



City to amend budget projections

By Tran Nguyen Ashland Daily Tidings

Posted at 5:18 PM

Updated at 5:18 PM

The city of Ashland is working to amend its current biennium budget to reduce projected future deficits after petitioners cited the projection as one of several reasons to launch a recall of three parks commissioners. The current budget forecasts parks' 2021-23 budget will run a deficit of \$5.9 million, which the city now says should only be \$600,000.

Eight months after a rocky budget season in which some citizen committee members often found themselves in opposition with the council, the city's finance director confirmed that the budget "was presented with major errors" in its long-range financial plan last week.

"The number needs an update, because the projection is not realistic and now it's used as a talking point in a recall effort," Finance Director Mark Welch said Feb. 13.

The forecast included in the city's current budget is projected based on an increase in "personal services" — salary, wages and fringe benefits — of 12 percent, which is "a misunderstanding with previous staff" and "an error that was missed due to the turnover of staff at the time," Welch said.

"The direction was to increase health care at 10 percent and (Oregon Public Employees Retirement System) at 2 percent. Instead of increasing those line items, the full 12 percent was increased from Personal Services," Welch wrote in an email.

The current projection impacts the whole budget, not parks' alone, Welch said.

According to his calculation, a 3.5 percent increase in personal services is a more accurate projection. If approved, it would drop the city's 2021-23 projected general fund deficit of \$10 million to \$2 million, and 2021-23 parks' deficit of \$5.9 million to \$600,000, Welch said.

Welch said last week that he planned to present the amendment to the City Council to vote on at its Feb. 20 meeting, but city staff and Welch have since confirmed the proposal will be an item on the Budget Committee meeting agenda for March 19.

The Parks and Recreation department first called the projection of a \$5.9 million deficit “incorrect” and “based on an unrealistic assumption” when the Tidings asked three parks commissioners targeted by the recall campaign — Jim Lewis, Mike Gardiner and Rick Landt — to respond to the claims made by recall petitioners on Feb. 8

The petitioners launched a recall campaign in November after the commission approved a reorganization at the Senior Center that resulted in the dismissal of the manager in August. The effort gathered enough valid voter signatures to put the recall before voters, and a special election is scheduled March 13.

Parks Director Michael Black also said the number was wrong at an ad hoc Senior Center meeting on Feb. 12.

“The finance department is looking into this and verbally said that these pages (in the budget) were wrong,” Black said. “It’s unfortunate that it’s not accurate.”

Welch said he voiced his disagreement with the projection when he first came on as finance director on May 13, after the 2017 budget season had begun. He added, however, he wasn’t able to update the numbers before the budget was adopted in June.

The Tidings reported Black’s comment on Wednesday, which prompted budget committee member Garrett Furuichi to reach out to parks for clarification.

“Can you please send to me the errors mentioned in today’s article,” Furuichi wrote in an email obtained by the Tidings. “I understand that the (committee) approves the budget and therefore is responsible for its contents, NOT the Finance department.”

Welch responded via email and met with Furuichi on Friday.

Reached by phone, Furuichi said he voiced concerns about the revenue projection at budget meetings but his recommendations fell on deaf ears. Budget committee member Shaun Moran asked at the May 18 budget meeting about the 2021-23 projection for personal services, on the expenditure side of the ledger. The projection shows an increase of \$7.7 million and \$7.5 million within six years for the police and fire departments, respectively.

According to the minutes, Welch said that he stood behind the revenue projections, which were based on available information at the time. He added he would look into the personal services projection as requested by Moran. The Tidings doesn't find any further information about expenditures projections from Welch in the meeting minutes.

The current proposed amendment, according to Welch, only addresses personal services projections, not any other budget items.

"It has been over eight months since the budget was approved by the city in June 2017 which makes me wonder if there was no pressure on the Parks Department to defend their budgets with the commissioner recall, would these 'corrections' have ever come to light?" Furuichi wrote in an email.

Furuichi also said that if the city amends its current 2017-19 budget, including forecasts for future budgets, it should go through the Budget Committee before heading to the council for approval.

"That would be the proper process to do it," Furuichi said.

— Reach reporter Tran Nguyen at 541-776-4485 or tnguyen@rosebudmedia.com. Follow her on twitter [@nguyenntrann](https://twitter.com/nguyenntrann).



SIGN UP FOR DAILY E-MAIL

Wake up to the day's top news, delivered to your inbox
