Council Study Session Meeting Agenda

ASHLAND CITY COUNCIL
STUDY SESSION AGENDA

Monday, July 20, 2026
Council Chambers, 1175 E Main Street

Live stream via RVTV Prime at rvtv.sou.edu or broadcast on Spectrum 180.

Public comment is welcome on agenda items.
To **speak electronically** during the meeting or to submit **written comments** in advance, please complete the online Public Comment Form by 10 a.m. the day of the meeting.

I. EXECUTIVE SESSION 4:30 p.m.
To consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed pursuant to ORS 192.660 (2)(h).

II. CALL TO ORDER 5:30 p.m.

III. REPORTS AND PRESENTATIONS

a. Houseless Services Follow-Up Discussion

b. Opportunities and Beautification of the Southside

c. Financial Policies

IV. ADJOURNMENT

If you need special assistance to participate in this meeting, please contact Alissa Kolodzinski at recorder@ashlandoregon.gov or 541.488.5307 (TTY phone number 1.800.735.2900). Notification at least three business days before the meeting will enable the City to make reasonable arrangements to ensure accessibility to the meeting in compliance with the Americans with Disabilities Act.

***Agendas and minutes for City of Ashland Council, Commission and Committee meetings may be found at the City website, ashlandoregon.gov,

Council Study Session

Date: July 20, 2026

Agenda Item	Houseless Services Follow-Up Discussion
Department	City Manager's Office
From	Sabrina Cotta

TIME ESTIMATE
15 minutes

CATEGORY
Staff Direction - provide direction to staff on the body's desired next steps.

SUMMARY
On May 18th, 2026 the City Council was presented with agenda item: Legal Framework for Camping Ordinance and Addressing Issues Relating to the Unhoused Population of Ashland by City Attorney Pietila. City Council requested that staff reach out to regional partners to gather input on how existing City resources could be used most effectively within the continuum of homeless services. Staff is requesting Council direction to work with OHRA to pilot a managed program for the facility known as the dusk to dawn lawn.

POLICIES, PLANS & GOALS SUPPORTED
Regional cooperation, including in support for public safety and homelessness

BACKGROUND AND ADDITIONAL INFORMATION
The City is currently partnered with OHRA to provide storage at the dusk to dawn lawn. Recently, OHRA has facilitated potable water being available onsite versus across the street at Garfield Park. The City is currently reviewing an agreement between OHRA and La Clinica to facilitate a mobile health presence weekly at the dusk to dawn site during afternoon hours.

Working with representatives of OHRA, Rogue Retreat, Ashland Library, APD and Access the City, an analysis of goals around providing a camping space and evaluation of locations was conducted and concluded the following:

The goals of the City's provision of the dusk to dawn lawn are as follows:

- Ensure legal compliance in alignment with the City's camping ordinance.
- Orientate towards professional management by a service provider.
- Continue to meet the basic needs of those utilizing the program.
- Keep operational costs low given limited resources.
- Not disrupt or hinder current services provided by community partners.

Ideas that were assessed and reviewed are the following:

OHRA's Location:
OHRA center with an addition of 20 tents on platforms

Benefits:

- Access to services
- Laundry/Shower on site for limited use
- Currently, most dusk to dawn campers visit OHRA or are connected to the organization.

Challenges:

- People exited from OHRA for behavioral issues can now access the dusk to dawn lawn; that privilege would be lost.
- Adverse impact on resource centers' day-to-day function
- Reduced available outdoor space for current shelter guests
- Adverse impact on interactions with current shelter guests and more transitional dusk to dawn guests.

2200 Ashland Steet
Night lawn in rear of 2200.

- 30 platforms
- Access to restrooms/showers
- Storage shed relocation to site
- Dedicated staff person to coordinate volunteers/ food/ services
- Coordinate overnight staff/volunteers

Benefits:

- Industrial location
- Close to OHRA.
- Large space to spread out and offer separate space for women and families.
- Indoor laundry and restroom facilities.
- Convenient location to services.

Challenges:

- More staff needed to enforce rules and safety around the building 24/7.
- Neighborhood opposition based on 2200 Ad Hoc recommendations.
- Second 2200 Ad Hoc recommendation to RFP site for service use.
- Opportunity for size and scope creep.
- Total project cost higher.

Current location
Contract service provider for a full-time coordinator to develop and enforce rules.

Benefits:

- Can be implemented quickly as current amenities are already funded and present.
- Less staff support needed.
- Provide consistent monitoring and engagement activities with campers.
- Be responsible for exiting campers who violate rules, relieving oversight burden from APD.

Challenges:

- Proximity to residential homes and Garfiled Park
- Staff impacts continue

After assessment by the working group, it has been determined that the best path forward is to formalize a pilot between the City and OHRA for management of the dusk to dawn lawn. This will allow both entities to determine the impact of a managed space. Thank you to the working group for their time and effort in analyzing options on how best to move forward.

FISCAL IMPACTS

For BN 2025-2027 $189,000 was budgeted by City Council for houseless services to include both the dusk to dawn lawn and severe weather shelter.
The City currently spends around $30,000 to $40,000 on infrastructure at the site annually.
The exact fiscal impact of management of the dusk to dawn lawn will be determined through negotiations with OHRA to provide the service during the pilot program.

SUGGESTED ACTIONS, AND/OR OPTIONS

Staff recommends Council provide staff direction to work with OHRA on an agreement for a pilot program of 6 months to manage the dusk to dawn lawn at its current location.

REFERENCES & ATTACHMENTS

1. May 18_ houseless agenda item
2. Houseless issues_resources

Council Study Session

Date: May 18, 2026

Agenda Item	Legal Framework for Camping Ordinance and Addressing Issues Relating to the Unhoused Population of Ashland
Department	Legal
From	Johan Pietila, City Attorney

TIME ESTIMATE
60-90 minutes

CATEGORY
Informational - this is to inform the body on a particular topic. No motion or direction needed.

SUMMARY

This item follows the Council's April 7, 2026, discussion regarding Garfield Park concerns and the April 13, 2026, special meeting concerning the proposed approach to Ashland's camping framework and Night Lawn location. During those meetings, Council identified the need for a broader, structured policy discussion concerning the intended purpose of a designated camping space, site location, operational management standards, and daytime options for Night Lawn residents, and directed that the first meeting in that process serve as a legal and policy level-setting session.

This presentation is intended to provide that foundation. It will provide Council background on the legal history of camping regulation, Oregon's statutory framework after *Grants Pass v. Johnson*, recent Oregon case law, Ashland's current ordinance and practices, and practical areas of ongoing legal and operational risk. This meeting will provide information to promote more robust overarching policy discussions and directions forward, to be held at those future meetings. The purpose of the item is not to recommend a final policy outcome at this stage, but to help Council define the policy questions it wishes to address in subsequent meetings.

POLICIES, PLANS & GOALS SUPPORTED

- Lawful, humane, and operationally sustainable management of public space, public camping, and issues pertaining to the unhoused population, which is consistent with state law and Ashland Municipal Code.
- Quality of life and sense of community belonging through respect, inclusion, and equity.
- Regional cooperation and partnerships, including support for public safety and homelessness

BACKGROUND AND ADDITIONAL INFORMATION

2023-11-06 Study Session Camping and Livability Council Communication and Minutes.

2023-11-21 Council Meeting. Item was tabled to next meeting. Council Communication and Minutes.

2023-12-05 Council Meeting. First Reading of the ordinance passed. Council Communication and Minutes.

2023-12-19 Council Meeting. Second Reading of the ordinance passed. Council Communication, Minutes, and the signed ordinance.

On April 7, 2026, Council considered Garfield Park concerns, including complaints associated with Dusk-to-Dawn Lawn guests using Garfield Park during the day, with reported concerns relating to violence, threats, drug activity, nuisance noise, gazebo occupancy, smoking, and littering. That meeting also identified short-term enforcement and service responses, while recognizing that the issues may persist absent broader policy direction regarding the Night Lawn, related services, and use of public space.

At the April 13, 2026 special meeting, Council further considered a proposed approach to the City's camping framework and location issues. Discussion points included the current Night Lawn's proximity to the police department, the Grove, and the public works compound; the practical effect of daytime exit and reentry times; the burden that operational management places on law enforcement; and continuing issues relating to storage and site management. These discussions led Council to agree to a multi-meeting process addressing interrelated policy questions concerning the vision and intended purpose of a designated camping space, site location, operational standards, and daytime options for Night Lawn residents.

This is the first meeting in that process. As requested, the legal briefing is intended to orient Council to the current legal landscape rather than to suggest that the law is settled. Although *Grants Pass v. Johnson* narrowed one federal Eighth Amendment theory, Oregon law continues to require that local regulations governing sitting, lying, sleeping, and keeping warm and dry on public property be objectively reasonable as to time, place, and manner under ORS 195.530. As a part of this level-set, it should be noted that litigation risk in Oregon remains tied not only to ordinance text, but to implementation, including notice practices, property handling, disability accommodation, humane alternatives, management of public health consideration, and coordination with any community partners and service providers.

The intent of this presentation is to provide a common legal and factual baseline before Council considers more specific policy decisions in later meetings. Upon direction, subsequent meetings may include additional informational presentations and further discussion of process, scope, and structure.

FISCAL IMPACTS

This item is informational and does not itself request budget approval or authorize a new program.

However, as will be discussed, management of a designated camping space carries significant direct and indirect financial and staffing burdens, and future Council discussions may include a more detailed overview of current expenditures, budgeted resources, and the operational implications of different policy choices.

SUGGESTED ACTIONS, AND/OR OPTIONS

No formal action is required for this informational item. Council may, however, provide direction regarding:

- The policy questions Council wishes to prioritize in follow-up meetings—suggestions will be provided at the end of the presentation and are included in the materials from Councilor Bloom.
- Whether Council wants additional information regarding Night Lawn history, City-owned properties, fiscal impacts, or service and operational models.
- The scope and sequencing of future meetings addressing designated camping space purpose, location, operational standards, and daytime options.

REFERENCES & ATTACHMENTS

1. 2026_Legal Issue RE Unhoused and camping policies
2. Proposed Approach to Camping Framework and Location by Councilor Bloom (1)

Current Council Policy Decisions

Camping Ordinance:
If no, no space needed

If yes, than:

Dusk to Dawn Lawn

- Bare minimum:
  - Porto potties
  - Hand washing
  - Storage
  - Dumpster

Res. No. 2022- 23 Severe Weather Resolution

Purchase & Renovation of 2200 Ashland Street

- Contracts
  - Heat
  - Cold
  - Smoke

What problem are we trying to solve? Council wants to retain camping ordinance, how is camping best managed?

- Constraints- limited viable city owned locations (current location& 2200- anywhere else will require a code change or land purchase)
- City not SME's and should not manage, need partner
- Resource limitations- Funding

CM Kaplan

1) Should the City maintain a designated camping space to allow for enforcement of the camping ordinance? Yes, but not just to allow for enforcement. We should also ensure the camping space is operated in a way that facilitates folks' move to transitional or permanent housing.

If yes
-Where should that designated camping space be located? I don't know. I think it's less important where it's located than how it is managed. It should be managed by a social service organization with demonstrated expertise and experience working with unhoused people.
-What amenities should the designated camping space have? Secure storage, safe water, toilet. Best if tents can be pitched on a platform beneath a roof (like at Rogue Retreat's Crossings).

2) Should the designated camping space be managed? Yes, it should be managed by a capable social service organization. It's unreasonable to expect our police officers to manage it without appropriate training or support.

If yes,
- How do you define managed or what does managing the space mean to you? Operated with the purpose of providing a safe space for people using it and facilitating folks' transition to transitional or permanent housing.

-In your opinion who should manage the space? Ideally it would be OHRA since they already see and serve many of the people who sleep there. But Rogue Retreat or another capable social service organization could do it if they have the means to facilitate the move to transitional or permanent housing.

3) Is there a resource limit for this service (what dollar amount)? Yes, but I don't know what it is at this point. Ideally, a social service organization would do it as part of their mission, with the City providing the space and covering utilities. That's the arrangement at Rogue Retreat's Crossings in Medford, but that may not be feasible every year, so I'd want staff to work on being a good partner with flexibility to address particular needs as they arise.

4) What is the total amount of money the city should be spending every year *overall* for houseless services (camping/ severe weather shelter/other?) We've been allocating $100,000/year plus space and utilities. All other costs are going up, so it's reasonable to expect that cost to rise too over time. Most important is the quality of the partnership we establish with local social service organizations who take on this work that we can't and shouldn't do ourselves.

Any thing else you would like to add? Unfortunately, homelessness is not going away any time soon, so we need to do the best we can to minimize its impact on the unhoused people themselves and our whole community. What's perceived as harsh treatment can push people into more vulnerable and dangerous situations. I'd rather pay the cost to increase the chances that unhoused people will use a safe space (and hopefully work towards a more stable situation) than try to save money and repel them to the outskirts of town or into the watershed where fire and other risks are high.

CM Bloom

1) Should the City maintain a designated camping space to allow for enforcement of the camping ordinance?

Yes

Current location

Access to clean water, heat source for food provided by volunteers, a surface for tents that does not erode (something permanent)

Should the designated camping space be managed?

Yes

I would like to see the proposal from the provider

OHRA

4) What is the total amount of money the city should be spending every year *overall* for houseless services (camping/ severe weather shelter/other?)

I would separate out the capital from the operations. Operations shouldn't cost more than $80-$100k per year.

$200k

Mayor Graham

1)Should the City maintain a designated camping space to allow for enforcement of the camping ordinance? YES

If yes
-Where should that designated camping space be located? Where it is for the moment.
-What amenities should the designated camping space have? It depends on the funding. If we are entirely responsible for it, then what we currently have: toilet, hand washing, dumpster, picnic table, bear box, and storage.

2)Should the designated camping space be managed? Minimally

If yes,
- How do you define managed or what does managing the space mean to you? Someone there to handle the storage shed and make sure people are off the lawn at the right time.
-In your opinion who should manage the space? OHRA or another partner (not the city)

3)Is there a resource limit for this service (what dollar amount)? I can't answer that without more information. I just know I don't want to pay people to run that site. It's not large enough for that type of investment and we don't have the money anyway.

4)What is the total amount of money the city should be spending every year overall for houseless services (camping/ severe weather shelter/other?) I don't have a figure in mind.

Anything else you would like to add? I think handling a severe weather shelter as part of our emergency services obligation is solid. I also think having a night lawn so that we can enforce our parking ordinance AND provide a safe place for people to sleep (as safe as we can make it without significant management) who need it while helping them to find services. I want our police officers out of the business of monitoring

CM Sherrell

1. Yes, for sure. As much as I would like to see it at 2200 or the like, I still believe it needs to be insulated from the NIMBY by property the city owns. I would like to see a brick and motor bathroom, shower and a year round canopy. Similar to where the vac trucks are parked just NE of the current night lawn.

2.Yes, look into a similar contract with ORHA like during this past winter.

3. I'm not sure. Up to 750k annually based on past projections. I would need guidance on this one.

4. 1-2m, also would seek guidance and oversight.

CM Hansen

1) Should the City maintain a designated camping space to allow for enforcement of the camping ordinance?

If yes
-Where should that designated camping space be located?
-What amenities should the designated camping space have?

Yes, for that and other reasons. At the current night lawn location. Sanitation and security amenities should be best to our ability.

2) Should the designated camping space be managed?

If yes,
- How do you define managed or what does managing the space mean to you?
-In your opinion who should manage the space?
Yes. Should be lightly managed by third party twice a day with City staff or volunteers to assist. Police should be in close monitoring but not internal to day to day.

3) Is there a resource limit for this service (what dollar amount)?

I think we should account for already embedded costs and allocate to better resources.

4) What is the total amount of money the city should be spending every year *overall* for houseless services (camping/ severe weather shelter/other?)

See above.

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Date: July 20, 2026

Agenda Item	Opportunities and Beautification of the Southside
Department	Mayor and Council
From	

TIME ESTIMATE

CATEGORY

Staff Direction - provide direction to staff on the body's desired next steps.

SUMMARY

Councilor DuQuenne and Mayor Graham requested this item on the agenda. Please see attached report.

POLICIES, PLANS & GOALS SUPPORTED

BACKGROUND AND ADDITIONAL INFORMATION

FISCAL IMPACTS

SUGGESTED ACTIONS, AND/OR OPTIONS

REFERENCES & ATTACHMENTS

1. Southside_CC_7.20.26
2. SouthsideBeautification_GinaDuQuenne_CC_7.20.2026_V2

Council Study Session

July 20, 2026

Agenda Item	Opportunities and the Beautification of the Southside	
From	Council	Title Southside
Contact	Councilor DuQuenne and Mayor Graham	
Item Type	Requested by Council x Update ☐ Request for Direction ☐ Presentation ☐	

BACKGROUND

Exit 14 is one of two gateways to the Ashland community for residents and visitors, so how it feels to enter town from this exit is important. It also happens to have the largest concentration of large, public facing businesses in the community, including two grocery stores, five gas stations, a pharmacy, general supply shop, and a tire repair store, among many other smaller shops and restaurants. It has the widest swath of roadway in our community, Ashland Street/Hwy 99, which has five lanes and is subject to state regulation as a state highway. The area is also home to a large number of Ashland residents who are deeply connected to this neighborhood and want to feel a stronger connection to the rest of Ashland.

Specific challenges include:

- Industrial feel due to large buildings with extensive parking lots and the large roadway, especially now that the median has been removed from the overpass over the train tracks
- Removal of the rocks
- Cleaning the bike lanes
- Lack of beautification and regular maintenance of medians
- Adequate garbage collection
- Weed abatement
- Underutilized economic opportunities
- Vacant building and lot maintenance
- Concentration of services for unhoused residents and visitors
- General business street/sidewalk maintenance
- Lack of art and efforts to beautify this section of town, including a welcome sign, holiday decorations, and banners celebrating Ashland that are present in other areas
- Lack of a sense of neighborhood identity for this side of town

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These characteristics, and its proximity to the interstate, make it challenging to create a warm Ashland welcome for residents and visitors alike, yet this section of town also holds great promise for economic growth and workforce housing. Addressing these issues effectively requires that Council develop an overarching support program for this side of town.

RECENT IMPROVEMENTS

A concerted effort by the Ashland City Council to address these challenges will build on recent investments by business owners, residents, and the City, including:

- Commercial building improvements and beautification: Shop 'n Kart, Les Schwab, Ashland Street Inn, Dr. Eric Dukes, IPCO Commercial Properties, OHRA, the City's 2200 Ashland Street facility, and others
- Re-development of the area in front of Shop 'n Kart and the U-Haul property
- New Goodwill facility
- Volunteer neighborhood clean ups, including an annual clean up hosted by OHRA
- Enhanced law enforcement presence
- Business facade grants from the City of Ashland to local business owners
- Greater garbage bin capacity
- Master facilities plan for the 2200 Ashland Street property
- New road construction - Independent Way
- Ashland Street road project with bicycle lanes

POTENTIAL ACTIONS PROPOSED

Councilor DuQuenne and Mayor Graham propose that the City of Ashland undertakes a coordinated effort to support this section of town that includes:

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Short-Term: 3 months

- Request additional focus by ODOT on freeway maintenance around Exit 14 (Public Works)
- Identify a place for the Ashland welcome sign with a private business partner on Ashland Street (Mayor Graham and Councilor DuQuenne) and install it (Public Works)
- Place banners on light posts along Ashland Street from Walker Street to the I-5 overpass including regular Ashland banners and holiday decorations (Public Works)
- Median re-design process with implementation starting at Exit 14 and moving into town (White Rabbit has offered to partner with the City to host a design workshop to bring the ideas submitted by local residents together into an actionable design)
- Focus public art attention on this side of town with a request for specific recommendations by the end of 2026 (Public Art Advisory Committee)
- Remind local businesses (throughout Ashland) of their maintenance responsibilities in park rows and sidewalk areas (Economic Development staff/Ashland Chamber of Commerce)
- Focus weed abatement enforcement on this section of town (Code Enforcement staff)

Mid-Term: 6 months

- Work with the neighborhood to develop a district name for this section of town similar to Downtown, University District, Railroad District and work to strengthen its sense of identity through clean ups and beautification efforts - Croman District has been used, but maybe Gateway District? (Community Development staff, Councilor DuQuenne, Mayor Graham)
- Identify how to put additional near-term focus on economic development in this area (Economic Development staff)
- Support OHRA with their neighborhood clean-up efforts (Councilor Kaplan - Council Liaison to OHRA)

Long-Term: 1-5 years

- Determine whether to leverage mechanisms, such as an Urban Renewal District, Tax Increment Financing, etc. to spur economic growth and workforce housing in this areas (City Council with support of City Manager and Community Development staff)
- Develop and implement a plan with ODOT to beautify the overpass over the train tracks (Public Works, Public Art Advisory Committee)

City Council Study Session

Southside Beautification
July 20, 2026

Opportunities for the Beautification of the Southside

COUNCILOR DUQUENNE & MAYOR GRAHAM PROPOSE:

The City of Ashland undertake a coordinated effort to support this section of town.

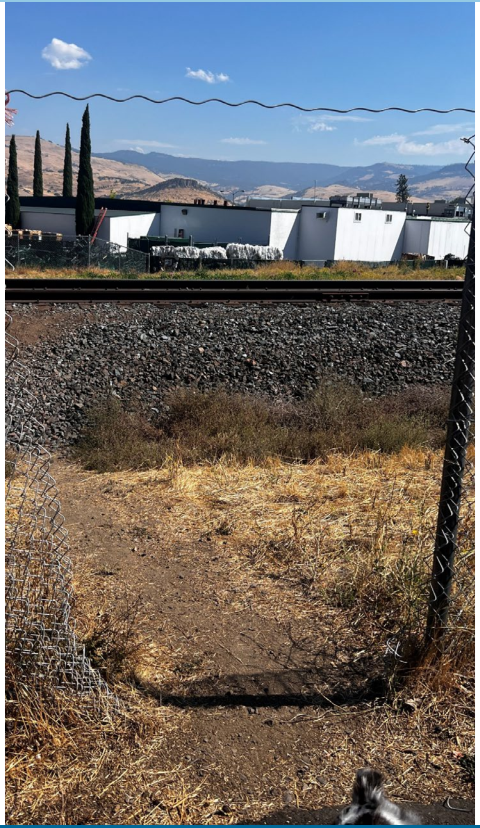
Better Together

South Ashland:
A gateway worth investing in

Better Together

Where we are today

Today's first impression



Why it matters

More than just an Exit

Better Together

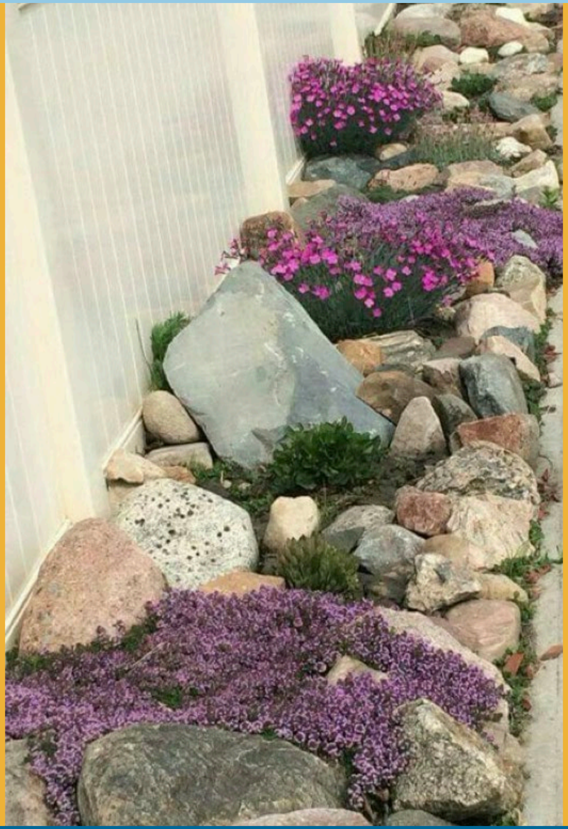
Momentum is already building

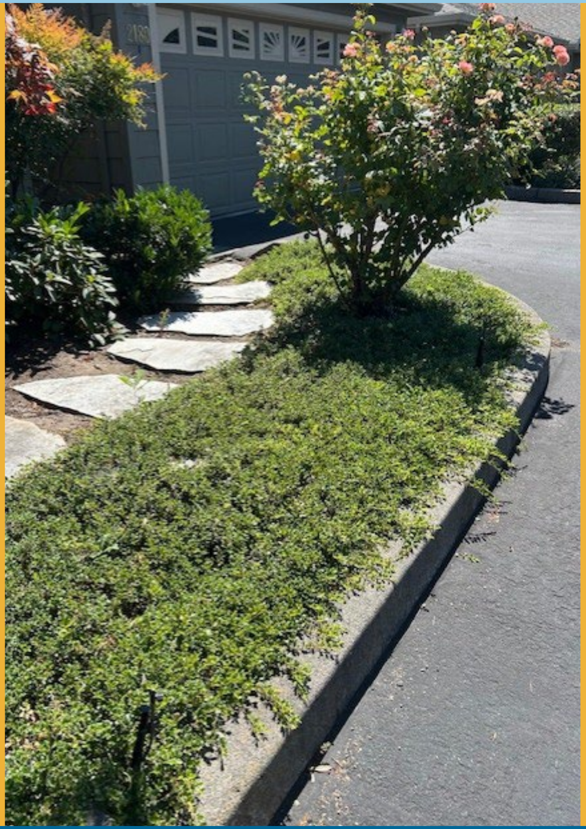
Building on recent success

Better Together

What could be

Imagine a different arrival





Better Together

Beyond landscaping

Creating a sense of place

Better Together

A phased approach

A practical path forward

Short-Term:

Welcome sign
Decorative banners
Median design
Maintenance and weed abatement

Mid-Term:

District identity
Economic development
Neighborhood partnerships

Long-Term:

Beautified overpass
Strategic redevelopment
Lasting public investment

Better Together

The vision

A gateway that reflects Ashland

A stronger first impression.

A stronger neighborhood.

A stronger Ashland.

In Ashland, We are Better Together!

Better Together

QUESTIONS?

Council Study Session

Date: July 20, 2026

Agenda Item	Financial Policies
Department	Mayor and Council
From	

TIME ESTIMATE
60 minutes

CATEGORY
Staff Direction - provide direction to staff on the body's desired next steps.

SUMMARY
This item was requested by Councilor Dahle and Councilor Bloom to appear on the agenda.
For two consecutive years, the City's audited actuals General Fund expenditures have exceeded actual revenues, and the General Fund ending balance has declined from a peak of $18.4 million in FY20 to an estimated $13.1 million by the end of FY2026. This is a clear and continuing trend confirmed by the City's own audited financial statements and June 2026 staff forecasts. The City's Financial Management Policies (Resolution 2023-09) already state the right principles that current expenditures should be financed with current revenues but the policy language is ambiguous enough to allow good-faith disagreement about compliance, and the fund balance policy has a wide gap between its 16.67% floor and 50% ceiling with no defined action in between. This item asks Council to direct staff to close that ambiguity through clearer policy language, stronger quarterly reporting, and a funded path back to a healthy reserve and dedicated capital fund. This is also a community trust issue: Ashland residents have a right to a General Fund structure that clearly shows where every dollar goes, this year and in the years ahead. A related, no-new-cost step is available today: the City already pays for full transaction-level transparency in its OpenGov platform, and enabling that existing feature for the public would reduce records-request burden at no new cost.

POLICIES, PLANS & GOALS SUPPORTED

- Resolution 2023-09, Financial Management Policies: General Fund current expenditures and fund-balance provisions
- GFOA Best Practices: Achieving a Structurally Balanced Budget; Fund Balance Guidelines for the General Fund; Long-Term Financial Planning; Budget Transparency; Adoption of Financial Policies
- Council goal of long-term fiscal resiliency and transparent, accessible public budgeting, including transaction level visibility into City spending

BACKGROUND AND ADDITIONAL INFORMATION

- Resolution 2023-09's fund balance policy sets only a 16.67% floor and a 50% ceiling, with no defined action in between and no clear rule for how one-time fund balance appropriations interact with recurring operations, leaving room for a budget to decline year after year without tripping a policy response. The City's net pension (PERS) liability has also grown 49% in three years ($24.5M to $36.6M, FY2022-FY2025) and is not clearly defined within the multi-year forecast.
- Resolution 2023-09 already states the right principle, current expenditures financed with current revenues and it echoes GFOA's own structural-balance standard almost word for word. The policy just isn't specific enough to enforce itself.
- The General Fund ending balance peaked at $18.4M in FY2023 and is projected to fall to $13.1M by the end of FY2026. General personnel costs have grown 28% since FY2022 against about 7% on-going revenue growth (excluding Parks, which was added to the General Fund in FY24), and the Reserve Fund sits at roughly 43% of its policy target.

- The City already pays OpenGov for a Transparency and Reporting module (continuously since at least 2018), but the public-facing view still shows only department-level summaries, not the line-item detail the platform is built to provide. Enabling it is a configuration change, not a new cost, and should reduce the volume of public records requests while increasing public trust.

FISCAL IMPACTS

- Adopting the motions below has no immediate General Fund appropriation impact. Direct staff reporting and policy-drafting work to be absorbed within existing Finance Department and City Manager's Office work plans.
- OpenGov transaction-level detail requires no new procurement. It is a configuration change to a Transparency and Reporting module the City already owns and has paid for since at least 2018. It should reduce, not increase, staff cost over time by cutting the volume of public records requests filed for information that would already be visible online.
- Updating funding and use policies for the Dedicated Capital Fund is a structural/accounting change and does not itself require new appropriation.

- BN2027-29 budget include a transfer to the Reserve Fund and to the new Capital Fund, with final amounts subject to Council discussion and approval as part of the BN2027-29 budget planning and adoption process.

- Staff time: preparing the standing Policy Compliance and FTE Staffing sections of each Quarterly Financial Report, the 110-day best-practices report, and the 110-day consolidated Financial Policies Manual will require Finance Department and City Manager's Office staff time; the extent should be scoped by staff and may be reflected in future work-plan discussions.

SUGGESTED ACTIONS, AND/OR OPTIONS

Motion 1: I move to direct the City Manager and Finance Director to return to Council no later than the September 15, 2026 Business Meeting with a resolution amending Resolution 2023-09 to: (a) update language for clarity and enforcement; and (b) replace the single 16.67% floor / 50% ceiling structure with a three-zone General Fund balance framework (16.67% hard floor; below 20% triggers a mandatory corrective action plan; 20%-37% is a healthy target zone requiring no action; above 37% triggers a mandatory transfer to the Reserve Fund and new Capital Fund), with the specific 20%/37% thresholds subject to Council discussion.

Motion 2: I move to direct staff to incorporate a standing Policy Compliance section into all future Quarterly Financial Reports to Council that affirmatively identifies any fund or department that is in violation of, or at reasonable risk of violating, an adopted financial policy within the next three fiscal quarters, and requires the City Manager and Finance Director to present a corrective action plan to Council within 60 days of identification.

Motion 3: I move to direct staff to add a standing FTE Staffing Report to every Quarterly Financial Report, showing budgeted versus filled positions by department, broken into management and non-management classifications, with any year-over-year variance exceeding 5% specifically called out and explained.

Motion 4: I move to direct staff to establish a dedicated Capital Fund separate from the General Fund, and to provide that no General Fund dollars shall be appropriated for capital expenditures on a going-forward basis, with capital projects funded from the Capital Fund or other dedicated capital financing sources only.

Motion 5: I move to direct staff, in developing the proposed BN2027-29 budget, to include a transfer to the Reserve Fund and to the Capital Fund, with the goal of an unrestricted and undesignated General Fund balance of 25% of operating expenditures, with final amounts subject to Council discussion and approval during BN2027-29 budget adoption.

Motion 6: I move to direct staff to return to Council within 110 days with a report on updated financial policies and recommended best practices, including the target-zone reserve framework, quarterly disclosure protocol, capital funding policy discussed today, and clarification of PERS/pension liability trends into all future multiyear General Fund forecasts.

Motion 7: I move to direct staff to develop and produce, within 110 days, a consolidated Financial Policies Manual summarizing all pertinent City financial policy considerations, including a full list of relevant resolutions

and policies and a summary of the City's cost allocation methodologies.
Motion 8: I move to direct the City Manager and Finance Director to enable transaction-level (“checkbook”) detail in the City's OpenGov Transparency platform, viewable by the public down to the individual line-item transaction, and to report back to Council within 60 days on implementation status.

REFERENCES & ATTACHMENTS

1. Financial Resiliency - Council Presentation

Financial Resiliency: Fixing Ashland's Structural Deficit

Financial Policy Reform — Council Business Meeting | July 21, 2026 | Councilors Jeff Dahle & Dylan Bloom

Executive Summary

- **Structurally imbalanced:** for two years, audited actual General Fund expenditures have exceeded audited actual revenues, and the adopted FY2026 and FY2027 budgets project the gap continuing.
- **Real decline, not just optics:** the General Fund ending balance has fallen from a peak of $18.4M (FY2023) to an estimated $13.1M (FY2026).
- **The policy goals are right; the language isn't:** Resolution 2023-09 already states the right principles, however it just doesn't define them precisely enough to give Council, staff, and the Citizens' Budget Committee a shared, enforceable understanding of what compliance looks like.
- **This item asks Council to close that gap:** clearer policy language, an early-warning reporting requirement, and a funded path back to a healthy reserve and dedicated capital fund, each with a defined deadline.
- **There's also a fast, no-new-cost win available today:** the City already pays for full transaction-level transparency in our OpenGov platform. Enabling this capability for the public reduces records-request burden at no new cost.
- **It's a community trust issue:** Ashland residents have a fundamental right to a Budget and Fund structure that clearly shows where every dollar comes from and where it goes in real time, down to the line item, this year and in the years ahead.

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What We're Trying to Achieve

- **Long-term fiscal resiliency and health** — a General Fund that can absorb a downturn, a one-time shock, or a revenue cliff (like the Food & Beverage Tax sunset in 2030) without lurching into crisis mode.
- **Accurate, proactive forecasting** — multi-year projections built into every budget cycle, including growing obligations like PERS, not produced mid-biennium after the trend is already locked in.
- **Policy language that means the same thing to everyone** — Council, staff, the City Manager's Office, and the Citizens' Budget Committee working from rules specific enough to leave no room for good-faith disagreement about compliance.
- **Community trust and visibility** — the public's right to see, in plain terms, where every General Fund dollar goes, down to the individual transaction, using tools the City already owns.

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SECTION 1

How We Got Here

Why today's numbers didn't arrive without warning

A Policy With Good Intentions and a Wide-Open Middle

- Resolution 2023-09 says the City "will finance all current expenditures with current revenues" but the fund balance policy built to enforce that only sets a floor (16.67%) and a ceiling (50%), with no defined action in between.
- That gap of roughly 33 percentage points, or somewhere in the range of $8–$15M at current expenditure levels is wide enough for a balance to decline year after year without ever tripping a policy response.
- The Citizens' Budget Committee and the Budget Officer can adopt and administer a budget inside that gap without it being flagged to Council as a compliance concern, intentionally or not.
- Several past Budget Committee discussions acknowledged that adopted budgets show expenditures exceeding revenues. This is a known, discussed dynamic, not a surprise.
- None of this reflects bad faith by any individual. It reflects a policy that was never written with enough precision to give whoever is building the budget a clear, enforceable line.

The Same Dollars Get Counted as "New" Revenue Every Year

- Government budgeting requires beginning fund balance ("carryforward") to appear as a revenue line — that is standard, required accounting, not itself a violation.
- But Resolution 2023-09 also says fund balance appropriation should be "solely for the purpose of one-time expenditures such as capital projects," not to backfill recurring operations and current policy language doesn't say how those two statements interact.

Fiscal Year	Carryforward Counted as GF Revenue
FY2021-22 actual	$9.5M
FY2022-23 actual	$13.6M
FY2023-24 actual	$18.4M
FY2024-25 actual	$17.1M
FY2025-26 actual	$15.3M

Source: City of Ashland Annual Comprehensive Financial Report documents.

Whether recent budgets are consistent with the "one-time expenditures only" clause is exactly the kind of question today's ambiguous language leaves open. Motion 1 closes that gap.

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A Growing Liability We Need to Understand

- The General Fund cash balance isn't the only part of the picture that's incomplete. One of the fastest growing contributors of personnel costs is the City's net PERS pension liability. Clearer reporting will help clarify what are liability is, what we expect it to be, and if we can take action to reduce it.

Fiscal Year	Net Pension Liability	YoY Change
FY2022	$24.5M	—
FY2023	$29.3M	+$4.8M
FY2024	$36.1M	+$6.8M
FY2025	$36.6M	+$0.5M

This is a 49% increase in three years, sitting alongside the fund balance decline discussed above. A second obligation growing largely out of view.

- **Going forward, PERS liability trends should be a separate line in every multi-year forecast Council sees**. Motion 6 directs staff to build this into future reporting.

Source: City of Ashland Annual Comprehensive Financial Reports (ACFR), FY2022-FY2025; net pension liability, governmental and business-type activities combined.

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SECTION 2

Why It Matters

The policy already says the right thing — it just doesn't say it clearly enough

What Resolution 2023-09 Already Says. And Where It's Silent

"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."

— Resolution 2023-09, Budgetary Policies (adopted May 16, 2023)

- This language is exactly right in principle; rather, it echoes GFOA's core structural-balance standard almost word for word.
- What it doesn't define: what "current expenditures" and "current revenues" mean in a biennial budget where beginning fund balance is a required revenue line; who determines compliance; or what happens next if a budget doesn't comply.
- Without that detail, the same sentence can be read two defensible ways by two people acting in good faith. This is exactly the gap this item asks Council to close.

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This Is a National Best Practice, Not a Local Opinion

"GFOA recommends that governments maintain structural balance where recurring revenues are greater than or equal to recurring expenditures in the adopted budget…For a variety of reasons, true structural balance may not be possible for a government at a given time.

In such a case, using reserves to balance the budget may be considered but only in the context of a plan to return to structural balance, replenish fund balance, and ultimately remediate the negative impacts of any other short-term balancing actions that may be taken. Further, the plan should be clear about the time period over which returning to structural balance, replenishing reserves, and remediating the negative impacts of balancing actions are to occur."

— GFOA Best Practice, Achieving a Structurally Balanced Budget (approved Feb. 28, 2012) — gfoa.org/materials/achieving-a-structurally-balanced-budget

- GFOA is the professional standard-setting body for local government finance in the U.S. and Canada — its best practices are what Ashland's own auditors and finance professionals are trained against.
- Clarifying our policy to match this standard isn't inventing a new, stricter rule. It's closing the distance between what Ashland already says it wants and what the policy actually enforces.
- **And underneath the accounting, this is a community trust issue:** Ashland residents have a right to open a budget document and see, in plain language, whether the City is living within its means and not have to reconstruct that answer themselves from multiple line items.

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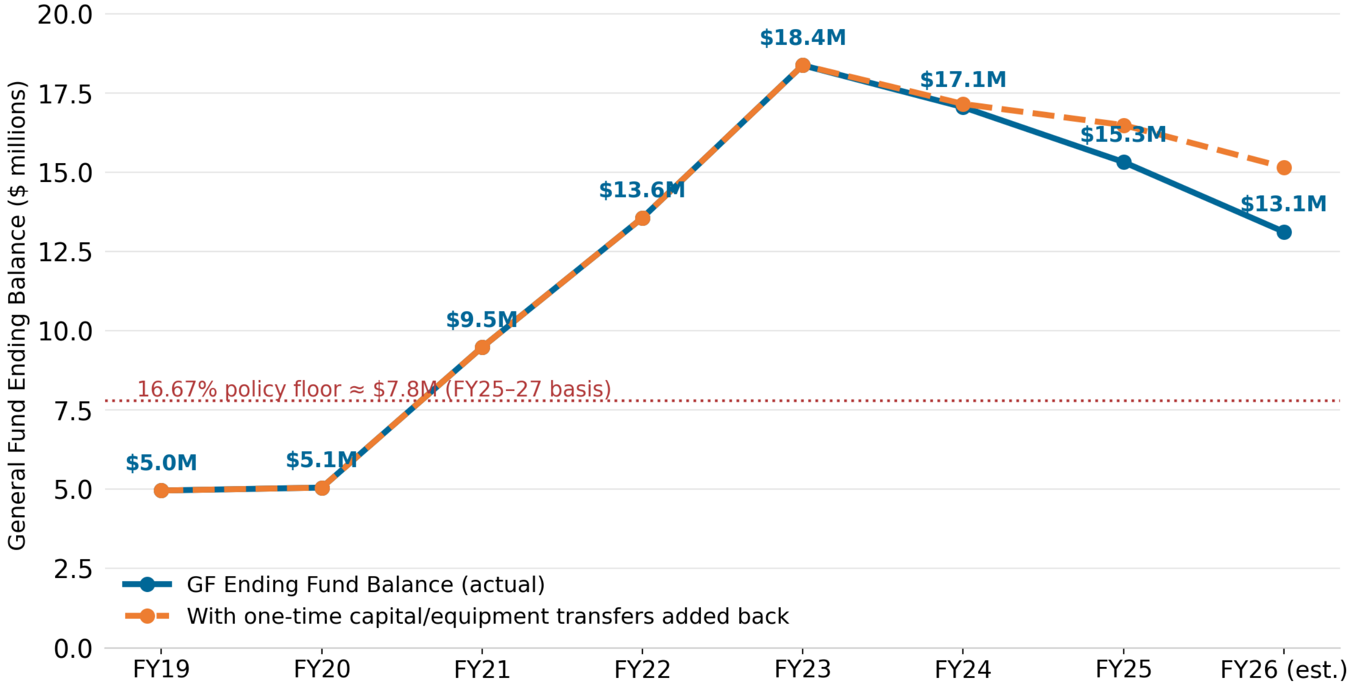
SECTION 3

Current Trends & Forecasts

What the numbers show — and what they don't yet show

General Fund Balance: A Real Decline



- GF ending balance peaked at $18.4M in FY2023 and is estimated to fall to $13.1M by the end of FY2026 — a $5.3M decline in three years.
- **Is it just capital spending?** No. Adding back every identified one-time capital/equipment transfer since FY2024, the balance still declines by roughly $3.2M from its FY2023 peak.
- The balance remains well above the 16.67% policy floor today. This is not a today crisis, however left uncorrected, it becomes one.

Source: City of Ashland Finance Dept. (FY19–FY25 actual, ACFR basis); FY26 estimated from year-to-date trend, Jul 2026.

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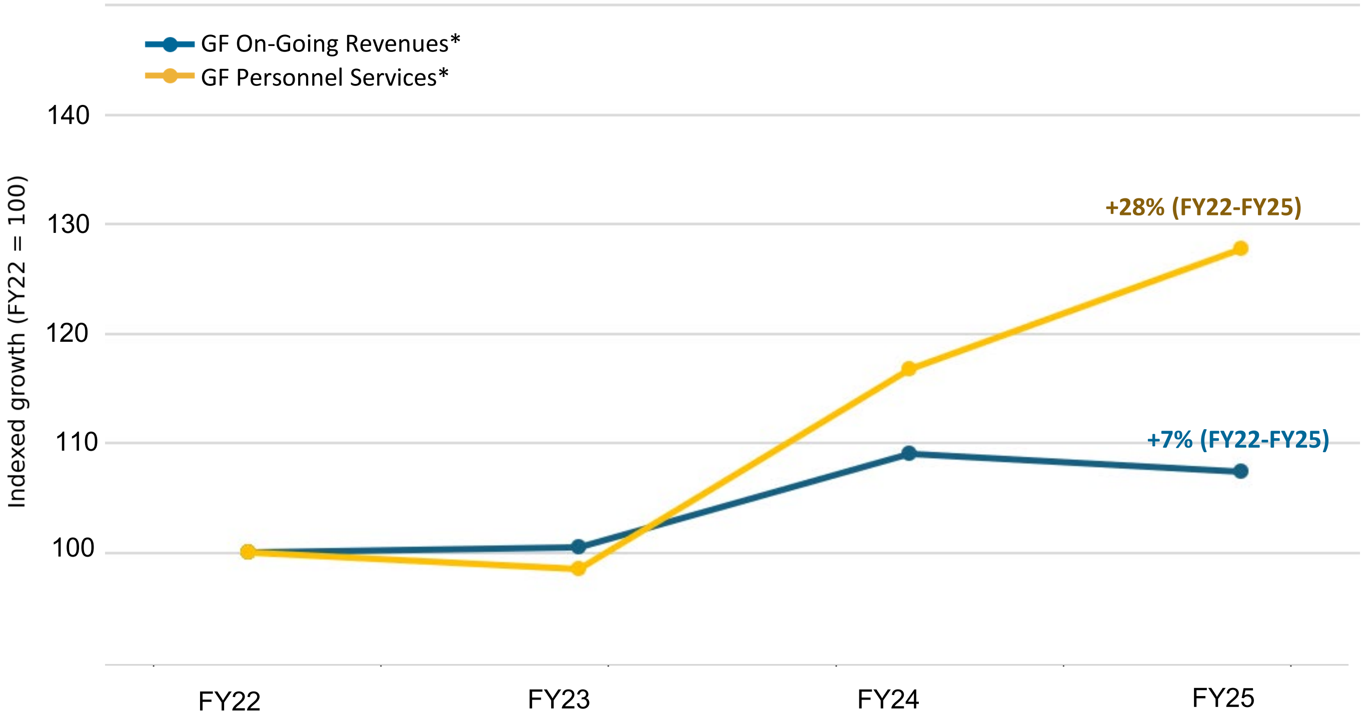
The Structural Engine: Personnel vs. Revenue



- GF personnel service expenses grew 28% from FY2022 to FY2025; GF on-going revenues grew 7% over the same period (excluding Parks Department, which was brought into the General Fund in FY2024).
- BN27-29 included steps to address the gap, including a temporary Parks Fee, increased Public Safety Fee, and a personnel reduction. But there is still a gap between expenses and revenue.
- This divergence and not any single capital project is the primary structural driver behind the declining balance on the prior slide.

Source: City of Ashland ACFRs FY2022–25 (audited).
**Excludes Parks Department, which was brought into General Fund in FY24.*

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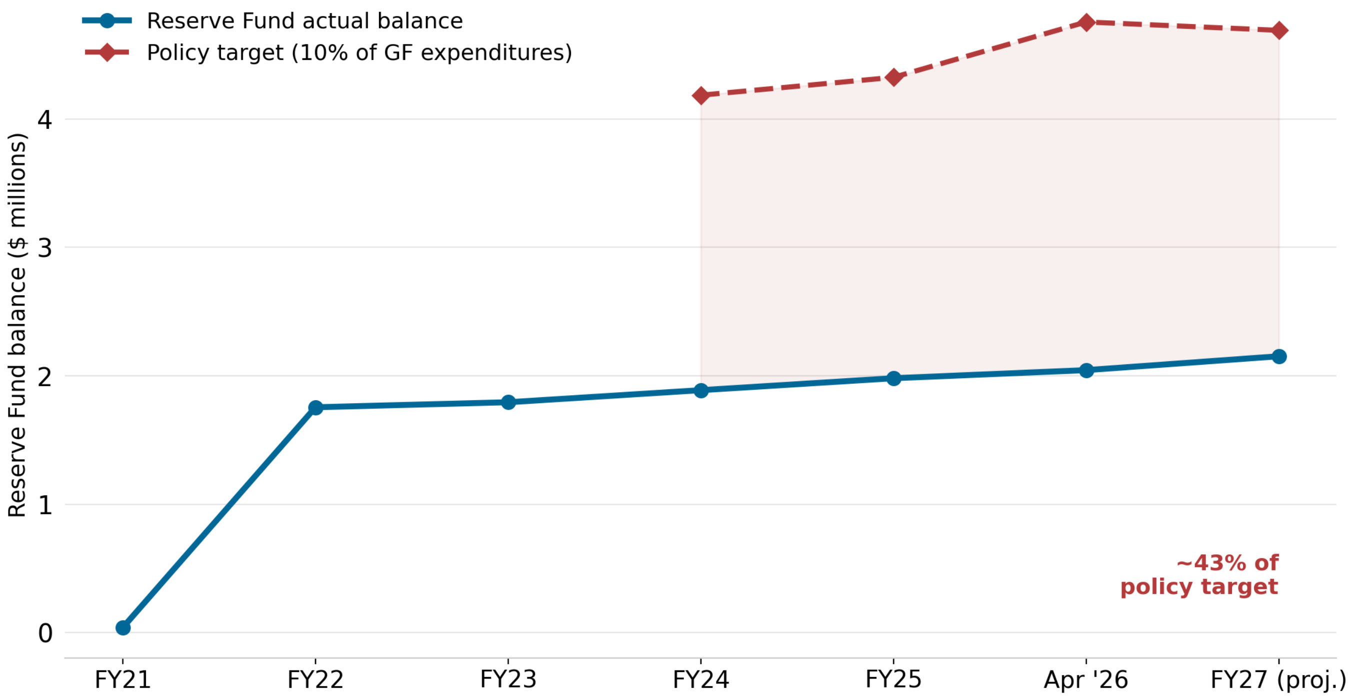
The Reserve Fund Hasn't Kept Pace With Its Own Policy Target



- Resolution 2023-09 sets the Reserve Fund target at 10% of GF expenditures, roughly $4.7–$4.8M today. The actual balance is about $2.0M, or 43% of target.
- Policy also requires that when the GF Fund Balance is above a certain threshold, 20% of that overage is required to be deposited in the Reserve Fund; Finance Dept. data shows no discretionary transfer meeting that threshold FY2023–FY2026, despite a ~$10.9M GF budget variance in FY2024.
- Reserve Fund growth since FY2022 has come almost entirely from interest earnings (~$63K–$93K/yr). At that pace, reaching target would take decades without a discretionary transfer.

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Staff's Own Forecasts Show the Same Trend

- On June 3, 2026, staff presented two GF forecast scenarios (Best Case / Worst Case) to Council and the Parks Commission.
- Both confirm the balance keeps declining; neither models Reserve Fund replenishment.
- **Best Case:** balance falls below the policy minimum by FY2030.
- **Worst Case:** balance falls below the policy minimum by FY2028.
- Staff's own numbers, even before applying today's proposed policy fixes, point to the same conclusion this item is built around.

Source: Forecast for General Fund, Scenarios 1 & 2, presented to joint Council/Parks Commission meeting, June 3, 2026.

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SECTION 4

Actions to Take

Eight staff directions, each with a deadline

Motion 1 — Clear, Enforceable Policy Language

"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."

— Resolution 2023-09, Budgetary Policies (adopted May 16, 2023)

Improve Language so that:

- **Define recurring vs one-time**. Removes the single biggest source of ambiguity in the current text.
- **Ban recurring use explicitly**: Not implied, stated.
- **Require affirmative disclosure.** Any planned use has to be called out in the budget message with a return-to-balance plan, not left for someone to notice later.

Grounded in GFOA Best Practice: Achieving a Structurally Balanced Budget — gfoa.org/materials/achieving-a-structurally-balanced-budget

I move to direct the City Manager and Finance Director to return to Council no later than the September 15, 2026 Business Meeting with a resolution amending Resolution 2023-09 to have clearer, more enforceable policy language.

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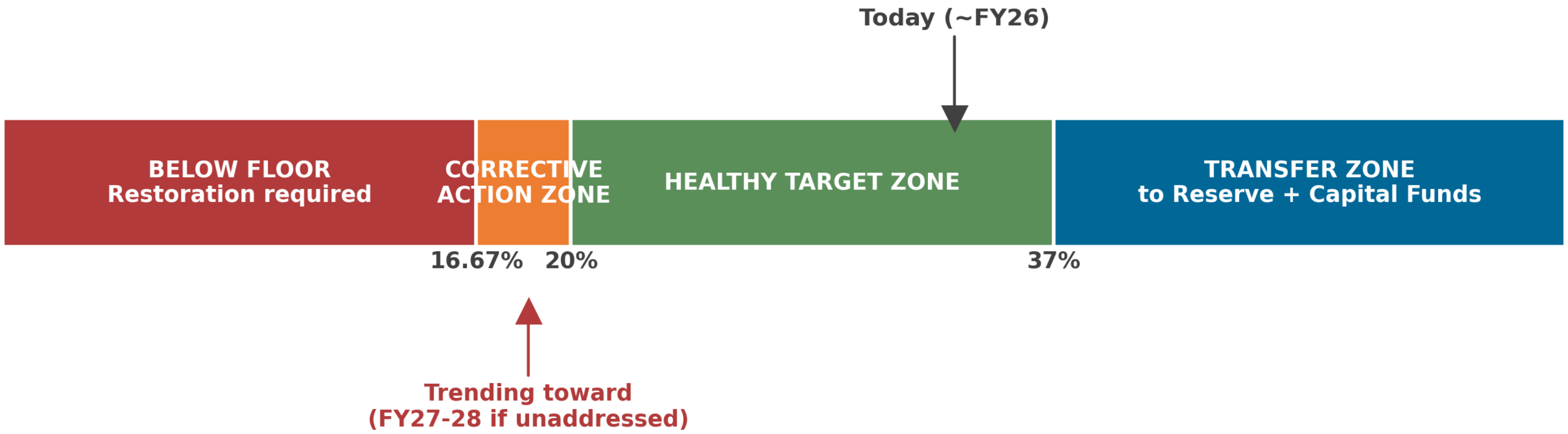
Motion 1 (cont.) — A Target Zone, Not Just a Floor and Ceiling



- Today's policy has only two triggers, 33 points apart: 16.67% (floor) and 50% (transfer ceiling) — a balance can decline for years inside that gap without tripping either one.
- **Proposed structure:** below 20% → mandatory corrective action plan; 20%–37% → healthy target zone; above 37% (down from 50%) → mandatory transfer to the Reserve and Capital Funds.
- **The 20% / 37% figures are a starting point for Council discussion,** not a final number.

GFOA, Fund Balance Guidelines for the General Fund; GFOA, "Should We Rethink Reserves?" Government Finance Review, Aug. 2023.

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Motion 2 — Early-Warning Language in Quarterly Reports

Proposed language: "Each Quarterly Financial Report to Council shall include a Policy Compliance section that affirmatively identifies any fund or department that is in violation of, or at reasonable risk of violating, an adopted financial policy within the next three fiscal quarters. Upon identification of such a violation or risk, the City Manager and Finance Director shall present a corrective action plan to Council within 60 days, including no fewer than two options for Council's consideration and approval."

- Right now, nothing in policy requires staff to proactively flag a developing problem to Council and frequently issues surface only if someone asks the right question at the right meeting.
- A defined "reasonable risk within 3 quarters" standard, paired with a 60-day cure-plan requirement, is consistent with how comparable-size municipalities and state oversight frameworks structure early-warning disclosure.

I move to direct staff to incorporate the Policy Compliance reporting and 60-day corrective-action requirement into all future Quarterly Financial Reports to Council, to be implemented after adoption of updated financial policies.

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Motion 3 — Standing FTE Staffing Report

- Add a standing FTE Staffing Report to each Quarterly Financial Report: budgeted vs. filled positions by department, broken into management and non-management roles.
- **Specifically call out any year-over-year variance exceeding 5%.** This a common materiality threshold used in local government budget-variance reporting as a starting point for discussion.
- This gives Council the same visibility into workforce trends we're asking for on the financial side. Personnel is the largest cost driver in the General Fund.

I move to direct staff to add a standing FTE Staffing Report — budgeted vs. filled, by department and management/non-management classification, with variances over 5% called out — to every Quarterly Financial Report.

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Motion 4 — A Dedicated Capital Fund

- Direct staff to develop funding and use policies for the dedicated Capital Fund.
- Going forward, no capital projects shall be expensed to the General Fund — capital projects are funded from the Capital Fund or other dedicated capital financing sources only.
- This directly addresses the "it's just capital spending" question from Section 3. If capital spending is fully walled off from the General Fund, the two trends can never be conflated again.

I move to direct staff to develop updated funding and use policies for the dedicated Capital Fund, and to provide that capital projects shall be budgeted and implemented within the Capital Fund, not the General Fund.

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Motion 5 — Fund the Reserve and Capital Funds in BN2027-29

- Direct staff, in building the proposed BN2027-29 budget, to include a transfer to the Reserve Fund and to the new Capital Fund, such that the General Fund will have an unrestricted and undesignated balance of 25% of average annual expenditures for the prior three years.
- This percentage is a starting point for Council discussion, not a fixed requirement. Final amounts depend on the BN2027-29 revenue and expenditure picture.
- The goal is to move the Reserve Fund meaningfully closer to its policy target, not the full fix in one biennium.

I move to direct staff, in developing the proposed BN2027-29 budget, to include a transfer to the Reserve Fund and to the Capital Fund such that the General Fund maintains an unrestricted and undesignated balance of 25%, with final amounts subject to Council discussion during budget adoption.

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Motions 6 & 7 — Two 110-Day Reports Back to Council

- **Motion 6:** direct staff to return within 110 days with a report on updated financial policies and recommended best practices, including the target-zone framework, quarterly disclosure protocol, capital funding policy, and incorporation of PERS/pension liability trends into all future multi-year forecasts, discussed today.
- **Motion 7:** direct staff to develop and produce, within 110 days, a consolidated Financial Policies Manual. A single reference summarizing all pertinent City financial policy considerations, including a full list of relevant resolutions and policies, and a summary of the City's cost allocation methodologies.

I move to direct staff to return within 90 days with (1) a report on updated financial policies and best practices, including PERS liability modeling in future forecasts, and (2) a consolidated Financial Policies Manual, as described today.

Better Together

Motion 8 — Turn On the Transparency Tool We Already Pay For

The City has paid OpenGov for a Transparency and Reporting module continuously since October 2018 (with the underlying vendor relationship dating to 2017), most recently renewed through July 2026. Today, the public-facing view shows revenue and spending summarized by department and category only, not the individual transaction ("checkbook") detail the platform is built to display.

- **This isn't a new purchase.** It's a configuration change to a tool the City already subscribes to.
- **It should reduce cost, not add it:** when residents can see individual transactions directly, they don't need to file a public records request for that same information. This should meaningfully cut staff time spent fulfilling records requests for data that could simply be public by default.
- **Occasional line-item corrections are a normal part of bookkeeping in any organization this size.** Being visibly open about them, not just the summary totals, is exactly the kind of transparency that builds public trust. Financial oversight from engaged residents is a feature of good government, not a risk to manage around.

Source: OpenGov Order Forms, City of Ashland — Contract 2019-099 (eff. 10/1/2018); Contract 2023-243 (eff. 7/31/2023-7/30/2026); PO 2023-130.

I move to direct the City Manager and Finance Director to enable transaction-level ("checkbook") detail in the City's OpenGov Transparency platform, viewable by the public down to the individual line-item transaction, and to report back to Council within 60 days on implementation status.

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Timeline at a Glance

- **Today:** Council direction on the motions above.
- **Within 60 days:** OpenGov transaction-level ("checkbook") detail enabled for the public; staff reports back on implementation.
- **September 15, 2026:** revised Resolution 2023-09 returns to Council.
- **Early-November 2026:** updated financial-policy/best-practices report (incl. PERS modeling) AND consolidated Financial Policies Manual return to Council.
- **BN2027-29 budget process:** Reserve Fund + Capital Fund transfers considered as part of budget adoption.
- **Every quarter, going forward:** new Policy Compliance and FTE Staffing sections appear in Quarterly Financial Reports once updated financial policies are in place.

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QUESTIONS?