportation Commission also recommend a minimum PCI of 70 be a performance metric in the 2021-2023 Biennium and subsequent budgets. Also as specified in Ashland Municipal Code 2.13.030 the Transportation Commission is to make funding recommendations to the Public Works Director on the transportation section of the City’s CIP. The Transportation Commission made a final recommendation at the February 18, 2021 meeting on the transportation CIP section and it has been included in the final document.

The City distinguishes capital projects from general maintenance items. Capital projects are typically for new construction, expansion, major renovations, replacements, or projects that substantially increase the life of an asset. Many projects are multi-year, beginning with planning, design then construction. Some have multiple funding sources

## Capital Improvements Program Introduction

including grants and debt service instruments that are paid back through user fees from each specific enterprise fund.

The document that has been prepared includes a complete list of projects for the 20-year planning horizon for those funds that have plans extending that 20-year period and has detailed descriptions for each of the projects in the initial 6-year period.

Staff has added columns to the CIP spreadsheet document to provide additional information regarding project need. These columns include:

1. Regulatory - infrastructure is due to be upgraded or replaced to ensure regulatory compliance
2. Capacity - infrastructure is deficient in projected capacity needs and upgrades are required to provide for capacity requirements
3. Deficiency - infrastructure is deficient in some manner and correlates with meeting capacity requirements or just a lack of infrastructure in place (example-sidewalk gaps)
4. Life Cycle - infrastructure is at the end of its useful life and due for replacement

### STUDIES

In addition to major capital investment as mentioned above, studies assist in developing programmatic needs moving forward and there are several studies in the six-year outlook that have been identified. Studies include:

1. Water Conservation and Management Plan: The Oregon Health Authority requirement for updating the existing Water Conservation and Management Plan. The update to this plan will also include a refreshed look at climate modeling and its effect on the City's water supply options.
2. Wastewater Treatment Plant In-Vessel Composting Feasibility: This study will analyze the feasibility and provide for up to 30 percent design of an in-vessel composting facility to be located at the treatment plant or Hardesty property site. Composting of sludge could provide numerous benefits to the City, including a reduction in tipping fees to Dry Creek Landfill, reduction in vehicle miles traveled for sludge disposal, reduction in energy costs to process sludge prior to disposal and provide a sustainable compost product for end users.
3. Transportation System Plan Update: The TSP update was planned for the current biennium but due to the pandemic and revenue reductions the update was postponed to the 2021-23 biennium. The update will take advantage of information to be developed in the current Evacuation Time Estimate Study.
4. Americans with Disabilities Transition Plan Update: The update will analyze the current level of accessibility for governmental public buildings to ensure compliance with regulatory requirements.

5. Citywide Facility Plan: The Facility Plan will update space needs and programming for staff facilities with a focus on optimizing the organizational structure to satisfy customer service and public meeting requirements will also providing flexibility for staffing operational changes based on the potential for increased telecommuting by staff. The plan will recommend projects to be implemented in the City Facility Optimization Program.

### FISCAL IMPACTS

Each Department and associated fund must account for the costs of improvements and major maintenance items. Generally, each individual project listed in the CIP document will require numerous independent Council actions including, approval of grants and debt service instruments and approval of engineering and construction contracts. At each level of approval by Council staff will provide the appropriate project need and justification for review and discussion.

Staff is currently working with a consultant financial advisor to update previous rate studies for the water and wastewater systems that includes current CIP information and overall fund health to generate updated rate recommendations.

The final draft of the updated Stormwater and Drainage Master Plan (2020) has an updated financial analysis with formal rate recommendations. Staff is scheduled to provide the Council with a presentation on the outcomes of the Stormwater and Drainage Master Plan including the financial plan and associated regulatory requirements of the newly issued MS4\* permit.

\*MS4: A municipal separate storm sewer system, commonly called an MS4, is a conveyance or system of conveyances, such as roads with drainage systems, municipal streets, catch basins, curbs, gutters, constructed channels or storm drains, owned or operated by a governmental entity that discharges to waters of the state.

All rate recommendations will be brought before the Council at a future date for discussion and deliberation.

Details about each element and project are included on the City's webpage under the Public Works Department tab, [ashland.or.us/Public Works/Capital Improvement Projects](http://ashland.or.us/Public%20Works/Capital%20Improvement%20Projects). Additional study sessions are being scheduled for the Fall and Winter of 2021 and into 2022 to explore the elements of the CIP in-depth and to discuss financing options and implications.

Capital Improvements Plan 2022-2027 Construction Years					Regulatory	Capacity	Deficiency	Life Cycle	Project Totals FY22-FY27						
Project Description															
Roadway					FY21	FY22	FY23	FY24	FY25	FY26	FY27	Project Totals	Street SDC	Other	Fees & Rates
City Wide Chip Seal Project (CMAQ)			X			\$ 53,592						\$ 53,592	\$ -	\$ 468,244	\$ 53,592
Lithia Way (OR 99 NB)/E Main Street Intersection Improvements	X					\$ 73,750						\$ 73,750	\$ 7,375	\$ 66,375	\$ -
Hardesty Site Development & Equipment Storage			X			\$ 80,000	\$ 80,000					\$ 160,000	\$ -	\$ -	\$ 160,000
Clay Street - 300-ft north of Takelma to Siskiyou Boulevard			X			\$ 2,012,500	\$ 3,035,814					\$ 5,048,314	\$ -	\$ 5,048,314	\$ -
20 Is Plenty Program						\$ 25,000	\$ 25,000					\$ 50,000	\$ -	\$ -	\$ 50,000
Grandview Drive Improvements - Phase II								\$ 350,000				\$ 350,000	\$ -	\$ -	\$ 350,000
Walker Avenue Festival Street (Siskiyou Boulevard to Ashland Street)									\$ 200,000	\$ 950,500		\$ 1,150,500	\$ 416,717	\$ -	\$ 733,783
Ashland Street (OR 66)/Oak Knoll Drive-E Main Street Intersection Improvements											\$ 602,851	\$ 602,851	\$ 60,285	\$ 542,566	\$ -
Normal Avenue Extension											\$ 500,000	\$ 500,000	\$ 156,146	\$ -	\$ 343,854
Subtotal Roadway					\$ -	\$ 2,244,842	\$ 3,140,814	\$ 350,000	\$ 200,000	\$ 950,500	\$ 1,102,851	\$ 7,989,007	\$ 640,523	\$ 6,125,499	\$ 1,691,229
Street Overlays/Reconstructions	PCI				FY21	FY22	FY23	FY24	FY25	FY26	FY27	Project Totals	Street SDC	Other	Fees & Rates
Ashland St - Siskiyou Blvd to Faith St	58.76			X	X	\$ 2,500,000						\$ 2,500,000	\$ -	\$ -	\$ 2,500,000
N Mountain Ave - I-5 Overpass to E Main St	59.36			X	X	\$ 1,000,000	\$ 2,225,000					\$ 3,225,000	\$ -	\$ -	\$ 3,225,000
Oak St - City Limits to E Main St	36.09			X	X			\$ 1,500,000	\$ 1,000,000			\$ 2,500,000	\$ -	\$ -	\$ 2,500,000
Siskiyou Blvd - E Main St to Walker Ave	37.87			X	X				\$ 3,500,000	\$ 3,000,000		\$ 6,500,000	\$ -	\$ -	\$ 6,500,000
Wightman St - Quincy St to Siskiyou Blvd	17.30			X	X					\$ 1,400,000		\$ 1,400,000	\$ -	\$ -	\$ 1,400,000
Maple St - Chestnut St to N Main St	32.36			X	X					\$ 600,000		\$ 600,000	\$ -	\$ -	\$ 600,000
Tolman Creek Rd - E Main St to Ashland St	65.30			X	X						\$ 1,100,000	\$ 1,100,000	\$ -	\$ -	\$ 1,100,000
Walker Ave - E Main St to Siskiyou Blvd	45.77			X	X						\$ 1,700,000	\$ 1,700,000	\$ -	\$ -	\$ 1,700,000
A St - Oak St to Eighth St	53.89			X	X						\$ 500,000	\$ 500,000	\$ -	\$ -	\$ 500,000
Subtotal Street Improvements/Overlays					\$ -	\$ 3,500,000	\$ 2,225,000	\$ 1,500,000	\$ 4,500,000	\$ 5,000,000	\$ 3,300,000	\$ 20,025,000	\$ -	\$ -	\$ 20,025,000
Sidewalk/Pedestrian					FY21	FY22	FY23	FY24	FY25	FY26	FY27	Project Totals	Street SDC	Other	Fees & Rates
N Main Street RRFB Installation - Nursey Street & Van Ness Avenue				X		\$ 75,000						\$ 75,000	\$ -	\$ -	\$ 75,000
N Main Street/Highway 99 - N Main Street to Schofield Street			X	X			\$ 73,750					\$ 73,750	\$ 71,626	\$ -	\$ 2,124
Beaver Slide - Water Street to Lithia Way			X	X			\$ 73,750					\$ 73,750	\$ 71,626	\$ -	\$ 2,124
Diane Street - Clay Street to Tolman Creek Road			X	X			\$ 29,500					\$ 29,500	\$ 7,375	\$ 22,125	\$ -
Walker Avenue - Oregon Street to Woodland Drive			X	X				\$ 295,000				\$ 295,000	\$ 73,750	\$ 221,250	\$ -
Tolman Creek Road - Siskiyou Boulevard to City Limits (west side)			X	X					\$ 226,875	\$ 400,000		\$ 626,875	\$ 608,821	\$ -	\$ 18,054
Garfield Street - E Main Street to Siskiyou Boulevard			X	X					\$ 135,000	\$ 971,250		\$ 1,106,250	\$ 276,563	\$ 829,688	\$ -
A Street - Oak Street to 100' west of 6th Street			X	X						\$ 140,000	\$ 228,750	\$ 368,750	\$ 92,188	\$ 276,563	\$ -
Carol Street - Patterson Street to Hersey Street			X	X							\$ 221,250	\$ 221,250	\$ 55,313	\$ 165,937	\$ -
Subtotal Sidewalk/Pedestrian					\$ -	\$ 75,000	\$ 177,000	\$ 295,000	\$ 361,875	\$ 1,511,250	\$ 450,000	\$ 2,870,125	\$ 1,257,261	\$ 1,515,562	\$ 97,302
Bicycle					FY21	FY22	FY23	FY24	FY25	FY26	FY27	Project Totals	Street SDC	Other	Fees & Rates
Wightman Street Bicycle Boulevard – E Main Street to Siskiyou Boulevard			X	X		\$ 81,420						\$ 81,420	\$ 27,601	\$ 8,142	\$ 45,677
Laurel Street Bicycle Boulevard - From Orange Street to Nevada Street			X	X		\$ 54,280						\$ 54,280	\$ 18,401	\$ 5,428	\$ 30,451
B Street Bicycle Boulevard - From Oak Street to N Mountain Avenue			X	X			\$ 108,560					\$ 108,560	\$ 36,802	\$ 10,856	\$ 60,902
Oregon/Clark Street Bicycle Boulevard - Indiana Street to Harmony Lane			X	X			\$ 54,280					\$ 54,280	\$ 18,032	\$ 5,428	\$ 30,820
8th Street Bicycle Boulevard - A Street to E Main Street			X	X			\$ 27,140					\$ 27,140	\$ 9,200	\$ 2,714	\$ 15,226
Maple/Scenic Drive/Nutley Street Bicycle Boulevard - From N Main Street to Winburn Way			X	X				\$ 149,270				\$ 149,270	\$ 50,603	\$ 14,927	\$ 83,740
Walker Avenue Bicycle Boulevard - From Siskiyou Boulevard to Peachey Road			X	X					\$ 54,280			\$ 54,280	\$ 18,401	\$ 5,428	\$ 30,451
Main Street Bicycle Boulevard - From Helman Street to Siskiyou Boulevard			X	X						\$ 67,850		\$ 67,850	\$ 23,001	\$ 6,785	\$ 38,064
Lithia Way Bicycle Boulevard – From Oak Street to Helman Street			X	X						\$ 149,270		\$ 149,270	\$ 50,603	\$ 14,927	\$ 83,740
Normal Avenue Bike Lane - From E Main Street to Siskiyou Boulevard. Coordinate with Project R19			X	X							\$ 257,830	\$ 257,830	\$ 87,404	\$ 25,783	\$ 144,643
Subtotal Bicycle					\$ -	\$ 135,700	\$ 189,980	\$ 149,270	\$ 54,280	\$ 217,120	\$ 257,830	\$ 1,004,180	\$ 340,048	\$ 100,418	\$ 563,714
TRANSPORTATION / LID					\$ -	\$ 5,955,542	\$ 5,732,794	\$ 2,294,270	\$ 5,116,155	\$ 7,678,870	\$ 5,110,681	\$ 31,888,312	\$ 2,237,831	\$ 7,741,479	\$ 22,377,245
Water - Supply Improvements					FY21	FY22	FY23	FY24	FY25	FY26	FY27	Project Totals	Water SDC	Other	Fees & Rates
Dam Safety Improvements	X			X		\$ 607,010	\$ 2,400,000	\$ 2,400,000	\$ 850,000	\$ 850,000		\$ 6,500,000	\$ 845,000		\$ 5,655,000
East & West Fork Transmission Line Rehabilitation			X	X		\$ 1,050,000	\$ 1,050,000					\$ 2,100,000	\$ 150,000	\$ -	\$ 1,950,000
7.5 MGD Water Treatment Plant			X	X		\$ 2,700,000	\$ 15,400,000	\$ 22,600,000				\$ 40,700,000	\$ 4,070,000	\$ -	\$ 36,630,000
Reeder Reservoir Sediment Removal	X	X					\$ 140,000			\$ 140,000		\$ 280,000	\$ 210,000	\$ -	\$ 70,000
TID Canal Piping: Starlite to Terrace Street				X				\$ 1,500,000	\$ 1,500,000			\$ 3,000,000	\$ 1,980,000	\$ -	\$ 1,020,000
Subtotal Water Supply					\$ 607,010	\$ 6,150,000	\$ 18,990,000	\$ 24,950,000	\$ 2,350,000	\$ 140,000	\$ -	\$ 52,580,000	\$ 7,255,000	\$ -	\$ 45,325,000
Water - Pump Station Improvements					FY21	FY22	FY23	FY24	FY25	FY26	FY27	Project Totals	Water SDC	Other	Fees & Rates
TAP BPS Backup Power			X	X		\$ 60,000	\$ 350,000					\$ 410,000	\$ 41,000	\$ -	\$ 369,000
Hillview BPS Replacement				X						\$ 375,000	\$ 1,125,000	\$ 1,500,000	\$ 120,000	\$ -	\$ 1,380,000
Subtotal Water Distribution					\$ -	\$ 60,000	\$ 350,000	\$ -	\$ -	\$ 375,000	\$ 1,125,000	\$ 1,910,000	\$ 161,000	\$ -	\$ 1,749,000
Water - Pipe Improvements					FY21	FY22	FY23	FY24	FY25	FY26	FY27	Project Totals	Water SDC	Other	Fees & Rates
Annual Pipe Replacement	X	X	X	X	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 1,800,000	\$ 180,000	\$ -	\$ 1,620,000
Distribution Pipe Projects	X	X	X	X		\$ 1,021,000	\$ 342,000	\$ 467,000	\$ 507,000	\$ 1,418,000	\$ 311,000	\$ 4,066,000	\$ 406,600	\$ -	\$ 3,659,400
Transmission Pipe Projects	X	X	X	X				\$ 117,000	\$ 467,000			\$ 584,000	\$ 467,200	\$ -	\$ 116,800
Subtotal Water Distribution					\$ 300,000	\$ 1,321,000	\$ 642,000	\$ 884,000	\$ 1,274,000	\$ 1,718,000	\$ 611,000	\$ 6,450,000	\$ 1,053,800	\$ -	\$ 5,396,200
Water - Operations & Maintenance					FY21	FY22	FY23	FY24	FY25	FY26	FY27	Project Totals	Water SDC	Other	Fees & Rates
Hydrant Replacement Program				X		\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 480,000	\$ -	\$ -	\$ 480,000
Telemetry Upgrades				X				\$ 80,000				\$ 80,000	\$ 8,000	\$ -	\$ 72,000
Tolman Creek Road PRV Station			X								\$ 75,000	\$ 75,000	\$ 6,000	\$ -	\$ 69,000
Subtotal Water Distribution					\$ -	\$ 80,000	\$ 80,000	\$ 160,000	\$ 80,000	\$ 80,000	\$ 155,000	\$ 635,000	\$ 14,000	\$ -	\$ 621,000
WATER					\$ 907,010	\$ 7,611,000	\$ 20,062,000	\$ 25,994,000	\$ 3,704,000	\$ 2,313,000	\$ 1,891,000	\$ 61,575,000	\$ 8,483,800	\$ -	\$ 53,091,200

Capital Improvements Program Plan

TAP - Booster Pump Station Improvements					FY21	FY22	FY23	FY24	FY25	FY26	FY27	Project Totals	Water SDC	Other	Fees & Rates
Regional BPS Short-Term Expansion		X	X			\$ 25,000						\$ 25,000	\$ -	\$ -	\$ 25,000
Regional BPS Programming Updates			X							\$ 11,667		\$ 11,667	\$ -	\$ -	\$ 11,667
Talent BPS Generator Upgrade (Option 1)											\$ 158,133	\$ 158,133	\$ -	\$ -	\$ 158,133
Talent BPS Expansion for Talent and Ashland (Option 1)											\$ 341,462	\$ 341,462	\$ -	\$ -	\$ 341,462
Subtotal Water Distribution					\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ 11,667	\$ 499,595	\$ 536,262	\$ -	\$ -	\$ 536,262
TAP - Pipe Improvements					FY21	FY22	FY23	FY24	FY25	FY26	FY27	Project Totals	Water SDC	Other	Fees & Rates
ODOT Bridge Pipe Relocation (Coleman Creek in Phoenix)	X					\$ 58,170						\$ 58,170	\$ -	\$ -	\$ 58,170
Subtotal Water Distribution					\$ -	\$ 58,170	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,170	\$ -	\$ -	\$ 58,170
WATER/TAP					\$ -	\$ 83,170	\$ -	\$ -	\$ -	\$ 11,667	\$ 499,595	\$ 594,432	\$ -	\$ -	\$ 594,432
Wastewater Treatment Plant					FY21	FY22	FY23	FY24	FY25	FY26	FY27	Project Totals	Sewer SDC	Other	Fees & Rates
WWTP Process Improvements (Miscellaneous)	X	X	X	X	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 900,000	\$ 90,000	\$ -	\$ 810,000
Shading (Capital Cost + first 6 years of O&M)	X				\$ 450,000	\$ 709,000	\$ 453,000	\$ 493,000	\$ 273,000	\$ 118,000	\$ 45,000	\$ 2,091,000	\$ 313,650	\$ -	\$ 1,777,350
UV System Upgrades	X	X	X	X	\$ 150,000	\$ 1,400,000						\$ 1,400,000	\$ 476,000	\$ -	\$ 924,000
Outfall Relocation / Fish Screen	X				\$ 100,000	\$ 1,250,000	\$ 1,250,000					\$ 2,500,000	\$ 375,000	\$ -	\$ 2,125,000
WWTP Process Improvements (Headworks)	X		X	X		\$ 2,200,000	\$ 1,000,000	\$ 560,000				\$ 3,760,000	\$ 752,000	\$ -	\$ 3,008,000
WWTP Process Improvements (Harmonics)			X				\$ 110,000					\$ 110,000	\$ -	\$ -	\$ 110,000
Secondary Clarifier 2 Improvements	X		X	X			\$ 397,500	\$ 397,500				\$ 795,000	\$ -	\$ -	\$ 795,000
Membrane Replacement (two trains)	X			X				\$ 600,000	\$ 600,000			\$ 1,200,000	\$ -	\$ -	\$ 1,200,000
Biosolids Treatment Improvements									\$ 250,000			\$ 250,000	\$ 50,000	\$ -	\$ 200,000
Subtotal Treatment Plant					\$ 850,000	\$ 5,709,000	\$ 3,360,500	\$ 2,200,500	\$ 1,273,000	\$ 268,000	\$ 195,000	\$ 13,006,000	\$ 2,056,650	\$ -	\$ 10,949,350
Wastewater Collection System					FY21	FY22	FY23	FY24	FY25	FY26	FY27	Project Totals	Sewer SDC	Other	Fees & Rates
Wastewater Miscellaneous In-House Replacement		X	X	X	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 750,000	\$ 75,000	\$ -	\$ 675,000
Wastewater Miscellaneous Trenchless Pipe Lining			X	X	\$ 125,000			\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 500,000	\$ -	\$ -	\$ 500,000
Wastewater Line Upsizing - 18" & 24" Parallel Trunkline - Wightman to Tolman Creek Road		X		X		\$ 712,000	\$ 712,000					\$ 1,424,000	\$ 996,800	\$ -	\$ 427,200
Hardesty Site Development & Equipment Storage						\$ 80,000	\$ 80,000					\$ 160,000	\$ -	\$ -	\$ 160,000
Maple St - Chestnut St to Scenic Dr		X		X				\$ 44,000				\$ 44,000	\$ 4,400	\$ -	\$ 39,600
Tolman Creek Rd - Abbott Ave to Ashland St		X		X				\$ 92,000				\$ 92,000	\$ 9,200	\$ -	\$ 82,800
A St - First St to Eighth St		X		X					\$ 446,000			\$ 446,000	\$ 44,600	\$ -	\$ 401,400
Garfield St - E Main St to Quincy St		X		X					\$ 59,000			\$ 59,000	\$ 5,900	\$ -	\$ 53,100
Granite St - Baum St to Nutley St, Strawberry Ln to Pioneer St, N of Ashland Creek Dr		X		X						\$ 216,000		\$ 216,000	\$ 21,600	\$ -	\$ 194,400
N Laurel St - W Hersey St to Orange Ave		X		X							\$ 121,000	\$ 121,000	\$ 12,100	\$ -	\$ 108,900
Subtotal Collection System					\$ 250,000	\$ 917,000	\$ 917,000	\$ 386,000	\$ 755,000	\$ 466,000	\$ 371,000	\$ 3,812,000	\$ 1,169,600	\$ -	\$ 2,642,400
WASTEWATER					\$ 1,100,000	\$ 6,626,000	\$ 4,277,500	\$ 2,586,500	\$ 2,028,000	\$ 734,000	\$ 566,000	\$ 16,818,000	\$ 3,226,250	\$ -	\$ 13,591,750
Storm Drain					FY21	FY22	FY23	FY24	FY25	FY26	FY27	Project Totals	Storm SDC	Other	Fees & Rates
E Main Street @ Emerick Street		X				\$ 235,000						\$ 235,000	\$ 27,633	\$ -	\$ 207,367
Siskiyou Boulevard @ University Way		X				\$ 129,000						\$ 129,000	\$ 15,169	\$ -	\$ 113,831
Cemetery Creek Basin Stormwater Quality Improvement (hydrodynamic separator)						\$ 11,250						\$ 11,250	\$ 9,940	\$ -	\$ 1,310
Hardesty Site Development & Equipment Storage						\$ 40,000	\$ 40,000					\$ 80,000	\$ 9,940	\$ -	\$ 70,060
Dewey Street @ E Main St		X					\$ 247,000					\$ 247,000	\$ -	\$ -	\$ 247,000
N Mountain Avenue @ Railroad Tracks		X					\$ 188,000					\$ 188,000	\$ 22,106	\$ -	\$ 165,894
Gresham Street @ Beach Avenue		X						\$ 391,000				\$ 391,000	\$ 45,976	\$ -	\$ 345,024
Morton Street - Pennsylvania Street to Iowa Street		X							\$ 217,000	\$ 217,000		\$ 434,000	\$ -	\$ -	\$ 434,000
Maple Street @ Chestnut Street		X								\$ 70,000		\$ 70,000	\$ -	\$ -	\$ 70,000
STORM DRAIN					\$ -	\$ 415,250	\$ 475,000	\$ 391,000	\$ 217,000	\$ 287,000	\$ -	\$ 1,785,250	\$ 130,764	\$ -	\$ 1,654,486
Airport					FY21	FY22	FY23	FY24	FY25	FY26	FY27	Project Totals			
Entitlement Grant - Airport Improvments - Taxiway Rehabilitation (Environmental/Planning)				X		\$ 263,000						\$ 263,000		Other	Fees & Rates
Entitlement Grant - Airport Improvments - Taxiway Rehabilitation (Construction)				X			\$ 2,598,000					\$ 2,598,000		\$ 257,740	\$ 5,260
Pavement Maintenance Program				X			\$ 20,000			\$ 20,000		\$ 40,000		\$ 2,546,040	\$ 51,960
Fencing Project and Road Realignment	X								\$ 350,000	\$ 350,000		\$ 700,000		\$ 40,000	\$ -
OFA Obstruction Removal	X										\$ 180,000	\$ 180,000		\$ 630,000	\$ 70,000
AIRPORT					\$ -	\$ 263,000	\$ 2,618,000	\$ -	\$ 350,000	\$ 370,000	\$ 180,000	\$ 3,781,000		\$ 162,000	\$ 18,000
														\$ 3,635,780	\$ 145,220



ADMINISTRATION - City Facilities					FY21	FY22	FY23	FY24	FY25	FY26	FY27	Project Totals
City Facility Upgrades & Maintenance	X	X	X	X	\$ 280,000	\$ 280,000	\$ 280,000	\$ 280,000	\$ 280,000	\$ 280,000	\$ 280,000	\$ 1,680,000
City Facility Optimization Program						\$ 200,000	\$ 200,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 1,400,000
Community Center & Pioneer Hall Rehabilitation			X	X		\$ 415,000	\$ 415,000					\$ 830,000
ADMINISTRATION - FACILITIES					\$ 280,000	\$ 895,000	\$ 895,000	\$ 530,000	\$ 530,000	\$ 530,000	\$ 530,000	\$ 3,910,000
Electric					FY21	FY22	FY23	FY24	FY25	FY26	FY27	Project Totals
Wildfire Mitigation					\$ 10,000	\$ 50,000	\$ 75,000	\$ 75,000	\$ 50,000	\$ 50,000		\$ 300,000
Substation Purchase						\$ 900,000						\$ 900,000
Substation Upgrades							\$ 150,000	\$ 850,000				\$ 1,000,000
Underground Expansion								\$ 75,000	\$ 100,000	\$ 100,000		\$ 275,000
Circuit Automation									\$ 100,000	\$ 100,000	\$ 100,000	\$ 300,000
Underground Cable Replacement						\$ 25,000	\$ 50,000	\$ 50,000	\$ 100,000	\$ 200,000	\$ 250,000	\$ 675,000
ELECTRIC					\$ 10,000	\$ 975,000	\$ 275,000	\$ 1,050,000	\$ 350,000	\$ 450,000	\$ 350,000	\$ 3,450,000
Parks & Recreation					FY21	FY22	FY23	FY24	FY25	FY26	FY27	Project Totals
Japanese Garden						\$ 1,250,000						\$ 1,250,000
Ashland Creek Basketball Court						\$ 75,000						\$ 75,000
E. Main Park Development						\$ 475,000	\$ 475,000					\$ 950,000
CIP Project Manager						\$ 400,000	\$ 400,000					\$ 800,000
Daniel Meyer Pool - Rebuild						\$ 115,000	\$ 5,000,000					\$ 5,115,000
Bear Creek Greenway Pedestrian Bridge						\$ 75,000	\$ 675,000					\$ 750,000
Repair Butler Perozzi Fountain						\$ 75,000	\$ 325,000					\$ 400,000
Kestrel Park Pedestrian Bridge						\$ 25,000	\$ 550,000					\$ 575,000
Mountain Bike Skills Park & Pump Track						\$ 25,000	\$ 225,000					\$ 250,000
TID Irrigation						\$ 50,000	\$ 50,000					\$ 100,000
Winburn Way Sidewalk							\$ 200,000	\$ 100,000	\$ 100,000			\$ 400,000
Oak Knoll Playground							\$ 100,000					\$ 100,000
Beach Creek Restoration							\$ 35,000					\$ 35,000
Mace Property Trail								\$ 220,000				\$ 220,000
PARKS & RECREATION					\$ -	\$ 2,565,000	\$ 8,035,000	\$ 320,000	\$ 100,000	\$ -	\$ -	\$ 11,020,000
TOTAL CIP OVER TIME					\$ 2,297,010	\$ 25,388,962	\$ 42,370,294	\$ 33,165,770	\$ 12,395,155	\$ 12,374,537	\$ 9,127,276	\$ 134,821,994
					FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY22-27 TOTAL

\$ 14,078,645 \$ 19,812,259 \$ 101,399,333

Other	Fees & Rates
\$ -	\$ 1,680,000
\$ -	\$ 1,400,000
\$ -	\$ 830,000
\$ -	\$ 3,910,000

Other	Fees & Rates
\$ -	\$ 300,000
\$ -	\$ 900,000
\$ -	\$ 1,000,000
\$ -	\$ 275,000
\$ -	\$ 300,000
\$ -	\$ 675,000
\$ -	\$ 3,450,000

Other	Fees & Rates
\$ 1,250,000	\$ -
\$ -	\$ 75,000
\$ 600,000	\$ 350,000
\$ -	\$ 800,000
\$ 5,000,000	\$ 115,000
\$ 750,000	\$ -
\$ -	\$ 400,000
\$ 575,000	\$ -
\$ 225,000	\$ 25,000
\$ -	\$ 100,000
\$ -	\$ 400,000
\$ -	\$ 100,000
\$ 35,000	\$ -
\$ -	\$ 220,000
\$ 8,435,000	\$ 2,585,000

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### CIP Overview General FAQ's

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1. **The Capital Improvement Program is a 20-year document compiling all the infrastructure needs for this planning time period.**

Yes, the Capital Improvement Program compiles all anticipated project within the planning period. This allows the City to plan for its infrastructure replacement and repair needs over a longer timeframe and to gather additional information as needed before any funds are budgeted or spent.

2. **Each Department (water, streets, wastewater, storm drain, electric, etc.) has a master plan. This plan outlines what subject matter consultants, independent of the city, recommend the city do to keep infrastructure functioning at high service levels.**

Yes, a master plan, facility plan and/or a combination of assessments done outside of a master plan develop all of the maintenance/capital needs within a planning period. It includes a thorough analysis of current and projected capital repairs and investment needed to provide the same standard of service over time while meeting known regulatory requirements.

3. **These plans are the source document for the full list of CIP projects.**

Yes, City staff generate the Capital Improvement Program document utilizing the Council adopted master plans as the source to produce the full 20-year CIP.

4. **The first two years has the most refined project estimates.**

Yes and no. There is a mixture of project refinement within the 2-year CIP document, Projects that are under development in the preliminary or final engineering phase have had construction costs updated and these are accounted for in the CIP. Other projects' costs are still at the beginning planning level developed within the master plans themselves.

Examples include the storm drain projects recently discussed at the March 2, 2021 Council Study Session, which are considered class 5 level estimates and shown that way in the CIP document. On the other side, the East and West Forks Rehabilitation line project is in final engineering phase and the construction estimate is class 2. Classes become more refined the lower the number as noted in the chart below.

Generally, when project cost is estimated in a master plan there is a contingency (30%) and an accuracy range of -50% to +30% associated with the estimate. This accounts for the 30,000' high project level definition with a lack of specific scope

elements. This formal project scope is generated and defined as you move through the engineering phases (preliminary/final). See table below developed by the American Association of Costing Engineers to provide a better understanding of how costs can change from the start to finish of a project. Also, as a general rule if “right of way” or “easements” are required for a project, that cost is not estimated in a master plan as these costs can vary significantly based on market conditions and negotiations.

AACE Class	ANSI Classification	Typical Use	Project Definition	Expected Range of Accuracy		Other Terms
				Low Expected Actual Cost	High Expected Actual Cost	
Class 5	Order-of-Magnitude	Strategic Planning; Concept Screening	0% to 2%	-50% to -20%	+30% to +100%	ROM; Ballpark; Blue Sky; Ratio
Class 4		Feasibility Study	1% to 15%	-30% to -15%	+20% to +50%	Feasibility; Top-down; Screening; Pre-design
Class 3	Budgetary	Budgeting	10% to 40%	-20% to -10%	+10% to +30%	Budget; Basic Engineering Phase; Semi-detailed
Class 2	Definitive	Bidding; Project Controls; Change Management	30% to 75%	-15% to -5%	+5% to +20%	Engineering; Bid; Detailed Control; Forced Detail
Class 1		Bidding; Project Controls; Change Management	65% to 100%	-10% to -3%	+3% to +15%	Bottoms Up; Full Detail; Firm Price

**5. The budget process only allocates funding to the two-year portion of the Capital Improvement Plan, not the full 20.**

Yes. The budget includes the funding for projects to be tackled during the biennium.

- a. **The out-year project cost estimates are conceptual. As the work scope is better defined, the estimates will be honed.**

Yes, project costs are refined as the project moves through the engineering phases.

- b. **Additionally, priorities and needs change. The out-year projects also change.**

Yes. An example of this is includes the improvements to the wastewater treatment plant that were pushed past 2030 due to a reduction in water consumption by the community. The treatment capacity was not required

## Capital Improvements Program FAQ

and thus the project itself was not originally required in the timeline developed in the wastewater master plan. This is also why it is important to update the CIP every two years as part of the budget cycle and to update the master plans/studies every 7-10 years to ensure system needs are addressed appropriately.

- c. **Example, you know you need a roof in 5 years. In that year five, the roof may be doing great, but the furnace needs to be replaced. Clearly the plan gets shuffled. Similar on a larger scale with CIP.**

Yes.

- 6. **Our CIP list acts like an ideal list. The plan includes the projects the City Departments would like to accomplish, again, based on their respective master plans.**

Yes. Projects are added or removed to the list dependent on the facilities needed to serve the community.

- a. **Some are driven by regulatory needs, others by end-of-life cycle, others still are lower priority.**

Yes, and therefore staff has added categories into the CIP spreadsheet that mark if the project is meeting a regulatory requirement, providing required capacity, eliminating a deficiency, and/or life cycle improvement. This information is meant to provide more context on what issue the project is resolving. Staff's expectation is to also update the narrative sheets in the next budget cycle to include this information and will provide this type of critical information in the staff reports that go before Council for award of engineering/construction contracts for the CIP projects.

- b. **Not all will be approved and completed.**

Yes, that is the reality of the situation.

- 7. **It follows that, though the list is approved the projects on that list are NOT considered approved. Each project must come before council at all stages of the project, from concept, design, detailed engineering, contracting and build. At any point council can vote down the project.**

- a. **An example of this a few years ago was the Nevada Street Bridge project. The bridge was on the CIP list and had partial grant funding, however, the project was not approved to move forward by the City Council and was requested to be re-assessed in an update to the Transportation System Plan.**

This is correct, generally each project on the list requires numerous specific Council actions from start to finish. These include approval of preliminary engineering, final engineering, and construction contracts. In addition, if the project has grants or a

debt service mechanism the Council accepts grants and approves the financing for the projects (revenue bonds/loans).

### What Council's Vote to Accept the CIP Means:

- **Regardless of Council's vote, the plan is still loaded into the Budget.**

Yes, the 2-year CIP is part of the BN 2021/23 request for appropriations.

- **Regardless of Council's vote, the first two years of the plan are allocated funds.**

Yes, if approved through the budget process. However, if approved in the budget process, there is not blanket approval to move forward. As discussed above, Council will need to take several distinct actions regarding capital projects.

### CIP Funding FAQ's

Impacts Ashland's ability to access funding resources:

1. **Lenders and grantors look at the council's acceptance or rejection of the CIP plan in their funding decisions. Many institutions require a commitment to the CIP plan from the local jurisdiction to secure funding.**
  - **If the Council does not support the plan lenders may charge higher rates for funding and revenue bonds may be harder to secure.**
  - **Funding institutions may deny funding applications all together**
  - **Conversely, rejection of the plan makes the city a higher credit risk, increases the cost to borrow, and may result in not receiving funding at all.**
2. **Would grant funding similarly impacted?**

When the City goes after grant funding, the primary component that requires an answer is, "is this project in an adopted plan?". If the recommended CIP (current information) is not accepted, then the answer to this question for staff is no. You could fall back to the acceptance of the original master plan document to say yes, but that is disingenuous and would not be indicative of the current policy established by Council from non-acceptance.

3. **With the current Federal Administration focus on infrastructure including potential low interest and grant funding for infrastructure projects, having master plans and the approved CIP likely will be key to obtaining funding?**

Yes, having adopted plans including the CIP and potentially shovel ready projects go to show commitment and support for infrastructure projects. This support benefits any application for low interest or grant funds provided through the Federal Government as part of any infrastructure package.

## Capital Improvements Program FAQ

The second critical component of this is having the appropriate rate structure approved and in place, which shows the City has a dedicated and stable funding source to make the required debt service payments over the course of the note.

4. **Projects in the CIP include tasks needed to prepare property for designation as surplus and subsequent sale. Such sales generate one-time revenue resulting from disposition of the property, if and when approved by Council.**

Yes, this includes Hardesty site development and building construction project that spans across the Street Fund, Wastewater Fund and Storm Drain Fund. Once complete the City can move forward with a surplus action for the B Street yard property. This also includes potential discussion and planning moving forward with the Imperatrice property. Surplus of both Imperatrice and the B Street yard could provide additional un-accounted for revenue.

### **Increased cost due to regulatory non-compliance, deferred maintenance, and emergency repair FAQ's:**

1. **Failing to meet regulatory requirements due to deferred maintenance results in fines and potential lawsuits.**

Yes. Federal and State agencies can levy fines and file lawsuits against the City for noncompliance with standards and for failing to maintain assets in a manner that protects against noncompliance.

2. **Emergency repairs, as compared to pre-planned repairs, have greater adverse impacts on rate payers due to their emergent nature and unpredictable timing.**
  - **Similar to if a homeowner's cleanout cap is broken and the homeowner puts off repair. When the line backs up, and it is a holiday, it will be comparatively more expensive to have the plumbing issue repaired.**
  - **The expense is driven not only by timing but a repair that is more complex than the initial broken cleanout cap.**

Yes. When repairs are delayed, the costs increase due to increased complexity of the repair and increases costs of goods and services. When an emergency repair is needed, the costs are higher than when planned and it is harder to manage the competitive procurement process because fewer options are available in the time needed.

### **CIP funding assumptions as they pertain to Food and Beverage (F&B) allocation FAQ's:**

1. **The current CIP assume that the F&B allocation will reimburse the Wastewater Fund or go to the Street Fund.**

Yes, currently the Street Fund budget and associated CIP projects were built under the existing F&B ordinance. Staff has recommended that the City not use future F&B revenues to repay the wastewater fund the one years' worth of debt payment (saving the fund over \$100k). The CIP also includes the presumed percentage allocation developed in the existing ordinance between Streets (73%), Parks (25%) and the Administration fee (2%).

2. **With the assumption the allocation will go to the Street Fund, what projects were added or which projects are supported, by the funding originally intended for Wastewater?**

No projects were added to the Street CIP that were not currently defined. The projects in the CIP were already developed and/or postponed from the current biennium due to the loss in revenue overall, including Gas Tax and F&B. The projects are essentially re-allocated for the BN21-23 budget with minor bicycle and pedestrian changes as recommended by the Transportation Commission. Not repaying the WW fund the one-year debt payment back is a way to backfill the Street Funds loss of overall revenue and starts to put projects back on track, specifically the much needed roadway rehabilitation projects for Ashland Street and North Mountain Avenue. All revenue sources for the Street Fund would be used to cover debt service payments associated with these capital projects.

3. **By accepting the CIP plan with the F&B assumptions baked in, before the Council takes up the F&B allocation, may be using funds that Council has not yet had a chance to address.**

Staff can adjust to the City Council's policy decisions in the coming months on the source and amount of funds going to Streets and generate recommendations on how best to proceed with a change in project revenues. Staff will continue to recommend and state that current funding levels do not adequately address capital needs, allowing the City streets to continue to deteriorate.

# DEBT

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## Debt Policy

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- The City will not use long-term borrowing to finance current operations.
- Capital projects, financed through bond proceeds, will be financed for a period not to exceed the useful life of the project.
- Whenever possible, enterprise debt will be self-supporting. Regardless of the type of debt issued, the City will establish a one-year reserve for all self-supporting debt.
- The City will seek to maintain level debt service payments over the duration of an issue and consider the level of debt obligations across funding sources when recommending types and amounts of debt instruments.
- The City will keep the final maturity of general obligation bonds at or below 20 years, with the exception of water supply and land acquisition that will be limited to 30 years.
- The City will maintain a debt coverage ratio, i.e. net revenue to debt service of at least 125% for every debt issue.
- The State of Oregon limits non-self-supporting obligation debt to three percent of the real market value of all taxable property within the City boundaries.
- The City will seek to maintain and improve its bond rating to minimize borrowing costs and to ensure its access to credit markets.
- The City will maintain good communications with bond rating agencies about its financial condition.

## Unbonded Long-Term Debt (Notes and Contracts)

## Unbonded Long-Term Debt (Notes and Contracts)

### Existing Debt

Fund	Debt Instrument	June 30, 2021	Payments	June 30, 2023
Street Fund	2013 New Construction - Street	515,000.00	140,000.00	375,000.00
Debt Service	2011 Fire Station #2	1,680,000.00	285,000.00	1,395,000.00
Debt Service	2013 AFN Debt (Refi 2004 AFN Revenue)	4,790,000.00	2,335,000.00	2,455,000.00
Debt Service	2013 New Construction - Parks	255,000.00	70,000.00	185,000.00
Debt Service	Garfield Water Park equipment	417,000.00	181,000.00	236,000.00
Debt Service	Biscoe School (City)	1,100,000.00	220,000.00	880,000.00
Debt Service	Biscoe School (Parks)	300,000.00	100,000.00	200,000.00
Water Fund	2013 Water Debt (Refi 2003 Revenue Bond)	365,000.00	365,000.00	-
Water Fund	2013 New Construction - Water	1,270,000.00	345,000.00	925,000.00
Water Fund	IFA - S14005 - Water Fund	3,359,152.00	206,258.00	3,152,894.00
Water Fund	Medford Water Commission	1,758,811.27	212,584.00	1,546,227.27
Wastewater Fund	2013 New Construction - Wastewater	295,000.00	80,000.00	215,000.00
Wastewater Fund	DEQ R11751 - Wastewater Membranes	1,378,315.00	218,416.00	1,159,899.00
Storm Fund	2013 New Construction - Storm Drain	75,000.00	20,000.00	55,000.00
Electric Fund	2008 CREBs	21,714.28	21,714.28	-
<b>Total Debt</b>		<b>17,579,992.55</b>	<b>4,799,972.28</b>	<b>12,780,020.27</b>
<b>Summary by Type:</b>				
	GO Bonds & Full Faith	9,245,000.00	3,640,000.00	5,605,000.00
	Revenue Bonds	6,517,992.55	658,972.28	5,859,020.27
	Notes and Contracts	1,817,000.00	501,000.00	1,316,000.00
<b>Total Obligations</b>		<b>17,579,992.55</b>	<b>4,799,972.28</b>	<b>12,780,020.27</b>

The government has three promissory note agreements for financing:

- Garfield Park – In 2016 the City borrowed \$870,000 for upgrade for the water park within Garfield Park. The debt is funded by park's share of food and beverage tax.
- Biscoe School – In 2018 the City agreed to purchase Biscoe School from the Ashland School District for \$1,540,000 at zero percent interest. The debt is paid by lease agreement.
- Biscoe Park – In 2018 the City agreed to purchase Biscoe Park from the Ashland School District for \$500,000 at zero percent interest. The debt is paid by park's share of food and beverage tax.

## Unbonded Long-Term Debt (Notes and Contracts)

Promissory note debt service requirement to maturity is as follows:

Year ending June 30,	Governmental Activities	
	Principal	Interest
2021	\$ 248,000	\$ 10,240
2022	250,000	8,363
2023	251,000	6,455
2024	253,000	4,516
2025	255,000	2,533
2026-2030	698,000	509
2031-2035	110,000	-
	<u>\$ 2,065,000</u>	<u>\$ 32,616</u>

## General Obligation Bonds

### General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities over the previous fiscal years. No new debt was issued in the category of General Obligation Bonds.

The following schedule shows the debt service requirements for GO bonds as of June 30, 2020:

Purpose	Activity	Original Amount	Interest Rates	Amount Outstanding
2005 Fire Station #1	Government activities	\$ 2,560,000	3.5-5.0%	\$ -
2011 Fire Station #2	Government activities	2,960,000	2.0-4.00%	1,820,000
2013 AFN Debt	Government activities	11,675,000	2-2.8%	5,920,000
2013 GO Bonds New Construction	Government activities	1,520,000	2-2.5%	875,000
2009 GO Bonds	Business-type activities	1,000,000	4.95%	341,796
2010 GO Bonds	Business-type activities	15,440,000	2 - 4%	2,980,000
2013 Water Debt GO Bonds	Business-type activities	1,580,000	2.00%	545,000
2013 GO Bonds New Construction	Business-type activities	3,245,000	2-2.5%	1,855,000
				<u>\$14,336,796</u>

#### Government Activities:

- The citizens of Ashland authorized by vote in November 1999 for the construction of Fire Station #1. In 2005, the Fire Station #1 bond was issued as a refunding bond in 2005 resulting in a savings of at least 3%. This debt is being paid by property tax.
- The citizens of Ashland authorized by vote in May 2011 for the construction of Fire Station #2. This debt is being paid by property tax.
- In 2013, a new issue for AFN Debt as Full Faith and credit bonds was a result of refinancing a previous debt for AFN. The previous debt was at 5.328 to 2.80 interest. This debt is paid by rates.
- In 2013 a new debt of \$ 4,765,000 as Full Faith and credit bonds was issued for 15 years. The purpose for these bonds are projects in the Street & Parks (\$1,520,000) and Water, Wastewater and Stormwater Funds (\$3,245,000). This debt is paid by user fees.

#### Business-Type Activities:

- In 2009, the City financed construction project of \$1,000,000 for the Water and Wastewater Fund. This debt is paid by user fees.
- In 2010, the City refinanced the loan for the Wastewater treatment plant project. The refinancing generated approximately \$1.34 million in net present value savings on the total debt. This debt is paid by Food and Beverage Tax.

## General Obligation Bonds

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- In 2013, the City refunded a portion of the 2003 Water Revenue Bonds in the amount of \$1,580,000. The refund resulted in \$162,000 gross savings, equivalent to \$151,000 in net present value. This debt is paid by user fees.
- In 2013, a new debt of \$ 4,765,000 as Full Faith and credit bonds was issued for 15 years. The purpose of this for these bonds are projects in the Street & Parks (\$1,520,000) and Water, Wastewater and Stormwater Funds (\$3,245,000). This debt is paid by user fees.

Future maturities of bond principal and interest at June 30, 2020, are as follows:

Year Ending June 30,	2009 GO Bonds		2010 GO Bonds		2011 GO Bonds Fire Station #2	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	79,287	15,950	\$ 1,465,000	\$ 119,200	\$ 140,000	\$ 62,938
2022	83,261	11,976	1,515,000	60,600	145,000	58,738
2023	87,433	7,804	-	-	145,000	54,388
2024	91,814	3,423	-	-	150,000	50,038
2025	-	-	-	-	160,000	45,538
2026-2030	-	-	-	-	875,000	144,288
2031-2035	-	-	-	-	205,000	82,000
2036-2040	-	-	-	-	-	-
	<u>\$ 341,795</u>	<u>\$ 39,153</u>	<u>\$ 2,980,000</u>	<u>\$ 179,800</u>	<u>\$ 1,820,000</u>	<u>\$ 497,927</u>

Year Ending June 30,	2013 AFN Debt		2013 Water Debt GO Bonds		2013 GO Bonds New Construction	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 1,130,000		\$ 9,100		\$	
2022	1,155,000		5,500			
2023	1,180,000		1,850			
2024	1,210,000		-			
2025	1,245,000		-			
2026-2030	-		-			
2031-2035	-		-			
2036-2040	-		-			
	<u>\$ 5,920,000</u>		<u>\$ 16,450</u>		<u>\$</u>	

Year Ending June 30,	Total	
	Principal	Interest
2021	3,314,287	396,523
2022	3,403,261	295,405
2023	1,927,433	188,339
2024	1,781,814	140,527
2025	1,745,000	92,381
2026-2030	1,960,000	184,489
2031-2035	205,000	82,000
2036-2040	-	-
	<u>\$ 14,336,795</u>	<u>\$ 1,379,664</u>

## Changes in Long-Term Liabilities

### Revenue Bonds

The government also issues bonds on which the government pledges income derived from the acquired or constructed assets to pay debt service.

- Clean Renewable Energy Bonds, authorized by U.S. Treasury, is for construction of a renewable resource photovoltaic system to generate “green power” for the city’s electrical system. Electric rate revenue is pledged to pay the related debt service.
- IFA #S14005 is complete as of this fiscal year, this loan was for three projects; TAP, Terrace St Pump Station and Park Estates Pump Station. This loan received \$950,000 in principal forgiveness. Water revenue was pledged.
- The DEQ #R11751 loan is for the wastewater treatment plant for the membrane system upgrade in the amount of \$1,645,280. This project is complete and the City is now paying on this loan.
- The Medford Water Commission loan is for the City’s portion of receiving services for TAP. This is being paid by SDC’s Revenue.
- IFA #S16021 is for the new water treatment plant. Total drawdown for this fiscal year was \$1,103,851 bringing the loan to \$2,549,591. No payments will be made until the project is complete. This loan is for a total of \$14,811,865 with \$1,030,000 in principal forgiveness.
- DEQ #R11753 is for the Ashland Canal Piping project. This project was cancelled. The drawdown of \$231,697 was returned.
- DEQ #R11754 is for the Riparian Restoration and Outfall Relocation project. This loan is for a total of \$4,829,000. To date, \$817,588 has been received as a drawdown.

The City of Ashland has signed agreements in the amount of \$23,426,065 as June 30, 2020. Of that amount, the City has drawn down a total of \$1,226,580.

Purpose	Activity	Signed Agreements	Balance June 30, 2019	Drawdowns	Reclass	Balance June 30, 2020
IFA S14005 - Water	Business-type activities	3,515,200	\$ 3,515,200	\$ -	\$ 3,515,200	\$ -
IFA S16021 - Water	Business-type activities	13,781,865	1,445,740	1,103,851	-	2,549,591
DEQ R11753 - Water	Business-type activities	1,300,000	231,697	-	231,697	-
DEQ R11754 - Wastewater	Business-type activities	4,829,000	694,859	122,729	-	817,588
		<u>\$ 23,426,065</u>	<u>\$ 5,887,496</u>	<u>\$ 1,226,580</u>	<u>\$ 3,746,897</u>	<u>\$ 3,367,179</u>

### Drawdowns

Fund	Debt Instrument	Signed Agreements	Drawdowns
Water Fund	IFA - S16021 - Water Treatment Plant	13,781,865.00	1,103,851.00
Wastewater Fund	DEQ - R11754 Riparian Restoration	4,829,000.00	817,588.00
Wastewater Fund	DEQ - R11752 Oxidation Ditch	9,900,000.00	-
	<b>Total Revenue Bonds</b>	<u>28,510,865.00</u>	<u>1,921,439.00</u>

Revenue bond debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest
2021	\$ 631,905	\$ 162,517
2022	637,483	156,127
2023	621,489	149,725
2024	627,355	143,307
2025	633,370	136,735
2026-2030	2,957,520	504,703
2031-2035	2,282,645	216,849
2036-2040	601,685	79,351
2040-2044	632,377	48,660
2045-2049	591,248	15,780
	<u>\$ 10,217,076</u>	<u>\$ 1,613,753</u>

Moody's Investors Services assigned an "A1" rating to both the Tax-Exempt Bonds and the Taxable Bonds. The following table on page 72 shows the activities for both Governmental and Business type as they relate to long term liabilities.

**\*\*\* Potential new debt\*\*\* Must be approved by council prior to issuance**

Fund	Debt Instrument	New debt 2022	New debt 2023
Street Fund	*** Potential new debt***	3,808,000.00	2,588,000.00
Water Fund	*** Potential new debt***	6,465,900.00	17,545,800.00
Wastewater Fund	*** Potential new debt***	4,562,750.00	2,858,650.00
Electric Fund	*** Potential new debt***	3,000,000.00	-
	<b>Total Debt</b>	<u>17,836,650.00</u>	<u>22,992,450.00</u>

**Summary by Type:**

GO Bonds & Full Faith	3,808,000.00	2,588,000.00
Revenue Bonds	14,028,650.00	20,404,450.00
<b>Total Obligations</b>	<u>17,836,650.00</u>	<u>22,992,450.00</u>

The City intends to issue debt in BN 2021-2023 for the purchase of the transmission substation and the construction of the Water Treatment Plant. The water obligation composition will depend on the available of federal and state grants and loans.

# APPENDIX

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## **Financial Management Policies**

### **Financial Management Policies**

The Financial Management Policies apply to fiscal activities of the City of Ashland.

### **Objectives**

The objectives of Ashland's financial policies are as follows:

- To enhance the City Council's decision-making ability by providing accurate information on program and operating costs.
- To employ revenue policies that prevent undue or unbalanced reliance on any one source, distribute the cost of municipal services fairly, and provide adequate funds to operate desired programs.
- To provide and maintain essential public programs, services, facilities, utilities, infrastructure, and capital equipment.
- To protect and enhance the City's credit rating and financial wellbeing.
- To ensure the legal use of all City funds through efficient systems of financial security and internal control.

The City of Ashland does not discriminate in providing services, purchasing goods or services, and in matters of employment.

### **Investments**

All City funds shall be invested to provide—in order of importance—safety of principal, a sufficient level of liquidity to meet cash flow needs, and the maximum yield possible. One hundred percent of all idle cash will be continuously invested in accordance with State law and recommended government finance industry standards.

### **Accounting**

- The City will maintain an accounting and financial reporting system that conforms to Generally Accepted Accounting Principles (GAAP) and Oregon Local Budget Law and in compliance with Government Accounting Standards Board (GASB) statements. The City will issue a Comprehensive Annual Financial Report (Audit report) each fiscal year. The Comprehensive Annual Financial Report shows fund expenditures and revenues on both a GAAP and budget basis for comparison purposes.
- An independent annual audit will be performed by a certified public accounting firm that will issue an official opinion on the annual financial statements and a

management letter as needed or required detailing areas that need improvement.

- Full disclosure will be provided in financial statements and bond representations.
- The accounting systems will be maintained to monitor expenditures and revenues on a monthly basis with thorough analysis and adjustment of the biennium budget as appropriate.
- The accounting system will provide monthly information about cash position and investment performance.
- The City will seek to meet all standards to obtain the Certificate of Achievement for Excellence in financial reporting from the Government Finance Officers Association (GFOA) annually.

### **Operating Budgetary Policies**

- The budget committee will be appointed in conformance with state statutes. The budget committee's chief purpose is to review the city manager's proposed budget and approve a budget and maximum tax levy for City Council consideration. The budget committee may consider and develop recommendations on other financial issues as delegated by the City Council.
  - The City will finance all current expenditures with current revenues. The City will avoid budgetary practices that balance current expenditures through the obligation of future resources. Appropriation of fund balance or retained earnings will be solely for the purpose of one-time expenditures such as capital projects.
  - The City budget will support City Council goals and priorities and the long-range needs of the community.
  - In contrast to the line-item budget that focuses exclusively on items to be purchased (such as supplies and equipment), the City will emphasize the use of goals and programs to:
1. Structure budget choices and information in terms of programs or operating units and their related work activities and impact on constituents and the community,
  2. Provide information on what each program or operating unit is committed to accomplish in long-term goals and in short-term objectives, and
  3. Measure the degree of achievement of program or operating unit objectives (performance measures).

## **Financial Management Policies**

- The City will include multi-year projections in the budget document of at least three years beyond the biennium.
  - To maintain fund integrity, the City will manage each fund as an independent entity in accordance with applicable statutes, generally accepted accounting principles, and government finance industry standards.
  - The City will allocate direct and administrative costs to each fund based upon the cost of the other fund providing these services to the recipient fund. The City will recalculate the cost of administrative services regularly to identify the impact of inflation and other cost increases.
  - If the City should receive unbudgeted revenues net of corresponding or related expenditures or proceeds from the sale of assets within any governmental fund, the City will transfer not less than 20 percent of the gain to the Reserve Fund, restrict not less than 10 percent for payment of future long-term liabilities, and designate no less than 20 percent to fund capital projects.
- If the City should receive unbudgeted revenues net of corresponding or related expenditures or proceeds from the sale of assets within any enterprise or internal service fund, the City will commit not less than 10 percent of the gain to net earnings, restrict not less than 10 percent for payment of future long-term liabilities, and designate no less than 20 percent to fund capital projects.
- The City will seek to meet all standards for each adopted budget to obtain the Award for Distinguished Budget Presentation from the Government Finance Officers Association.

### **Fund Balance Policy-General Fund**

The General Fund accounts for all financial resources not accounted for in other funds. Resources include working capital carryover, taxes, licenses and permits, intergovernmental revenue, fines and forfeitures, charges for services, miscellaneous revenues, and inter-fund transfers. Expenditures are for Social Services, Economic and Cultural Development, Police Department, Municipal Court Department, Fire and Rescue Department, City Band, Cemeteries, and the Department of Community Development and payments for services provided by other funds. This fund uses the modified accrual method of accounting.

- The General Fund will maintain an unrestricted and undesignated balance no less than 20 percent of the average annual expenditures of the prior three years. This is the minimum needed to maintain the City's credit worthiness and to adequately provide for economic uncertainties and cash flow needs.
- At such time as the unrestricted and undesignated balance exceeds 50 percent of the average annual expenditures of the prior three years, the City will transfer not less than 20 percent of the overage to the Reserve Fund, restrict not less than 10 percent for payment of future long-term liabilities, and designate no less

than 20 percent to fund capital projects.

- If at any time the unrestricted and undesignated balance should fall below 20 percent of the average annual expenditures of the prior three years, the City will work to restore the balance in no less than three years with not less than 25 percent of the shortfall being restored within each year.
- The City will budget a contingency appropriation to provide for unanticipated non-recurring expenditures. The minimum contingency will be maintained at not less than 3 percent of the average annual operating expenditures over the prior three years.

**Parks and Recreation Fund.** The Parks General Fund is managed by the Ashland Parks & Recreation Commission per City Charter. Revenues are from property tax revenue transfers from the General Fund, charges for services, and miscellaneous sources. Expenditures are for parks, recreational, and golf course operations.

- The Parks and Recreation Fund will maintain an unrestricted and undesignated balance no less than 20 percent of the average annual expenditures of the prior three years. This is the minimum needed to maintain the City's credit worthiness and to adequately provide for economic uncertainties and cash flow needs.
- At such time as the unrestricted and undesignated balance exceeds 50 percent of the average annual expenditures of the prior three years, the City will transfer not less than 20 percent of the overage to the Reserve Fund, restrict not less than 10 percent for payment of future long-term liabilities, and designate no less than 20 percent to fund capital projects.
- If at any time the unrestricted and undesignated balance should fall below 20 percent of the average annual expenditures of the prior three years, the Commission will work to restore the balance in no less than three years with not less than 25 percent of the shortfall being restored within each year.
- The Commission will budget a contingency appropriation to provide for unanticipated non-recurring expenditures. The minimum contingency will be maintained at not less than 3 percent of annual operating expenditures.

### Special Revenue Funds

Special Revenue funds account for the proceeds of specific sources that are legally restricted to expenditures for specified purposes. Special Revenue funds account for transactions using the modified accrual method of accounting.

**Reserve Fund.** This fund is used to set aside funds to protect services and to stabilize the budget, and to meet any costs that may arise in the future from unexpected events. As established by Resolution 2010-18, amended by Resolution 2020-09, and clarified by Resolution 2020-xx.

## Financial Management Policies

**Community Development Block Grant Fund.** This fund was established in 1994-95. The fund accounts for the Block Grant and related expenditures.

- A fund balance policy is not needed since this fund works on a reimbursement basis and proceeds are restricted by federal guidelines.

**Street Fund.** Revenues are from the state road tax, grants, franchise fees, charges for services and miscellaneous sources. Expenditures are for the maintenance, repair, and surfacing of streets.

- The Street Fund will maintain a committed balance of annual revenue of at least 15 percent of the average annual expenditures of the prior three years. This is the minimum needed to maintain the City's credit worthiness and to adequately provide for economic uncertainties and cash flow needs.
- The System Development Charges for Transportation are included in the Street Fund balance. This portion of the Street Fund balance is restricted and shall not be used in determining the minimum fund balance.
- If at any time the unrestricted and undesignated balance should fall below 15 percent of the average annual expenditures of the prior three years, the City will work to restore the balance in no less than three years with not less than 25 percent of the shortfall being restored within each year.
- The City will budget a contingency appropriation to provide for unanticipated expenditures of a nonrecurring nature. The minimum contingency will be maintained at not less than 3 percent of annual operating expenditures.

**Airport Fund.** Revenues are from airport leases, and fuel sales. Expenditures are for airport operations.

- The Airport Fund will maintain a committed balance of annual revenue of at least 10 percent of the average annual expenditures of the prior three years. This is the minimum needed to maintain the City's credit worthiness and to adequately provide for economic uncertainties and cash flow needs.
- If at any time the unrestricted and undesignated balance should fall below 10 percent of the average annual expenditures of the prior three years, the City will work to restore the balance in no less than three years with not less than 25 percent of the shortfall being restored within each year.
- No portion of the Airport fund balance is restricted for specific uses

## Financial Management Policies

- Many of the Airport assets have restrictions placed on them by the Federal Aviation Administration. None of the current revenues are pledged to outside lenders.
- The City will budget a contingency appropriation to provide for unanticipated non-recurring expenditures. The minimum contingency will be maintained at not less than 3 percent of annual operating expenditures.

### Capital Projects Funds

Capital improvement funds are established to account for financial resources that are used for the acquisition or construction of major capital facilities (other than those financed by Enterprise Funds, Internal Service Funds, Special Assessment Funds and Trust Funds). Capital projects funds use the modified accrual method of accounting.

**Capital Improvements Fund.** This fund accounts for revenues from grants, unbonded assessment payments, and other sources, and will account for the construction of special local improvements, usually streets, with revenues from short term borrowing and unbonded assessments. Expenditures are for construction, property and equipment acquisition and replacement, improvements and related purposes including facility maintenance, and the repayment of short-term debt principal and interest incurred in financing improvements. The purpose is to accumulate funds prior to a large construction project; therefore, there is no minimum or maximum fund balance.

The System Development Charges (SDCs) for Parks are included in the Capital Improvement fund balance. This portion of the Capital Improvements fund balance is legally restricted and shall not be used in determining the minimum fund balance.

- The City will budget a contingency appropriation to provide for unanticipated non-recurring expenditures. The minimum contingency will be maintained at not less than 3 percent of annual operating expenditures.

**Parks Capital Improvements Fund.** The Parks Capital Projects Fund is managed by the Ashland Parks & Recreation Commission per City Charter. This fund is used to account for resources from grants and inter-fund transfers that are to be expended for major park renovations. The purpose is to accumulate funds prior to a large construction project; therefore, there is no minimum or maximum fund balance.

### Debt Service Funds

Debt Service Funds account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Expenditures and revenues are accounted for using the modified accrual method of accounting. All bond issues and notes are separated in the accounting system.

- All of the monies within the Debt Service fund are restricted for Debt service until the specific debt is repaid in full. ORS prohibits cities from borrowing this money for any other purpose.

### Enterprise Funds

Enterprise funds account for the following operations: (a) those that are financed and operated in a manner similar to private business enterprise, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) those where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Enterprise funds use full accrual basis of accounting for financial statement presentations. However, the enterprise activities use a modified accrual basis of accounting for budgetary purposes. This assures budgetary compliance with such expenditures as capital construction and acquisition, as well as debt principal transactions.

**Water Fund.** This fund accounts for water operations. Revenues are from sales of water, other charges for services, and miscellaneous sources. Expenditures are for operations, conservation programs, capital construction, and retirement of debt.

- The Water Fund will maintain an unrestricted and undesignated balance of at least 25 percent of the average annual expenditures of the prior three years, in addition to any amounts held to comply with debt covenants or legal requirements. This is the minimum needed to maintain the City's credit worthiness and to adequately provide for economic uncertainties and cash flow needs.
- The Water System Development Charges and reserved debt service fund balances are included in the Water Fund balance. These portions of the Water Fund balance are restricted and shall not be used in determining the minimum fund balance.
- If at any time the unrestricted and undesignated balance should fall below 25 percent of the average annual expenditures of the prior three years, the City will work to restore the balance in no less than three years with not less than one quarter of the shortfall being restored within each year.
- The City will budget a contingency appropriation to provide for unanticipated non-recurring expenditures. The minimum contingency will be maintained at not less than 3 percent of annual operating expenditures.

**Wastewater Fund.** This fund accounts for wastewater treatment and collection. Revenues are from charges for services and taxes. Expenditures are for operations, capital construction, and retirement of debt.

- The Wastewater Fund will maintain an unrestricted and undesignated balance of at least 25 percent of the average annual expenditures of the prior three years, in addition to any amount required to comply with debt covenants or legal requirements. This is the minimum needed to maintain the City's credit worthiness and to adequately provide for economic uncertainties and cash flow needs.
- If at any time the unrestricted and undesignated balance should fall below 25 percent of the average annual expenditures of the prior three years, the City will work to restore the balance in no less than three years with not less than one quarter of the shortfall being restored within each year.
- The Wastewater System Development Charges and reserved debt service fund balances are included in the Wastewater Fund balance. These portions of the Wastewater Fund balance are restricted and shall not be used in determining the minimum fund balance.
- The City will budget a contingency appropriation to provide for unanticipated non-recurring expenditures. The minimum contingency will be maintained at not less than 3 percent of annual operating expenditures.

***Electric Fund.*** The Electric Fund accounts for the distribution of purchased electricity according to standards set forth by the Federal Energy Regulatory Commission. Revenues are from sale of electricity and other charges for services and intergovernmental revenues. Expenditures are for related operations. Utility operations include wholesale power purchases, operating expenses, energy conservation incentives, capital outlay, retirement of debt, franchise tax, and related purposes.

- The Electric Fund will maintain an unrestricted and undesignated balance of at least 25 percent of the average annual expenditures of the prior three years, in addition to any amount required to comply with debt covenants or legal requirements. This is the minimum needed to maintain the City's credit worthiness and to adequately provide for economic uncertainties and cash flow needs.
- Debt service reserves are included in the Electric Fund balance. This portion of the Electric Fund balance is restricted and shall not be used in determining the minimum fund balance.
- If at any time the unrestricted and undesignated balance should fall below 25 percent of the average annual expenditures of the prior three years, the City will work to restore the balance in no less than three years with not less than 25 percent of the shortfall being restored within each year.
- The City will budget a contingency appropriation to provide for unanticipated non-recurring expenditures. The minimum contingency will be maintained at not less than 3 percent of annual operating expenditures.

***Telecommunications Fund.*** The Telecommunications Fund accounts for the revenues and expenditures of the Ashland Fiber Network.



## Financial Management Policies

- The Telecommunications Fund will maintain a minimum balance of 20 percent of the average annual expenditures of the prior three years, in addition to any amount required to comply with debt covenants or legal requirements
- If at any time the unrestricted and undesignated balance should fall below 20 percent of the average annual expenditures of the prior three years, the City will work to restore the balance in no less than three years with not less than one quarter of the shortfall being restored within each year.
- Debt service reserves are included in the Telecommunications Fund balance. This portion of the Telecommunications Fund balance is restricted and shall not be used in determining the minimum fund balance.
- The city will budget a contingency appropriation to provide for unanticipated non-recurring expenditure. The minimum contingency will be maintained at not less than 3 percent of annual operating expenditures.

**Stormwater Fund.** Revenues are from charges for services and miscellaneous sources. Expenditures are for the maintenance, repair, and construction of storm drains.

- The Stormwater Fund will maintain a committed balance of annual revenue of at least 20 percent of the average annual expenditures of the prior three years. This is the minimum needed to maintain the City's credit worthiness and to adequately provide for economic uncertainties and cash flow needs.
- The System Development Charges for Storm Drains and debt service reserves are included in the Stormwater Fund balance. These portions of the Stormwater Fund balance are restricted and shall not be used in determining the minimum fund balance.
- If at any time the unrestricted and undesignated balance should fall below 20 percent of the average annual expenditures of the prior three years, the City will work to restore the balance in no less than three years with not less than one quarter of the shortfall being restored within each year.
- The City will budget a contingency appropriation to provide for unanticipated expenditures of a nonrecurring nature. The minimum contingency will be maintained at not less than 3 percent of annual operating expenditures.

## Internal Service Funds

Internal service funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost reimbursement basis. Internal service funds use full accrual accounting methods for financial statement presentations. However, the internal service funds use a modified accrual basis of accounting for budgetary purposes. This assures budgetary compliance with such expenditures as capital construction and acquisition as well as debt principal transactions.

**Central Services Fund.** This fund is divided into Administration, Information Technology, Finance, City Recorder, and Public Works Administration/Engineering. Expenditures are for personnel, materials and services and capital outlay for these departments. These functions are supported by charges for services by direct service departments and divisions.

- The Central Services Fund will maintain an unrestricted and undesignated balance of at least 5 percent of the average annual expenditures of the prior three years. This is the minimum needed to maintain the City's credit worthiness and to adequately provide for economic uncertainties and cash flow needs.
- No portion of the Central Services Fund balance is restricted for specific purposes.
- If at any time the unrestricted and undesignated balance should fall below 5 percent of the average annual expenditures of the prior three years, the City will work to restore the balance in no less than three years with not less than one quarter of the shortfall being restored within each year.
- The City will budget a contingency appropriation to provide for unanticipated non-recurring expenditures. The minimum contingency will be maintained at not less than 3 percent of annual operating expenditures.
- As of July 1, 2021, the Central Services Fund will be closed and the respective operations, funding, balances, and activities incorporated into the General Fund. Such revenues and transfers as calculated in the Cost Allocation Plan will be applied accordingly.

**Insurance Services Fund.** Revenues in this fund are from service charges from other departments, investment income, and insurance retrospective rating adjustments. Expenditures are for insurance premiums, self-insurance direct claims, and administration.

- The Insurance Services Fund will maintain an unrestricted and undesignated balance of 50% of the average annual expenses of the prior five years or \$500,000 whichever is more, This is the minimum needed to maintain the City's insurance programs and provide for uninsured exposures.
- If at any time the unrestricted and undesignated balance should fall below \$500,000, the City will work to restore the balance in no less than two years with not less than one third of the shortfall being restored within each year.
- No portion of the Insurance Services Fund balance is legally restricted for specific uses.
- The City will budget a contingency appropriation to provide for unanticipated non-recurring expenditures. The minimum contingency will be maintained at not less than 3 percent of annual operating expenditures.

**Health Benefits Fund.** Revenues in this fund are primarily from service charges from other departments, investment income and interfund loans as needed. Expenditures are for insurance premiums, self-insurance direct claims, and administration.

## Financial Management Policies

- The Health Benefits Fund will maintain a minimum balance of 10 percent of the average annual expenses of the prior three years.
- If at any time the unrestricted and undesignated balance should fall below 10 percent of the average annual expenditures of the prior three years, the City will work to restore the balance in no less than three years with not less than one quarter of the shortfall being restored within each year.
- The Health Benefits Fund balance is legally restricted for the employee health benefits program.

The City will budget a contingency appropriation to provide for unanticipated non-recurring expenditures. The minimum contingency will be maintained at not less than 3 percent of annual operating expenditures.

**Equipment Fund.** This fund is used to account for the maintenance and replacement of the City fleet of vehicles and specified equipment. Revenues are from equipment rental and replacement charges. Expenditures are for personnel, materials and services, and capital outlay. This fund is divided into two functions: equipment maintenance and equipment replacement. The purpose of the equipment replacement function is to accumulate adequate funds to replace equipment. This replacement schedule is updated annually.

- The Equipment Fund will maintain a minimum balance calculated to sufficiently fund equipment replacement as determined by use of the replacement value schedule and not less than 20 percent of the average annual operating expenditures of the prior three years.
- If at any time the unrestricted and undesignated balance should fall below the sum of 20 percent of the average annual operating expenditures of the prior three years and 30% of the replacement value of in-service equipment and vehicles, the City will work to restore the balance in no less than three years with not less than one quarter of the shortfall being restored within each year.
- No portion of the Equipment fund balance is legally restricted for specific uses. The City rents equipment at rates that include the replacement cost of the specific piece of equipment.
- The City will budget a contingency appropriation to provide for unanticipated non-recurring expenditures. The minimum contingency will be maintained at not less than 3 percent of annual operating expenditures.

**Parks Equipment Fund.** This fund is used to account for the maintenance and replacement of the Parks Commission fleet of vehicles and specified equipment and managed by the Ashland Parks and Recreation Commission. Revenues are from equipment rental and replacement charges. Expenditures are for personnel, materials and services, and capital outlay. This fund is divided into two functions: equipment maintenance and equipment replacement. The purpose of the equipment replacement function is to accumulate adequate funds to replace equipment. This replacement schedule is updated annually.

- The Parks Equipment Fund will maintain a minimum balance calculated to sufficiently fund equipment replacement as determined by use of the replacement value schedule and not less than 20 percent of the average annual operating expenditures of the prior three years.
- If at any time the unrestricted and undesignated balance should fall below the sum of 20 percent of the average annual operating expenditures of the prior three years and 30% of the replacement value of in-service equipment and vehicles, the Commission will work to restore the balance in no less than three years with not less than one quarter of the shortfall being restored within each year.
- No portion of the Equipment fund balance is legally restricted for specific uses. The Commission rents equipment at rates that include the replacement cost of the specific piece of equipment.
- The Commission will budget a contingency appropriation to provide for unanticipated non-recurring expenditures. The minimum contingency will be maintained at not less than 3 percent of annual operating expenditures.

### Trust and Agency Funds

Trust and agency funds account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, or governmental units, and/or other funds. These include (a) expendable trust funds, (b) non-expendable trust funds, (c) pension trust funds, and (d) agency funds.

***Cemetery Trust Fund.*** The Cemetery Trust Fund is a non-expendable trust fund that uses the accrual basis of accounting. Revenues are from interest income and perpetual care service charges on cemetery operations. Expenditures are for the repurchase of plots and transfers of earnings to the cemetery fund for operations.

- No minimum fund balance policy is recommended.

### Revenues

- The City will estimate its annual revenues by an objective, analytical process. Because most revenues are sensitive to conditions outside the City's control, estimates will be conservative.
- The City will make every effort to maintain a diversified and stable revenue base to protect its operation from short-term fluctuations in any one revenue source.
- The City will establish charges for enterprise funds that fully support the total cost of the enterprise. Utility rates will be reviewed annually. Rates will be adjusted as needed to account for major changes in consumption and cost increases.
- The City will identify user fees to the direct beneficiaries of City services to recover all of the full cost of providing that service and compare with existing rates. All user fees will be reviewed biannually to ensure that direct and overhead costs are recovered in the percentage approved by City Council.

## **Financial Management Policies**

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- To the extent practicable, new development shall pay necessary fees to meet all identified costs associated with that development.
- The City will work aggressively to collect all delinquent accounts receivable. When necessary, collection procedures will include termination of service, submission to collection agencies, foreclosure, and other available legal remedies.

### **Expenditures**

- The City will provide employee compensation that is competitive with comparable public jurisdictions within the relative recruitment area. Estimated wage increases and changes in employee benefits will be included in the proposed budget under Personnel Services.
- The City is committed to maintaining and improving the productivity of its staff by providing a proper working environment, adequate equipment and supplies, and appropriate training and supervision.
- A Social Service appropriation will be included in the proposed General Fund Budget. This appropriation will increase or decrease relative to the overall General Fund revenues.
- An Economic, Cultural Development, Tourism and Sustainability appropriation will be included in the proposed General Fund Budget. This appropriation will increase or decrease relative to the overall Transient Occupancy Tax Revenues.

### **Purchasing**

- The City will purchase materials, supplies, and equipment through a competitive process that provides the best product for the least cost.
- The City will adhere to all State of Oregon and local requirements for purchasing goods and services. The City will also review policies and procedures at least annually for adherence with industry best practices.

### **Capital**

- The City will provide for adequate maintenance of equipment and capital assets. The City will make regular contributions to the Equipment Replacement Fund and the City Facilities budget to ensure that monies will be available as needed to replace City vehicles and facilities.
- Future operating costs associated with new capital improvements will be itemized, projected, and included in the long-term budget forecast.
- The City will determine and use the most appropriate method for financing all new capital projects.
- Special accounts dedicated for capital improvements will be segregated in the accounting system and used only for the intended capital purposes.
- The Capital Improvement Plan (CIP) will encourage a level capital replacement schedule and anticipate future capital needs. The CIP will present identified needed capital projects for a minimum of six years into the future and include

- known major projects requiring debt obligations to support them for a minimum of fifteen years into the future.

### **Debts**

- The City will not use long-term borrowing to finance current operations.
- Capital projects, financed through bond proceeds, will be financed for a period not to exceed the useful life of the project.
- Whenever possible, enterprise debt will be self-supporting. Regardless of the type of debt issued, the City will establish a one-year reserve for all self-supporting debt.
- The City will seek to maintain level debt service payments over the duration of an issue and consider the level of debt obligations across funding sources when recommending types and amounts of debt instruments.
- The City will keep the final maturity of general obligation bonds at or below 20 years, with the exception of water supply and land acquisition that will be limited to 30 years.
- The City will maintain a debt coverage ratio, i.e. net revenue to debt service of at least 125% for every debt issue.
- The State of Oregon limits non-self-supporting obligation debt to three percent of the real market value of all taxable property within the City boundaries.
- The City will seek to maintain and improve its bond rating to minimize borrowing costs and to ensure its access to credit markets.
- The City will maintain good communications with bond rating agencies about its financial condition.

### **Risk Management**

- The City will provide an active risk management program that reduces human suffering and protects City assets through loss prevention, insurance, and self-insurance.
- The risk management program will be reviewed at least annually to assure levels of primary and secondary coverage are consistent with City priorities and needs.
- The risk management function will conduct regular meetings of the City Safety Committee, including representatives from each operating department, to review incidents and consider activities or initiatives to reduce the City's loss experience and to enhance safety of City human and physical resources.

## Summary of Internal Service Charges

### City of Ashland Summary of Internal Service Charges BN 21/23

	Administrative Fee	Insurance Service Fee	Facility Use Fee	Replacement Fee	Fleet Maintenance	Technology Debt	Total
Admin - Econ Develop	\$ -	\$ 3,810	\$ -	\$ -	\$ -	\$ -	\$ 3,810
Admin - Muni Court		13,490					13,490
Administration		60,530					60,530
Information Services		38,973		4,805	16,309		60,087
Finance		72,160			429		72,590
Band		144					144
City Recorder		10,821					10,821
Police		689,187		472,387	496,663		1,658,237
Fire		576,367		993,904	526,492		2,096,763
Public Works - Facilities		40,186		17,843	15,245		73,273
Public Works - Support		110,019		42,335	21,020		173,374
Cemetery		28,600		51,468	39,638		119,706
Comm Dev		50,628			4,257		54,885
<b>General Fund</b>	<b>-</b>	<b>1,694,918</b>	<b>-</b>	<b>1,582,742</b>	<b>1,120,052</b>	<b>-</b>	<b>4,397,711</b>
<b>Street Fund</b>	<b>1,428,610</b>	<b>199,948</b>	<b>181,934</b>	<b>998,589</b>	<b>1,049,885</b>	<b>60,000</b>	<b>3,918,966</b>
<b>Airport Fund</b>	<b>60,540</b>	<b>13,114</b>	<b>15,318</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>88,972</b>
Supply	623,930						623,930
Distribution	1,489,946	131,414	212,990	400,632	218,530	100,000	2,553,511
Treatment	273,790	75,636	59,700	39,408	62,391	56,400	567,326
Conservation	67,878	5,185	31,738	7,210	1,508		113,519
<b>Water Fund</b>	<b>2,455,544</b>	<b>212,235</b>	<b>304,428</b>	<b>447,250</b>	<b>282,429</b>	<b>156,400</b>	<b>3,858,286</b>
Collection	960,722	166,577		331,634	153,374	120,000	1,732,307
Treatment	408,464	104,798	173,826	209,153	192,459	71,600	1,160,300
<b>Wastewater Fund</b>	<b>1,369,186</b>	<b>271,375</b>	<b>173,826</b>	<b>540,787</b>	<b>345,833</b>	<b>191,600</b>	<b>2,892,607</b>
<b>Storm Drain Fund</b>	<b>491,820</b>	<b>82,366</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>574,186</b>
Conservation	99,786	17,402	38,722	19,168	3,905		178,983
Distribution	1,762,356	234,315	284,720	583,836	328,668	1,082,600	4,276,495
<b>Electric Fund</b>	<b>1,862,142</b>	<b>251,717</b>	<b>323,442</b>	<b>603,004</b>	<b>332,573</b>	<b>1,082,600</b>	<b>4,455,478</b>
<b>Telecomm Fund</b>	<b>924,892</b>	<b>62,624</b>	<b>165,390</b>	<b>66,500</b>	<b>34,624</b>	<b>818,000</b>	<b>2,072,029</b>
<b>Insurance Fund</b>	<b>132,220</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>132,220</b>
<b>Equipment Fund</b>	<b>994,974</b>	<b>49,943</b>	<b>174,620</b>	<b>68,166</b>	<b>49,770</b>	<b>-</b>	<b>1,337,473</b>
<b>Parks Fund</b>	<b>1,769,012</b>	<b>247,402</b>	<b>-</b>	<b>-</b>	<b>705,635</b>	<b>-</b>	<b>2,722,049</b>
<b>Total City and Parks</b>	<b>\$ 11,488,940</b>	<b>\$ 3,085,644</b>	<b>\$ 1,338,958</b>	<b>\$ 4,307,038</b>	<b>\$ 3,920,804</b>	<b>\$ 2,308,600</b>	<b>\$26,449,978</b>

These amounts are incorporated within the budget to reflect services provided between funds. The amounts budgeted are based upon cost allocation plans (CAPs) reviewed and accepted by management each year. They take into consideration the value of the services provided and is often adjusted to reflect a cost sharing approach for necessary operations and the ability to pay towards them.

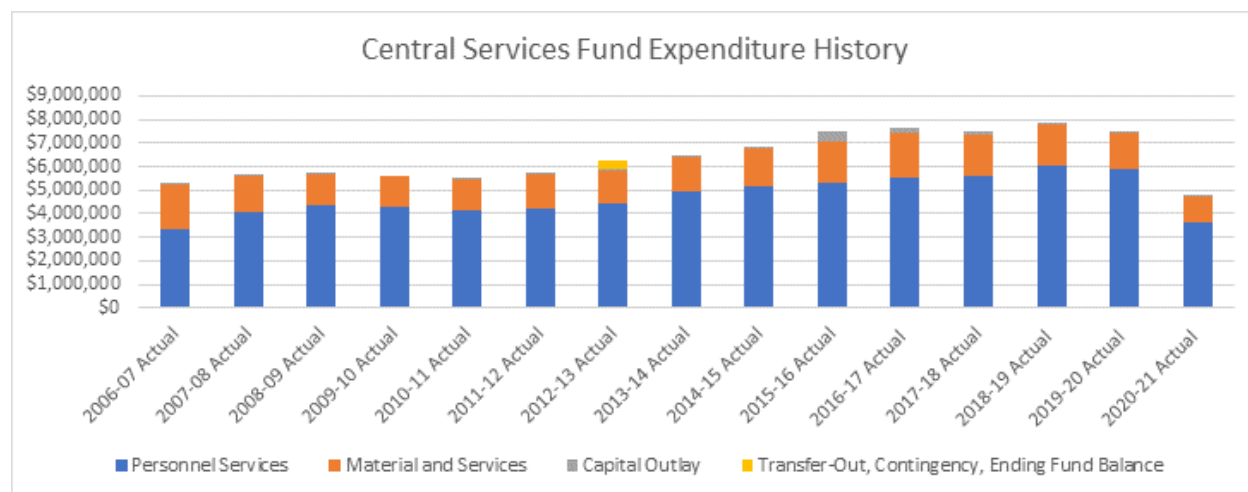


## Cost Allocation Plan

The City utilizes a Cost Allocation Plan to allocate a portion of each administrative or support department to other departments. Departments “buy” services from the central government rather than support separate administrative activities. It is particularly important to accurately assess the enterprise or fee-based activities to ensure rate-payers are not subsidizing the primary government services such as police or fire and that any subsidy of the fee activities is specifically approved by Council and not inadvertent.

The City conducted a formal Cost Allocation Plan review in 2018 with consultant assistance to validate the methodology to charge for the services. Finance staff updates the base data each biennium with the most current user and cost information to ensure accurate allocations. Prior to July 2021, internal charges were transferred to the Central Services Fund where some departments were funded. With the BN2021-2023 budget, all primary government functions including the City Council, Legal Department, City Manager, Finance, Information Technology, Human Resources, and Facilities are within the General Fund and other operating funds pay internal charges to the General Fund in purchase of their portion of these services.

Insurance, Fleet Maintenance, and Fleet/Equipment Replacement are also evaluated through the Cost Allocation Plan with related costs being assessed to the operating departments based on usage.



	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Actual
Personnel Services	4,938,616	5,165,978	5,301,163	5,517,296	5,584,221	6,046,589	5,892,880	3,622,796
Material and Services	1,441,805	1,587,178	1,752,441	1,875,667	1,753,084	1,737,726	1,558,232	1,095,693
Capital Outlay	16,500	45,807	473,663	283,003	146,143	56,971	16,135	32,436
Transfer-Out, Contingency, Ending Fund Balance	0	0	0	0	0	0	0	0
Total	6,396,921	6,798,963	7,527,267	7,675,966	7,483,448	7,841,286	7,467,247	4,750,925



## Cost Allocation Plan

Central Services Allocation by Department	BN 13/15 Allocation	BN 13/15 Actual	Over/ (Under)	% Coverage	BN 15/17 Allocation	BN 15/17 Actual	Over/ (Under)	% Coverage
Econ Dev/ Court	408,361	288,940	(119,421)	70.76%	428,352	235,780	(192,572)	55.04%
Finance	120,062	61,330	(58,732)	51.08%	148,802	66,130	(82,672)	44.44%
AFN	844,117	856,100	11,983	101.42%	838,837	930,500	91,663	110.93%
Commun. Develop.	776,762	700,540	(76,222)	90.19%	869,575	761,410	(108,165)	87.56%
Police	1,060,796	885,970	(174,826)	83.52%	996,634	962,970	(33,664)	96.62%
Fire	819,249	694,350	(124,899)	84.75%	676,940	754,690	77,750	111.49%
Public Works	6,197,388	5,620,600	(576,788)	90.69%	7,171,121	6,054,965	(1,116,156)	84.44%
Parks	937,084	727,000	(210,084)	77.58%	944,922	727,000	(217,922)	76.94%
Electric	1,969,758	2,193,700	223,942	111.37%	2,371,383	2,384,343	12,960	100.55%
<b>Total</b>	<b>\$13,133,577</b>	<b>\$12,028,530</b>	<b>\$ (1,105,047)</b>	<b>91.59%</b>	<b>\$14,446,567</b>	<b>\$12,949,788</b>	<b>\$ (1,496,779)</b>	<b>89.64%</b>
Central Services Allocation by Department	BN 17/19 Allocation	BN 17/19 Actual	Over/ (Under)	% Coverage	BN 19/21 Allocation	BN 19/21 Budget	Over/ (Under)	% Coverage
Econ Dev/ Court	470,175	248,460	(221,715)	52.84%	524,702	491,267	(33,435)	93.63%
Finance	138,235	69,686	(68,549)	50.41%	182,272	170,285	(11,987)	93.42%
AFN	971,891	980,534	8,643	100.89%	1,027,518	960,553	(66,965)	93.48%
Commun. Develop.	894,342	802,352	(91,990)	89.71%	1,065,171	996,403	(68,768)	93.54%
Police	1,221,369	1,014,750	(206,619)	83.08%	1,220,809	1,141,934	(78,875)	93.54%
Fire	943,260	795,270	(147,990)	84.31%	829,206	760,685	(68,521)	91.74%
Public Works	7,135,492	6,380,548	(754,944)	89.42%	8,784,137	8,211,800	(572,337)	93.48%
Parks	1,078,932	766,092	(312,840)	71.00%	1,157,466	1,084,331	(73,135)	93.68%
Electric	2,267,922	2,512,550	244,628	110.79%	2,904,784	2,714,712	(190,072)	93.46%
<b>Total</b>	<b>\$15,121,619</b>	<b>\$13,570,242</b>	<b>\$ (1,551,377)</b>	<b>89.74%</b>	<b>\$17,696,064</b>	<b>\$16,531,970</b>	<b>\$ (1,164,094)</b>	<b>93.42%</b>
Central Services Allocation by Department	BN 21/23 Allocation	BN 21/23 Budget	Over/ (Under)	% Coverage				
Econ Dev/ Court	318,601	318,601	-	100.00%				
Finance	151,038	151,038	-	100.00%				
AFN	924,892	924,892	-	100.00%				
Commun. Develop.	730,159	730,159	-	100.00%				
Police	1,760,151	1,760,151	-	100.00%				
Fire	1,672,264	1,672,264	-	100.00%				
Public Works	7,005,928	7,005,928	-	100.00%				
Parks	1,769,012	1,769,012	-	100.00%				
Electric	1,762,356	1,762,356	-	100.00%				
<b>Total</b>	<b>\$16,094,402</b>	<b>\$16,094,402</b>	<b>\$ -</b>	<b>100.00%</b>				

## Fund Balances Compared to Policy Limits

Fund	Fund Balance	2021-2022	2021-22	2022-2023	2022-23
		Requirement	Proposed Budget	Requirement	Proposed Budget
General	Not less than 20% of the average annual expenditures of the prior three years	\$ 7,461,684	\$ 8,616,083	\$ 7,310,626	\$ 7,472,918
Parks General	Not less than 20% of the average annual expenditures of the prior three years	1,328,195	754,606	1,385,064	107,492
Street	Maintain a balance of annual revenue of 15% of the average annual expenditures of the prior three years, less the SDC revenue	770,442	767,134	388,885	388,885
Airport	Maintain a balance of annual revenue of 10% of the average annual expenditures of the prior three years	22,231	197,378	59,018	189,853
Water	Not less than 25% of the average annual expenditures of the prior three years in addition to debt	2,362,450	11,518,402	4,290,031	10,185,545
Wastewater	Not less than 25% of the average annual expenditures of the prior three years in addition to debt	2,116,545	5,932,421	2,675,526	4,869,632
Electric	Not less than 25% of the average annual expenditures of the prior three years in addition to debt	4,154,610	4,963,036	4,218,671	5,239,763
Telecommunications	Not less than 20% of the average annual expenditures of the prior three years in addition to debt	432,749	2,030,348	482,346	2,281,395
Stormwater	Not less than 20% of the average annual expenditures of the prior three years	155,469	856,106	244,445	244,445
Insurance Services	Not less than 50% of the average annual expenses of the prior five years or \$500,000 whichever is more	612,530	595,687	669,329	882,745
Health Benefits	Not less than 10% of the average annual expenses of the prior three years	543,691	1,288,729	562,647	470,270
Equipment	Not less than value to fund equipment replacement and not less than 20% of average annual operating expenditures of prior three years	2,437,313	4,212,343	2,437,313	4,833,802
Parks Equipment	Not less than value to fund equipment replacement and not less than 20% of average annual operating expenditures of prior three years	38,037	463,407	32,278	477,347

## Glossary

**Accrual Basis:** Method of accounting where expenditures and revenues are recorded when incurred, not when paid.

**ADA:** Americans with Disabilities Act.

**Adopted budget:** Financial plan that forms the basis for appropriations. Adopted by the governing body (ORS 294.435).

**AFN:** Ashland Fiber Network is the state-of-the-art telecommunications infrastructure of fiber optic cable that weaves through the City's neighborhoods. AFN provides citizens of Ashland with three services: high-speed data, cable modem Internet access, and cable television.

**AFR:** Ashland Forrest Resiliency.

**AIR:** Ashland is Ready.

**Airport Fund:** This fund accounts for maintenance of airport facilities. Revenues are from airport leases.

**AMR:** Automatic Meter Reading System.

**Annexation:** The incorporation of land into an existing city with a resulting change in the boundaries of that city.

**Annual Revenues:** The sum of all sources of Estimated Revenues of a fund excluding Working Capital Carryover.

**APD:** Ashland Police Department.

**Appropriation:** Authorization for spending a specific amount of money for a specific purpose during a fiscal year. It is based on the adopted budget, including supplemental budgets, if any. It is presented in a resolution or ordinance

adopted by the governing body [ORS 294.311.(3)].

**Appropriation Resolution:** The legal document passed by the City Council authorizing expenditures.

**Approved Budget:** The budget that has been approved by the budget committee. The data from the approved budget is published in the Financial Summary before the budget hearing (ORS 294.406).

**ASA:** Ambulance Service Area.

**Assessed Value:** The value set on real and personal property as a basis for imposing taxes. It is the lesser of the property's maximum assessed value or real market value.

**Audit:** The annual review and appraisal of a municipal corporation's accounts and fiscal affairs conducted by an accountant under contract or the Secretary of State (ORS 297.425).

**Audit Report:** A report in a form prescribed by the Secretary of State made by an auditor expressing an opinion about the propriety of a local government's financial statements, and compliance with requirements, orders and regulations.

**AWTA:** Ashland Woodland Trails Association.

**Balanced Budget:** When total anticipated resources including beginning fund balance or carry over from the prior period, all revenue and other sources of money equal all proposed requirements including expenditures for personal services,

materials & services, capital outlay, debt service, other uses and estimated ending fund balance or carry over to the next period.

**Baseline:** Year two of the prior budget year's long-term plan. The beginning point for the budget preparation, comparison and justification in the ensuing year.

**Biennial Budget:** A budget for a 24-month period.

**Bioswale:** Long narrow trenches dug next to impervious surfaces like parking lots. Water runs off these impervious surfaces into the trench where it is "cleaned" of oily substances and other pollutants prior to reaching the storm drain system. A variety of grasses, shrubs and ground covers are planted in the trenches.

**Bonded Debt Levy:** Property tax levy dedicated to repayment of General Obligation Bonds authorized by more than 50 percent of the community's registered voters. The levy cannot exceed the term of the bonds.

**Bonds:** Written promises to pay a sum of money, called principal or face value, at a future date, called the maturity date, along with periodic interest paid at a specified percentage of the principal (interest rate). Bonds are typically used to finance long-term capital improvements.

**BPA:** Bonneville Power Administration. This federal agency is the major wholesaler of Northwest electric energy.

**Budget:** A financial operating plan with estimated expenditures and expected revenues for a given period.

**Budget Committee:** A panel composed of the City Council and an equal number of citizens responsible for the review and recommendation of the annual budget (ORS 294.336).

**Budget Message:** A message prepared by the City Administrator and the Budget Officer explaining the annual proposed budget, articulating the strategies and budgets to achieve the City's goals, and identifying budget impacts and changes (ORS 294.391).

**Budget Officer:** The person appointed by the City Council to be responsible for assembling the budget. For the City of Ashland, the Finance Director serves this role (ORS 294.331).

**Budget Period:** A 24-month period beginning July 1 of the first fiscal year and ending June 30 of the second fiscal year.

**Budget Transfers:** Amounts moved from one fund to finance activities in another fund. They are shown as expenditures in the originating fund and revenues in the receiving fund.

**CAP:** Central Area Patrol (Police and Parks Fund).

**CAP:** Civil Area Patrol (Airport Fund).

**Capital Expenditure:** Payment for equipment, buildings or improvements

## Glossary

that have a depreciable life of two or more years.

**Capital Improvements Fund:** This fund accounts for revenues from grants, non-bonded assessment Fund payment, bond proceeds, and other sources, and will account for the construction of special local improvements with revenues from short-term borrowing and non-bonded assessments. Expenditures are for construction, property and equipment acquisitions, and the related payment of debt service in financing improvements.

**Capital Outlay:** An object classification that includes items with a useful life of one or more years, such as machinery, land, furniture, computers, or other equipment, and which cost more than \$5,000 [ORS 294.352(6)].

**Capital Project Funds:** A fund type used to account for resources, such as bond sale proceeds, to be used for major capital item purchase or construction [OAR 150-294.352(1)].

**CATV:** Cable Television.

**CDBG:** Community Development Block Grant are funds from the Department of Housing and Urban Development used to assist low and moderate income neighborhoods and households.

**Cemetery Trust Fund:** This fund was established to provide perpetual care of cemeteries and accounts for the repurchase of plots and transfers of earnings to the general fund. Revenues are from interest income and service charges on cemetery operations.

**Central Service Charge:** Reimbursement for services that are paid for out of one fund but benefit the programs in another fund.

**Central Services Fund:** This fund captures all the costs of internal administrative service providers that provide support to the other departments and divisions. Revenues support this fund are charges to departments based on the benefits received.

**CERT:** Community Emergency Response Team.

**CERVS:** Community Resource and Vital Services is a non-profit program that ICCA is part of. (See ICCA.)

**CIP:** Capital Improvement Plan.

**CMOM:** Capacity, Management, Operation and Maintenance.

**Community Development Block Grant Fund:** This fund accounts for financial resources received from the U.S. Department of Housing and Urban Development as CDBG funds can be used for a variety of housing and Community development projects that benefit low and moderate-income persons in Ashland.

**Contingency:** An appropriation of funds to cover unforeseen events that may occur during the budget year. The City Council must authorize the use of any contingency appropriations.

**CPI:** Consumer Price Index.

**CSO:** Community Service Officer.

**CSV:** Community Service Volunteer.

**CWSRF:** Clean Water State Revolving Fund.

**DARE:** Drug Awareness Resistance Education.

**Debt Service:** Payment of interest and principal related to long term debt.

**Debt Service Fund:** This fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest except that payable from proprietary, fiduciary, or special assessment funds.

**Depreciation:** A system of accounting which aims to distribute the cost or other basic value of tangible capital assets, less salvage (if any), over the estimated useful life of the unit in a systematic and rational manner. It is a process of allocation, not of valuation. Depreciation is not budgeted by the City, in accordance with Oregon Local Budget Law.

**DEQ:** The Oregon Department of Environmental Quality works to restore, enhance, and maintain the quality of Oregon's air, water and land.

**Electric Fund:** This fund accounts for sale of electricity, charges for other services, and intergovernmental grants. Expenditures are for wholesale power purchases, operating expenses, energy conservation incentives, capital outlay, retirement of debt, and franchise tax.

**Encumbrance:** An obligation chargeable to an appropriation and for which part of the appropriation is reserved [ORS 294.311(10)].

**EMS:** Emergency Medical Services.

**EMT:** Emergency Medical Technician.

**Enterprise Funds:** Records the resources and expenses of acquiring, operating and maintaining a self-supporting facility or service.

**EOC:** The Emergency Operations Center is the coordinating and support organization headquarters for emergency operations within the City. The purpose of the EOC is to support Incident Command operations.

**EPA:** Environmental Protection Agency.

**Equipment Fund:** This fund accounts for the replacement and maintenance of the city's fleet of vehicles. Revenues are from equipment rental charges.

**Expenditures:** The money spent by the City for the programs and projects included within the approved budget.

**F&B:** Food and Beverage.

**FAA:** Federal Aviation Administration.

**FAC:** Fire Adapted Community.

**FAM:** Federal Aid Money to Municipalities.

**FBO:** Fixed Base Operator.

**FEMA:** Federal Emergency Management Agency.

**FFY:** Federal Fiscal Year.

**Fiscal Year:** Twelve-month period from July 1 to June 30 for which the annual budget of the City is prepared and adopted. Example: FY, FY 06, FY 2006.



## Glossary

**Fiduciary funds:** Used to account for assets held in trust by the government for the benefit of individuals or other entities.

**Fixed Assets:** Assets of a long-term character such as land, buildings, furniture, and other equipment.

**Food and Beverage Tax:** Five-percent tax assessed on prepared food and beverage providers gross receipts from prepared food items excluding alcohol. The tax was enacted July 1, 1993 and authorization ends December 31, 2030.

**Franchise:** A privilege fee for using the ROW (Right of Way).

**Fringe Benefits:** The non-salary part of employees' total compensation. A typical benefit package includes insurance, retirement, and vacation/sick leave components.

**FTE:** Full-time Equivalent is a term used to measure the number of employees on a 40 hour per week basis.

**Fund:** An accounting entity with a self-balancing set of accounts that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with specific regulations, restrictions or limitations.

**Fund Balance:** The difference between governmental fund assets and liabilities; also referred to as fund equity.

**GAAP:** Generally accepted accounting principles as determined through common practice or as promulgated by the Government Accounting Standards Board, Financial Accounting Standards Board, or various other accounting standard setting bodies.

**GASB:** Government Accounting Standards Board.

**GFOA:** Government Finance Officers Association.

**General Fund:** This fund accounts for all financial resources except those accounted for in other funds. It provides for many of the city's primary operations such as public safety services, parks & recreation and community development.

**GIS:** Geographic Information Systems.

**Governmental funds:** Include General funds, Special Revenue funds, Capital Projects funds, Debt Service funds & Special Assessment funds.

**Health Benefits Fund:** This fund accounts for employee health benefits and premiums, self-insurance direct claims, and administration. Revenues are from departmental payments per FTE. The fund was established July 1, 2013.

**HIPPA:** Health Insurance Portability and Accountability Act.

**HR:** Human Resources.

**HUD:** Housing and Urban Development.

**IBEW:** International Brotherhood of Electrical Workers.

**ICCA:** Interfaith Care Community of Ashland is an organization that is under the auspices of CERVS. It is a coalition of faith groups and community volunteers committed to providing a coordinated program of emergency services to

families and individuals in need. Also known as ICCA/CERVS.

**Insurance Services Fund:** This fund accounts for insurance premiums, self-insurance direct claims, and risk management administration. Revenues are from service charges from other departments, and investment income.

**Interfund Loans:** Loans made by one fund to another and authorized by resolution or ordinance (ORS 294.460).

**Internal Service Fund:** Accounts for internally supported activities where the government is the primary reciprocate of the services provided by the fund.

**IS:** Information Services or Electronic Data Processing.

**ISTEA:** Intermodal Surface Transportation Efficiency Act grant to encourage various types of transportation.

**JJTC:** Jackson/Josephine Transportation Community.

**LCDC:** Land Conservation Development Commission.

**Line Item:** An expenditure description at the most detailed level. Objects of expenditure are grouped into specific items, such as printing.

**LID:** Local Improvement Districts are formed by petition and used to request the City of Ashland to finance improvements to neighborhoods (e.g., sidewalks) over a 10-year period.

**LLC:** Limited Liability Company.  
**Local option Levy:** Voter-approved property tax levies for a period of two to five years above the permanent rate.

**Materials and Services:** The term used in an operating budget to designate a classification of expenditures. Refers to planned purchases other than Personal Services or Capital Outlay.

**Major Fund:** Those whose revenues, expenditures/expenses, assets or liabilities are at least 10 percent of the total for their fund category (governmental or enterprise) and 5 percent of the aggregate of all governmental and enterprise funds in total.

**Measure 47:** In November 1996, voters passed a tax limitation initiative that was referred to as Measure 47. The measure's provisions included: a tax roll back for property taxes; a cap of 3 percent on assessed value increases in future years; a requirement that special elections for property tax increase measures must be approved by 50 percent of all registered voters, as opposed to a simple majority in general elections. Because of several complexities regarding implementation, the legislature instead proposed Measure 50 in May 1997.

**Measure 50:** In May 1997, voters replaced Measure 47 with Measure 50. The measure fundamentally changed the structure of property taxes in Oregon, moving from the tax base system to a permanent tax rate. Measure 50 has the same financial impact as Measure 47, with the benefit of simplified implementation.



## Glossary

**Modified Accrual:** Revenues are recorded in the accounting period in which they become available and measurable, and expenditures are recorded in the accounting period in which the fund liability is incurred.

**MS4:** Municipal Storm Drain System

**NPDES:** National Pollutant Discharge Elimination System.

**OCI:** Overall Condition Index.

**ODA:** Oregon Department of Agriculture.

**ODOT:** Oregon Department of Transportation.

**Ordinance:** The method by which the appropriation of the budget is enacted into law by the City Council per authority of the Oregon State Statutes.

**Organizational Unit:** An administrative subdivision, such as a department or division, of the city government charged with carrying on one or more specific functions.

**ORS:** Oregon Revised Statute.

**OSF:** Oregon Shakespeare Festival.

**OSHA:** Occupational Safety and Health Administration.

**Parks and Recreation Fund:** This fund accounts for the parks and recreational purposes as well as department operations. Revenues are from the general fund, and charges for services.

**Parks Capital Improvements:** This fund accounts for resources from grants and inter-fund fund transfers that are to be

expended for equipment purchases and major park renovations.

**PEG:** Public Education and Government access fee relative to the Cable TV Franchise.

**Permanent Tax Rate:** The rate per thousand dollars of Assessed Value that is the maximum that can be levied for government operations. The assessed valuation is capped and can only increase by three percent per year.

**PERS:** Public Employee Retirement System.

**Personal Services:** Employee wages, health insurance costs, workers' compensation charges, and any other employee benefits.

**PMS:** Pavement Management System.

**Program:** Some departments are divided into programs for better management and tracking of resources.

**Proposed Budget:** The financial and operating document submitted to the Budget Committee and the governing body for consideration.

**PUC:** Public Utility Commission.

**PW:** Public Works.

**Requirements:** Total expenditures and unappropriated fund balance.

**Reserve:** A portion of a fund that is restricted for a specific purpose.

**Reserve Fund:** This fund is used to set aside funds to protect services and to stabilize the budget, and to meet any

costs that may arise in the future from unexpected events.

**Resources:** Total amounts available for appropriation consisting of the estimated beginning carryover balance plus anticipated revenues.

**Revenues:** Monies received or anticipated by a local government from both tax and non-tax sources.

**RVACT:** Rogue Valley Area Commission on Transportation.

**RVTD:** Rogue Valley Transit District.

**RVTV:** Rogue Valley Television.

**SBA:** Small Business Administration, established in 1953, is a federal agency that provides financial, technical, and management assistance to help Americans start, run and grow their businesses.

**SCADA:** Supervisory Control and Data Acquisition.

**SDC:** System Development Charges are assessed on new construction to cover the demands placed on City services. Charges collected cover water, sewer, transportation, storm drains, and parks and recreation costs.

**SOU:** Southern Oregon University located in Ashland, Oregon.

**SOWAC:** Southern Oregon Women's Access to Credit is an organization that is a recipient of an Economic and Cultural Development grant.

**Special Revenue Fund:** A fund used to account for the proceeds of specific

revenue sources that are restricted to expenditures for a specific purpose.

**SRO:** School Resource Officer.

**Street Fund:** This fund accounts for revenue sources from state road tax, franchise fees, charges for services and miscellaneous sources. Expenditures are for the maintenance, repair, and surfacing of streets, as well as maintenance and construction of the storm water runoff infrastructure.

**Supplemental Budget:** A budget that is prepared to meet unexpected needs or to spend revenues not anticipated at the time the regular budget was adopted. The supplemental budget cannot be used to increase a tax levy.

**SUV:** Sport Utility Vehicle.

**TAP:** Talent Ashland Phoenix.

**TAP Intertie:** Talent Ashland Phoenix Intertie is the connecting of all three Cities into one water system.

**Tax Levy:** Total amount of dollars raised in property taxes imposed by the City, permanent tax rate, local option levies, and Bonded Debt levies.

**TID:** Talent Irrigation District.

**TOT / Transient Occupancy Tax (Hotel/Motel Tax):** A nine percent tax assessed on lodging providers gross receipts from rental of guest accommodations.

**TPAC:** Transportation Plan Advisory Committee.

**Transfer:** An amount distributed from one fund to finance activities in another

## **Glossary**

fund. It is shown as an expenditure in the originating fund and a revenue in the receiving fund.

**TTPC:** Transportation Transit Parking Committee.

**UB:** Utility Billing.

**Unappropriated Ending Fund Balance:** An amount set aside to be used as cash carryover for the next fiscal year's budget.

**USFS:** United States Forest Service.

**Wastewater Fund:** This fund accounts for wastewater treatment and collection. Revenues are from charges for services. Expenditures are for operations, capital construction, and retirement of debt.

**Water Fund:** This fund accounts for water operations. Revenues are from water, other charges for services, as well as property taxes dedicated to the retirement of general obligation bonds. Expenditures are for operations, and retirement of debt.

**Working Capital Carryover:** The amount carried over from year to year. It is based on the difference between estimated revenues to be received and the estimated amount expected to be spent.

**WW:** Wastewater.

**WWTP:** Wastewater Treatment Plant.

**YAL:** Youth Activity Levy.

**YDO:** Youth Diversion Officer.

**YHO:** You Have Option