



RESOLUTION 2019-057

ADOPTING THE FY2019-20 BUDGET OF THE CITY OF SHERWOOD, MAKING APPROPRIATIONS, IMPOSING AND CATEGORIZING TAXES, AND AUTHORIZING THE CITY MANAGER TO TAKE SUCH ACTION NECESSARY TO CARRY OUT THE ADOPTED BUDGET

WHEREAS, the Sherwood Budget Committee has reviewed and acted on the proposed City budget; and

WHEREAS, the Sherwood Budget Committee approved and recommended a balanced budget to the City Council on May 23, 2019; and

WHEREAS, in accordance with State law, the Sherwood City Council has held a public hearing on the budget as approved and recommended by the Sherwood Budget Committee; and

WHEREAS, pursuant to ORS 294.456 (1) (b) the governing body may amend the budget estimates; and

WHEREAS, an amendment to the approved budget for \$56,000 is necessary for the completion of a project currently underway; and

WHEREAS, the City Council desires to adopt the approved budget with said amendment and carry out the programs identified in the budget.

NOW, THEREFORE, THE CITY OF SHERWOOD RESOLVES AS FOLLOWS:

Section 1: **Adoption of the FY2019-20 Budget.** The City Council of the City of Sherwood, Oregon hereby adopts the budget for FY2019-20 in the sum of \$64,575,333, now on file at City Hall and attached hereto as Exhibit A.

Section 2: Making Appropriations. The amounts for the fiscal year beginning July 1, 2019 and for the purposes shown below are hereby appropriated as follows:

	General	General Construction	Debt Service	Transient Lodging Tax	Grants	Street Operations	Street Capital	Water	Sanitary	Storm	Broadband
Administration	2,976,422										
Comm. Dev.	2,086,956										
Public Safety	4,679,788										
Comm. Serv.	2,486,381										
Public Works	2,970,953										
Operations					99,602	1,715,555		3,549,207	727,559	1,578,788	647,756
Capital		729,099					2,526,959	7,376,544	975,626	1,307,386	
Debt Service			270,700					1,761,243			
Transfers Out						750,000	178,555				
Contingency	690,986				4,510	109,989		273,485	37,157	82,451	58,508
Total Appropriations	15,891,486	729,099	270,700	0	104,112	2,575,544	2,705,514	12,960,479	1,740,342	2,968,625	706,264
Total Unappropriated and Reserve Amounts	3,003,703	1,451,218	40,796	8,762	28,028	1,703,890	4,295,999	7,075,520	2,155,650	3,922,390	237,212
	\$18,895,189	\$2,180,317	\$311,496	\$8,762	\$132,140	\$4,279,434	\$7,001,513	\$20,035,999	\$3,895,992	\$6,891,015	\$943,476

Total Adopted Budget for FY2019-20 \$64,575,333

Section 3: Imposing and Categorizing Taxes. The City Council of the City of Sherwood hereby imposes the taxes provided for in the adopted budget at the City's permanent rate of \$3.2975 per one thousand of assessed value for operations and in the amount of \$284,235 for debt service for general obligation bonds; and that these taxes are hereby imposed for tax year 2019-20 upon the assessed value of all taxable property within the district.

The City of Sherwood hereby categorizes the taxes as follows:

	General Government Excluded from Limitation
General Fund	\$3.2975 per \$1,000
Debt Service Fund	\$ 284,235

Section 4: Filing. The Budget Officer shall certify to the County Clerk and County Assessor of Washington County and the Oregon State Department of Revenue the tax levy made by this resolution and shall file with them a copy of the budget as finally adopted.

Section 5: City Manager Authorization. The City Manager is hereby authorized to take such action as is necessary to carry out the adopted budget.

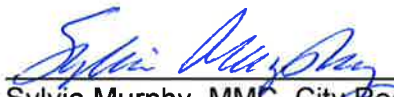
Section 6: Effective Date. This Resolution shall be effective upon its approval and adoption.

Duly passed by the City Council this 18th day of June, 2019.



Keith Mays, Mayor

Attest:



Sylvia Murphy, MMC, City Recorder

City of Sherwood Annual Budget

For the Fiscal Year

July 1, 2019 - June 30, 2020



CITY COUNCIL:

Keith Mays, *Mayor*

Tim Rosener, *Council President*

Renee Brouse, *Council Member*

Sean Garland, *Council Member*

Russell Griffin, *Council Member*

Doug Scott, *Council Member*

Kim Young, *Council Member*

BUDGET COMMITTEE:

Meerta Meyer, *Chair*

Paul Mayer, *Vice Chair*

Susan Claus

Matt Kaufman

Tyrone Stammers

Kady Strode

Nancy Taylor

CITY STAFF:

Joseph Gall, *City Manager*

Katie Henry, *Finance Director*



READER'S GUIDE

- 1 GFOA Distinguished Budget Presentation Award
- 2 How to Make the Most of the Budget
- 3 Budget Message
- 12 About Sherwood
- 15 Principal Property Taxpayers
- 16 Maps
- 17 City Council Mission and Values
- 18 City Council Goals
- 20 Organizational Chart
- 21 Budget Process
- 23 Basis of Budgeting
- 24 Fund Structure

REVENUE & EXPENDITURES

Revenue

- 27 Revenue Summary by Source
- 28 Where the Money Comes From
- 29 Overview of Major Revenue Sources

Expenditures

- 33 Expense Summary by Category
- 34 Where the Money Goes
- 35 Overview of Major Categories of Expense

DEBT SERVICE & (CIP) CAPITAL IMPROVEMENT PLAN

Debt Service

- 37 Overview of Long-Term Debt

Capital Improvement Plan

- 39 Overview of 5 Year CIP
- 40 Current Year Capital Projects

BUDGET DETAIL

- 47 City in Total
- 48 City by Fund
- General Government
 - 49 General Fund in Total
 - 50 General Fund by Division
 - 53 General Fund – Administration Division
 - 62 General Fund – Community Development Division
 - 67 General Fund – Police Services
 - 69 General Fund – Community Services Division
 - 75 General Fund – Public Works Division
 - 79 Transient Lodging Tax
 - 80 Grants Fund
 - 81 Debt Service Fund
 - 82 Street Operations Fund
 - 84 Street Capital Fund
 - 85 General Construction Fund
- Enterprise Funds
 - 86 Water Fund in Total
 - 87 Water Operations
 - 89 Water Capital
 - 90 Sanitary Fund in Total
 - 91 Sanitary Operations
 - 93 Sanitary Capital
 - 94 Stormwater Fund in Total
 - 95 Stormwater Operations
 - 97 Stormwater Capital
 - 98 Broadband Fund

APPENDIX

- 101 FTE Schedule
- 102 Salary Schedule
- 104 Financial Policies
- 113 Glossary and Acronyms



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

City of Sherwood

Oregon

For the Fiscal Year Beginning

July 1, 2018

Christopher P. Morill

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Sherwood, Oregon for its annual budget for the fiscal year beginning July 1, 2018.

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 communication device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

How to Make the Most of the Budget Document

This budget document serves to:

- Present the City Council and the public with a clear picture of the services the city provides.
- Provide city management with a financial and operating plan that adheres to the city's financial policies.
- Communicate the vision of the City Council and Leadership Team for the City of Sherwood.
- Present financial and organizational operations for each of the city's departments.

Reader's Guide

The reader's guide provides a variety of information about the city.

- Awards
- Budget Message
- Sherwood's unique history
- Demographic information
- Council Mission, Values, and Goals
- City organization chart
- Oregon budget process, including an explanation of funds

Revenues & Expenditures

This section includes current revenue by source and current expenses by major category. This section also includes an overview of the main sources of revenue for the City, including a review of Oregon's

property tax system; as well as an overview of the major categories of expenses; personal services, materials and services, and capital outlay.

Debt Service & (CIP) Capital Improvement Plan

This section includes information on our General Obligation Bonds, Water Bonds and URA Bonds.

The CIP establishes, prioritizes, and ensures funding for projects to improve existing, and develop new, infrastructure and facilities. While the CIP serves as a long-range plan, it is reviewed and revised annually.

Budget Detail

This section includes the detailed budgets for the City as a whole, each fund, division, and program in the City.

Appendix

The Appendix includes the FTE schedules, salary schedules, financial policies, and a glossary with acronyms.

Fiscal Year 2019-20**City Manager's Budget Message****May 3, 2019****The Honorable Mayor Keith Mays****Members of the Sherwood City Council****Members of the Sherwood Budget Committee**

As City Manager for the City of Sherwood, it is my pleasure to present the proposed Fiscal Year 2019-20 (FY2019-20) budget for the City of Sherwood. This proposed budget is submitted as required by Chapter 294 of the Oregon Revised Statutes and Chapter VIII, Section 33.e.6 of the Sherwood Municipal Code. As an important reminder to citizens reviewing this proposed budget, State budget law provides for three different levels of review and scrutiny of this budget: the City Manager, the Budget Committee, and the City Council. At any step in this process, the reviewing body can alter the proposed budget if they believe it is in the best interest of the City of Sherwood. This is my seventh proposed budget for the City of Sherwood in my role as City Manager. I am pleased to be able to propose a fiscally responsible budget that continues to provide the quality of public services our citizens have come to enjoy and expect from the City of Sherwood.

Budget Overview

I present to you a well-developed budget that is tied to City Council goals. Specifically, increases in personnel are targeted on public safety and economic development goals while the proposed budget proactively addresses ever-increasing Public Employee Retirement Systems (PERS) costs. Proposed changes do not impact the services and programs that are currently offered to our citizens.

As we near the end of the current fiscal year, I am happy to report that overall city finances are stronger than anticipated a year ago. For example, we initially budgeted an ending fund balance in the General Fund to be \$3.7 million (or 26% of total operating revenues). The revised projected ending fund balance for the current year is estimated to be \$5.0 million (or 35% of total operating revenues). This is well above our overall fiscal policy of ending fund balance of 20% of total operating revenues. This is caused almost entirely by the very strong fund balance that was carried forward from the end of FY2017-18 that was related to larger than anticipated revenues from development and from savings from vacant positions.

The next page shows a summary of the proposed budget by the different funds in comparison to the current adopted budget.

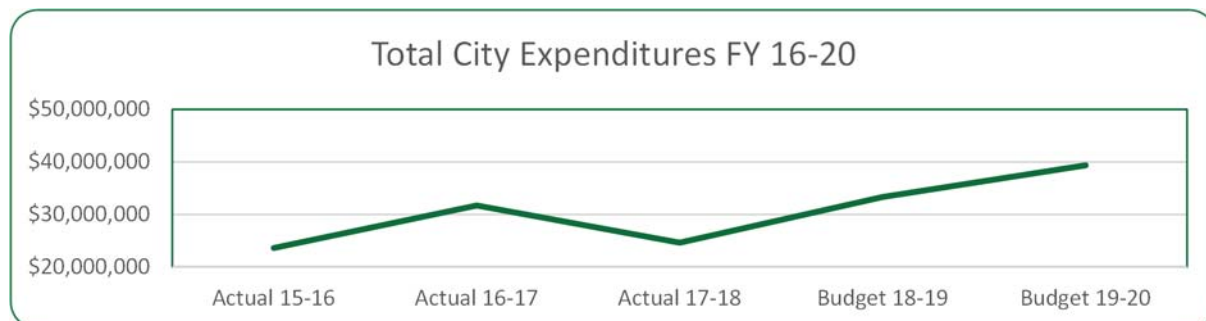
Total Budget (All Funds)

The proposed total budget for FY2019-20 for all funds is \$39.4 million. This represents an increase of \$6.1 million or 18.2% from the current adopted FY2018-19 budget. Within this total budget, Personal Services accounts for \$13.9 million. This figure is 10.7% higher than the current FY2018-19 budget. Personal Services includes all salaries and wages, payroll taxes and employee benefits.

Budget in Brief				
	2018-19	2019-20		
Expenditures	Budget	Proposed	Variance	% Change
General Fund				
Administration	2,880,718	2,983,822	103,104	3.6%
Community Development	2,026,795	2,086,956	60,161	3.0%
Police Services	4,128,471	4,679,788	551,317	13.4%
Community Services	2,262,478	2,480,913	218,435	9.7%
Public Works	2,984,469	3,005,953	21,484	0.7%
Subtotal General Fund	14,282,931	15,237,432	954,501	6.7%
Debt Service Fund	269,475	270,700	1,225	0.5%
General Construction Fund	1,580,009	673,099	(906,910)	-57.4%
Transient Lodging Tax Fund	-	-	-	0.0%
Grants Fund	88,000	99,602	11,602	13.2%
Street Operations Fund	2,708,264	2,465,555	(242,709)	-9.0%
Street Capital Fund	1,221,606	2,705,514	1,483,908	121.5%
Subtotal General Govt. Funds	20,150,285	21,451,902	1,301,617	6.5%
Water Enterprise Fund	8,077,833	12,686,994	4,609,161	57.1%
Sanitary Enterprise Fund	1,220,805	1,703,185	482,380	39.5%
Storm Enterprise Fund	3,064,393	2,886,174	(178,219)	-5.8%
Telecommunications Fund	813,371	647,756	(165,615)	-20.4%
Subtotal Enterprise Funds	13,176,402	17,924,109	4,747,707	36.0%
Total All Funds	\$ 33,326,687	39,376,011	\$6,049,324	18.2%

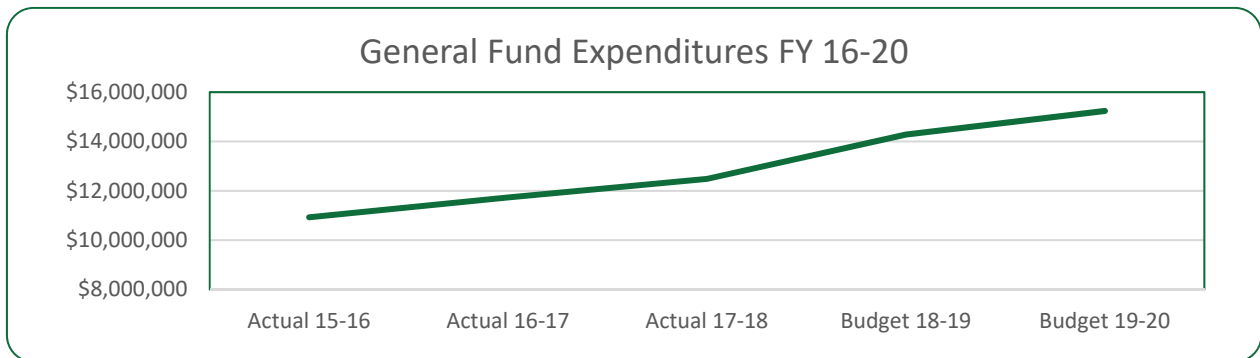
Materials and services (M&S) expenses are operating expenses incurred during the normal course of business including professional services, supplies, utilities, and property and liability insurance. The total M&S expenses for the proposed budget are \$9.2 million, a 3.2% decrease from the current fiscal year budget.

Capital Outlay consists of vehicle and large equipment purchases as well as infrastructure improvements in the General Construction, Water, Storm and Streets funds. Capital Outlay expenses are \$13.3 million, which is a significant increase over the current budget year (51.7%) and is contributing to the overall total expenditure increase of 18.1%.



General Fund

The City’s General Fund is the primary operating fund of the City including administration, police services, community development, community services and a portion of public works. Since General Fund revenues are unrestricted in use, citizens usually focus a great deal of attention on this particular fund in reviewing the budget. Revenues for this fund largely consist of property taxes, franchise fees, licenses, permits and court fines.



Within the proposed General Fund budget, Personal Services accounts for \$11.2 million. This figure is 8.8% higher than the current FY2018-19 budget. The total M&S expenses for the proposed budget is \$3.3 million, a 4.6% increase from the current fiscal year budget. Capital Outlay, which includes a purchase of equipment that was included in the FY2018-19 budget that was deferred until next year, is proposed at \$777,110, a decrease of 10.8% over the current fiscal year budget. This Capital Outlay includes routine large expenditures such as scheduled roof replacement, vehicle purchases, and other large equipment. The combination of increases in each of these categories leads to an overall increase of 6.7% in the proposed General Fund expenditures budget.

As in past years, I am again recommending the use of a portion of the General Fund ending fund balance as well as one-time revenues to fund one-time expenditures (\$1,564,451) while adhering to the City Council fiscal goal of retaining 20% of our operating revenues in our ending fund balance each year.

Strategic Goals and Strategies

This proposed budget reflects the economic and political environment in which we operate and more importantly, anticipates that this environment will continue for the foreseeable future. Before describing them in detail, I want to enumerate the key principles used to develop this proposed budget.

Continued Focus upon Core, Essential Services – As the management team tackled budget preparation this year, we continually asked ourselves whether the service or program under consideration could be categorized as a Core, Essential Service. Core, Essential Services include local government services such as public safety services (police and emergency management), utilities (water and sewer), and infrastructure (roads).

Invest in Infrastructure Maintenance – this proposed budget funds all of our planned expenditures in our various asset management plans as well as completing a number of deferred projects from our previous budget cycle.

Align with City Financial Policies, especially in terms of using fund balance – The City Council has adopted financial policies to guide management in making sound budgetary and financial decisions. Two key financial policies, strictly adhered to in this proposed budget, are:

- *The City of Sherwood will identify sustainable revenue levels and, to the extent possible, current operations will be funded by current sustainable revenues.*
- *One-time revenues will be used for one-time expenditures or as contributions to reserves and will not be used to pay for established services.*

Short-term Economic Factors

Within our Sherwood community, signs of a strong and vibrant economy are evident in a variety of key areas. Our unemployment rate continues to be one of the lowest among cities in Washington County and the Portland region. Local businesses have indicated that finding adequate labor in such a tight labor market is one of their most significant challenges. Development activity continues to be strong within the community. This includes numerous projects in the pipeline as well as actual construction activity. New homes are being built throughout Sherwood. Commercial and industrial growth continues to be strong with significant activity along our major commercial corridors such as Highway 99 and Tualatin-Sherwood Road. Our community continues to receive national accolades for its strong quality of life, excellent schools, access to wonderful parks, and low crime rate. In the short-term horizon, all indications are that such strong economic activities should continue within Sherwood and Washington County.

Personal Services changes

The proposed budget funds a total workforce of 120 Full Time Equivalent (FTE) positions, an increase of 6.5 FTE positions from the current workforce. Of these positions, 4.0 FTEs are paid for out of the General Fund while 1.0 FTE is paid for out of the Streets Fund, and 1.5 FTE out of the Stormwater Fund. The following is a summary of these personnel changes:

- Remove one Legal and Finance Administrative Assistant III (-1.0 FTE) and add one Court Clerk I (+1.0 FTE) in Administration (General Fund)
- Add one Administrative Assistant I (+1.0 FTE), add one Police Officer-Detective (+1.0 FTE) and one Police Sergeant (mid-year hire +0.5 in FY2019-20 and 1.0 FTE in following years) in Police Services (General Fund)
- Add one half-time Emergency Management Coordinator (+0.5 FTE) in Public Works. This position will benefit the whole city and the cost will therefore be allocated to all funds along with other overhead costs (Multiple Funds)
- Add limited duration position for one Economic Development Coordinator (+1.0 FTE) in Community Development (General Fund)
- Add one Maintenance Worker II (+1.0 FTE) to Streets (Special Revenue Fund) and one Maintenance Worker II (+1.0 FTE) to Stormwater (Enterprise Fund)
- Add one seasonal Maintenance Worker I (+0.5 FTE) to Stormwater (Enterprise Funds)

It is important to note that several additional positions were requested that were not included in the proposed budget. Two seasonal and one full time Maintenance Worker were requested for Parks to assist with current work load and due to the opening of the Skate Park planned for summer of 2019. Expanded hours were requested for the two regular employees at the Senior Center in order to offer more programs and increase community involvement. Expanded hours were also requested for two of the part-time librarians. Additional administrative assistance was also requested in the form of an increase in hours for the Administrative Assistant in Community Development, an increase in hours for the Records Technician, and the addition of an Administrative Assistant in the Library and the addition of a Human Resources Technician.

Total Personal Services costs are budgeted to increase by 8.8% for the General Fund and 10.7% for all funds between the current year budget and the proposed FY2019-20 budget. Key personal services cost increases in this proposed budget are as follows:

- Salaries have increased first of all due to the addition of the new positions listed above. The Detective, Sergeant, and Police Administrative Assistant positions were added to address City Council goals for public safety and to begin the implementation of the staffing study that was completed in 2016. The Economic Development Coordinator position is being proposed to address the City Council goal for economic development. This position is proposed to be funded from fund balance for a period of two years. The intent is to be able to determine by the end of this period if the program is viable and what potential ongoing funding sources may be. Additional increases in salaries result from cost of living increases, as salaries will be increasing by 3.5% in accordance with the CPI-W west index (annual average), as well as step increases throughout the fiscal year.
- PERS rates are set for a biennium and will increase significantly for this budget period. The City currently pays between 13.77% and 21.76% of a given employee's payroll, depending on which retirement plan they are in. In addition, the City also currently "picks up" an additional 6% that is considered the "employee contribution". In FY2018-19 the City is therefore contributing between 19.77% and 27.76% of salaries towards retirement for each eligible employee. These rates will increase to between 24.28% and 32.61%. This results in an expected increase in PERS costs of \$378,735 for the General Fund and \$480,621 for all funds.

As a result of these unsustainable and increasing PERS costs, I do not believe that the City (and ultimately taxpayers) can continue to absorb these costs. In this budget, I am proposing that the City begin to sunset the City's payment for the employee 6% contribution over the next couple years, ultimately shifting this financial responsibility to employees. To this end, the amount relating to the employee contribution for exempt employees is no longer an ongoing expense but rather a one-time cost that is scheduled to discontinue effective June 30, 2020. For the remaining employees within our two bargaining units, this proposed change will be negotiated through the normal collective bargaining process.

Priorities and Issues

This proposed budget provides funding for a number of significant projects and programs within our community that are important to highlight in this budget message including:

- Efforts will continue to complete the long-overdue update to the City’s Comprehensive Plan. The City is building off the success of the Sherwood 2040 Vision: Moving Forward Together, with the launch of the Comprehensive Plan Update. Sherwood 2040 engaged thousands of community members to identify what makes Sherwood unique, what is important to protect for the future, and what Sherwood should look like in 2040. The Comprehensive Plan will expand upon the vision with goals, policies, and implementation measures that guide future growth and development. It is expected that the Comprehensive Plan update will be a two-year process.
- Planned improvements to the Water Treatment facility in Wilsonville as well as infrastructure improvements in the water infrastructure within the Brookman and Tonquin Employment Areas are all included in this budget.

Special Revenue, Capital, and Enterprise Funds

Grants and Transient Lodging Tax (TLT) Funds

These are special revenue funds where the uses of revenues that are designated for a specific purpose are tracked. This proposed budget includes only Metro Community Enhancement Program (CEP) funds in the Grants fund. The TLT fund does not have any expenditures budgeted in it as the fund balance has not yet reached a high enough level to begin spending it. The City implemented a local TLT effective April 1, 2019. There are not currently any hotels in Sherwood so the revenue in this fund is minimal. The hotel that is currently under construction is expected to open this summer and the fund will begin to see more activity over the next year. The City does not anticipate any expenditures in the near future while the City waits for adequate fund balance to be established.

Street Operations Fund

The Street Operations Fund accounts for all maintenance projects related to City streets and sidewalks. The fund balance remains strong at this time and additional maintenance projects have been included in this proposed budget to keep the City’s annual street maintenance program up to date.

Street Capital Fund

This fund is used to manage capital projects related to streets and to account for all transportation SDC’s (System Development Charges) and TDT’s (Transportation Development Taxes). Operating funds are also transferred into the Street Capital Fund from the Street Operations Fund to cover capital projects related to existing streets. The largest expense in this fund for FY2019-20 is the Sunset Boulevard-Highway 99W Improvements project. Other projects include design of the Oregon Street improvements, the Main Street repair project and the Ladd Hill repair project from Sunset to the City limits.

General Construction Fund

This fund is used to manage capital projects related to parks, the senior center, and other city facilities. The update to the Parks Master Plan, started this year, continues into the FY2019-20 proposed budget. Other projects include the finalization of the construction of the skate park, a possible expansion of the YMCA, and continuing work on the Cedar Creek Trail project.

Water Fund

The City continues to work to ensure that a reliable water source will be available even as our population continues to grow. Planned improvements include improvements to the Water Treatment facility in Wilsonville to provide for current usage and to expand the capacity for future needs. Capacity improvements will begin for the 20.0 mgd (million gallons per day) expansion as well as work with Tualatin Valley Water District (TVWD) to increase current capacity from 6.2 to 9.7 mgd. The completion of the update to our Water Conservation and Management Plan, an update of the Water Resiliency Plan, and expansions in the Brookman and Tonquin Employment Areas, are all included in this proposed budget.

Sanitary and Stormwater Funds

During FY2016-17, updates of both the Sanitary and Stormwater Master Plans as well as the rate and SDC Methodologies were completed. Based on the findings from these reports, SDC's were updated to support the new Master Plans and revised fees are recommended. An increase of 2% in rates for both the city sewer and stormwater rates are in this proposed budget. Sanitary projects include the Rock Creek Trunk Capacity upgrade and the Galbreath Sanitary Sewer extension. Several stormwater projects are included such as the Murdock Apartment Swale maintenance project and the Michael Court to Lowell repair project.

Broadband Fund

This fund will continue the residential service proof of concept that was started in FY2018-19 while expanding the fiber footprint for customers in Newberg.

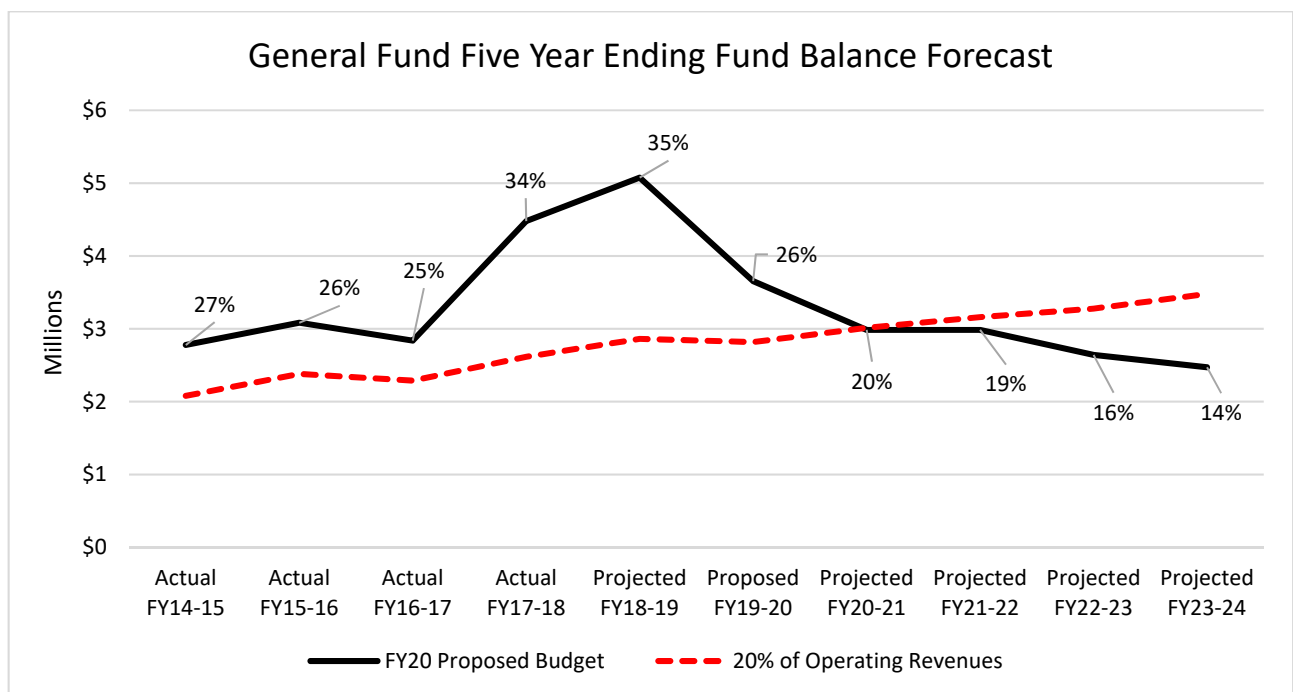
Fund Balances

Below is a chart showing the proposed change in fund balances for FY2019-20:

	General Fund	General Construction Fund	Debt Service Fund	TLT Fund	Grants Fund	Street Operations Fund	Street Capital Fund	Water Fund	Sanitary Fund	Storm Fund	Broadband Fund
Change in Fund Balance											
Beginning Fund Balance	5,075,466	1,248,379	39,626	4,502	41,940	1,550,387	5,898,892	13,099,629	3,027,598	4,723,006	358,396
Increase in Fund Balance	-	258,839	1,170	4,260	-	-	-	-	-	-	-
Decrease in Fund Balance	(1,420,209)	-	-	-	(9,402)	(265,785)	(847,492)	(5,750,624)	(834,791)	(318,165)	(62,676)
Ending Fund Balance	3,655,257	1,507,218	40,796	8,762	32,538	1,284,602	5,051,400	7,349,005	2,192,807	4,404,841	295,720

As part of our normal five-year financial forecasting, we have updated our General Fund Ending Fund Balance forecast using this proposed budget. Some key assumptions in this forecast include:

- Any additional personnel increases will be offset by a corresponding funding source.
- The 6% employee contribution portion of PERS is no longer covered by the City for all exempt employees effective July 1, 2020.
- PERS rates increase by seven percentage points in July 2021 and five additional percentage points in July 2023.
- The City's Urban Renewal Agency closes in June 2023.
- Property tax revenues will increase an extra 3% in 2021 and another 2% in 2022 before returning to normal annual increase due to properties that were either recently built, are under construction, or are planned within the next year that are not yet on the property tax rolls.



It is important to note a few major aspects related to our General Fund balance:

- In recent years City Council has decided to use some of the General Fund balance towards one-time projects and for maintenance that had been deferred. This proposed budget again uses some of the ending fund balance for one-time expenditures.
- Our financial policies require an unrestricted fund balance of at least 10% of fund revenue with a goal of 20%. Our ending fund balance for FY2019-20 is projected to be 26%, which exceeds our financial goal.
- While the five year forecast shows the General Fund balance going below the 20% target, this forecast does not include changes to the 6% contribution for non-exempt staff. If negotiations are successful and/or if state legislation changes, the projected General Fund balance in future years will improve significantly.

The change in the General Fund balance is broken down as follows:

Operating Revenue	\$13,685,768
Operating Expense	<u>(13,672,981)</u>
Net Normal Operations	\$ 12,787
Less One-Time Expenses Net	<u>(1,432,996)</u>
Change in Fund Balance	<u><u>(\$ 1,420,209)</u></u>

Conclusion

Sherwood continues to be a financially sound organization. We rely on diverse revenue sources, and have equally diverse expenditure patterns and healthy fund balances. Our Senior Leadership team and staff do an outstanding job in handling their respective departmental budgets and expenditures and I applaud them for their efforts. Our challenge remains the same: - keep our priorities balanced in the face of rising costs and uncertain revenues.

This proposed budget presents a spending plan for FY2019-20 that reflects the priorities, policies and goals of the Sherwood City Council and the citizens it represents. I would like to acknowledge and thank all involved for their efforts in developing the budget and contributing to the process, especially the Senior Leadership team for their ongoing input and support. In particular, I also want to thank Katie Henry, our Finance Director, who did an amazing job in putting the pieces of this proposed budget together.

Respectfully Submitted,



Joseph P. Gall, ICMA-CM
City Manager

Budget Committee Changes from Proposed to Approved Budget

- Correction of Street Operations and Street Capital beginning fund balance and true up projects in Street fund for difference in accounting between FY19 and FY20 for operating projects.
- Error correction in Stormwater Operations and Stormwater Capital to remove \$400,000 in charges for services that were duplicated and moved to Stormwater Capital.
- Increase of General Fund Community Services Salaries for 3 hours/week for Senior Center chef.
- Additional changes to remove \$42,400 in expenditures from the General Fund.

History

The first wagon train arrived in Oregon in 1843, and by 1853, Sherwood was being settled by farmers. They built their houses of the logs taken from the forest, which once covered the area. They grew nearly everything they needed.

By 1870, many families had moved into the area that we now call Sherwood. In 1885, J.C Smock granted the railroad the right-of-way through his property. In 1889, he and his wife, Mary Ellen Sebastian, then planned and named the streets surrounding the railroad tracks. The town that emerged was known as Smockville; later renamed to Sherwood and incorporated in 1893.

In the early 1890's, Sherwood's main industry was a brickyard that supplied building bricks for most of Portland's growth. Most of Sherwood's commercial buildings were built at this time, including the nine-block area known as Old Town. The original home of J C Smock and Mary Ellen Sebastian still stands on Park Street next to the Morback House as a component of the Sherwood Heritage Center.

When the brickyard closed in 1895, the economy diversified to include a fruit and vegetable cannery and a tannery, which supported Sherwood until 1971.

In 1911, Sherwood's City limits were one square mile, and had a population of 350. As of 2019, the City is four and a half square miles and has a population of 19,505.

Authority

The City of Sherwood has all powers granted to municipal corporations by State statutes, including the power to issue debt, levy taxes on real property within its boundaries, and to extend its corporate limits by annexation.

Services

The City provides a full range of services: public safety; library; construction and maintenance of streets, parks, and utility infrastructure; recreational activities and cultural events; current and long-range planning; development review; building permits; and construction inspection.

Sherwood owns and operates a water system and, jointly with the City of Wilsonville, a water treatment plant. The City also owns and operates the sanitary sewer and stormwater collection facilities with treatment provided by Clean Water Services, a regional authority.

Senior services are now provided by the City beginning July 1, 2017, housed in the City-owned Marjorie Stewart Center. Fire protection is provided by TVF&R, a regional entity. Electricity, phone, and trash disposal are provided by private businesses. Sherwood is part of School District 88J.

Sherwood has an Urban Renewal Agency (URA) which undertakes projects in the designated Urban Renewal District. The URA is a distinct municipal corporation and its budget is separate from the City.

Location

Sherwood's City limits span four and a half square miles along Hwy 99 via Interstate 5. This rapidly growing City is part of the Willamette Valley located in southwest Washington County. Sherwood is the home of the Tualatin River National Wildlife Refuge to the north, and bordered by Yamhill County to the south, and the City of Tualatin to the east.



DISTANCE FROM SHERWOOD	
Destination	Miles
Cities	
Portland, OR	17
Salem, OR	36
Eugene, OR	100
Seattle, WA	190
Boise, ID	445
San Francisco, CA	625
Airports, Rail Stations	
Portland International Airport	30
Hillsboro Airport	17
Portland Union Station	18
Recreational Areas	
Oregon Coast	80
Mt. Hood Ski Areas	70
Central Oregon	165
Public Universities	
Portland State University	16
Oregon State University	75
University of Oregon	102

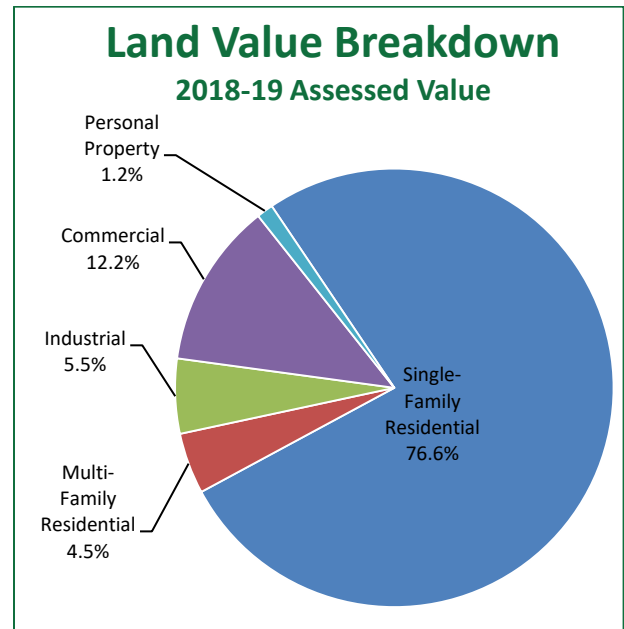
Economy

The City of Sherwood is highly suited to support the following industries: small to mid-size light manufacturing; specialty contractors and construction firms; creative services; amusement, recreation, sporting and lodging hospitality; educational facilities; and nursing and health care support services and facilities.

Several new businesses, which fall into these categories, are in the process of being built or are projected to come to Sherwood within the near future. Currently most employed residents commute outside of the City for work. The City has completed a concept plan for the Tonquin Employment Area to help remedy this imbalance.

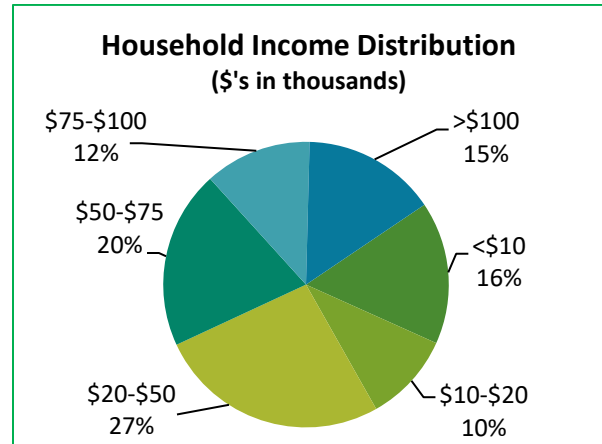
The City’s economy is linked with that of the Portland/Vancouver Metro Region, but is more insulated from economic downturns due to the high education and skill level of its population.

Despite record growth, the City has managed to maintain a first rate quality of life for its residents through a unique park and recreation system, a great school system, and a revived central business district in Old Town.



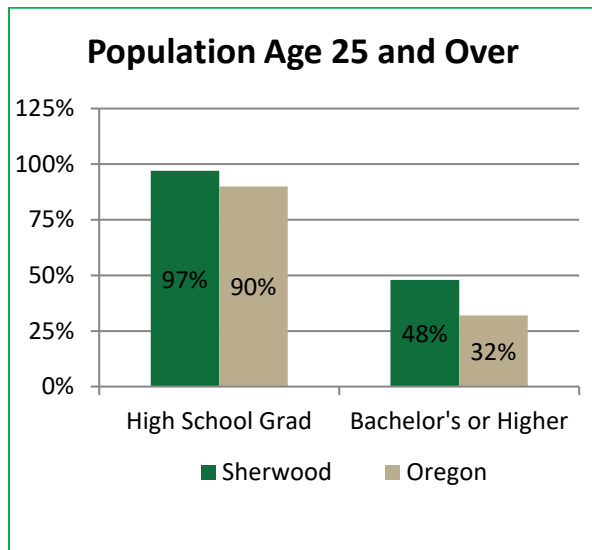
Demographics

Over the last two decades, Sherwood has been one of the fastest growing communities in the State. Between 2000 and 2019, the population has grown 63%. Sherwood has an average of 3.4 people per household as compared to 3.2 in Oregon as a whole. 51% of Sherwood's population is female, which is the same as the State of Oregon.

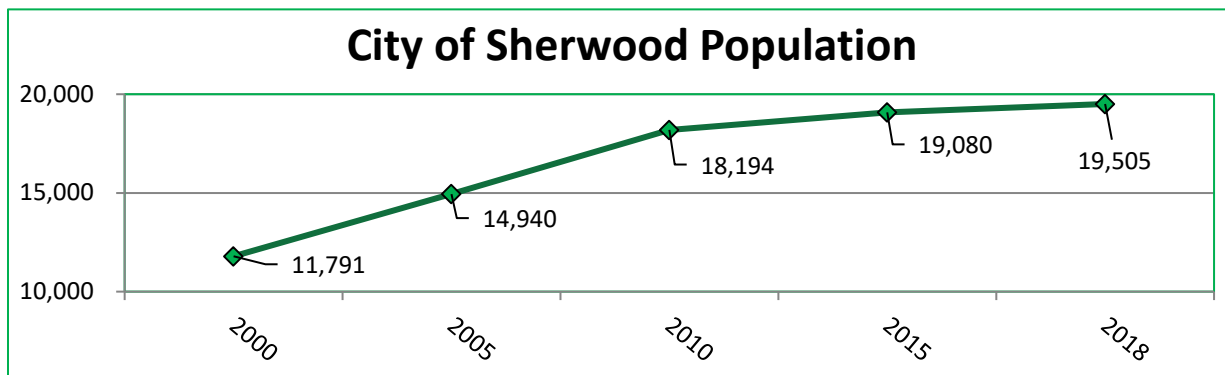


84% of the homes in Sherwood are less than 25 years old. Owner-occupied homes represent 74% of the community as opposed to 62% of Oregon as a whole.

Age	Percent
0-19	34.9%
20-39	22.2%
40-59	30.3%
60+	12.6%



Job Type	Percent
Management	17%
Business/Financial/Engineering	15%
Sales	14%
Office/Administrative	11%
Health/Personal Care	10%
Production/Construction	9%
Education/Library	7%
Food Preparation/Serving	3%
Public Safety	3%
Other	11%



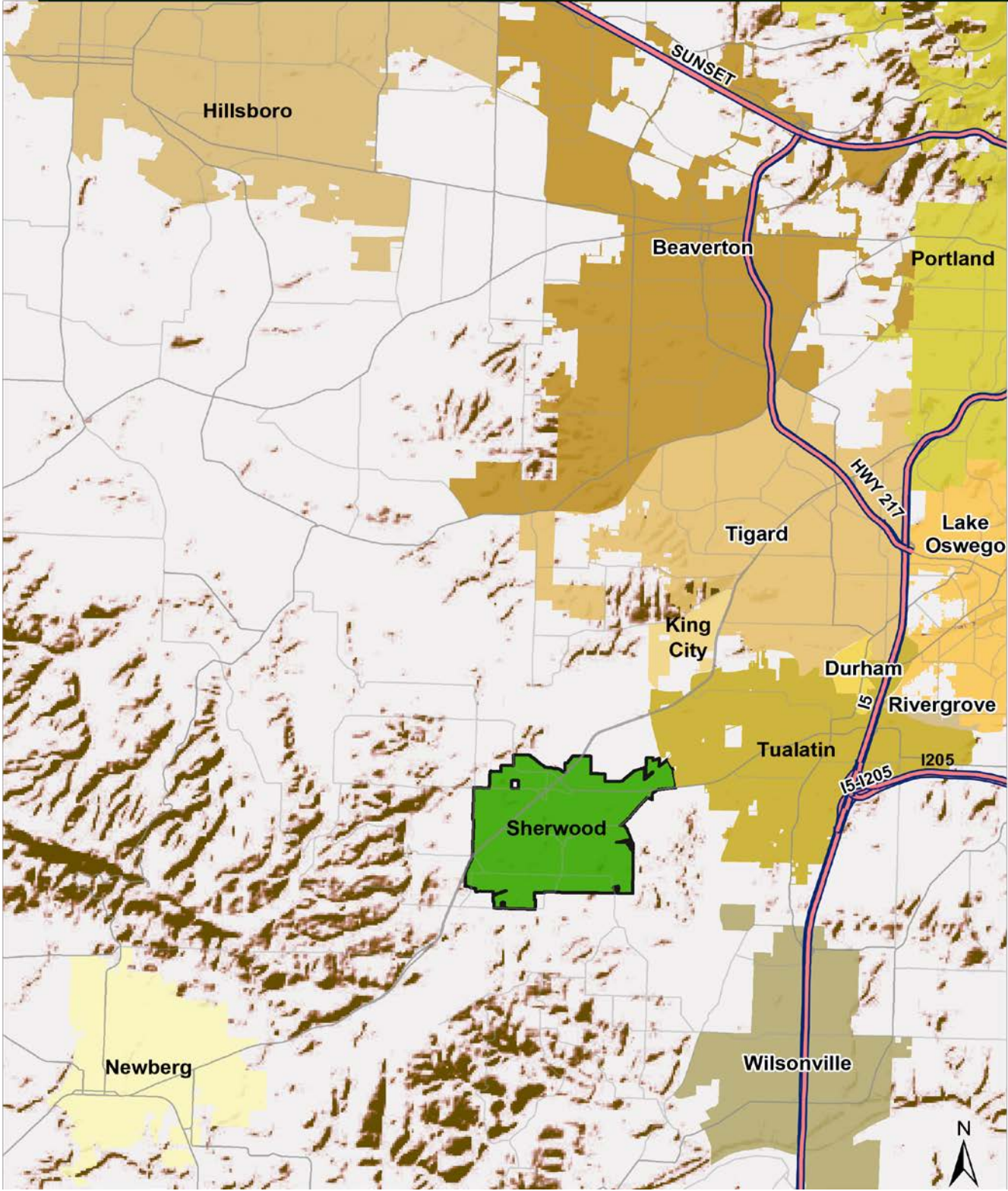
CITY OF SHERWOOD PRINCIPAL EMPLOYERS		
Employer	2019	
	Employees	% of Total City Employment
Sherwood School District	562	10%
Allied Systems Company	280	5%
Walmart Stores Inc.	212	4%
NW Natural	161	3%
Home Depot	148	3%
City of Sherwood	130	2%
Fettig Commercial Construction	125	2%
PNW Flatwork, Inc. dba Fettig	125	2%
Performance Insulation & Energy Services	116	2%
Safeway	112	2%
Kohl's	112	2%

Source: 2019 Business License data provided to the City

CITY OF SHERWOOD PRINCIPAL PROPERTY TAXPAYERS TODAY AND NINE YEARS AGO						
Taxpayer	2019			2010		
	Assessed Value	Rank	% of Total City Taxable Assessed Value	Assessed Value	Rank	% of Total City Taxable Assessed Value
Walmart Stores, Inc.	27,773,721	1	1.4%	N/A	-	-
MGP X Properties LLC	21,608,340	2	1.1%	N/A	-	-
Big Sunfield Lakes	18,248,380	3	0.9%	13,985,910	2	1%
Target Corporation	17,828,042	4	0.9%	13,952,336	3	1%
Portland General Electric	17,822,000	5	0.9%	10,409,000	8	0.7%
Creekview Crossing SPE LLC	15,282,660	6	0.8%	N/A	-	-
Tacke LLC & LAF LLC	12,400,896	7	0.6%	N/A	-	-
Allied Systems Co.	12,256,070	8	0.6%	10,879,150	7	0.8%
Home Depot	10,728,973	9	0.5%	9,328,262	10	0.7%
Langer Gramor LLC	10,509,320	10	0.5%	N/A	-	-
Retail Property Partners	N/A	-	-	16,900,160	1	1.2%
Northwest Natural Gas Co.	10,500,000	11	0.5%	11,874,100	5	0.8%
BMC West Corporation	N/A	-	-	11,991,574	4	0.8%
Verizon Communications	N/A	-	-	10,910,900	6	0.8%
Juniper Ridge Investments LLC	N/A	-	-	9,406,410	9	0.7%
	<u>\$174,958,402</u>		<u>8.8%</u>	<u>\$119,637,802</u>		<u>8.3%</u>

Source: Washington County Assessor's records

Sherwood, Oregon and the South Metro Region



Mission Statement

Provide high quality services for all residents and businesses through strong relationships and innovation in a fiscally responsible manner.

Core Values

- Citizen Engagement
- Community Livability
- Community Partnerships
- Community Pride
- Fiscal Responsibility
- Transparent Government
- Quality Service
- Forward Thinking

Overarching Goals & Activities

Goal 1: Economic Development

Update Economic Development Plan as part of the Comprehensive Plan Project

Build Infrastructure to Entice new Commercial and Industrial Development

Strive toward balancing our Tax Base

Pursue Annexation of Tonquin Employment Area to Open Up Financing Options for Infrastructure Funding and Construction

Goal 2: Infrastructure

Explore Recreation Center/Pool Expansion

Explore Future Pedestrian Connectors between Sherwood East and West

Continue to invest in Sherwood Broadband Utility as important infrastructure for our city

Goal 3: Livability

Expand the Development of Senior Programs

Begin Steps to Provide Missing Middle Housing

Develop and Complete Parks and Recreation Master Plan

Goal 4: Public Safety

Begin to Implement Police Staffing Plan

Collaborate with School District regarding Safe Routes to School

Develop Traffic Calming Program

Goal 5: Fiscal Responsibility

Pursue New Internal and External Revenue Sources

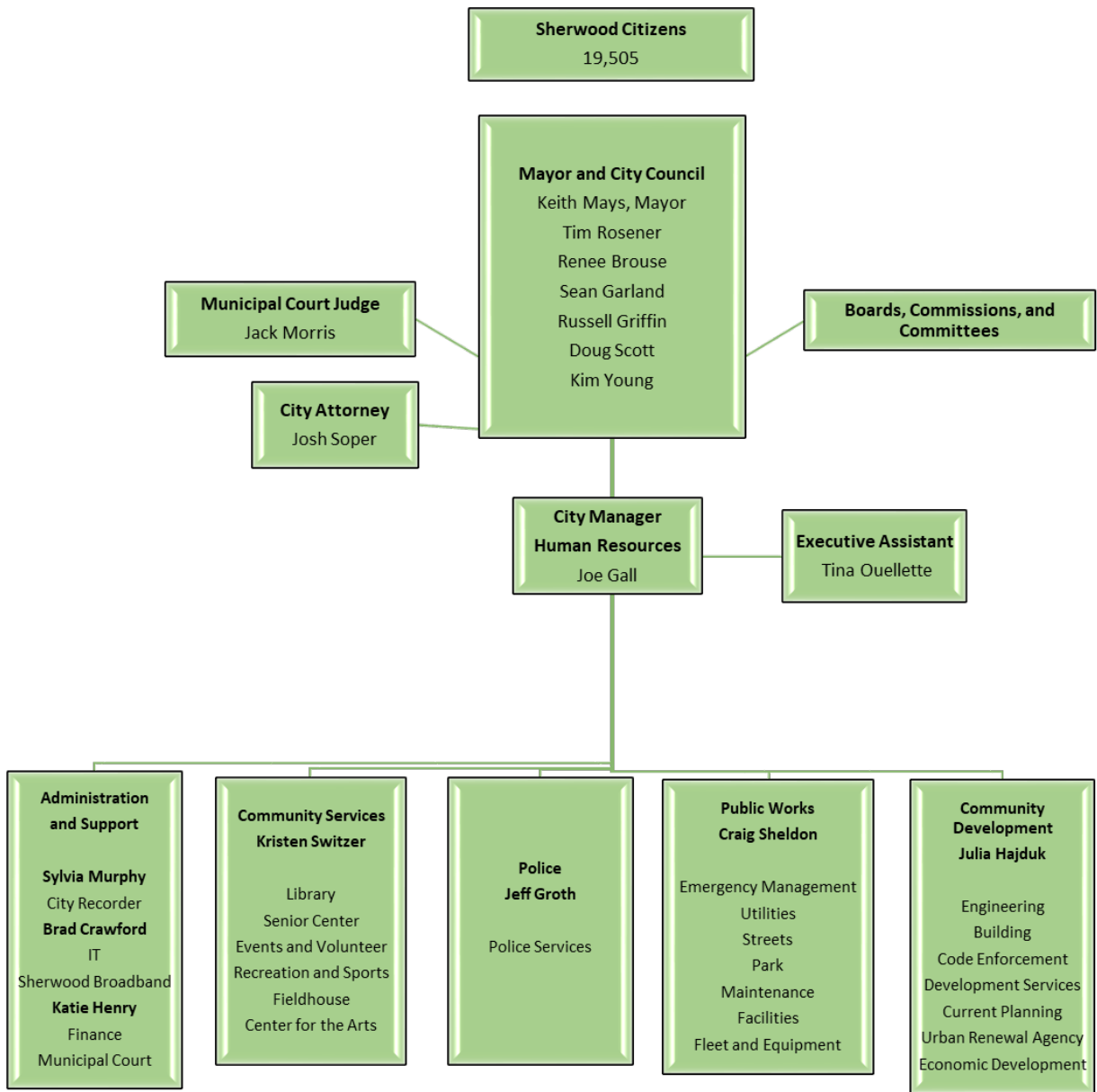
Goal 6: Citizen Engagement

Assign and codify all Boards and Commissions legislation

Consider Adding Youth Advisory Board

Consider Adding Senior Advisory Board

Develop and Implement Improved Citizen Engagement Strategies



A comprehensive list of positions is included in the Appendix.

Budget Process

The annual budget is one of the most important and informative documents City officials will use. In simple terms, the City’s budget is a financial plan for one fiscal year. The budget shows the estimated costs of expenditures (items or services the City wishes to purchase in the coming fiscal year) and other budget requirements that must be planned for, but won’t actually be spent. It also shows the resources that will be available to pay for those expenditures.

The budget authorizes the City to spend money and limits how much money can be spent. It also justifies the levy of property taxes. In order to levy taxes through the County assessor, cities must prepare a budget following Oregon local budget law.

The City’s fiscal year begins July 1 and ends June 30.

Phase 1: Establish Priorities and Goals for the Next Fiscal Year

The strategic planning process begins anew each year as the City Manager and Senior Management Team collaborate to identify needs and assumptions for the short and long term and update objectives.

Work on the annual budget begins in December, when forecasts for revenues and expenditures are updated.

In January the City Council typically has planning meetings to decide Council goals, priorities, and policies.

Phase 2: Prepare Proposed Budget for Budget Committee

Below is an outline of the steps required by the Oregon Department of Revenue for budget preparation and adoption.

Appoint Budget Officer:

Every local government is required to have a Budget Officer, either appointed by the governing body or designated in its charter.

Prepare a Proposed Budget:

The Budget Officer is responsible for preparing the proposed budget presentation to the Budget Committee. The Capital Improvement Plan is also updated for the next five years.

Publish Public Notices:

Upon completion of the proposed budget a “Notice of Budget Committee Meeting” is published in a newspaper and posted prominently on the City’s website.

Budget Committee Meets:

The budget message and proposed budget document is presented to the Budget Committee for review.

Committee Approves the Budget:

When the Budget Committee is satisfied that the proposed budget will meet the needs of the citizens of Sherwood they will forward it to the City Council for adoption.

Phase 3: Adopt Budget and Certify Property Taxes

Publish Notice of Public Hearing:

After the budget is approved by the budget committee, a budget hearing must be held. The Budget Officer must publish a "Notice of Budget Hearing" in a newspaper or by mail or hand delivery.

Hold the Budget Hearing:

The budget hearing must be held by the governing body (City Council) on the date specified on the public notice and must allow for public testimony.

Adopt Budget, Make Appropriations, and Levy Taxes:

The governing body adopts the budget prior to June 30th. The budget and tax levy certification is then filed with the County Assessor.

Phase 4: Budget Changes After Adoption

Oregon budget law requires all City funds to be appropriated. Appropriations, the legal authority to spend, are by division in all funds.

Appropriations may be changed during the fiscal year, within the limitations imposed by budget law. City staff monitors actual events and recommends changes as needed. The City Council makes changes by resolution. Changes are categorized as appropriation transfers or supplemental budgets.

An appropriation transfer decreases an existing appropriation and increases another by the same amount. Supplemental budgets typically create new appropriations, funded by increased revenues. Supplemental budgets are used for occurrences or conditions which were not known at the time the budget was prepared. Directors and managers may amend their budgets for individual accounts without Council approval so long as appropriations at the legal level of control are not changed

Budget Calendar

Budget Preparation (Nov-Jan)	<ul style="list-style-type: none"> •Forecasts Updated •Assumptions Developed •Budget Calendar Prepared
Budget Requests (Jan-Feb)	<ul style="list-style-type: none"> •Departments Prepare and Submit Budgets to the Budget Officer
Proposed Budget (Mar-Apr)	<ul style="list-style-type: none"> •Department Budget Meetings with City Manager and Budget Officer
Budget Committee (May)	<ul style="list-style-type: none"> •Submit Proposed Budget •Committee Deliberates •Committee Approves Budget
Adopted Budget (June)	<ul style="list-style-type: none"> •Budget Hearing •Budget Adopted by City Council

Basis of Budgeting

All of the funds are budgeted using the modified accrual basis of accounting in accordance with budgetary accounting practices. In modified accrual, revenues are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current 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. Long-term compensated absences, however, are recorded only when payment is due.

Basis of Auditing

The audit, as reported in the Comprehensive Annual Financial Report (CAFR), accounts for the City's finances on the basis of generally accepted accounting principles (GAAP).

GAAP is defined as conventions, rules, and procedures necessary to describe accepted accounting practice at a particular time. The modified accrual basis of accounting, a GAAP approved method, is also used in the audit for all funds except for the Proprietary Fund types. The audit uses the full-accrual method of accounting for the Proprietary Funds. The CAFR shows all of the City's funds on both a budgetary and GAAP basis for comparison.

Budgetary Basis of Accounting

There is no appreciable difference in the basis of accounting used for financial statements and the accounting method used for budgeting. The budgetary basis of accounting for budgeting purposes is also modified accrual.

The City of Sherwood uses a modified accrual basis of accounting for budgeting purposes. This means revenues are recognized when they become measurable and available.

Fund Structure and Description

The City of Sherwood uses various funds to account for its revenue and expenditures. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Also, funds are categorized by fund type as defined by generally accepted accounting principles (GAAP) and Oregon Budget Law.

The revenues in each fund may be spent only for the purpose specified by the fund.

General

General Fund – accounts for the financial operations of the City that are not accounted for in any other fund. Principal sources of revenue are property taxes, franchise fees, court fines, and state and county shared revenue. Primary expenditures are for public safety, general government, parks and recreation, and library services.

Special Revenue

Grants Fund – accounts for Federal, State, and Local grants. Funds received must be used in accordance with the grant agreement(s). For the current fiscal year the only grant funded program accounted for in this fund is the Community Enhancement Program (CEP).

Transient Lodging Tax (TLT) fund – accounts for Transient Lodging Taxes received from short term lodging establishments like hotels or bed and breakfasts. This fund has very little activity at this time but will begin to accumulate funds as the City collects them.

Street Operations Fund – accounts for the repair and maintenance of City streets. Principal sources of revenue are street utility fees, gas taxes received from Washington County, and vehicle taxes from the Oregon Department of Transportation.

Debt Service

Debt Service Fund – accounts for the payment of principal and interest on general obligation bonds. Resources are provided by property taxes.

Capital Projects

General Construction Fund – accounts for the acquisition and construction of capital assets not related to the Enterprise Funds. This includes City buildings, parks and trails, sports fields, and recreational facilities.

Street Capital Fund – accounts for funds received from system development charges (SDCs) and are restricted for construction and major improvements of City streets.

Enterprise

Water Fund – accounts for the operation and maintenance of water facilities and for major expansions of the water system. Primary sources of revenue consist of charges for use of the water system and SDCs charged on new construction.

Sanitary Fund – accounts for the operation and maintenance of the sewer system and for major expansions of the sewer system. Primary sources of revenue consist of charges for sewer services, and SDCs charged on new construction.

Stormwater Fund – accounts for storm drain services and for the expansion of the storm water system. Primary sources of revenue consist of charges for services, and SDCs charged on new construction.

Broadband Fund – accounts for communication services provided to customers through the Sherwood Broadband Utility.

Fund Structure, Appropriation Level, and Major/Non-Major Fund Designation

General Government Funds						
Appropriation Level	General Fund (Major)	General Construction (Major)	Debt Service (Non-Major)	Grants & TLT Funds (Non –Major)	Street Operations (Major)	Street Capital (Non-Major)
Administration City Council City Recorder City Manager City Attorney Information Technology Human Resources Finance/Court	X					
Community Development Planning Building Engineering	X					
Police Services	X					
Community Services Library Events & Volunteers Fieldhouse/Recreation Center for the Arts Marjorie Stewart Center	X					
Public Works Facilities Fleet & Equipment Parks Maintenance	X					
General Construction		X				
Debt Service			X			
Transient Lodging Tax (TLT)				X		
Grants Operations				X		
Street Operations					X	
Street Capital						X
Debt Service	X	X	X		X	X
Transfers Out	X	X	X	X	X	X
Contingency/Reserve	X	X	X	X	X	X
Enterprise Funds						
Appropriation Level	Water (Major)	Sanitary (Major)	Stormwater (Major)	Broadband (Non-Major)		
Operations	X	X	X			
Capital	X	X	X			
Broadband				X		
Debt Service	X	X	X	X		
Transfers Out	X	X	X	X		
Contingency/Reserve	X	X	X	X		

All funds are appropriated at the division level, with debt service, transfers out, and contingency/reserves being appropriated separately from the individual divisions.



City-Wide Revenue Summary by Source

Summary of Resources by Source

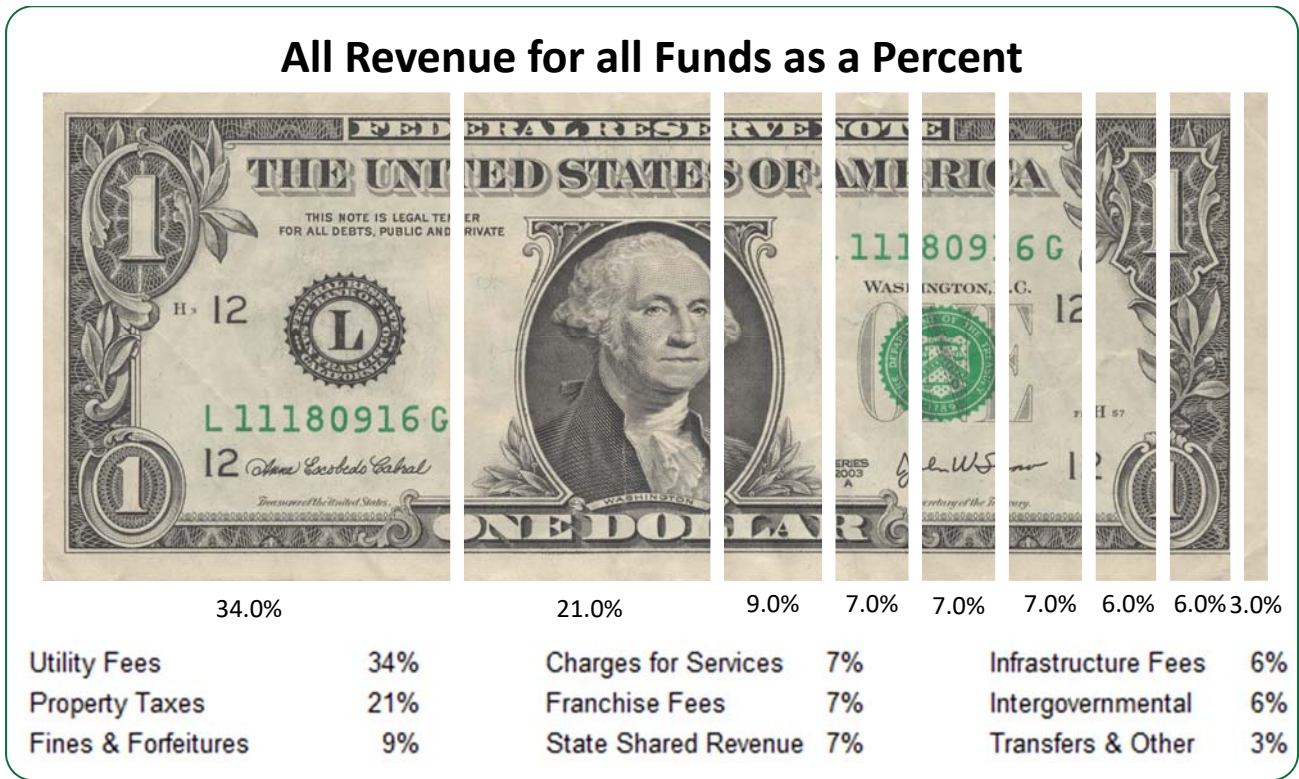
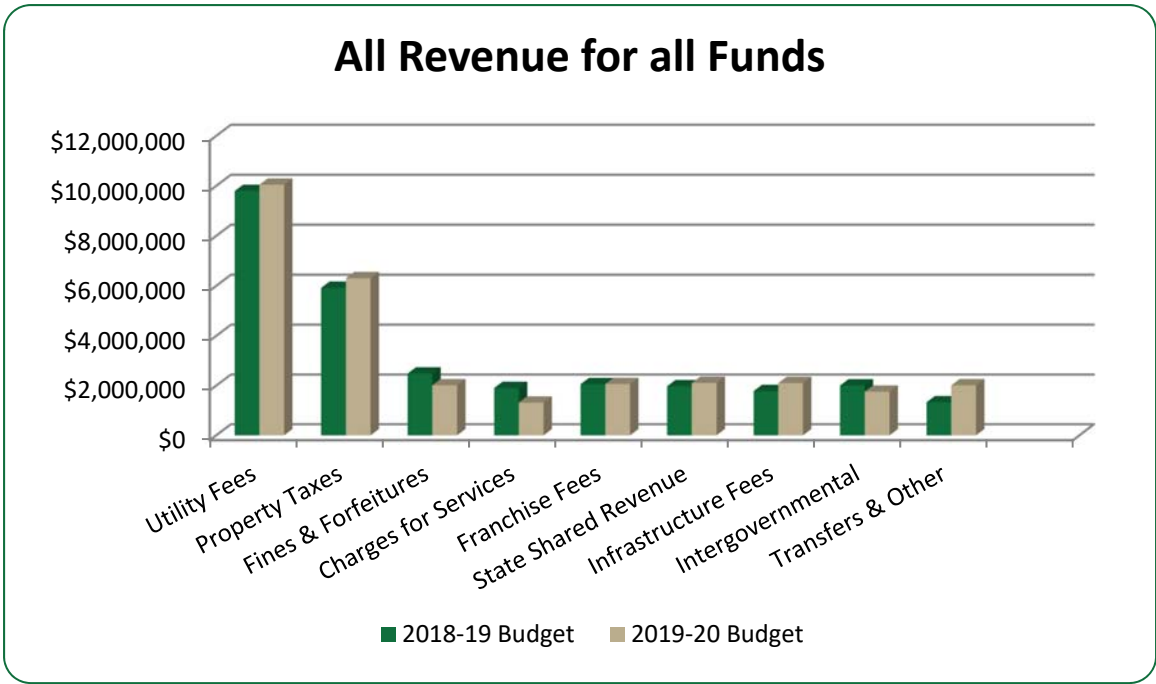
	Actual 2016-17	Actual 2017-18	Adopted Budget 2018-19	Approved Budget 2019-20
Utility Fees	8,646,113	9,547,202	9,795,845	10,048,954
Taxes	6,091,515	5,712,638	5,923,495	6,306,807
Infrastructure Fees	1,073,640	1,981,158	1,779,265	2,105,615
Franchise Fees	1,902,898	2,015,911	2,060,625	2,062,471
State Shared Revenue	1,658,968	1,840,276	1,975,175	2,108,293
Intergovernmental	1,420,431	1,599,674	2,005,589	1,755,643
Fines and Forfeitures	1,158,678	1,260,801	2,487,500	2,014,800
Charges for services	1,611,726	2,259,231	1,903,361	1,318,776
Licenses and permits	83,529	87,676	68,000	77,100
Interest and Other Revenue	509,468	646,841	810,206	1,006,622
Transfers In	102,757	1,084,536	452,605	928,555
Sale of Fixed Assets	4,793	2,125,126	-	-
Capital Lease Proceeds	-	14,979	-	-
Debt Proceeds	9,189,000	-	-	-
Total Current Resources	\$33,453,517	\$30,176,049	\$ 29,261,666	\$29,733,636
Beginning fund balance	\$25,551,846	\$27,285,244	\$ 29,053,369	\$34,841,697
Total Resources	\$59,005,363	\$57,461,293	\$ 58,315,035	\$64,575,333

Detail of Transfers between Funds:

Purpose	Transfer From:	Transfer To:	
	Fund	General Construction	Street Capital
1	Street Capital Fund	\$ 178,555	\$ -
2	Street Operations Fund	-	750,000
	Total	\$ 178,555	\$ 750,000

Purpose:

- 1 Transfer for Cedar Creek Trail projects
- 2 Transfer for capital project construction



Beginning and Ending Fund Balance

Beginning fund balance is equal to the prior year's ending fund balance.

Ending fund balance is the difference between total estimated sources and total estimated uses. Ending fund balance is budgeted in two categories:

1. *Operating Contingency* is budgeted at 5% of operational revenue in the operating funds. Contingency funds can be spent once authorized by a supplemental budget or transfer resolution.
2. *Reserved for future years* are total sources less total expenses and contingency. Reserved for future years funds can only be spent if authorized by a supplemental budget.

Utility Fees

The City charges utility fees for the water, sanitary, storm, and street systems. The fees are charged to customers based on usage of the systems. The rates collected for each fund can only be used to support that individual fund's operational and capital needs. Annual revenue projections are based on historical average increases, while taking into account any planned rate increases.

Property taxes

There are three types of property tax levies in Oregon. The permanent rate levy funds general City operations. The debt service levy is used for principal and interest payments on general obligation bonds approved by the voters. Local option levies are voter-approved, time-limited levies for specified purposes.

The Washington County Department of Assessment and Taxation determines assessed values and collects taxes. Property is assessed January 1 for the fiscal year beginning July 1. Taxes are due beginning November 15, and discounts are allowed for taxes paid in full by November 15.

Assessed Value

Each local government's tax rate was determined by the state in 1997. Sherwood's permanent rate is \$3.2975 per \$1,000 of assessed value. No action of the City can increase the permanent tax rate.

Ballot Measure 50, implemented in the 1997-98 tax year, limits assessed value to the lower of Maximum Assessed Value (MAV) or Real Market Value (RMV). Maximum Assessed Value increases by 3% annually.

There are exceptions to the 3% annual increase. Maximum Assessed Value may increase by more than 3% if:

- There is new construction or improvements
- The property is partitioned or subdivided
- Rezoning occurs and the property is used consistent with rezoning

Limits and Compression

The total tax on a given piece of property is limited as follows:

- General Govt: \$10 per \$1,000 of RMV
- Schools: \$5 per \$1,000 of RMV
- Unlimited debt service: levies to pay bonds for capital construction projects are not subject to limitation

If the total tax bill exceeds the limits, taxes are reduced in a process called compression.

Effect of the Sherwood Urban Renewal Agency

The Urban Renewal District (URD) is a geographic area within the City of Sherwood, defined in the Urban Renewal Plan. The purpose of the district is to eliminate blight and create an environment in which the private sector may develop uses consistent with the goals of the Urban Renewal Plan. The District borrows money to fund infrastructure and other improvements, receives property taxes calculated on the increased assessed values, and uses the taxes to pay debt service on the borrowings.

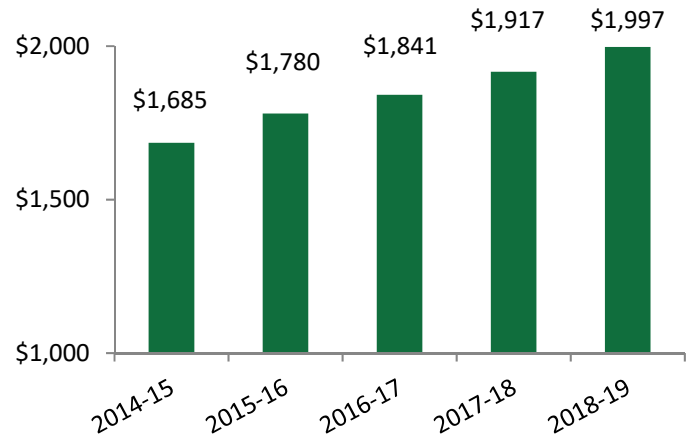
The Urban Renewal Agency began operations in 2001-02. The assessed value in the district was determined at that date and became the frozen base. In subsequent years, the incremental assessed value is the difference between the assessed value in the district and the frozen base. Each year, the URA receives property tax attributable to the incremental assessed value; the City’s General Fund receives property tax attributable to the City’s assessed value less the URA incremental value.

Property tax for the URA is a portion of the permanent rate levy for the City and each overlapping tax district, not an addition to it.

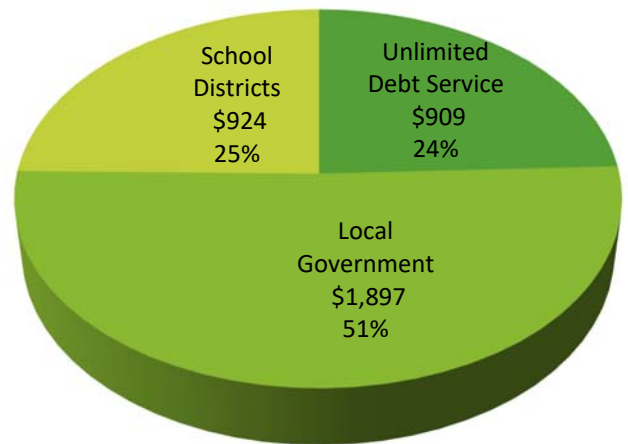
Each taxing jurisdiction has a tax rate that is applied to a parcel’s assessed value to determine the amount of property taxes owed by that parcel. The County Assessor lowers these other taxing jurisdiction’s tax rates based upon the Urban Renewal District’s incremental assessed value and the taxing jurisdiction’s overall assessed value, and mathematically derives a tax rate to be applied to each parcel for Urban Renewal.

The URD will cease to exist after it has incurred and repaid the maximum indebtedness specified in the plan: \$ 45,133,469.

Total Tax Assessed Values in Sherwood (shown in \$millions)



Average Annual Property Tax on a \$350,000 Home in Sherwood



Local Governments include:

- City of Sherwood
- Washington County
- Sherwood Urban Renewal Agency
- Tualatin Valley Fire and Rescue
- Metro
- Port of Portland
- Tualatin Soil and Water Conservation District

School Districts include:

- Sherwood School District
- Portland Community College
- ESD – NW Regional

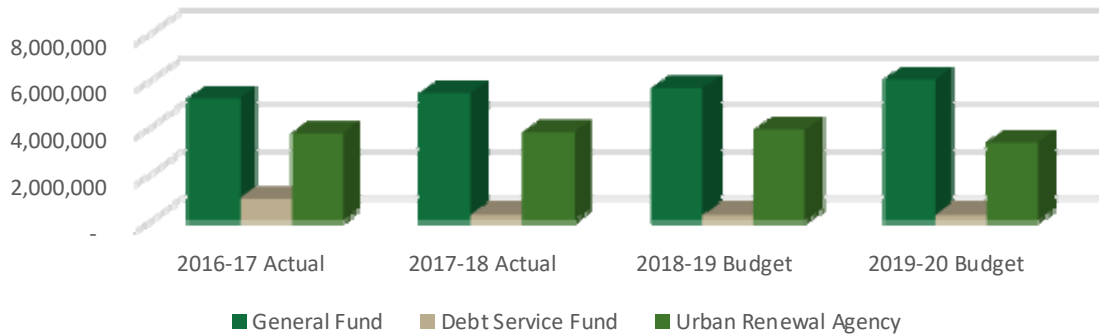
Property Tax Allocation



Unlimited debt service 24%	School Dist 23%	City of Sherwood 16%	Washington Cnty 14%	Sherwood URA 10%	TVFR Other 3%
-------------------------------	--------------------	-------------------------	------------------------	---------------------	------------------

Property taxes represent approximately 40% of General Fund revenue.

Property Tax Revenue

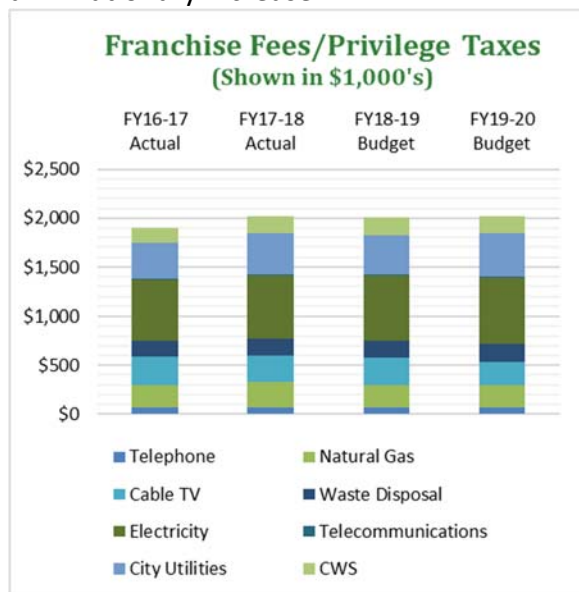


Infrastructure Development Fees

These are fees for private development plan review and inspection and system development charges (SDCs) on new construction. SDCs are restricted for Capital Improvement Projects that support capacity for growth. Development fee revenue is projected annually based on the known development activity, as well as projections of projects that are likely to be submitted.

Franchise Fees/Privilege Taxes

Fees are collected from utilities as compensation for use of the City’s rights of way. These fees are based on utility revenue, so they generally increase with population growth. Franchise fee revenue is estimated based on prior year actuals plus an inflationary increase.



Fines and Forfeitures

These fines are for traffic infractions, municipal code violations, and library fines. Revenue estimates are based on the prior year actuals plus anticipated increases due to new programs.

Intergovernmental Revenue

These include fees and taxes that are collected by other government agencies and passed through to the City as well as fees collected from other governments for services the City provides to them.

- State shared revenue, liquor and cigarette tax and vehicle fees revenue estimates are provided by the State
- County support to the library as part of the Washington County Cooperative Library Service Revenue estimates are provided by the County
- County distribution of gas tax
- Sherwood School District for shared services Revenue based on IGA
- Clean Water Services for shared services Revenue based on IGA
- Federal, State, and Local grants

Charges for services

- Building, Planning, and Engineering permits, revenue estimates are based on projected development activity
- Recreation fees, revenue estimates are based on the number of registered leagues
- Advertising and sponsor fees
- Business and liquor licenses, revenue estimates are based on prior year actuals and adjusted for programmatic changes

Transfers and Other Revenue

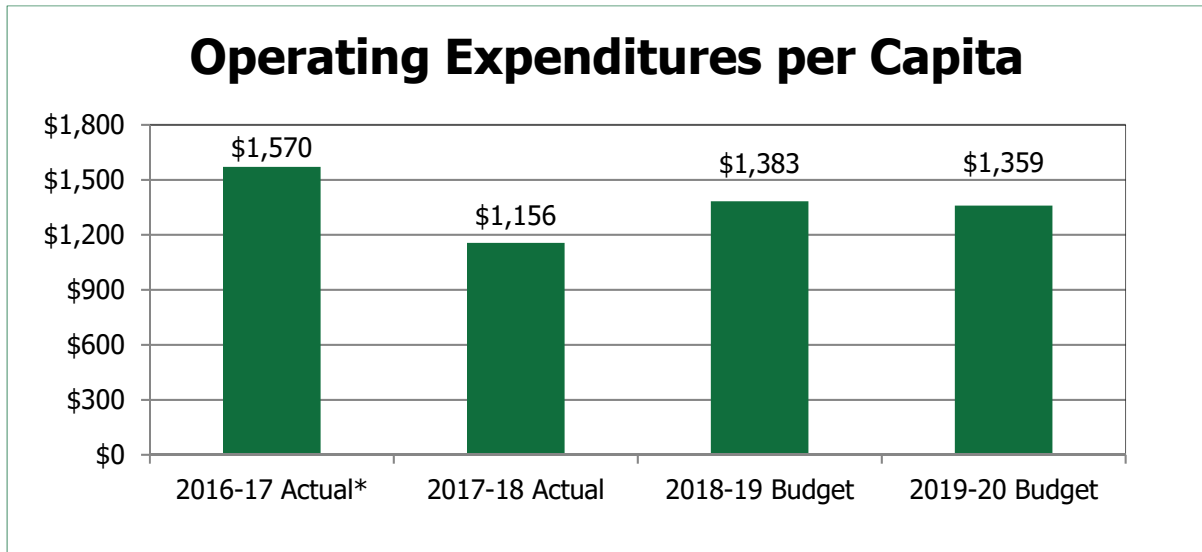
- Transfers in from other funds
- Interest earned on bank accounts
- Sale of fixed assets
- Proceeds from the issuance of debt

City-Wide Expenses by Category

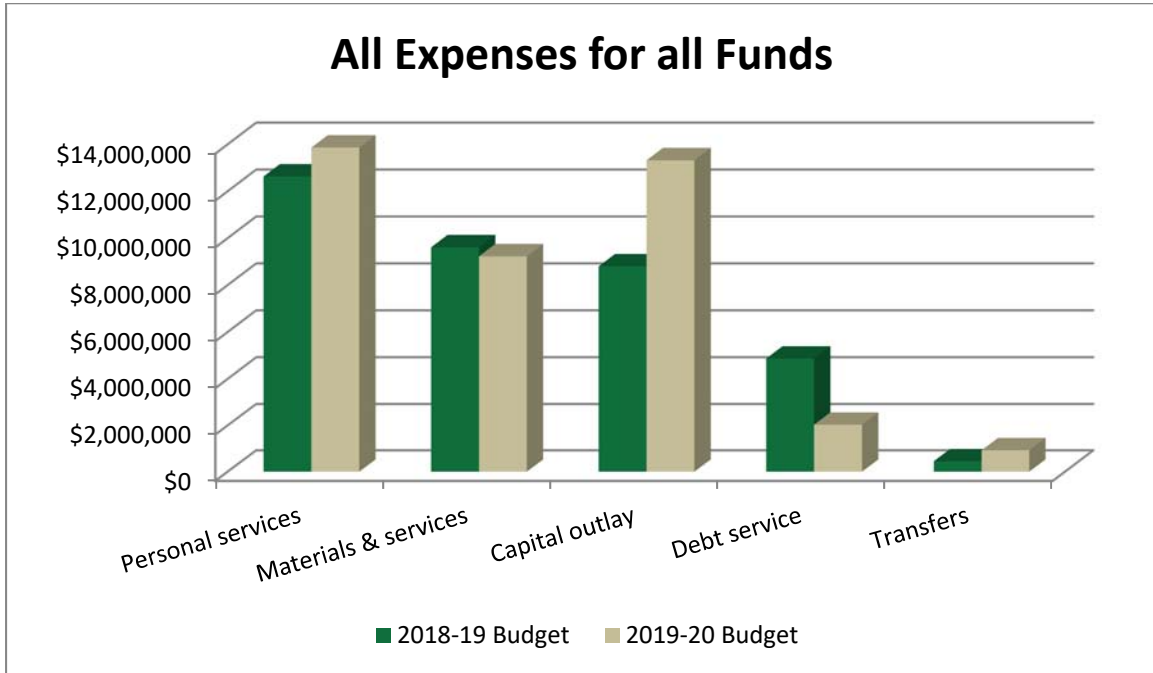
Summary of Expenditures by Category

	Actual 2016-17	Actual 2017-18	Adopted Budget 2018-19	Approved Budget 2019-20
Personal Services	10,681,260	11,313,844	12,525,292	13,869,290
Materials and Services	6,881,337	8,757,868	9,542,426	9,190,028
Capital Outlay	1,956,528	1,294,808	8,778,283	13,319,263
Debt Service	12,097,922	2,169,605	2,028,081	2,031,943
Transfers Out	102,757	1,087,536	452,605	928,555
Total Current Expenses	\$31,719,804	\$24,623,661	\$ 33,326,687	\$39,339,079
Ending Fund Balance	27,285,559	32,837,632	24,988,348	25,236,254
Total Uses	\$59,005,363	\$57,461,293	\$ 58,315,035	\$64,575,333

Citywide operating costs are budgeted to decrease 0.6% in FY2019-20, in part due to a change in the classification of large maintenance costs for utility infrastructure from operating to capital expenditures. This resulted in a decrease in cost per capita for our citizens.



*2016-17 appears much higher than other years due to the refunding of debt in the Water fund that shows as both a revenue and an expense.



All Expenses for all Funds as a Percent



Personal services 35%

Materials & services 24%

Capital outlay 34%

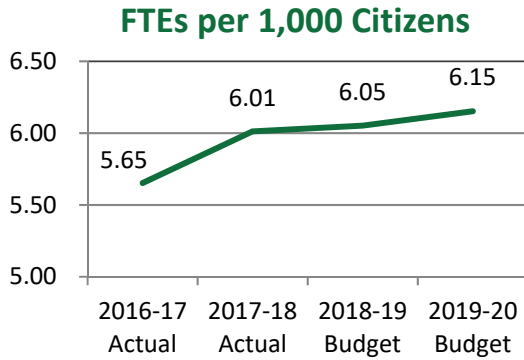
Debt service 5%
Transfers 2%

Revenue & Expenditures Overview of Major Categories of Expense

Personal Services

Full-Time Equivalent (FTE)

The following compares City staffing to population growth.



Positions added in this budget are below:

- Court Clerk I (+ 1FTE) in Administration
- Administrative Assistant I (+1 FTE), Police Officer-Detective (+1 FTE) and Police Sergeant (mid-year hire +0.5 in FY2019-20 and 1 FTE in following years) in Police Services
- Half-time Emergency Management Coordinator (0.5 FTE) in Public Works
- Limited duration position for an Economic Development Coordinator (+1 FTE) in Community Development.
- Maintenance Worker II (+1 FTE) to Streets, Maintenance Worker II (+1 FTE) and one seasonal Maintenance worker I (+0.5 FTE) to Stormwater.

Positions removed in this budget are below:

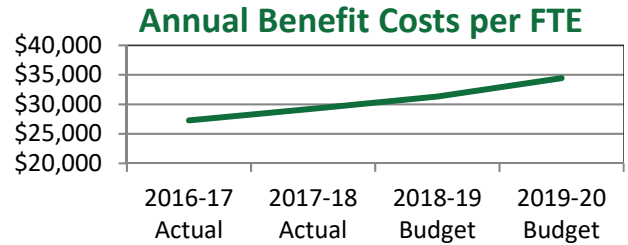
- Legal and Finance Administrative Assistant III (-1 FTE)

Wages

The budget includes a 3.5% cost of living increase as of July 1 for all employees.

Benefits

The major benefits are health insurance and PERS. Employee insurance costs are budgeted to increase an average of 6.5% in 2019-20. Overall benefit costs increased fairly significantly, mainly due to increases in PERS rates. The average cost of benefits per employee is shown in the following graph:



The most recently adopted PERS rates (as a percent of salary) for the City of Sherwood and the prior two fiscal years are:

	FY17-18	FY18-19	FY19-20
Tier 1 & 2	21.76	21.76	26.61
OPSRP	13.77	13.77	18.28
OPSRP Police	18.54	18.54	22.91

Materials and Services

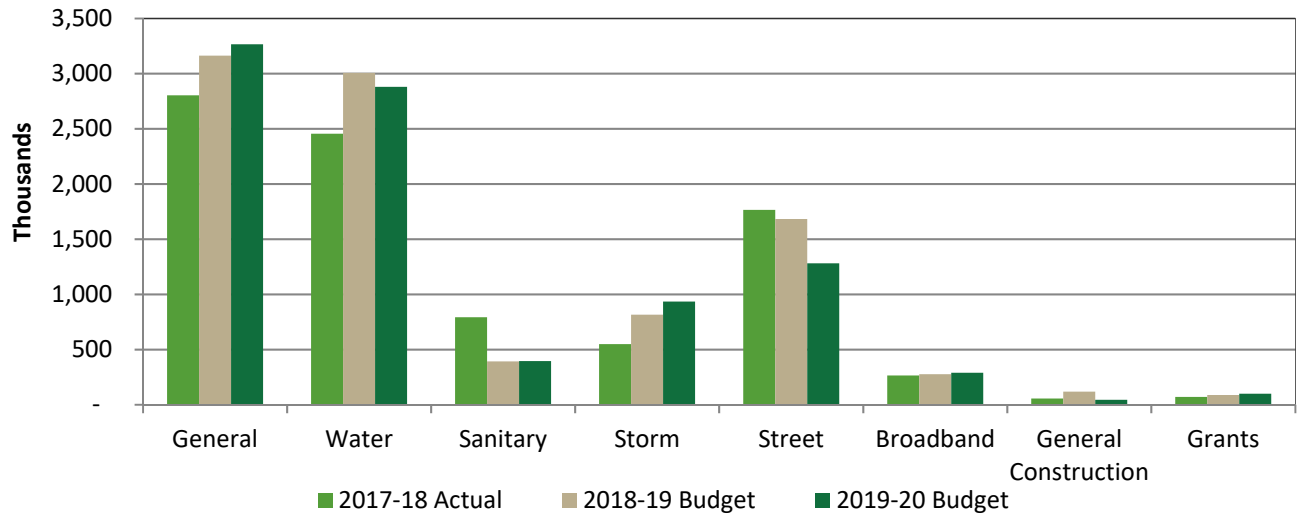
Materials and services include costs for:

- Utilities
- Training
- Professional services
- Insurance
- Software maintenance
- Uniforms
- Office supplies and book stock

Overall materials and services expenses are proposed to decrease slightly in FY2019-20. This is mainly due to a shift in the upcoming year from professional services, such as maintenance activities, to capital outlay in the special revenue, capital and enterprise funds. The comparison of total materials and services expenses by fund is shown in the graph on the following page.

Revenue & Expenditures Overview of Major Categories of Expense

Materials and Services



Capital Outlay

Capital outlay is related to vehicles and equipment as well as to capital projects. This section will cover the capital outlay for vehicles and equipment only. The capital improvement plan can be found on page 37. The significant FY2019-20 capital outlay budgeted expenditures for vehicles and equipment are:

Program	Purchase	Cost
IT	Replace 115 Desktop Units	\$91,000
IT	Server Backup and Storage Processing	11,000
IT	Replace Library Desktop	15,500
IT	Replace 25 laptop units	20,000
Fleet	Replace 2 Police Vehicles	103,500
Fleet	Replace 1 Pick Up Truck	25,000
Fleet	Replace 1 Dump Truck	50,000
Fleet	Toro Mid-mount Walk Behind Mower	6,000
Fleet	Street Sweeper	150,000
Parks	Install Calsense at Pioneer Park	25,400
Parks	Paving upper half-granite trail at Snyder Park	30,000
Library	Replace Self-Checkout Machine	17,800
Police	Replace 4 Radios	20,910
Broadband	Network Equipment	55,000
Total Capital Outlay		\$621,110

Description of Long-Term Debt

The City’s debt is separated into two categories: governmental activities and enterprise activities.

Governmental activities include the following:

- General Obligation Bonds for the construction of the Police Station.
- Four long term loans on behalf of the Sherwood URA for capital projects

There are intergovernmental agreements for the URA to make the debt service payments on the four URA loans used to construct capital assets. Enterprise activities include two loans for water projects to provide a long-term water solution for the City.

Sherwood’s rating for both General Obligation Debt and Full Faith and Credit obligations is currently very good at Aa3. The Aa3 rating for General Obligation Debt was affirmed by Moody’s in September 2012 in anticipation of a new bond issue. In February 2017, Moody’s upgraded the City’s Full Faith and Credit obligations from A1 to Aa3.

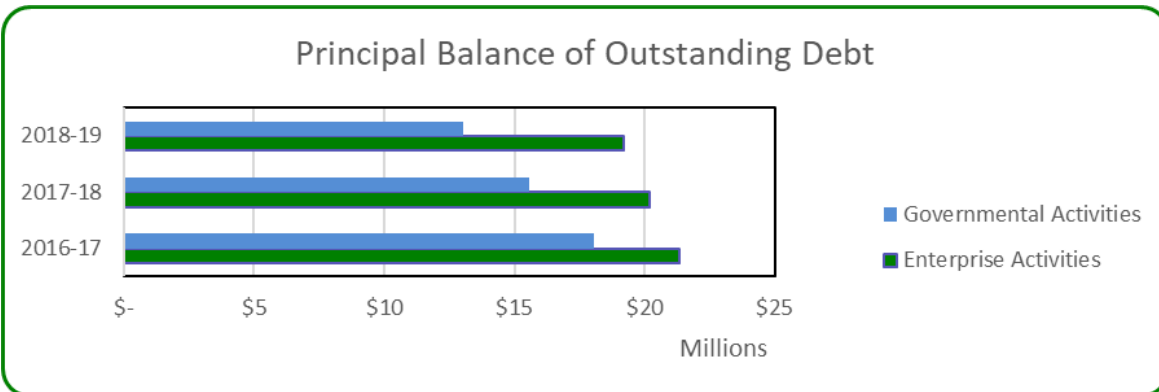
General Obligation Bond Limitations

Total assessed value on January 1, 2019:	<u>\$ 1,782,295,325</u>
Debt limitation: 3% of total assessed value	53,468,860
Debt outstanding at June 30, 2019:	
General obligation bonds outstanding	520,000
Less amount available for repayment of GO bonds	<u>(24,028)</u>
Net debt outstanding that is subject to limitation	495,972
Amount of GO bonds that could be issued	<u>\$ 52,972,888</u>

Summary of Long-Term Debt

	Original Amount	Outstanding June 30, 2019	Principal Pmt FY2019-20
Governmental activities			
General Obligation Bonds			
2011 Police Refunding (interest 2.0%-4.04%)	\$2,305,000	\$ 520,000	\$ 255,000
Long-term Loans URA:			
2006 URA Streets #2 (3.66%-4.45%)	6,400,000	3,211,794	343,859
2010 URA Cannery & Streets (interest 4.65%)	7,065,000	4,680,000	335,000
2010 URA Cannery Projects (interest 2.0%)	8,500,000	2,429,861	1,202,901
2012 Civic bldg & Street Refunding (interest 3.0%)	5,245,000	2,175,000	495,000
Total Governmental Activities		<u>\$ 13,016,655</u>	<u>\$ 2,631,760</u>
Enterprise Activities			
Long-term Obligations for Enterprise activities			
2011 Water Projects (interest 2.0%-5.0%)	14,165,000	11,290,000	460,000
2017 Water Refinancing (interest 3.83%)	9,189,000	7,888,000	608,000
Total Enterprise Activities		<u>\$19,178,000</u>	<u>\$ 1,068,000</u>
Total City Activities		<u>\$ 32,194,655</u>	<u>\$ 3,699,760</u>

Long-Term Debt Principal and Interest Schedule



	Obligation		City Loans	
	2011 Police Facility Refunding	2011 Bonds for Water	2017 Water Refinancing	
Original Amount	\$ 2,305,000	\$ 14,165,000	\$ 9,189,000	
Balance at 6/30/19	520,000	11,290,000	7,888,000	
Payment Source		Water Rates	Water Rates	
Paying Fund		Water	Water	
Year Ending June 30				
2020	270,700	979,569	781,674	
2021	270,300	981,169	781,590	
2022	-	981,969	781,186	
2023	-	981,969	781,449	
2024	-	980,719	781,370	
2025-2029	-	4,897,844	3,904,279	
2030-2034	-	4,892,738	1,160,675	
2035-2036	-	1,963,000		
	<u>\$ 541,000</u>	<u>\$ 16,658,977</u>	<u>\$ 8,972,223</u>	

	City Loans for Sherwood Urban Renewal Agency Projects					
	2006 Downtown Streets	2010 Streets & Cannery	2010 Cannery	2012 City Hall/Street Refinancing	Total Debt on behalf of URA	Total Debt to Outside Parties
Original Amount	\$ 6,400,000	\$7,065,000	\$ 5,898,888	\$ 5,245,000	\$ 24,608,888	\$ 50,267,888
Balance at 6/30/19	3,211,794	4,680,000	2,429,861	2,175,000	12,496,655	32,194,655
Payment Source		Tax Increment				
Paying Fund		URA Operations				
Year Ending June 30						
2020	481,619	555,680	1,251,498	549,456	2,838,253	4,870,196
2021	484,863	553,595	1,251,499	554,306	2,844,263	4,877,322
2022	482,263	555,768	-	430,506	1,468,537	3,231,692
2023	484,088	553,563	-	388,806	1,426,457	3,189,875
2024	485,276	550,660	-	389,091	1,425,027	3,187,116
2025-2029	1,450,155	2,765,468	-	-	4,215,623	13,017,746
2030-2034	-	554,645	-	-	554,645	6,608,058
	<u>\$ 3,868,264</u>	<u>\$ 6,089,379</u>	<u>\$ 2,502,997</u>	<u>\$ 2,312,165</u>	<u>\$ 14,772,805</u>	<u>\$ 38,982,005</u>

Capital Improvement Plan

A portion of the total City budget is for capital projects for building or improving the City infrastructure to handle growth. The projects and their total costs are detailed below. Expenditures for capital projects may vary dramatically between years, depending on the particular projects in process.

City of Sherwood Five Year Capital Improvement Plan (FY20 Through FY24)						
STREET PROJECTS; INCL STORM AND SANITARY	Estimated Cost	19/20	20/21	21/22	22/23	23/24
Sunset boulevard/Highway 99 W improvement (design and construction)	1,402,085	1,200,000				
Kruger/Elwert Intersection improvements, City contribution and coordination with County	1,426,836	35,162				
Tualatin-Sherwood Road widening coordination with County	126,000	12,500	37,500			
Oregon St Improvements (Design and Construction; includes regional WQF)	6,155,450	358,740		4,257,846	1,419,284	
Sunset Blvd sidewalk infill	404,046	189,000				
Oregon St @ Tonquin Rd & Murdock Rd Improvements	2,624,000		500,000	2,124,000		
Pine Street Phase II	1,850,000				1,850,000	
Meinecke Road/Highway 99W Intersection Improvements	102,813		102,813			
Blake Street	10,919,535			10,919,535		
Galbreath from Gerda Lane to Power Lines (grind and overlay)	287,351	129,511				
Main Street from Railroad to Sunset (grind and overlay)	379,347	379,347				
Ladd Hill from Sunset to City limits (grind and overlay)	246,542	246,542				
Division Street from Snyder Park Entrance to Cuthill (reconstruct)	214,000		214,000			
Hall Street from Merriman to Willamette (reconstruct)	202,532		202,532			
Shaumburg from Division to end of road (reconstruct)	180,000		180,000			
Washington from Tualatin to Shaumburg (reconstruct)	145,000		145,000			
Oregon Street from Lincoln to Hall (grind and overlay)	154,000		154,000			
Oregon Street from Hall to Brickyard (reconstruct)	182,000		182,000			
Oregon Street from Brickyard to Roundabout (grind and overlay)	78,000		78,000			
Borchers between Edy Road and Roy Rogers (grind and overlay)	164,000			164,000		
Borchers between Roy Rogers and Sydney (grind and overlay)	28,000			28,000		
Langer Drive from Sherwood Blvd to Holland (grind and overlay)	342,000			342,000		
Baler between T/S Road and Langer (grind and overlay)	45,000			45,000		
Willamette Street from Norton to Foundry (reconstruct)	137,000				137,000	
Willamette Street from Orcutt to Pine (reconstruct)	79,000				79,000	
Mansfield from Division to Smock (reconstruct)	183,000				183,000	
Timbrel from Middleton to Sunset (grind and overlay)	18,000				18,000	
Woodhaven Sidewalk Improvement - Sunset to YMCA entrance	103,284	96,673				
Sidewalk on Borchers - in front of PGE property	100,000		100,000			
	\$ 28,278,823	\$ 2,647,476	\$ 1,895,845	\$ 17,880,381	\$ 3,686,284	\$ -
STORM WATER PROJECTS	Estimated Cost	19/20	20/21	21/22	22/23	23/24
Oregon Street Regional WQF	704,404	243,138	380,220			
2nd & Park St Storm Water Facility Rehab (Design & construction)	375,944	75,910				
Gleneagle Dr Storm Water Facility	120,000		120,000			
Gleneagle Village Storm Water Facility	120,000		120,000			
Extended detention Basin, N side of Oregon Street	149,930				149,930	
St Charles (North) Storm Water Facility	85,000		85,000			
St Charles (South) Storm Water Facility	95,000		95,000			
Murdock Apartment swale	271,718	186,718				
Citywide Catch Basin Remediation program	480,000	60,000	60,000	60,000	60,000	60,000
Drainage Swale Upgrade - Stella Olsen Park	110,000		110,000			
May Court (drainage)	94,442	89,442	5,000			
Willamette Street near Kathy Street	25,000		25,000			
Michael Court and Lowell	215,828	168,518	32,310	10,000	5,000	
Woodhaven Swales	502,450	100,000	100,000	100,000	100,000	
Golden Pond Swale	25,000		25,000			
Water Quality Facility Refurbishments	400,000	50,000	50,000	50,000	50,000	100,000
Cedar Brook outfall project	82,812	1,500	1,500			
Fair Oaks Drainage	60,000				60,000	
	\$ 3,917,528	\$ 975,226	\$ 1,209,030	\$ 220,000	\$ 424,930	\$ 160,000

SANITARY SEWER PROJECTS	Estimated Cost	19/20	20/21	21/22	22/23	23/24
Old Town Laterals	771,053		48,000	48,000	48,000	48,000
Old Town Mid-block sewer point repair	122,000	90,000				
Gleneagle Dr Sanitary Sewer Rehab	49,850				49,850	
Schaumburg Dr/Division St Sanitary Sewer Rehab	552,561	-	552,561			
Rock Creek Trunk Capacity Upgrade Ph I	736,671	631,230				
Rock Creek Trunk Capacity Upgrade Ph II	651,229		568,788			
South Tonquin Employment Area Pipeline	630,388			126,000	126,000	126,000
North Tonquin Employment Area Pipeline	2,370,076			474,000	474,000	474,000
Brookman Area Sanitary Sewer Conveyance extension - CWS project (City share only)	25,540	5,000				
Sanitary Master Plan	250,000			50,000	50,000	50,000
Galbreath Sanitary Sewer Extension	140,560	140,560				
	\$ 6,299,928	\$ 866,790	\$ 1,169,349	\$ 698,000	\$ 747,850	\$ 698,000
WATER PROJECTS	Estimated Cost	19/20	20/21	21/22	22/23	23/24
WGG - Capacity improvements to 6.2 mgd	842,808	202,785	392,075	247,948		
TVWD capacity improvements 6.2 to 9.7 mgd	806,000	806,000				
WRWTP - 20.0 mgd Expansion	6,195,835	3,374,406	2,635,781			
WRWTP - Life Safety Repairs	284,653	9,990	12,056	253,158		
WRWTP - Seismic retrofits	495,805	79,332	416,473			
Brookman Expansion - Loop from Prop SW Sherwood PRV to Hwy 99 (M7)	68,000	68,000				
Routine Waterline Replacement Program	200,000	50,000				
Upgrade SCADA System	98,650	88,650				
Update Resiliency Plan	182,201	25,000				
Brookman Expansion - Loop from prop SW Sherwood PRV to Hwy 99 (M8)	204,000	204,000				
Brookman Expansion - Loop from prop SW Sherwood PRV to Hwy 99 (M9)	239,000	239,000				
TEA Expansion Loop - Loop with existing Oregon Street mains (M29)	190,412	190,412				
SW Sherwood PRV (V-1)	150,000	150,000				
TEA Expansion Loop - Loop with existing Oregon Street mains	1,043,756	1,043,756				
TEA Expansion Loop - Loop with existing Oregon Street mains	721,531	721,531				
Fire Flow - June Court (M60)	90,037	90,037				
	\$ 11,812,689	\$ 7,342,900	\$ 3,456,385	\$ 501,106	\$ -	\$ -
GENERAL CONSTRUCTION PROJECTS	Estimated Cost	19/20	20/21	21/22	22/23	23/24
Cedar Creek Trail - Segment 8 Design & Construction (local contribution only)	899,894	125,000				
Parks Master Plan & SDC Update	175,000	125,000				
Ice-Age Tonquin Trail Way Finding Signage Project	105,000	71,600				
Dog Park Design - North of Hwy 99	105,000	-				100,000
Skate Park (Design & Construction)	580,000	80,000				
Park SDC methodology update	78,163	78,163				
99W Pedestrian connection feasibility study	50,000	50,000				
YMCA expansion plan	25,000	25,000				
Public Works Facility Master Plan	20,000			20,000		
	\$ 2,038,057	\$ 554,763	\$ -	\$ 20,000	\$ -	\$ 100,000
Total Annual Expenditures	\$ 52,347,025	\$ 12,387,155	\$ 7,730,609	\$ 19,319,487	\$ 4,859,064	\$ 958,000

Street Capital Projects

The Street Capital Fund relies on County traffic improvement fees and City system development charges, as well as transfers in from Street Operations.

Sunset Boulevard and Highway 99 Improvements: This project includes adding westbound and eastbound left turn lanes on Sunset Boulevard, and changing the signal phasing from permissive to protected/permissive phasing.

Kruger-Elwert-Highway 99 Intersection Improvements: This project includes construction of a roundabout and relocation of the intersection of Kruger/Elwert Roads. This is a joint City/County/State controlled project. This project will improve safety and traffic volume along Elwert.

Tualatin Sherwood Road Widening: This project includes widening Tualatin Sherwood Road to include two westbound lanes between Langer Farms Parkway and Borchers. This is a joint project with the County.

Oregon Street Improvements: This project includes upgrading Oregon Street from railroad crossing east to Murdock Road roundabout to include a three-lane collector road with bike lanes, sidewalks and planter strips.

Sunset Boulevard North Side Sidewalk: This project is to construct a new sidewalk at Sunset Boulevard and Pine Street and plant rain gardens.

Galbreath from Gerda Lane to Power lines: This project will grind off the existing road surface and place one or more layers of asphalt pavement.

Main Street from Railroad to Sunset: This project will grind off the existing road surface and place one or more layers of asphalt pavement.

Ladd Hill from Sunset to City limits: This project will grind off the existing road surface and place one or more layers of asphalt pavement.

Foundry from Willamette end of road: This project includes the reconstruction of Foundry from Willamette to the end of the road.

Woodhaven Sidewalk Improvement – Sunset to YMCA entrance: This project installs 460 linear feet of sidewalk on Woodhaven Drive from Sunset to the YMCA entrance

Stormwater Capital Projects

The Stormwater Fund collects SDCs for storm infrastructure expansion and reserves a portion of user charges for capital construction.

Oregon Street Regional Stormwater Facility: This project constructs a regional stormwater treatment facility located north of Oregon Street and west of the Murdock Road roundabout.

2nd & Park Street Regional Stormwater Quality Facility Remediation: This project consists of conducting design analysis and providing engineering design solutions to existing regional water quality facility which is not meeting operational and regulatory requirements. Reconstruction of the facility is anticipated to be conducted in a future fiscal year.

Murdock Apartment Swale: Design and construct new water quality swale and storm sewer on the south side of Murdock, near apartments.

City Wide Catch Basin Remediation program: This program consists of replacement of un-sumped catch basins located within the City's storm drainage conveyance system, in compliance with CWS's MS4 Permit.

May Court: This project consist of constructing additional catch basin and piping.

Michael Court and Lowell: This project will Install water quality manhole, re-establish stormwater quality facility, install storm piping.

Woodhaven Swales: Water Quality Facility Rehabilitation is needed to remove sediments from the facility to ensure continued operation of existing structural facilities that protect surface waters from adverse impacts of stormwater runoff. These ponds are responsible for holding water, removing pollutants and providing flood prevention and water quality treatment.

Water Quality Facility Refurbishments: Water Quality Facility Rehabilitation is needed to remove sediments from the facility to ensure continued operation of existing structural facilities that protect surface waters from adverse impacts of stormwater runoff. These ponds are responsible for holding water, removing pollutants and providing flood prevention and water quality treatment.

Cedar Brook Outfall Project: This project is to repair an existing slope erosion issue northeast of Cedar Brook Way and northwest of Highway 99W by extending the existing storm sewer to a point where a new outfall can be constructed that will eliminate the erosion issues.

Sanitary Capital Projects

The Sanitary Fund collects SDCs for sanitary infrastructure expansion.

Old Town Mid-Block Sewer Point Repair: This project consists of designing and constructing a point repair to overcome an obstruction that impedes correct operation of the sanitary sewer conveyance system. This obstruction creates a health and safety issue for the local residents and businesses who must rely on the system for sanitary waste disposal.

Rock Creek Sanitary Trunk Line Capacity Upgrade Phase I: This project includes up-sizing approximately 1,910 linear feet of 18" diameter sanitary trunk line to 24" diameter.

Rock Creek Sanitary Trunk Line Capacity Upgrade Phase II: This project includes replacement of approximately 2,600 linear feet of existing 15" diameter RCP sanitary sewer trunk pipeline with 18" diameter HDPE sanitary sewer trunk line.

Brookman Sanitary Sewer Trunk Line: This project extends a public sanitary conveyance system mainline through the Brookman Area annexed property. This mainline extension will provide service for the future growth of the area.

Galbreath Sanitary Sewer Extension: The project will extend City of Tualatin sanitary sewer to provide service to undeveloped lots in the northeastern area of Sherwood off Galbreath.

Water Capital Projects

The Water Fund collects SDCs and user charges for water infrastructure expansion and capital construction.

Brookman Expansion-Loop from prop SW Sherwood PRV to Hwy 99 (M7): This project will install new water main along old HWY 99W South of Crooked River Lane to proposed SW Sherwood PRV (V-1).

WGG – Capacity improvements to 6.2 mgd: This project consists of the City's share of the Willamette Governance Group's capacity improvements at the water treatment plant.

TVWD capacity improvements 6.2 to 9.7 mgd: This project consists of the City's contribution to TVWD capacity improvements at the water treatment plant.

Water Treatment Plant 20.0 mgd Expansion: The existing treatment processes will be updated for the 20 mgd (millions of gallons per day) WRWTP expansion. Increasing the Actiflo® flow rate from 7.5 mgd per basin to 10 mgd per basin. Increasing the ozonation basin flow rate from 7.5 mgd per basin to 10 mgd per basin.

WRWTP – Life Safety Repairs: This project consists of the City's contribution towards seismic upgrades at the Willamette River Water Treatment Plant.

WRWTP – Seismic retrofits: This project consists of the City's contribution towards seismic upgrades at the Willamette River Water Treatment Plant.

Routine Waterline Replacement Program: This project includes replacement of pipes based on a 100-year life cycle adopting the following prioritization: 1. Known pipe capacity and condition issues 2. Pipe material – based on City record of pipe material and era of manufacture; highest priorities are galvanized pipe and post-1950 cast iron 3. Pipe age – coordinate replacement of pipes 50 years or older with other City utilities and transportation (City, County or State) projects.

Upgrade SCADA System: This project will allow for upgrades to the Supervisory Control and Data Acquisition (SCADA) computer system to ensure continued ability to monitor water facility performance and security systems at drinking water reservoirs and pump stations.

Update Resiliency Plan: This project includes addressing the need for a local water system resilience plan to achieve the seismic response and recovery goals for Willamette Valley water utilities presented in the Oregon Resilience Plan.

Brookman Expansion-Loop from prop SW Sherwood PRV to Hwy 99: This project will install new water main along old Hwy 99W from proposed Southwest Sherwood PRV across Goose Creek.

Brookman Expansion-Loop from prop SW Sherwood PRV to Hwy 99: This project will install new water main along proposed Goose Creek arterial from Old Hwy 99W northwest to Hwy 99W.

TEA Expansion Loop – Loop with existing Oregon Street mains: This project will extend Cipole Road main south from Tualatin Sherwood Road to proposed TEA water main backbone.

SW Sherwood PRV (V-1): This project will install a pressure reducing valve to provide an emergency connection between the existing 455 Zone distribution mains and future 380 Zone mains on Old Highway 99W at the Brookman Annexation Boundary.

Water Management and Conservation Plan Upgrade: This project includes compliance with Oregon Water Resources Department (OWRD) requirements for groundwater permit holders. The City is required to complete an update of their Water Management and Conservation Plan (WMCP) every 10 years.

Fire Flow – June Court: This project will upgrade 300 feet of 2-inch galvanized main with an additional of a fire hydrant on June Court from Cochran to the end of the cul-de-sac.

General Construction Projects

The General Construction Fund collects system development charges for park infrastructure expansion. This fund also accounts for park and trail projects that are funded from multiple combined sources.

Cedar Creek Trail, Segments 8 & 9 Design and Construction: This project consists of developing construction level plans, specifications, and construction. Project funding from Regional Flexible Funds.

Parks Master Plan Update: This project consists of updating the existing Park master plan and creating a needs list of parks projects, which will be used to update the parks SDCs and Rates. This will identify projects over the next several years.

Ice-Age Tonquin Trail Wayfinding Signage: This project will provide wayfinding signage along the City's regional trails, specifically for the "west-fork" of the regional Ice-Age Tonquin Trail System, commonly referred to as the Cedar Creek Trail or Greenway in Sherwood.

Skate Park: This project consists of finalizing the construction of a skate park located at the City's recreation facility site at the corner of Sunset Boulevard and Hwy 99W.

Park SDC Methodology update: Once the Park Master Plan is updated, the SDC methodology should be updated to ensure that we are collecting sufficient SDC's for the projects identified in the Master Plan.

99W Pedestrian connection feasibility study: This project will examine transportation and pedestrian needs at and near the 99W/Sunset intersection and identify a toolbox of options and alternatives to improve pedestrian connections and safety crossing the highway. Details of options will provide high-level cost estimates and feasibility.

YMCA expansion plan: In response to a City Council goal, this project will result in an updated preliminary design to expand the existing city-owned recreational facility (operated by the YMCA), including a preliminary cost estimate for the expansion project.

Public Works Facility Master Plan: The Public Works Facility needs a Master Plan that examines the current and future needs of the department over the next 20 years to 2039. The objective of the Facility master plan is to provide guidance to the decision makers for both site acquisition and development of a new facility that will meet the service demand over the next twenty years based on projected growth, best service practice, new technology, sustainability and energy conservation and projected development cost.



Budget Detail

City in Total

Actual 2016-17	Actual 2017-18	Budget 2018-19		Proposed 2019-20	Approved 2019-20	Adopted 2019-20
RESOURCES						
\$25,551,846	\$27,285,244	\$ 29,053,369	Beginning fund balance	\$35,067,822	\$34,841,697	
Revenue						
6,091,515	5,712,638	5,923,495	Taxes	6,306,807	6,306,807	
1,902,898	2,015,911	2,060,625	Franchise Fees	2,062,471	2,062,471	
83,529	68,613	68,000	Licenses and permits	77,100	77,100	
3,079,399	3,439,950	3,980,764	Intergovernmental	3,863,936	3,863,936	
10,257,802	11,928,531	11,699,206	Charges for services	11,765,230	11,367,730	
1,073,640	2,022,257	1,779,265	Infrastructure development	2,105,615	2,105,615	
1,667,957	1,763,508	3,297,706	Fines, interest and other	3,021,422	3,021,422	
<u>24,156,740</u>	<u>26,951,408</u>	<u>28,809,061</u>	Total revenue	<u>29,202,581</u>	<u>28,805,081</u>	
Other sources						
102,757	1,084,536	452,605	Transfers in	928,555	928,555	
4,793	2,125,126	-	Sale of fixed assets	-	-	
-	14,979	-	Capital Lease Proceeds	-	-	
9,189,000	-	-	Issuance of long-term debt	-	-	
<u>9,296,550</u>	<u>3,224,641</u>	<u>452,605</u>	Total other sources	<u>928,555</u>	<u>928,555</u>	
59,005,137	57,461,293	58,315,035	Total resources	65,198,958	64,575,333	
REQUIREMENTS						
Expenditures						
Personal services						
7,135,379	7,458,916	8,198,927	Salaries and wages	8,916,723	8,922,191	
640,519	673,462	802,116	Payroll taxes	814,341	814,341	
2,905,362	3,181,466	3,524,249	Benefits	4,132,758	4,132,758	
<u>10,681,260</u>	<u>11,313,844</u>	<u>12,525,292</u>	Total personal services	<u>13,863,822</u>	<u>13,869,290</u>	
Materials and services						
1,553,250	1,731,050	2,633,951	Professional & technical	2,124,930	2,119,930	
3,108,835	4,355,041	4,294,970	Facility and equipment	4,301,989	4,264,589	
1,443,424	1,506,166	1,676,106	Other purchased services	1,824,768	1,824,768	
561,588	558,178	736,175	Supplies	799,550	799,550	
45,677	20,000	24,650	Community activities	25,160	25,160	
233,904	141,421	200,570	Minor equipment	173,715	173,715	
1,051	517,543	11,000	Other materials & services	20,000	20,000	
(66,304)	(71,532)	(34,996)	Cost Allocation	(37,684)	(37,684)	
<u>6,881,425</u>	<u>8,757,868</u>	<u>9,542,426</u>	Total materials & services	<u>9,232,428</u>	<u>9,190,028</u>	
Capital outlay						
-	35,305	-	CWIP	-	-	
1,700,643	1,022,683	8,002,783	Infrastructure	12,487,153	12,487,153	
4,513	22,489	5,500	Buildings	191,000	191,000	
11,438	-	43,000	Other improvements	20,000	20,000	
125,677	168,130	347,000	Vehicles	178,500	178,500	
114,257	46,202	380,000	Furniture and equipment	442,610	442,610	
<u>1,956,528</u>	<u>1,294,808</u>	<u>8,778,283</u>	Total capital outlay	<u>13,319,263</u>	<u>13,319,263</u>	
<u>19,519,212</u>	<u>21,366,520</u>	<u>30,846,001</u>	Total expenditures	<u>36,415,513</u>	<u>36,378,581</u>	
Debt service						
10,928,569	1,377,000	1,279,000	Principal	1,323,000	1,323,000	
1,132,986	792,605	749,081	Interest	708,943	708,943	
36,367	-	-	Issuance costs	-	-	
<u>12,097,922</u>	<u>2,169,605</u>	<u>2,028,081</u>	Total debt service	<u>2,031,943</u>	<u>2,031,943</u>	
Other uses						
102,757	1,087,536	452,605	Transfers out	928,555	928,555	
<u>102,757</u>	<u>1,087,536</u>	<u>452,605</u>	Total other uses	<u>928,555</u>	<u>928,555</u>	
27,285,244	32,837,632	-	Ending Fund Balance	-	-	
-	-	1,246,928	Contingency	1,256,961	1,256,961	
-	-	23,741,420	Reserved for Future Years	24,565,986	23,979,293	
59,005,136	57,461,293	58,315,035	Total requirements	65,198,958	64,575,333	

Budget Detail

City in Total

	General Fund	General Construction Fund	Debt Service Fund	Transient Lodging Tax Fund	Grants Fund	Street Operations Fund	Street Capital Fund	Water Fund	Sanitary Fund	Storm Fund	Broadband Fund	Approved 2019-20 Budget
RESOURCES												
Beginning fund balance	\$ 5,075,466	\$ 1,248,379	\$ 39,626	\$ 4,502	\$ 41,940	\$ 2,079,663	\$ 5,143,491	\$ 13,099,629	\$ 3,027,598	\$ 4,723,006	\$ 358,396	\$ 34,841,697
Revenue												
Taxes	6,036,107	-	270,700	-	-	-	-	-	-	-	-	6,306,807
Francise Fees	2,022,471	40,000	-	-	-	-	-	-	-	-	-	2,062,471
Licenses and permits	77,100	-	-	-	-	-	-	-	-	-	-	77,100
Intergovernmental	2,172,082	68,045	-	4,000	90,000	1,528,809	-	-	1,000	-	-	3,863,936
Charges for services	1,222,932	22,000	-	-	-	635,961	59,000	6,169,704	712,030	1,969,023	577,080	11,367,730
Infrastructure development	-	591,688	-	-	-	-	939,022	466,666	69,253	38,986	-	2,105,615
Fines, interest and other	2,289,031	31,650	1,170	260	200	35,000	110,000	300,000	86,111	160,000	8,000	3,021,422
Total revenue	13,819,723	753,383	271,870	4,260	90,200	2,199,770	1,108,022	6,936,370	868,394	2,168,009	585,080	28,805,081
Other sources												
Transfers in	-	178,555	-	-	-	-	750,000	-	-	-	-	928,555
Total other sources	-	178,555	-	-	-	-	750,000	-	-	-	-	928,555
Total resources	\$18,895,189	\$ 2,180,317	\$311,496	\$ 8,762	\$132,140	\$4,279,433	\$7,001,513	\$20,035,999	\$3,895,992	\$6,891,015	\$ 943,476	\$ 64,575,333
REQUIREMENTS												
Expenditures												
Personal services												
Salaries and wages	7,167,739	45,250	-	-	-	309,807	68,001	455,354	228,944	517,776	129,320	8,922,191
Payroll taxes	630,857	3,822	-	-	-	32,570	5,825	45,185	22,821	62,617	10,644	814,341
Benefits	3,359,666	24,353	-	-	-	144,103	35,944	202,720	99,894	202,769	63,309	4,132,758
Total personal services	11,158,262	73,425	-	-	-	486,480	109,770	703,259	351,659	783,162	203,273	13,869,290
Materials and services												
Professional & technical	1,490,696	-	-	-	99,602	113,929	-	194,608	113,456	95,139	12,500	2,119,930
Facility and equipment	1,498,125	-	-	-	-	792,584	-	1,755,800	3,100	93,640	121,340	4,264,589
Other purchased services	995,392	-	-	-	-	32,288	-	479,334	117,587	143,717	56,450	1,824,768
Supplies	439,550	-	-	-	-	93,700	-	141,800	15,150	84,350	25,000	799,550
Community activities	25,160	-	-	-	-	-	-	-	-	-	-	25,160
Minor equipment	137,215	-	-	-	-	7,500	-	5,500	8,500	10,000	5,000	173,715
Other materials & services	20,000	-	-	-	-	-	-	-	-	-	-	20,000
Cost Allocation	(1,341,010)	44,911	-	-	-	189,074	51,899	302,551	137,258	508,440	69,193	(37,684)
Total materials & services	3,265,128	44,911	-	-	99,602	1,229,075	51,899	2,879,593	395,051	935,286	289,483	9,190,028
Capital outlay												
Infrastructure	-	554,763	-	-	-	-	2,365,290	7,342,899	956,475	1,167,726	100,000	12,487,153
Buildings	191,000	-	-	-	-	-	-	-	-	-	-	191,000
Other improvements	20,000	-	-	-	-	-	-	-	-	-	-	20,000
Vehicles	178,500	-	-	-	-	-	-	-	-	-	-	178,500
Furniture and equipment	387,610	-	-	-	-	-	-	-	-	-	55,000	442,610
Total capital outlay	777,110	554,763	-	-	-	-	2,365,290	7,342,899	956,475	1,167,726	155,000	13,319,263
Total expenditures	15,200,500	673,099	-	-	99,602	1,715,555	2,526,959	10,925,751	1,703,185	2,886,174	647,756	36,378,581
Debt service												
Principal	-	-	255,000	-	-	-	-	1,068,000	-	-	-	1,323,000
Interest	-	-	15,700	-	-	-	-	693,243	-	-	-	708,943
Total debt service	-	-	270,700	-	-	-	-	1,761,243	-	-	-	2,031,943
Other uses												
Transfers out	-	-	-	-	-	750,000	178,555	-	-	-	-	928,555
Total other uses	-	-	-	-	-	750,000	178,555	-	-	-	-	928,555
Contingency	690,861	-	-	-	4,510	109,989	-	273,485	37,157	82,451	58,508	1,256,961
Reserved for Future Years	3,003,828	1,507,218	40,796	8,762	28,028	1,703,890	4,295,999	7,075,520	2,155,649	3,922,390	237,212	23,979,293
Total requirements	\$18,895,189	\$ 2,180,317	\$311,496	\$ 8,762	\$132,140	\$4,279,433	\$7,001,513	\$20,035,999	\$3,895,992	\$6,891,015	\$ 943,476	\$ 64,575,333

Budget Detail

General Fund in Total

2016-17 Actual	2017-18 Actual	2018-19 Budget		2019-20 Proposed	2019-20 Approved	2019-20 Adopted
RESOURCES						
\$ 3,082,999	\$ 2,837,235	\$ 3,685,457	Beginning fund balance	\$ 5,075,466	\$ 5,075,466	
Revenue						
5,185,821	5,431,770	5,654,020	Taxes	6,036,107	6,036,107	
1,862,444	1,981,284	2,020,625	Franchise Fees	2,022,471	2,022,471	
83,529	87,676	68,000	Licenses and permits	77,100	77,100	
1,862,747	2,035,965	2,083,604	Intergovernmental	2,172,082	2,172,082	
1,083,867	2,158,646	1,810,036	Charges for services	1,220,432	1,222,932	
1,403,125	1,415,558	2,696,251	Fines, interest and other	2,289,031	2,289,031	
<u>11,481,532</u>	<u>13,110,899</u>	<u>14,332,536</u>	Total revenue	<u>13,817,223</u>	<u>13,819,723</u>	
Other sources						
-	993,475	-	Transfers in	-	-	
4,793	8,576	-	Sale of fixed assets	-	-	
-	14,979	-	Capital Lease Proceeds	-	-	
<u>4,793</u>	<u>1,017,030</u>	<u>-</u>	Total other sources	<u>-</u>	<u>-</u>	
14,569,324	16,965,164	18,017,993	Total resources	18,892,689	18,895,189	
REQUIREMENTS						
Expenditures						
Personal services						
5,947,686	6,246,449	6,684,319	Salaries and wages	7,162,271	7,167,739	
531,514	561,275	647,303	Payroll taxes	630,857	630,857	
2,412,611	2,675,636	2,917,507	Benefits	3,359,666	3,359,666	
<u>8,891,811</u>	<u>9,483,361</u>	<u>10,249,129</u>	Total personal services	<u>11,152,794</u>	<u>11,158,262</u>	
Materials and services						
961,502	1,196,572	1,556,762	Professional & technical	1,495,696	1,490,696	
1,135,194	1,386,075	1,414,021	Facility and equipment	1,535,525	1,498,125	
831,155	808,329	917,825	Other purchased services	995,392	995,392	
360,304	341,655	428,475	Supplies	439,550	439,550	
45,677	20,000	24,650	Community activities	25,160	25,160	
161,895	108,061	164,070	Minor equipment	137,215	137,215	
96	10,108	11,000	Other materials & services	20,000	20,000	
(1,078,651)	(1,067,152)	(1,354,301)	Cost Allocation	(1,341,010)	(1,341,010)	
<u>2,417,171</u>	<u>2,803,649</u>	<u>3,162,502</u>	Total materials & services	<u>3,307,528</u>	<u>3,265,128</u>	
Capital outlay						
-	4,460	179,800	Infrastructure	-	-	
-	22,489	5,500	Buildings	191,000	191,000	
11,438	-	43,000	Other improvements	20,000	20,000	
125,677	126,124	347,000	Vehicles	178,500	178,500	
103,827	35,248	296,000	Furniture and equipment	387,610	387,610	
<u>240,942</u>	<u>188,320</u>	<u>871,300</u>	Total capital outlay	<u>777,110</u>	<u>777,110</u>	
<u>11,549,923</u>	<u>12,475,330</u>	<u>14,282,931</u>	Total expenditures	<u>15,237,432</u>	<u>15,200,500</u>	
Debt service						
133,560	-	-	Principal	-	-	
3,606	-	-	Interest	-	-	
<u>137,166</u>	<u>-</u>	<u>-</u>	Total debt service	<u>-</u>	<u>-</u>	
Other uses						
45,000	11,406	-	Transfers out	-	-	
<u>45,000</u>	<u>11,406</u>	<u>-</u>	Total other uses	<u>-</u>	<u>-</u>	
2,837,235	4,478,427	-	Ending Fund Balance	-	-	
-	-	716,627	Contingency	690,861	690,861	
-	-	297,788	Reserved for Future Years - Fleet	225,184	225,184	
-	-	2,720,647	Reserved for Future Years	2,739,212	2,778,644	
\$ 14,569,324	\$ 16,965,164	\$ 18,017,993	Total requirements	\$ 18,892,689	\$ 18,895,189	

Budget Detail

General Fund by Division

2016-17 Actual	2017-18 Actual	2018-19 Budget	General Fund Resources	2019-20 Proposed Budget	2019-20 Approved Budget	2019-20 Adopted Budget
\$ 3,082,999	\$ 2,837,235	\$ 3,685,457	Beginning fund balance	\$ 5,306,025	\$ 5,075,466	
5,185,821	5,431,770	5,654,020	Revenue			
1,862,444	1,981,284	2,020,625	Taxes	6,036,107	6,036,107	
83,529	87,676	68,000	Franchise Fees	2,022,471	2,022,471	
1,862,747	2,035,965	2,083,604	Licenses and permits	77,100	77,100	
1,083,867	2,158,646	1,810,036	Intergovernmental	2,172,082	2,172,082	
1,403,314	1,415,558	2,696,251	Charges for services	1,220,432	1,222,932	
11,481,721	13,110,899	14,332,536	Fines, interest and other	2,289,031	2,289,031	
-	993,475	-	Total revenue	13,817,223	13,819,723	
4,793	8,576	-	Other sources			
-	14,979	-	Transfers in	-	-	
4,793	1,017,030	-	Sale of fixed assets	-	-	
14,569,513	16,965,164	18,017,993	Capital Lease Proceeds	-	-	
			Total other sources	-	-	
			Total resources	19,123,248	18,895,189	
			Requirements			
			Administration Division			
1,407,022	1,523,642	1,384,890	Personal services			
119,982	129,802	120,392	Salaries and wages	1,365,658	1,365,658	
569,172	618,625	614,682	Payroll taxes	115,553	115,553	
2,096,177	2,272,070	2,119,964	Benefits	633,494	633,494	
19.1	19.2	16.6	Total personal services	2,114,705	2,114,705	
			FTE	16.3	16.3	
385,543	436,603	518,457	Materials and services			
179,009	149,125	159,260	Professional & technical	572,300	567,300	
572,412	553,891	635,900	Facility and equipment	249,490	247,090	
12,276	10,501	15,625	Other purchased services	686,887	686,887	
16,661	10,108	7,800	Supplies	14,925	14,925	
105,987	32,387	94,500	Community activities	7,610	7,610	
96	108	-	Minor equipment	52,300	52,300	
(814,832)	(832,422)	(800,788)	Other materials & services	-	-	
457,152	360,302	630,754	Cost Allocation	(851,895)	(851,895)	
-	4,460	-	Total materials & services	731,617	724,217	
69,942	20,307	130,000	Capital outlay			
69,942	24,767	130,000	Infrastructure	-	-	
2,623,270	2,657,139	2,880,718	Furniture and equipment	137,500	137,500	
			Total capital outlay	137,500	137,500	
			Total Administration Expenditures	2,983,822	2,976,422	
			Community Development			
878,877	897,309	982,034	Personal services			
75,414	76,561	88,370	Salaries and wages	1,086,667	1,086,667	
355,527	382,463	418,480	Payroll taxes	91,484	91,484	
1,309,818	1,356,334	1,488,884	Benefits	523,749	523,749	
12.7	13.0	13.6	Total personal services	1,701,900	1,701,900	
			FTE	14.1	14.1	
182,822	438,591	577,590	Materials and services			
771	462	1,500	Professional & technical	470,000	470,000	
62,424	47,892	47,590	Facility and equipment	4,350	4,350	
3,951	3,114	6,037	Other purchased services	56,050	56,050	
-	-	1,000	Supplies	7,425	7,425	
3,115	995	9,200	Community activities	1,000	1,000	
-	-	1,000	Minor equipment	3,450	3,450	
(33,748)	(44,061)	(106,006)	Other materials & services	-	-	
219,334	446,994	537,911	Cost Allocation	(157,219)	(157,219)	
\$ 1,529,152	\$ 1,803,328	\$ 2,026,795	Total materials & services	385,056	385,056	
			Total Community Dev. Expenditures	\$ 2,086,956	\$ 2,086,956	

Budget Detail

General Fund by Division

2016-17 Actual	2017-18 Actual	2018-19 Budget	General Fund Requirements Continued	2019-20 Proposed Budget	2019-20 Approved Budget	2018-19 Adopted Budget
			Police Services			
			Personal services			
1,992,956	2,103,543	2,343,180	Salaries and wages	2,623,089	2,623,089	
189,427	202,212	248,530	Payroll taxes	223,859	223,859	
847,008	980,246	1,079,011	Benefits	1,305,136	1,305,136	
<u>3,029,390</u>	<u>3,286,001</u>	<u>3,670,721</u>	Total personal services	<u>4,152,084</u>	<u>4,152,084</u>	
23.8	24.6	27.5	FTE	30.0	30.0	
			Materials and services			
212,192	222,936	230,425	Professional & technical	233,390	233,390	
30,537	26,099	51,550	Facility and equipment	30,760	30,760	
86,755	103,114	98,775	Other purchased services	111,679	111,679	
56,558	31,938	55,000	Supplies	61,750	61,750	
2,567	3,148	3,500	Community activities	3,500	3,500	
7,909	42,191	8,500	Minor equipment	45,715	45,715	
-	10,000	10,000	Other materials & services	20,000	20,000	
<u>396,517</u>	<u>439,425</u>	<u>457,750</u>	Total materials & services	<u>506,794</u>	<u>506,794</u>	
-	-	-	Furniture and equipment	20,910	20,910	
-	-	-	Total capital outlay	20,910	20,910	
3,425,907	3,725,426	4,128,471	Total Police Expenditures	4,679,788	4,679,788	
			Community Services			
			Personal services			
1,010,830	1,070,003	1,243,182	Salaries and wages	1,337,878	1,343,346	
84,158	90,519	110,405	Payroll taxes	117,917	117,917	
379,418	416,719	490,223	Benefits	560,828	560,828	
<u>1,474,406</u>	<u>1,577,240</u>	<u>1,843,810</u>	Total personal services	<u>2,016,623</u>	<u>2,022,091</u>	
19.3	20.2	20.8	FTE	21.1	21.1	
			Materials and services			
102,987	70,931	98,313	Professional & technical	102,939	102,939	
1,944	4,813	1,800	Facility and equipment	5,280	5,280	
58,907	63,208	82,292	Other purchased services	97,571	97,571	
171,782	186,679	205,913	Supplies	201,400	201,400	
26,374	6,588	10,800	Community activities	11,500	11,500	
16,942	14,472	19,550	Minor equipment	7,800	7,800	
<u>378,935</u>	<u>346,691</u>	<u>418,668</u>	Total materials & services	<u>426,490</u>	<u>426,490</u>	
-	-	-	Other improvements	20,000	20,000	
-	-	-	Furniture and equipment	17,800	17,800	
-	-	-	Total capital outlay	37,800	37,800	
\$ 1,853,341	\$ 1,923,931	\$ 2,262,478	Total Community Services Expenditures	\$ 2,480,913	\$ 2,486,381	

Budget Detail

General Fund by Division

2016-17 Actual	2017-18 Actual	2018-19 Budget	General Fund Requirements Continued	2019-20 Proposed Budget	2019-20 Approved Budget	2019-20 Adopted Budget
			Public Works			
			Personal services			
658,000	651,952	731,033	Salaries and wages	748,979	748,979	
62,534	62,180	79,606	Payroll taxes	82,044	82,044	
261,486	277,583	315,111	Benefits	336,459	336,459	
982,019	991,715	1,125,750	Total personal services	1,167,482	1,167,482	
13.0	12.6	12.6	FTE	12.4	12.4	
			Materials and services			
77,958	27,511	131,977	Professional & technical	117,067	117,067	
922,933	1,205,576	1,199,911	Facility and equipment	1,245,645	1,210,645	
50,657	40,224	53,268	Other purchased services	43,205	43,205	
115,738	109,423	145,900	Supplies	154,050	154,050	
75	156	1,550	Community activities	1,550	1,550	
27,942	18,017	32,320	Minor equipment	27,950	27,950	
(230,071)	(190,669)	(447,507)	Cost Allocation	(331,896)	(331,896)	
965,232	1,210,237	1,117,419	Total materials & services	1,257,571	1,222,571	
			Capital outlay			
-	-	179,800	Infrastructure	-	-	
-	22,489	5,500	Buildings	191,000	191,000	
11,438	-	43,000	Other improvements	-	-	
125,677	126,124	347,000	Vehicles	178,500	178,500	
33,886	14,941	166,000	Furniture and equipment	211,400	211,400	
171,000	163,554	741,300	Total capital outlay	580,900	580,900	
2,118,252	2,365,507	2,984,469	Total Public Works Expenditures	3,005,953	2,970,953	
			Unallocated Expenditures			
			Debt service			
133,560	-	-	Principal	-	-	
3,606	-	-	Interest	-	-	
137,166	-	-	Total debt service	-	-	
			Transfers out			
45,000	-	-	Transfers to Debt Service	-	-	
-	11,406	-	Transfers to Grants	-	-	
45,000	11,406	-	Total Transfers Out	-	-	
2,837,423	4,478,427		Ending Fund Balance			
		716,627	Contingency	690,861	690,986	
		297,788	Reserved for Future Years - fleet	225,184	225,184	
		2,720,647	Reserved for Future Years	2,969,771	2,778,519	
\$ 14,569,513	\$ 16,965,164	\$ 18,017,993	Total requirements	\$ 19,123,248	\$18,895,189	

Budget Detail

General Fund Administration

Administration

The Administration Division provides leadership and support for all City functions. Administration includes the City Council, City Recorder, City Manager, Assistant City Manager, City Attorney, Information Technology, Human Resources, Finance and Municipal Court.

2016-17 Actual	2017-18 Actual	2018-19 Budget		2019-20 Proposed Budget	2019-20 Approved Budget	2019-20 Adopted Budget
			Revenue			
5,185,821	5,431,544	5,654,020	Taxes	6,036,107	6,036,107	
1,862,444	1,981,284	2,020,625	Franchise Fees	2,022,471	2,022,471	
5,514	7,946	65,000	Licenses and Permits	75,000	75,000	
613,870	558,215	669,132	Intergovernmental	670,223	670,223	
64,606	58,033	67,850	Charges for Services	62,640	62,640	
1,341,476	1,339,699	2,594,471	Fines, Interest, and Other	2,182,800	2,182,800	
-	1,008,454	-	Transfers in & Other Sources	-	-	
<u>9,073,731</u>	<u>10,385,174</u>	<u>11,071,098</u>	Total revenue	<u>11,049,241</u>	<u>11,049,241</u>	
			Expenditures			
2,096,177	2,272,070	2,119,964	Personal services	2,114,705	2,114,705	
457,152	360,302	630,754	Materials and services	731,617	724,217	
69,942	24,767	130,000	Capital outlay	137,500	137,500	
137,166	-	-	Debt service	-	-	
45,000	11,406	-	Transfers out & Other Sources	-	-	
<u>\$ 2,805,437</u>	<u>\$ 2,668,545</u>	<u>\$ 2,880,718</u>	Total expenditures	<u>\$ 2,983,822</u>	<u>\$ 2,976,422</u>	
19.1	19.2	16.6	FTE	16.3	16.3	

City Council

The seven-member City Council is composed of an elected Mayor and six elected Councilors. The Council members serve a four-year term and the Mayor serves two years. The City Council is the legislative branch of our local government, which is responsible for setting policies. This is accomplished through the adoption of ordinances and resolutions. The City Council meets in regular monthly meetings and occasional executive sessions. In addition, City Council work sessions are held to study upcoming issues. The City Council also serves as the City’s Urban Renewal District Board, which similar to the City Council, holds regular business meetings.

2018-19 Highlights

- Projected to adopt 12 ordinances and 80 resolutions during FY19

Performance Measures

Strategy	Measures	FY17-18 Actual	FY18-19 Projected	FY19-20 Projected
Increase transparency	Council meetings	29	22	24
	Work sessions	26	26	20
	Executive sessions	12	9	10
Training for Council members & Regional Meeting participation	Conferences: Oregon Mayor’s Assoc. Conf. (2) Or. League of Cities Annual Conf. NLC National League of Cities Conf. New Partners for Smart Growth	4	4	6
	Regional meetings: Regional Mayor’s Meetings (12) Wa. Co. Coordinating Committee (12) Willamette River Water Coalition (4) Regional Water Providers Consortium (4) Southwest Corridor Steering Comm. (12) R1Act (6) Westside Transportation Alliance (12) Note: Meetings held monthly or quarterly	58	56	62

City Recorder

The City Recorder is the custodian of records and responsible for the management of City records and provides administrative support to the City Council and URA Board. The City Recorder also serves as the City’s Elections official.

2018-19 Highlights

- Elections - Coordinated 1 Special and 1 General Election
- Oversaw 7 Municipal Code Amendments
- Established City Records Management Committee to oversee Management of City Records
- Implemented new TRIM/ORMS City Records Management System
- Established, recruited and trained new Records Technician position
- Reviewed and prepared 100+ years of City Legislative records (1893-2016) for migration into new Records Management System
- Drafted Policy for Appointments to City Boards, Commissions & Committees
- Drafted Policies for Records Management and Request for Public Records
- Purged City records per State Records Retention Schedule
- Coordinated Records Management Day at City Offices

2019-20 Goals

- Continue implementation of TRIM/ORMS, Records Management System
- Continue audit and migration of records into TRIM/ORMS, Records Management System
- Purge City records per State Records Retention Schedule (on going)

Performance Measures

Strategy	Measures	FY17 -18 Actual	FY18-19 Projected	FY19-20 Projected
Adhere to public records law and respond to public records requests	Public records requests	62	60	60
	Responded within 5 business days	45	40	40
Develop and implement a Records Management Program	Staff Records Management Training	2	15	24
	Coordinate Citywide Records Management Days	2	1	2
Maintain Current Code Updates	Municipal Code updates	5	8	6
Coordinate Accurate and Transparent Elections	Process Election fillings, coordinate special and general elections	6	5	5

City Manager

The City Manager’s office provides leadership, coordination and management for the City and is responsible for establishing general administrative policies that govern the operations of the City. The City Manager, with input from the Senior Management team, also supports and assists the Mayor and City Councilors in their roles as policy makers by providing accurate and timely information and appropriate policy alternatives.

2018-19 Highlights

- Completed re-organization of the Administration Division in light of various staffing reductions
- Coordinated a health benefits review to ensure that the City is receiving the best value for our various employee benefits
- Conducted two sessions of the Sherwood Citizens University program to increase citizen understanding of city government

2019-20 Goals

- Develop and Implement Improved Citizen Engagement Strategies (City-wide Value – Citizen Engagement)
- Continue to support enhanced programs and activities to engage the public on issues facing the community (City-wide Value – Citizen Participation)
- Continue to implement enhancements to City intranet to ensure efficient sharing of important information to employees (City-wide Value – Quality Services)

Performance Measures

Strategy	Measures	FY17-18	FY18-19	FY19-20
Increase communication with the public	Newsletter Frequency	Every Two Months	Every Two Months	Every Two Months
	Number of Facebook Friends	2,250	2,845	3,000
	Number of Twitter Followers	525	633	750

City Attorney & Risk Management

The City Attorney's Office is the in-house legal department for the City. It provides a broad range of legal services to City officials, management, and staff. Primarily, these services are in the areas of researching legal questions and providing legal advice; preparing and reviewing contracts, ordinances, resolutions, and other legal documents; conducting negotiations; representing the City in administrative proceedings and, occasionally, in court; and analyzing public record requests and exemptions. Areas of law most frequently encountered include employment law, tort liability, constitutional law, elections law, public contracting, public meetings, public records, real property, and land use. The Office also retains and manages outside legal counsel for certain projects. Additionally, as part of its risk management function, the Office is responsible for processing claims for property, auto, equipment and liability insurance.

2018-19 Highlights

- Completed year two of the City’s summer law clerk program, which increases departmental productivity at little to no cost and provides an educational service
- Served as staff liaison to, and provided administrative support for, Charter Review Committee and PTO Subcommittee
- Managed increased workload (risk management/liability and property insurance issues, and some interim HR work) with decreased staffing levels due to layoffs/budget reductions in the last budget cycle
- Prepared and reviewed numerous ordinances, including Transient Lodging Tax and Right-of-Way ordinances
- Implemented quarterly tort claim updates for City Council

2019-20 Goals

- Expand the summer law clerk program into a year-round program
- Implement a City-wide contract tracking system
- Complete PTO Subcommittee and Charter Review Committee processes
- Continue to compile City Administrative Rules in a centralized and codified document
- Complete review and update of the City’s public contracting and expenditure authority policies and rules
- Continue to review City ordinances and perform housekeeping updates

Performance Measures

Strategy	Measures	FY17-18 Actual	FY18-19 Projected	FY19-20 Projected
Keep City Council Informed	Frequency of Tort Claim Updates	N/A	Quarterly	Quarterly
Expand Law Clerk Program	Duration of Program	Summer	Summer	Full Year
Maintain and Update Municipal Code	Number of Ordinances Enacted	9	10	11

Human Resources

The Human Resources department provides personnel support for all City employees. This department also includes recruitment, training and development, benefit, compensation, and salary classifications, and is responsible for managing and updating the City of Sherwood Employee Manual and Employee Policies. In addition, HR manages the City’s two union contracts, leads employee relations, and processes claims for workers’ compensation insurance. This department also reviews and manages the City’s benefit package to insure the best possible rates and protection for employees at a reasonable rate.

2018-19 Highlights

- Retained, recruited and trained a top quality work force
- Managed all lines of insurance coverage for the City (City- wide Value – Fiscal Responsibility)
- Implemented NeoGov recruitment management software (City- wide Value – Fiscal Responsibility)
- Explored different health benefits options through Benefits Committee (City-wide Value – Fiscal Responsibility)

2019-20 Goals

- Implement updated employee manual to assist managers and employees (City-wide Value – Fiscal Responsibility)
- Implement TECC (Total Employer Cost of Compensation) System with Portland State University (City-wide Value – Fiscal Responsibility, Forward Thinking)
- Negotiate new Collective Bargaining Agreement with SPOA (Sherwood Police Officers Association) (City-wide Value – Fiscal Responsibility, Quality Service)

Performance Measures

Strategy	Measures	FY17-18 Actual	FY18-19 Projected	FY19-20 Projected
Provide efficient external recruitment service	Number of applicants for all positions	302	400	400
	Calendar days for external recruitments	62.3 days	55 days	55 days
Perform facility inspections by Safety Committee to minimize unsafe conditions	Number of identified unsafe practices eliminated	2	2	2
Maintain a low number of accidents and the cost of worker compensation claims	Number of accidents	4	6	6
	Time loss (days)	2	2	5
	Annual cost of worker compensation claims	\$600	\$600	\$1,000

Information Technologies

The Information Technologies department provides technical support, troubleshooting and maintenance of computer hardware and software used by the City. The department operates and maintains the network, servers, phone systems, Sherwood Broadband, and Sherwood public access channel. This department also manages software licensing, assists departments in improving service through effective use of technology and provides training to staff.

2018-19 Highlights

- Started consolidation of server services
- Implemented a new SAN storage array
- Implemented a new backup solution using cloud storage
- Implemented a new application training service
- Started a Phishing awareness training and testing service
- Implemented a disaster recover site at Hillsboro data center
- Install audio/video upgrades at the Police station
- Continued security awareness training for staff

2019-20 Goals

- Replace all staff desktop computers and refresh the laptop loaner pool
- Simplify current server infrastructure through consolation and cloud services
- Upgrade a couple older servers to supported versions of Windows
- Perform security penetration tests on several key systems
- Transition Infor to the cloud
- Upgrade Library computers
- Improve technology at the Senior Center, access control, cabling, Wi-Fi, and new computers

Performance Measures

Strategy	Measures	FY17-18 Actual	FY18-19 Projected	FY19-20 Projected
Effectively maintain and support computer and informational systems throughout the City	Major Software Applications Supported	67	58	67
	Computer Systems Supported	260	265	250
	Network Systems Supported	47	47	48
	Terabytes of data maintained onsite	57 TB	57 TB	26 TB
Productivity Through IT Service Management process improvement	Help desk tickets submitted	788	783	900
	Help desk tickets resolved within 30 min. (Estimate)	10%	10%	10%
	Satisfaction Rate: Good or better	98%	100%	100%
	IT Staff Training Hours	8	20	20

Finance

The Finance department provides financial information, oversight and management. Finance is responsible for the annual budget, annual audit, debt management, payroll, cash management, accounts receivable, and accounts payable. The Finance department prepares a wide range of internal and external financial reports.

2018-19 Highlights

- Received the GFOA Budget Award for the Fiscal Year 2018-19 budget document
- Submitted for the GFOA Award for Excellence in Financial Reporting for FY2017-18
- Fine-tuned and improved the 5Cast financial projection model (City-wide Value – Fiscal Responsibility)
- Expanded the use of OpenGov and developed consistent periodic reporting for management and Council (City-wide Value – Fiscal Responsibility) as well as for the citizens (City-wide Value – Transparent Government)
- Implemented new fixed asset policy and inventory process (City-wide Value – Fiscal Responsibility)

2019-20 Goals

- Research best financial system for increased system integration as possible (City-wide Values – Quality Service and Fiscal Responsibility)
- Research and analyze options to decrease fees associated with credit card transactions (City-wide Value – Fiscal Responsibility)
- Streamline workflow for optimal performance and audit success (City-wide Value – Fiscal Responsibility)

Performance Measures

Strategy	Measures	FY17-18 Actual	FY18-19 Projected	FY19-20 Projected
Maintain high levels of financial integrity	Independent auditor opinion	Unqualified	Unqualified	Unqualified
	Number of GFOA reviewer comments on the CAFR	5	4	4
Deliver efficient, effective financial services	Credit rating	Aa3	Aa3	Aa3
	Actual cost to deliver financial services	\$591,895	\$563,929	\$627,589
	Cost to deliver financial services as a % of total City budget	2.4%	2.0%	1.6%

Municipal Court

Municipal Court is responsible for processing all traffic violations and non-felony offenses within the City. The goal of the Municipal Court is to promote compliance with laws and regulations by processing citations for violations equitably and timely.

2018-19 Highlights

- Moved court software to new server
- Completion of RFP for Traffic School Program
- Finalized implementation of camera speed enforcement
- Training of additional court staff

2019-20 Goals

- Implementation of records management (TRIM) project (Digitalize Court records)
- Continue to streamline and find efficiencies in workflow
- Implementation of E-Abstracts to DMV
- Implementation of paperless court

Performance Measures

Strategy	Measures	FY17-18 Actual	FY18-19 Projected	FY19-20 Projected
Manage an efficient and effective Municipal Court	Traffic violations	8,600	21,000	19,000
	Parking violations	116	130	150
	City Ordinance violations	10	20	25
	Total violations processed	8,726	21,150	19,175
	Number of court staff	2.5	3.5	4.0
	Number of violations processed annually per staff (includes supervisor)	3,490	6,571*	4,795
	Operating expenses	497,675	638,028	676,270
	Operating expenses per processed violation	\$57.04	\$27.74	\$35.26

*Additional assistance received in FY18-19 from Finance and other administrative staff to process surge in citations. Number per staff is therefore skewed for this year.

Community Development

The Community Development Division provides overall management and administrative support for the City’s planning, engineering, and building departments. Community Development strives to provide efficient, consistent, and seamless private and public development services.

2016-17 Actual	2017-18 Actual	2018-19 Budget		2019-20 Proposed Budget	2019-20 Approved Budget	2019-20 Adopted Budget
			Revenue			
74,200	75,721	-	Licenses and Permits	-	-	
60,139	116,883	50,725	Intergovernmental	132,225	132,225	
620,318	1,619,876	1,319,216	Charges for Services	692,842	692,842	
696	77	-	Fines, Interest, and Other	-	-	
<u>755,353</u>	<u>1,812,556</u>	<u>1,369,941</u>	Total revenue	<u>825,067</u>	<u>825,067</u>	
			Expenditures			
1,302,281	1,356,334	1,488,884	Personal services	1,701,900	1,701,900	
219,334	446,994	537,911	Materials and services	385,056	385,056	
<u>\$ 1,521,615</u>	<u>\$ 1,803,328</u>	<u>\$ 2,026,795</u>	Total expenditures	<u>\$ 2,086,956</u>	<u>\$ 2,086,956</u>	
12.7	13.0	13.6	FTE	14.1	14.1	

Planning

The Planning department plays an integral role in shaping the long-term character of the City through the development and implementation of the Sherwood Comprehensive Plan and other long range planning documents. The plans are intended to protect the personal, environmental, and economic health of the community.

2018-19 Highlights

- Comprehensive Plan Community Advisory Committee formed and the Sherwood 2040 Vision complete
- Approved site plan, conditional use permit and variance for the construction of the new Sherwood High School
- Updated the City’s Housing Needs Analysis 2019-2039
- Updated the City’s Economic Opportunities Analysis
- Obtained Metro 2040 Planning and Development Grant to update the Brookman Addition Concept Plan
- Secured Transportation and Growth Management Quick Response Grant to support transportation and land uses for future development
- Managed the environmental review of the Tannery Site

2019-20 Goals

- Commence the Sherwood 2040 Comprehensive Plan Update
- Build the Comprehensive Plan on solid sources of information the Economic Opportunities Analysis and Housing Needs Analysis to construct meaningful plan policies for Sherwood’s future (City-wide Goal – Livability)
- Establish Comprehensive Plan policies based on results of visioning and technical/background documents

Performance Measures

Strategy	Measures	FY17-18 Actual	FY18-19 Projected	FY19-20 Projected
Meet State mandated deadlines for land use decisions and produce sound decisions	Perform completeness review within 30 days of submittal	100%	100%	100%
	Produce decisions within 120 days (if no ext)	100%	100%	100%
	Total number of site plan review applications	13	7	7
	Land use decisions made by City staff (Type II)	13	4	6
	Land use decisions made by City staff (Type I)	95	90	85
	Land use decisions made by Hearing Officer or Planning Commission	9	13	13
	Land use decisions made by City Council	9	2	5
Improve clarity and effectiveness of Code	Code amendment projects undertaken	8	2	4

Building

The Building Department’s responsibilities are to review and approve plans, issue permits, and perform inspections for new construction in compliance with the State of Oregon’s building, plumbing, mechanical, solar, manufactured dwelling, and energy codes. The Department assists the public and professionals with information relevant to the City’s building and development codes. Staff works with local jurisdictions, agencies and builders in order to improve the construction standards in the city and ensure the public’s health and safety.

2018-19 Highlights

- Completed plan reviews, issued construction permits for the New Sherwood High School, The Ackerly ALF, The Springs ALF, Langer Fun Center, and the Hampton Inn
- Permitted and approved Planet Fitness and two restaurants in the new Cedar Creek Plaza commercial center
- Completed occupancy approvals for 42 lots in Mandel Farms Phase 3 & 4 residential subdivision

2019-20 Goals

- Complete re-organization of permit files, archiving, document retention/destruction, and refining CDD project review/approval and routing processes.
- Complete annual state mandated training for staff

Performance Measures

Strategy	Measures	FY17-18 Actual	FY18-19 Projected	FY19-20 Projected
Provide timely service	Building inspection performed same day	100%	100%	100%
	Plan review turnaround within 2 weeks’ time for single family homes	95%	98%	95%
	Plan review turnaround within 2 weeks’ time for commercial improvements	95%	95%	95%
	Plan review turnaround within 4 weeks’ time for new commercial buildings	95%	95%	95%
Permits: Identify and track workload measures to enable appropriate staffing	Total number of permits	741	675	680
	New single-family homes	41	32	45
	New multi-family homes	21 Units	8 Units	12 Units
	Residential remodel/additions	33	35	30
	New commercial buildings	13	10	12
	Commercial tenant improvement	62	45	40
	Miscellaneous (Mech, Plumb, AS)	508	420	425
Number of inspections	2,471	2,900	2,600	

Engineering

The Engineering department plans, designs, and oversees construction of the City's Capital Improvement Projects (CIP's), which include streets, stormwater systems, sanitary sewer systems, water systems, and park facilities. The department is also responsible for review and approval of all private development projects that include installation of public infrastructure as part of the development. The department conducts inspections on the construction of public infrastructure projects to ensure that these facilities meet the City's standards for materials and installation. Engineering issues right-of-way permits for all work performed within the public right-of-way and oversees erosion and sediment runoff control on any construction activity within the City. The department also provides estimates and final SDC fee assessments on private development projects.

2018-19 Highlights

- Completed construction of the Pine Street sanitary sewer extension project
- Continued coordination efforts with the Sherwood School District for site development of a new Sherwood High School. Includes coordination efforts with ODOT and WACO on transportation issues, CWS for sanitary sewer issues, and City planning staff for land use issues
- Continued coordination of engineering design efforts for the Cedar Creek Trail project.
- Completed the design and construction management of several Public Works paving and stormwater maintenance projects
- Coordinated with Washington County on the 100% design on the Kruger-Elwert intersection improvement project
- Coordinating with Washington County on the 100% design for the Sherwood School District High School Project off-site public facilities mitigation improvements project
- Continuing a traffic data analysis program, which is designed to provide technical response to complaints of traffic volume and speed at specific location within the City
- Provided design coordination efforts between ODOT, WACO, CWS, and developers on private site developments. The major projects include Middlebrook Subdivision, Cipole Road Industrial Site Development, Willamette Water Supply Program site development, Tonquin Industrial Site Development, Cedar Creek Plaza public improvements and traffic control signal installation Timber Crossing III Subdivision, Denali Subdivision, Oregon Street Townhomes, Springs Assisted Living Facility, and several smaller developments located on SW Olds Place.

2019-20 Goals

- Teaming with City Police Department on implementation of a traffic calming program to respond to citizen transportation concerns (City-wide Goal – Public Safety)
- Coordinating with Washington County on the construction of the Kruger/Elwert Road Roundabout Project, and the Sherwood School District High School Project off-site public facilities mitigation improvements
- Finalize design effort for improvements to the Sunset Boulevard/Highway 99W intersection based on City's Transportation System Plan (TSP), and coordinate with design work being performed by Washington County on the Kruger/Elwert/Hwy 99W intersection improvement project (City-wide Goal – Infrastructure and Public Safety)

Engineering (Cont.)

- Teaming with CWS on preliminary design analysis of sanitary sewer trunk line running through the Brookman area. Coordinate with CWS on design goals, timelines, and budget development (City-wide Goal – Infrastructure, Economic Development, Livability)
- Finalize preliminary design effort for improvements to Oregon Street from Langer Farms Parkway to the Murdock Road roundabout, bringing Oregon Street up to City standards for collector roads (City-wide Goal – Infrastructure, Safety, Economic Development and Livability)
- Finalize design modifications to the Park Street stormwater quality treatment facility and update the facility to meet regulatory operating standards (City-wide Goal – Infrastructure and Livability)
- Finalize preliminary design efforts upgrading the Rock Creek sanitary sewer trunk line, which crosses Tualatin-Sherwood Road. Intent is to upgrade the portion of the sanitary trunk line crossing Tualatin- Sherwood Road prior to installation of large diameter waterline running from Tualatin to Hillsboro, and reconstruction of Tualatin-Sherwood Road by WACO (City-wide Goal – Infrastructure, Livability)

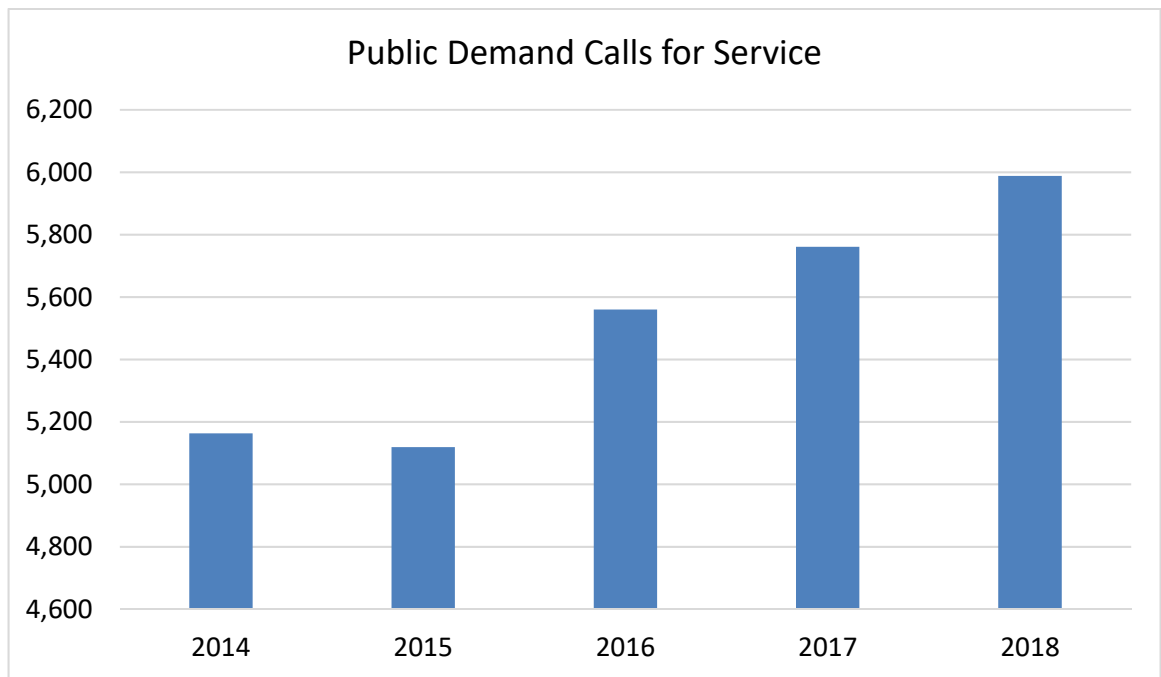
Performance Measures

Strategy	Measures	FY 17-18	FY18-19	FY19-20
Provide professional infrastructure design and management services	Capital projects designed, managed, and/or inspected	10	10	10
	Public improvement projects designed managed & inspected	6	6	5
	Private development pre-applications reviewed	10	10	12
	Private development applications reviewed for final approval	12	10	12
Protect infrastructure and right-of-ways. Enforce engineering design and construction standards	Right-of-way permits issued	50	60	60
	SFR lot ESC plan reviews performed	50	40	40
	SFR lot ESC inspections performed	400	425	450
	ESC inspections performed under Compliance Agreement projects	210	250	250

Police

The Sherwood Police department’s primary purpose is to serve the community. The Police department exists for the community and believes in the philosophy that the police are the public and the public are the police. We believe that law enforcement is a fundamental and critical service to the community and must be maintained as a priority.

2016-17 Actual	2017-18 Actual	2018-19 Budget		2019-20 Proposed Budget	2019-20 Approved Budget	2019-20 Adopted Budget
			Revenue			
3,815	4,010	3,000	Licenses and Permits	2,100	2,100	
51,205	119,242	79,771	Intergovernmental	75,055	75,055	
6,704	7,719	4,000	Charges for Services	5,500	5,500	
-	158	120	Fines, Interest, and Other	120	120	
<u>61,724</u>	<u>131,128</u>	<u>86,891</u>	Total revenue	<u>82,775</u>	<u>82,775</u>	
			Expenditures			
3,029,390	3,286,001	3,670,721	Personal services	4,152,084	4,152,084	
396,517	439,425	457,750	Materials and services	506,794	506,794	
-	-	-	Capital outlay	20,910	20,910	
<u>\$ 3,425,907</u>	<u>\$ 3,725,426</u>	<u>\$ 4,128,471</u>	Total expenditures	<u>\$ 4,679,788</u>	<u>\$ 4,679,788</u>	
23.8	24.6	27.5	FTE	30.0	30.0	



Police

2018-19 Highlights

- Maintained community engagement at community events and through social media
- Continued to enhance community engagement by enhancing social media efforts and increasing shared public safety information (City-wide Value – Citizen Participation)
- Started a Cadet Program with high school students.
- Integrated new Records and Evidence Management Systems
- Implemented Speed on Green program
- Implemented Body Worn Cameras
- Re-Accreditation with Oregon Accreditation Alliance

2019-20 Goals

- Continue to enhance volunteer opportunities through re-start of Reserve Program and new Senior Volunteer Program
- Look to increase crime/drug prevention opportunities in Sherwood schools
- Enhance Community Policing by implementing directed/focused policing efforts
- Enhance succession planning through training of officers and sergeants in appropriate leadership training and opportunities
- Continue efforts to enhance service delivery through the efficient use of technology
- Development of Officer Wellness Program; this involves a K-9 comfort dog, Chaplain and Peer Support Team
- Add personnel to patrol (2) and administration(1)
- Start a Citizens Academy

Performance Measures

Strategy	Measures	2017 Actual	2018 Actual	2019 Projected
Maintain safety through proactive activities	Number of sworn officers	23	23	25
	Population served	19,145	19,350	19,505
	Number of proactive activities	13,550	11,751	13,000
	Total all calls & activities	19,311	17,739	19,000

Community Services

The Community Services Division encompasses Library services, the Sherwood Old Town Field House operations, the Sherwood Center for the Arts, the Marjorie Stewart Center, volunteer services, field and gym scheduling, and the coordinating and planning of various events. As part of the Washington County Cooperative Library Services (WCCLS), the Sherwood Library provides access to resources from all 13 County libraries as well as regional, national, and international sources. The Sherwood Old Town Field House is an indoor soccer facility that offers soccer leagues, facility rentals and field time for a variety of sports and activities. The Center for the Arts opened in February 2015 and features a 393 seat theater/multi-purpose space, visual arts gallery and two classrooms. The Marjorie Stewart Center offers programs, classes and meals for seniors.

2016-17 Actual	2017-18 Actual	2018-19 Budget		2019-20 Proposed Budget	2019-20 Approved Budget	2019-20 Adopted Budget
			Revenue			
865,347	896,465	917,539	Intergovernmental	928,579	928,579	
380,750	462,244	405,700	Charges for Services	440,225	442,725	
42,036	42,645	80,277	Fines, Interest, and Other	84,487	84,487	
<u>1,288,133</u>	<u>1,401,354</u>	<u>1,403,516</u>	Total revenue	<u>1,453,291</u>	<u>1,455,791</u>	
			Expenditures			
1,474,406	1,577,240	1,843,810	Personal services	2,016,623	2,022,091	
378,935	346,691	418,668	Materials and services	426,490	426,490	
-	-	-	Capital outlay	37,800	37,800	
<u>\$ 1,853,341</u>	<u>\$ 1,923,931</u>	<u>\$ 2,262,478</u>	Total expenditures	<u>\$ 2,480,913</u>	<u>\$ 2,486,381</u>	
19.3	20.2	20.8	FTE	21.1	21.1	

Library

The mission of Sherwood Public Library is to inspire discovery, enrich lives and build community through equitable access to life-long learning. The Library serves the greater Sherwood area of nearly 24,000 people. As a member of Washington County Cooperative Library Services (WCCLS), Sherwood Public Library provides access to 1.7 million items—including e-books and digital audiobooks, and online learning resources. The local collection includes 52,000 books, movies, CDs, audiobooks, magazines, newspapers, a “Library of Things”, games and more. Internet access and productivity software is available at 13 public computers. The children’s area is an active hub for playing and learning. The Library is open seven days a week, 60 hours a week. The majority of library funding is from WCCLS through local property taxes and a five-year operational levy.

2018-19 Highlights

- Welcomed 244,000 visits, 11 per capita in 2018
- Provided 363,000 uses of the library’s physical and digital collections—33 per patron
- Provided nearly 600 events and classes with 29,500 participants
- Added 8,000 items to the local collection, including a new “Library of Things” to loan equipment, tools and gadgets
- At 80% completion of the library’s strategic plan activities for 2017-2019
- Funding pledged from Friends of the Library to pay for a facility master plan to visualize future growth of the facility over the next 5-10 years
- Adding test proctoring and Spanish-language help to One-on-One Tech Help services

2019-20 Goals

- Develop a Facility Master Plan (City-wide Goal— Infrastructure)
- Complete the current Strategic Plan and launch a Strategic Plan for 2020-2022 (City-wide Goals— Livability; Resident Well Being)
- Provide a digital content creation computer station for the public (City-wide Goals-Livability; Economic Development)
- Partner with schools to provide every third grader a library card and provide train-the-trainer sessions about electronic resources for teachers (City-wide Goals-Livability; Res Well Being)
- Increase accessibility, equity and inclusion for technology (City-wide Goals— Livability; Economic Development)
- Add additional world languages to the collection (City-wide Goal— Livability)

Performance Measures

Strategy	Measures	FY17-18 Actual	FY18-19 Projected	FY19-20 Projected
Increase availability and use of popular materials	Picture & Board Book circulation	43,564	44,672	45,000
	Juvenile & Early Reader Fiction circulation	46,895	52,528	53,000
Enhance library services to reflect inclusion, diversity and accessibility	World language materials	950	1,130	1,200
	National Edge Assessment score for technology accessibility (out of 1000)	735	785	820

Field House and Sports Recreation

The Sherwood Old Town Field House offers a large indoor arena featuring "Field Turf" (new in 2015). The Field House hosts a wide array of activities including adult and youth soccer, softball, baseball and lacrosse. The Field House is also available for private rentals, birthday parties, pre- school play and sports clinics. The Recreation department is responsible for scheduling the use of all City and school district owned fields and gyms. The fields and gyms are primarily used by the youth sports leagues and are occasionally used for private rentals.

2018-19 Highlights

- Managed three nights a week of adult leagues and over 850 hours of rentals
- Was able to schedule time for 37 adult games at Snyder and the High School
- Coordinated practice and game space for 14 different youth clubs
- Managed the fields and gyms IGA between the City and the school district

2019-20 Goals

- Increase service to 20,000 people (City-wide Goals– Resident Well Being; Livability)
- Add a fourth night of adult leagues (City-wide Goals– Resident Well Being; Livability)
- Maximize the use of field and gym space during school bond improvements (City-wide Goals– Resident Well Being; Livability)
- Renew the IGA with the school district (City-wide Goals– Resident Well Being; Livability)

Performance Measures

Strategy	Measures	FY17-18 Actual	FY18-19 Projected	FY19-20 Projected
Provide quality recreational opportunities for health & fitness for Sherwood citizens	Number people served in the Fieldhouse	19,755	16,700	20,000
	Number of leagues per year in the Fieldhouse	21	16	20
	Number of sports leagues served	15	15	15
	Number of children participating in sports practice and games	4,164	4,500	4,700

Events and Volunteers

The Events and Volunteers department is responsible for planning and implementing the volunteer program, issuing Special Event Permits, coordinating events such as Music on the Green, Movies in the Park, the Community Services Fair and the Veterans Day Ceremony.

2018-19 Highlights

- An estimated 534 volunteers contributed 12,164 hours, equivalent to 5.85 FTE
- Coordinated and offered 7 weeks of Music on the Green concerts at Stella Olsen Park to approximately 1,400 people each week
- Coordinated annual Veterans Day Ceremony
- Managed, developed and implemented City-wide special events including Music on the Green, Movies in the Park and the Community Services Fair
- Processed and issued 36 Special Event Permit applications for community events
- Secured presenting sponsor for Music on the Green and Movies in the Park
- Coordinated various Eagle Scout projects, Arbor Day, Trashpalooza, Adopt a Road program and park clean ups
- Partnered with SOLVE and Middleton Pioneer Cemetery to hold the 1st annual Historical Cemetery Cleanup event in Sherwood
- Community Garden full with 11 people on the waiting list
- Coordinated and managed 534 volunteers

2019-20 Goals

- Develop Adopt a Park and Adopt A Trail program for Cedar Creek Trail (City-wide Goals– Resident Well Being; Livability)
- Secure presenting sponsors for Music on the Green and Movies in the Park (City-wide Goals – Economic Development; Resident Well Being)
- Increase attendance at community events (City-wide Goals– Resident Well Being; Livability)

Performance Measures

Strategy	Measures	FY17-18 Actual	FY18-19 Projected	FY19-20 Projected
Increase City-wide volunteer opportunities	Volunteer Hours	12,164	12,300	12,500
Accommodate special events and festivals	Special Event Permits Issued	38	36	38
Increase attendance at City sponsored events	Attendance at Music on the Green	9,800	9,900	10,000
	Attendance at Movies in the Park	2,100	2,200	2,300

Sherwood Center for the Arts

Sherwood Center for the Arts is the premier performance and event venue for Sherwood and the surrounding community. With a vibrant year-round arts education program, live events, gallery space, a 393 seat theater, and two classrooms/meeting rooms, this flexible, state-of-the-art community space is the heart of Old Town Sherwood. The Sherwood Center for the Arts exists to *inspire, educate, and enrich the Sherwood community through diverse activities that enhance the quality of life.*

2018-19 Highlights

- During its third full year of operations Sherwood Center for the Arts greatly expanded community programming and event and production rentals
- Experienced record numbers of audience members coming through the doors for Family Matinee Series and other community events
- Undertook a lighting design overhaul, utilizing existing instruments to eliminate redundancies and increase design capabilities
- Partnered with the Friends of the Sherwood Center for the Arts to offer \$6,000 in assistance to the community in the form of Scholarships and Production grants
- A projected 32,278 community members visited the Center for the Arts in FY 2018-19 for classes, events rentals and other activities
- Further work on the Public Art Master Plan, working closely with Cultural Arts Commission and community stakeholders

2019-20 Goals

- Implement the Public Art Master Plan (City-wide Goals-Economic Development; Livability)
- Execute one public art piece from start to finish (City-wide Goals-Livability; Res Well Being)
- Launch a live performance series aimed at adults (City-wide Goals-Livability; Res Well Being)
- Launch summer day camp for children (“ArtSmart”), offering high quality full and half-day options in the heart of our community (City-wide Goals— Economic Dev; Livability)
- Explore grant funding for large projects and work with Friends of the SCA to increase support (City-wide Goals— Economic Development; Livability)

Performance Measures

Strategy	Measures	FY17-18 Actual	FY18-19 Projected	FY19-20 Projected
Increase participation and utilization of the Center for the Arts facility and programs	Number of registrations for classes, workshops or camps	417	878	925
	Number of days of usage	291	310	317
	Number of production rentals	17	25	29
	Number of facility rentals	115	118	125
	Number of attendees to free arts events	2,428	2,500	2,600
	Number of attendees to visiting events & rentals	26,559	29,000	32,500
	Number of tickets sold to Center for the Arts programs & events	1,263	1,400	1,500

Marjorie Stewart Center

The Marjorie Stewart Center opened in 1982 and was originally built utilizing a Community Development Block Grant and many hours of volunteer labor. The City has been awarded 5 subsequent Block Grants to expand and improve the facility. The Center features a commercial kitchen, a dining room that seats 125, 3 classrooms, Lounge/Library and a gift shop. The Marjorie Stewart Senior Community Center provides activities to nurture the health and wellbeing of the Sherwood senior community. In addition to serving delicious, fresh-cooked meals Monday through Friday, the center has a multitude of activities including games, classes, writing & painting groups, as well as providing social services and referrals to the community.

2018-19 Highlights

- Introduced three monthly educational programs, bringing in experts from many different fields
- Provided a meal (lunch) 5 times a week; serving a total of 7,353 meals
- Increased yearly senior attendance from 15,286 to 18,101 for all daily activities and programs
- Offered 140 programs over the course of a month
- Introduced weekly menu, monthly newsletter, and quarterly activity guide available in print and digital formats

2019-20 Goals

- Increase social programs for Seniors (City-wide Goals– Resident Well Being; Livability)
- Increase participation in Meal program (City-wide Goals– Resident Well Being; Livability)
- Increase participation in programs (City-wide Goals– Resident Well Being; Livability)
- Implement and establish Senior Advisory Council (City-wide Goals– Resident Well Being; Livability)

Performance Measures

Strategy	Measures	FY17-18 Actual	FY18-19 Projected	FY19-20 Projected
Provide quality programs for Seniors. Provide a meal program for Seniors	Number of programs offered per month	135	140	145
	Number of Seniors served meals	6,968	7,353	8,000
Provide daily enriching activities	Number of attendees	8,318	10,748	12,250

Public Works

The Public Works Division is responsible for operation and maintenance activities of the City’s infrastructure. Maintenance includes: water, sewer, stormwater, streets, parks, sport fields, facilities and fleet. Public Works provides critical services 24/7 to all residents.

2016-17 Actual	2017-18 Actual	2018-19 Budget		2019-20 Proposed Budget	2019-20 Approved Budget	2019-20 Adopted Budget
			Revenue			
272,186	345,160	393,000	Intergovernmental	366,000	366,000	
11,527	10,775	13,270	Charges for Services	19,225	19,225	
19,105	32,980	43,573	Fines, Interest, and Other	21,624	21,624	
4,793	8,576	-	Transfers in & Other Sources	-	-	
<u>307,611</u>	<u>397,491</u>	<u>449,843</u>	Total revenue	<u>406,849</u>	<u>406,849</u>	
			Expenditures			
982,019	991,715	1,125,750	Personal services	1,167,482	1,167,482	
965,232	1,210,237	1,117,419	Materials and services	1,257,571	1,222,571	
171,000	163,554	741,300	Capital outlay	580,900	580,900	
<u>\$ 2,118,252</u>	<u>\$ 2,365,507</u>	<u>\$ 2,984,469</u>	Total expenditures	<u>\$ 3,005,953</u>	<u>\$ 2,970,953</u>	
13.0	12.6	12.6	FTE	12.4	12.4	

Fleet and Equipment

The Fleet Maintenance department maintains and repairs city vehicles and equipment with an emphasis on safety, cost effectiveness and dependability.

2018-19 Highlights

- Completed annual reporting requirements to the State
- Purchased 100% of budgeted equipment
- Outfitted four (4) police vehicles and three (3) public works vehicle
- Surplus vehicles and equipment scheduled in 2018/19
- Maintained three (3) Chargepoint Stations throughout City

2019-20 Goals

- Meet annual state requirements (City-wide Goal – Infrastructure)
- Produce detailed cost reports to each division for fleet costs (City-wide Value – Fiscal Responsibility)
- Look at ways to improve sustainable practices (City-wide Value – Community Livability)
- Minimize percentage of fleet vehicles or equipment that are out of service at any time (City-wide Goal – Infrastructure)
- Purchase and outfit two (2) police vehicles; spec and purchase 100% of budgeted equipment

Performance Measures

Strategy	Measures	FY17-18 Actual	FY18-19 Projected	FY19-20 Projected
Maintain City’s fleet of vehicles and equipment at a high level of quality with minimal cost	Number of scheduled vehicle maintenance work orders	452	368	380
	Number of scheduled equipment maintenance work orders	251	219	330
	Total number of equipment work orders	350	257	275
	Total number of vehicle work orders	574	400	420

Facilities

The Facilities department is responsible for environmental health, safety, operations, maintenance, and repair of all city facilities.

2018-19 Highlights

- Completed annual reporting requirements to the State
- Completed set up and take down for Kids Reading, City Council, Planning Commission, Court and other Library events 283 times during the year
- Replaced Hot water heater at Public Works
- Replaced the interior plumbing at Public Works
- Seal coated and made asphalt repairs to the parking lot at the YMCA
- Exterior painting at the Teen Center
- Sealed exterior of the Teen Center
- Completed weekly inspections of all City facilities (City-wide Goal – Infrastructure)
- Completed inspections of all contracted work (City-wide Goal – Infrastructure)
- Seal coated Civic building parking lot

2019-20 Goals

- Preventative Maintenance of HVAC Systems for all City facilities
- Replace the roof at the Police Station
- Repair HVAC unit in the Field House
- Complete weekly inspections of all City facilities
- Set up and take down for all City meetings

Performance Measures

Strategy	Measures	FY17-18 Actual	FY18-19 Projected	FY19-20 Projected
Provide attractive, clean, safe, and well maintained facilities for the public and City employees	Number of facility inspections per month	5	5	5
	Number of OSHA or safety violations reported	0	0	0
	Met requirements for meeting set-up and tear-down as requested	100%	100%	100%
	Number of insurance claims involving City facilities	0	1	0

Parks Maintenance

The Parks department maintains the parks, trail systems, School District property, athletic fields and open spaces.

2018-19 Highlights

- Completed weekly playground inspections
- Completed trash pickup two times a week during peak usage
- Maintained 8,137 irrigation heads
- Completed striping and prep of athletic fields for schools and leagues
- Completed 160 park reservations
- Provided 7-day/week staffing coverage during peak season
- Worked with independent contractors to ensure contract agreements are followed and work progresses smoothly
- Completed weekly mowing for parks, athletic fields and School district properties for 36 weeks out of the year
- Maintained 2 water features
- Installed new playground structure at Pioneer Park
- Paved a portion of the granite trail at Snyder Park

2019-20 Goals

- Construct and complete Skate Park facility (City-wide Goal – Infrastructure)
- Provide weekly playground inspections (City-wide Goal – Infrastructure)
- Provide weekly mowing at parks, athletic fields and School district properties (City-wide Goal – Infrastructure)
- Provide 7-day/week staffing during peak season (City-wide Goal – Infrastructure)
- Replace roof on the shelter at Stella Olsen Park
- Replace main fountain pump at Snyder Water Feature
- Paint the shelter at Murdock Park
- Seal the dugouts at High School softball complex

Performance Measures

Strategy	Measures	FY17-18 Actual	FY18-19 Projected	FY19-20 Projected
Support and maintain parks, recreation land, and natural areas	Developed park acres	56.61	56.61	56.61
	Restrooms cleaned daily	9	10	10
	Number of park reservations	160	160	160
	Number of sports fields maintained (multi use)	24	24	24
	Number of playgrounds inspected weekly	9	9	9

Transient Lodging Tax (TLT)

The Transient Lodging Tax Fund is a special revenue fund used to account for the tax charged to anyone occupying a hotel, motel, dwelling unit used for temporary overnight occupancy or recreational vehicle spaces for 30 consecutive calendar days or less. This tax has been in existence since 1972. On July 1, 2006, the tax was increased to 9% and on April 1, 2019, a local TLT was imposed of 3%. A minimum of 70% of net revenue from County and Local TLT receipts must be used for the promotion of tourism; the remaining 30% can be used for any purpose.

2016-17 Actual	2017-18 Actual	2018-19 Budget		2019-20 Proposed	2018-19 Approved	2019-20 Adopted
			RESOURCES			
\$ -	\$ -	\$ 1,055	Beginning fund balance	\$ 4,502	\$ 4,502	
			Revenue			
-	1,679	1,300	Intergovernmental	4,000	4,000	
-	8	15	Fines, interest and other	260	260	
-	1,687	1,315	Total revenue	4,260	4,260	
-	1,687	2,370	Total resources	8,762	8,762	
			REQUIREMENTS			
			Expenditures			
-	1,687	-	Ending Fund Balance	-	-	
-	-	-	Contingency	-	-	
-	-	2,370	Reserved for Future Years	8,762	8,762	
\$ -	\$ 1,687	\$ 2,370	Total requirements	\$ 8,762	\$ 8,762	
-	-	-	FTE	-	-	

2019-20 Goals

- Continue to accumulate revenue from Transient Lodging Tax.

Performance Measures

At this time the fund is only accumulating a balance, until there is enough money built up to fund projects. Once it reaches this level, performance measures will be put into place.

Grants

The Grants Fund is a special revenue fund used to account for Federal, State, and Local grants. Funds received must be used only in accordance with the grant agreement(s). For the current fiscal year, the only grant-funded program is the Community Enhancement Program (CEP).

2016-17 Actual	2017-18 Actual	2018-19 Budget		2019-20 Proposed	2018-19 Approved	2019-20 Adopted
			RESOURCES			
\$ -	\$ -	\$ 23,393	Beginning fund balance	\$ 41,940	\$ 41,940	
			Revenue			
-	80,892	84,000	Intergovernmental	90,000	90,000	
-	7,205	200	Fines, interest and other	200	200	
-	88,097	84,200	Total revenue	90,200	90,200	
			Other sources			
-	27,311	-	Transfers in	-	-	
-	27,311	-	Total other sources	-	-	
-	115,409	107,593	Total resources	132,140	132,140	
			REQUIREMENTS			
			Expenditures			
			Personal services			
-	1,287	-	Salaries and wages	-	-	
-	108	-	Payroll taxes	-	-	
-	384	-	Benefits	-	-	
-	1,779	-	Total personal services	-	-	
			Materials and services			
-	61,227	88,000	Professional & technical	99,602	99,602	
-	9,167	-	Supplies	-	-	
-	671	-	Cost Allocation	-	-	
-	71,066	88,000	Total materials & services	99,602	99,602	
-	72,844	88,000	Total expenditures	99,602	99,602	
-	42,564	-	Ending Fund Balance	-	-	
-	-	4,210	Contingency	4,510	4,510	
-	-	15,383	Reserved for Future Years	28,028	28,028	
\$ -	\$ 115,409	\$ 107,593	Total requirements	\$ 132,140	\$ 132,140	
-	-	-	FTE	-	-	

2018-19 Highlights

- Awarded funds to applicants totaling \$76,000
- Implemented program in accordance with Metro’s guidelines

2019-20 Goals

- Provide opportunities to groups who haven’t learned about the program yet
- Research additional grants that may be available for City improvements and maintenance

Performance Measures

Strategy	Measures	FY17-18 Actual	FY18-19 Actual	FY19-20 Projected
Increase awareness to potential grant recipients.	Number of applications	9	15	15

Budget Detail

Debt Service Fund

Debt Service Fund

The Debt Service fund accounts for property tax revenues levied for payment of general obligation bonds. Payment of long-term debt other than general obligation bonds is accounted for in the funds responsible for paying the debt.

2016-17 Actual	2017-18 Actual	2018-19 Budget		2019-20 Proposed	2018-19 Approved	2019-20 Adopted
RESOURCES						
\$ (33,640)	\$ 28,563	\$ 29,063	Beginning fund balance	\$ 39,626	\$ 39,626	
Revenue						
905,694	280,868	269,475	Taxes	270,700	270,700	
2,810	495	500	Fines, interest and other	1,170	1,170	
908,504	281,363	269,975	Total revenue	271,870	271,870	
Other sources						
45,000	-	-	Transfers in	-	-	
45,000	-	-	Total other sources	-	-	
919,863	309,926	299,038	Total resources	311,496	311,496	
UNALLOCATED REQUIREMENTS						
Debt service						
600,000	-	-	Principal - 2004 A&B refunding	-	-	
230,000	240,000	245,000	Principal - 2011 Police Ref GO	255,000	255,000	
22,500	-	-	Interest - 2004 A&B refunding	-	-	
38,800	31,750	24,475	Interest - 2011 Police Ref GO	15,700	15,700	
891,300	271,750	269,475	Total debt service	270,700	270,700	
28,563	38,176	29,563	Ending Fund Balance	-	-	
-	-	-	Reserved for Future Years	40,796	40,796	
\$ 919,863	\$ 309,926	\$ 299,038	Total requirements	\$ 311,496	\$ 311,496	

Budget Detail

Street Operations Fund

Street Operations Fund

The Street Operations fund is responsible for the repair and maintenance of over 55 miles of transportation system, which includes paved streets, sidewalks, signals, streetlights, signs and markings.

2016-17 Actual	2017-18 Actual	2018-19 Budget		2019-20 Proposed	2018-19 Approved	2019-20 Adopted
\$ 2,166,298	\$ 2,294,362	\$ 1,779,764	RESOURCES			
			Beginning fund balance	\$ 1,550,387	\$ 2,079,663	
			Revenue			
1,215,524	1,314,012	1,402,488	Intergovernmental	1,528,809	1,528,809	
652,716	613,604	624,270	Charges for services	635,961	635,961	
24,271	44,313	19,500	Fines, interest and other	35,000	35,000	
<u>1,892,511</u>	<u>1,971,929</u>	<u>2,046,258</u>	Total revenue	<u>2,199,770</u>	<u>2,199,770</u>	
4,058,809	4,266,291	3,826,022	Total resources	3,750,157	4,279,433	
			REQUIREMENTS			
			Expenditures			
			Personal services			
251,661	218,135	295,664	Salaries and wages	309,807	309,807	
24,171	21,242	30,570	Payroll taxes	32,570	32,570	
104,526	102,170	122,814	Benefits	144,103	144,103	
<u>380,359</u>	<u>341,546</u>	<u>449,048</u>	Total personal services	<u>486,480</u>	<u>486,480</u>	
			Materials and services			
140,668	81,614	131,000	Professional & technical	113,929	113,929	
686,232	1,387,308	1,174,987	Facility and equipment	792,584	792,584	
25,456	26,927	28,009	Other purchased services	32,288	32,288	
56,932	40,494	73,700	Supplies	93,700	93,700	
9,974	7,104	7,000	Minor equipment	7,500	7,500	
231,428	165,091	215,520	Cost Allocation	189,074	189,074	
<u>1,150,690</u>	<u>1,708,539</u>	<u>1,630,216</u>	Total materials & services	<u>1,229,075</u>	<u>1,229,075</u>	
			Capital outlay			
233,398	121,557	619,000	Infrastructure	-	-	
-	10,954	10,000	Furniture and equipment	-	-	
<u>233,398</u>	<u>132,511</u>	<u>629,000</u>	Total capital outlay	<u>-</u>	<u>-</u>	
<u>1,764,447</u>	<u>2,182,596</u>	<u>2,708,264</u>	Total expenditures	<u>1,715,555</u>	<u>1,715,555</u>	
			Other uses			
-	-	-	Transfers out	750,000	750,000	
<u>-</u>	<u>-</u>	<u>-</u>	Total other uses	<u>750,000</u>	<u>750,000</u>	
2,294,362	2,083,695	-	Ending Fund Balance	-	-	
-	-	102,313	Contingency	109,989	109,989	
-	-	183,319	Reserved for Future Years - Maint.	169,048	169,048	
-	-	832,126	Reserved for Future Years	1,005,566	1,534,842	
\$ 4,058,809	\$ 4,266,291	\$ 3,826,022	Total requirements	\$ 3,750,157	\$ 4,279,433	
4.0	3.6	4.6	FTE	5.2	5.2	

Street Operations

The Street Operations fund is responsible for the repair and maintenance of over 55 miles of transportation system which includes paved streets, sidewalks, signals, street lights, signs and markings.

2018-19 Highlights

- Responded to all storm events
- Replaced 45 Street Name Signs
- Completed landscape right-of-way maintenance
- Started street sign reflectivity program
- Completed Pavement Management Program projects/slurry seal/crack sealing
- Continue implementation of ADA ramp program
- Completed inspection of all contract work
- Continued the Sidewalk program; completed 392 sidewalk deficiencies, 343 shaves and 49 replacements
- Continued Tree Trimming program
- Updated the City entry signs

2019-20 Goals

- Pavement Management Program projects/slurry seal (City-wide Goal – Infrastructure)
- Check reflectivity of City’s street signs (City-wide Goal – Infrastructure)
- Sidewalk Replacement Program (City-wide Goal – Infrastructure)
- Continue implementation of ADA ramp program
- Continue Tree Trimming program

Performance Measures

Strategy	Measures	FY17-18 Actual	FY18-19 Projected	FY19-20 Projected
Maintain roads and right-of-way to the highest quality standard	City-wide average PCI rating	80	86	86
	Number of street segments reconstructed	4	10	7
	Number of street segments slurry sealed	68	48	68
	Feet of cracks sealed	70,000	90,000	90,000
Maintain street signage and striping for safety	Number of signs updated	40	45	100
	Number of street miles restriped	15.37	15.37	15.37
	Number of thermo-plastic street legends installed or replaced	45	60	50

FY 2019-20 Street Capital Projects

- Sunset Boulevard and Highway 99W Improvements
- Kruger-Elwert Intersection Improvements
- Tualatin Sherwood Road Widening
- Oregon Street Improvements
- Sunset Boulevard –Sidewalk Infill
- Galbreath Overlay
- Main Street Overlay
- Ladd Hill Overlay

For a complete description of these projects, refer to the Debt Service & CIP Section

2016-17 Actual	2017-18 Actual	2018-19 Budget	2018-19 Projected		2019-20 Proposed	2018-19 Approved	2019-20 Adopted
\$ 2,666,521	\$ 2,965,206	\$ 3,859,972	\$ 4,643,557	RESOURCES			
				Beginning fund balance	\$ 5,898,892	\$ 5,143,491	
				Revenue			
63,804	57,678	55,000	57,800	Charges for services	59,000	59,000	
503,312	610,927	576,495	1,260,948	Infrastructure development	939,022	939,022	
31,429	65,899	101,500	115,400	Fines, interest and other	110,000	110,000	
598,544	734,504	732,995	1,434,148	Total revenue	1,108,022	1,108,022	
				Other sources			
-	-	-	-	Transfers in	750,000	750,000	
-	2,115,620	-	-	Sale of fixed assets	-	-	
-	2,115,620	-	-	Total other sources	750,000	750,000	
3,265,065	5,815,329	4,592,967	6,077,705	Total resources	7,756,914	7,001,513	
				REQUIREMENTS			
				Expenditures			
				Personal services			
30,909	20,966	36,042	39,084	Salaries and wages	68,001	68,001	
2,769	1,967	3,455	3,205	Payroll taxes	5,825	5,825	
13,215	10,035	15,833	17,270	Benefits	35,944	35,944	
46,894	32,968	55,330	59,560	Total personal services	109,770	109,770	
				Materials and services			
93,875	32,956	10,000	-	Professional & technical	-	-	
146	-	-	-	Other purchased services	-	-	
25,659	3,844	-	-	Supplies	-	-	
24,384	20,089	42,471	45,000	Cost Allocation	51,899	51,899	
144,064	56,890	52,471	45,000	Total materials & services	51,899	51,899	
				Capital outlay			
51,144	24,690	696,000	362,755	Infrastructure	2,365,290	2,365,290	
51,144	24,690	696,000	362,755	Total capital outlay	2,365,290	2,365,290	
242,102	114,548	803,801	467,315	Total expenditures	2,526,959	2,526,959	
				Other uses			
57,757	1,057,224	417,805	466,900	Transfers out	178,555	178,555	
57,757	1,057,224	417,805	466,900	Total other uses	178,555	178,555	
2,965,205	4,643,557	-	-	Ending Fund Balance	-	-	
-	-	3,371,361	5,143,491	Reserved for Future Years	5,051,400	4,295,999	
\$ 3,265,065	\$ 5,815,329	\$ 4,592,967	\$ 6,077,705	Total requirements	\$ 7,756,914	\$ 7,001,513	
0.4	0.2	0.4		FTE	0.8	0.8	

FY2019-20 General Construction Projects

- Skate Park
- 99W Pedestrian Connection
- Ice-Age Tonquin Trail
- Cedar Creek Trail
- YMCA Expansion plan
- Parks Master Plan

For a complete description of these projects, refer to Debt Service & CIP section

2016-17 Actual	2017-18 Actual	2018-19 Budget	2019-20 Proposed	2018-19 Approved	2019-20 Adopted
RESOURCES					
\$ 1,524,411	\$ 925,036	\$ 886,917	\$ 1,248,379	\$ 1,248,379	
Beginning fund balance					
Revenue					
40,455	34,627	40,000	40,000	40,000	
-	4,723	369,059	68,045	68,045	
23,428	25,274	18,000	22,000	22,000	
262,682	411,154	381,950	591,688	591,688	
12,553	18,467	40,150	31,650	31,650	
<u>339,118</u>	<u>494,245</u>	<u>849,159</u>	<u>753,383</u>	<u>753,383</u>	
Total revenue					
57,757	63,749	417,805	178,555	178,555	
<u>57,757</u>	<u>63,749</u>	<u>417,805</u>	<u>178,555</u>	<u>178,555</u>	
1,921,286	1,483,031	2,153,881	2,180,317	2,180,317	
REQUIREMENTS					
Expenditures					
Personal services					
33,845	26,640	46,294	45,250	45,250	
2,750	2,187	4,265	3,822	3,822	
14,748	14,126	22,240	24,353	24,353	
<u>51,343</u>	<u>42,954</u>	<u>72,799</u>	<u>73,425</u>	<u>73,425</u>	
Total personal services					
Materials and services					
23,019	21,565	75,000	-	-	
4,034	7,416	-	-	-	
1	-	-	-	-	
27,930	-	-	-	-	
531	-	-	-	-	
<u>28,686</u>	<u>27,808</u>	<u>43,210</u>	<u>44,911</u>	<u>44,911</u>	
<u>84,202</u>	<u>56,789</u>	<u>118,210</u>	<u>44,911</u>	<u>44,911</u>	
Total materials & services					
Capital outlay					
808,500	102,699	1,389,000	554,763	554,763	
4,513	-	-	-	-	
<u>813,013</u>	<u>102,699</u>	<u>1,389,000</u>	<u>554,763</u>	<u>554,763</u>	
Total capital outlay					
<u>948,558</u>	<u>202,442</u>	<u>1,580,009</u>	<u>673,099</u>	<u>673,099</u>	
Total expenditures					
Debt service					
46,440	-	-	-	-	
1,254	-	-	-	-	
<u>47,694</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total debt service					
Other uses					
-	15,905	-	-	-	
<u>-</u>	<u>15,905</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total other uses					
925,034	1,264,684	-	-	-	
-	-	573,872	1,507,218	1,507,218	
\$ 1,921,286	\$ 1,483,031	\$ 2,153,881	\$ 2,180,317	\$ 2,180,317	
Total requirements					
0.4	0.3	0.5	FTE	0.5	0.5

Budget Detail

Water Fund in Total

Water Fund in Total

The Water fund consists of two programs: operations and capital. The operations program is responsible for ongoing maintenance of the water utility. The capital program is responsible for construction of water infrastructure.

2016-17 Actual	2017-18 Actual	2018-19 Budget		2019-20 Proposed	2018-19 Approved	2019-20 Adopted
\$ 9,533,036	\$ 10,755,402	\$ 11,574,588	RESOURCES			
			Beginning fund balance	\$ 13,099,629	\$ 13,099,629	
			Revenue			
5,450,689	5,983,630	6,072,825	Charges for services	6,169,704	6,169,704	
252,157	702,327	591,645	Infrastructure development	466,666	466,666	
111,591	200,709	190,000	Fines, interest and other	300,000	300,000	
5,814,437	6,886,666	6,854,470	Total revenue	6,936,370	6,936,370	
			Other sources			
-	465	-	Sale of fixed assets	-	-	
9,189,000	-	-	Issuance of long-term debt	-	-	
9,189,000	465	-	Total other sources	-	-	
24,536,472	17,642,532	18,429,058	Total resources	20,035,999	20,035,999	
			REQUIREMENTS			
			Expenditures			
			Personal services			
395,080	408,773	438,521	Salaries and wages	455,354	455,354	
35,777	37,163	44,020	Payroll taxes	45,185	45,185	
168,591	170,026	176,315	Benefits	202,720	202,720	
599,449	615,961	658,856	Total personal services	703,259	703,259	
			Materials and services			
170,435	204,842	567,669	Professional & technical	194,608	194,608	
1,152,278	1,433,722	1,542,372	Facility and equipment	1,755,800	1,755,800	
371,365	420,916	461,673	Other purchased services	479,334	479,334	
56,282	98,001	123,200	Supplies	141,800	141,800	
9,756	639	5,000	Minor equipment	5,500	5,500	
326,427	296,966	306,752	Cost Allocation	302,551	302,551	
2,086,544	2,455,087	3,006,666	Total materials & services	2,879,593	2,879,593	
			Capital outlay			
73,315	301,021	2,618,905	Infrastructure	7,342,899	7,342,899	
73,315	301,021	2,618,905	Total capital outlay	7,342,899	7,342,899	
2,759,308	3,372,069	6,284,427	Total expenditures	10,925,751	10,925,751	
			Debt service			
9,918,569	1,137,000	1,034,000	Principal	1,068,000	1,068,000	
1,066,826	760,855	724,606	Interest	693,243	693,243	
36,367	-	-	Issuance costs	-	-	
11,021,762	1,897,855	1,758,606	Total debt service	1,761,243	1,761,243	
			Other uses			
-	-	34,800	Transfers out	-	-	
-	-	34,800	Total other uses	-	-	
10,755,402	12,372,608	-	Ending Fund Balance	-	-	
-	-	308,141	Contingency	273,485	273,485	
-	-	175,661	Reserved for Future Years - Fleet	205,661	205,661	
-	-	6,334,399	Reserved for Future Years - Ops	5,996,377	5,996,377	
-	-	3,533,024	Reserved for Future Years - Cap	873,482	873,482	
\$ 24,536,472	\$ 17,642,532	\$ 18,429,058	Total requirements	\$ 20,035,999	\$ 20,035,999	

Budget Detail

Water Operations

Water Operations

2016-17 Actual	2017-18 Actual	2018-19 Budget		2019-20 Proposed	2018-19 Approved	2019-20 Adopted
\$ 4,259,171	\$ 5,180,971	\$ 5,993,382	RESOURCES			
			Beginning fund balance	\$ 6,316,269	\$ 6,316,269	
			Revenue			
5,450,689	5,983,630	6,072,825	Charges for services	5,319,704	5,319,704	
43,334	(91,095)	90,000	Fines, interest and other	150,000	150,000	
<u>5,494,022</u>	<u>5,892,535</u>	<u>6,162,825</u>	Total revenue	<u>5,469,704</u>	<u>5,469,704</u>	
			Other sources			
-	465	-	Sale of fixed assets	-	-	
9,189,000	-	-	Issuance of long-term debt	-	-	
<u>9,189,000</u>	<u>465</u>	<u>-</u>	Total other sources	<u>-</u>	<u>-</u>	
18,942,193	11,073,971	12,156,207	Total resources	11,785,973	11,785,973	
			REQUIREMENTS			
			Expenditures			
			Personal services			
394,289	406,059	421,865	Salaries and wages	441,053	441,053	
35,708	36,938	42,425	Payroll taxes	43,846	43,846	
168,318	169,035	169,338	Benefits	195,914	195,914	
<u>598,315</u>	<u>612,032</u>	<u>633,628</u>	Total personal services	<u>680,813</u>	<u>680,813</u>	
			Materials and services			
152,080	103,339	147,450	Professional & technical	194,608	194,608	
1,152,278	1,433,722	1,542,372	Facility and equipment	1,755,800	1,755,800	
371,365	420,916	461,673	Other purchased services	479,334	479,334	
56,282	98,001	123,200	Supplies	141,800	141,800	
9,756	639	5,000	Minor equipment	5,500	5,500	
326,068	294,940	296,127	Cost Allocation	291,352	291,352	
<u>2,067,829</u>	<u>2,351,557</u>	<u>2,575,822</u>	Total materials & services	<u>2,868,394</u>	<u>2,868,394</u>	
			Capital outlay			
73,315	5,217	335,150	Infrastructure	-	-	
<u>73,315</u>	<u>5,217</u>	<u>335,150</u>	Total capital outlay	<u>-</u>	<u>-</u>	
2,739,460	2,968,806	3,544,600	Total expenditures	3,549,207	3,549,207	
			Debt service			
9,918,569	1,137,000	1,034,000	Principal	1,068,000	1,068,000	
1,066,826	760,855	724,606	Interest	693,243	693,243	
36,367	-	-	Issuance costs	-	-	
<u>11,021,762</u>	<u>1,897,855</u>	<u>1,758,606</u>	Total debt service	<u>1,761,243</u>	<u>1,761,243</u>	
			Other uses			
-	-	34,800	Transfers out	-	-	
<u>-</u>	<u>-</u>	<u>34,800</u>	Total other uses	<u>-</u>	<u>-</u>	
5,180,971	6,207,310	-	Ending Fund Balance	-	-	
-	-	308,141	Contingency	273,485	273,485	
-	-	175,661	Reserved for Future Years - Fleet	205,661	205,661	
-	-	6,334,399	Reserved for Future Years	5,996,377	5,996,377	
\$ 18,942,193	\$ 11,073,971	\$ 12,156,207	Total requirements	\$ 11,785,973	\$ 11,785,973	
6.5	6.4	6.5	FTE	6.3	6.3	

Water Operations

The Water Operation program’s primary responsibility is to repair, maintain and expand the water system while providing a high quality, dependable water supply to its customers.

2018-19 Highlights

- Completed annual reporting requirements to the State
- Completed Norton Street Water Line Improvements
- Coordinated and managed testing of all 2,931 active backflow assemblies
- Water Management and Conservation Plan Approved by Water Resource Department
- Implemented on-line backflow test reporting
- Completed Water Infrastructure Facility (WIF) IGA
- Water Use Survey by Oregon Health Authority

2019-20 Goals

- Implement recommended CIP Program (City wide goal – infrastructure)
- Upgrade Supervisory Control Acquisition Data Advisory (SCADA) System (City wide goal – infrastructure)
- Perform preventative maintenance on half of public fire hydrants (City wide goal – infrastructure)
- Provide Uni-Directional flushing program (City wide goal – infrastructure)
- All Backflow Assemblies tested annually (City wide goal – infrastructure)
- Complete Resiliency Update Plan (City wide goal-infrastructure)

Performance Measures

Strategy	Measures	FY17-18 Actual	FY18-19 Projected	FY19-20 Projected
Provide clean and safe water via an efficiently maintained and operated water system	Million gallons of water used City-wide annually	627	715	725
	Million gallons of water flushed to maintain water quality	1.2	1.4	1.4
	Number of reservoirs maintained	3	3	3
	Number of pump stations maintained	2	2	2
	Miles of water lines maintained	83	82	82.5
	Active service connections	6,013	6,054	6,120
	Number of water quality samples taken annually	350	350	350
Assure back flow prevention program is current and meets all requirements	Number of backflow systems installed	2,857	2,931	2,980
	Percentage of backflow systems tested	97.5%	97.1%	100%

FY 2019-20 Water Capital Projects

- WRWTP 20.0 mgd Expansion
- TVWD Capacity Improvements 6.2 to 9.7 mgd
- WGG Capacity Improvements to 6.2 mgd
- Water Management Conservation Plan Update
- Water Treatment Plant Expansion
- Brookman Expansion
- Routine Water Replacement Program
- SCADA System Upgrade
- Generator and Electrical Upgrade
- Resiliency Plan Upgrade
- TEA Expansion Loops
- Norton Avenue Fire Flow
- Seismic Upgrades

For a complete description of these projects, refer to Debt Service & CIP section.

2016-17 Actual	2017-18 Actual	2018-19 Budget		2019-20 Proposed	2018-19 Approved	2019-20 Adopted
\$ 5,273,865	\$ 5,574,165	\$ 5,581,206	RESOURCES			
			Beginning fund balance	\$ 6,783,360	\$ 6,783,360	
			Revenue			
-	-	-	Charges for services	850,000	850,000	
252,157	702,327	591,645	Infrastructure development	466,666	466,666	
68,257	292,073	100,000	Fines, interest and other	150,000	150,000	
320,414	994,400	691,645	Total revenue	1,466,666	1,466,666	
5,594,279	6,568,565	6,272,851	Total resources	8,250,026	8,250,026	
			REQUIREMENTS			
			Expenditures			
			Personal services			
791	2,714	16,656	Salaries and wages	14,301	14,301	
69	225	1,595	Payroll taxes	1,339	1,339	
273	991	6,977	Benefits	6,806	6,806	
1,133	3,930	25,228	Total personal services	22,446	22,446	
			Materials and services			
18,355	101,504	420,219	Professional & technical	-	-	
626	2,026	10,625	Cost Allocation	11,199	11,199	
18,981	103,530	430,844	Total materials & services	11,199	11,199	
			Capital outlay			
-	295,804	2,283,755	Infrastructure	7,342,899	7,342,899	
-	295,804	2,283,755	Total capital outlay	7,342,899	7,342,899	
20,115	403,263	2,739,827	Total expenditures	7,376,544	7,376,544	
5,574,165	6,165,302	-	Ending Fund Balance	-	-	
-	-	3,533,024	Reserved for Future Years	873,482	873,482	
\$ 5,594,279	\$ 6,568,565	\$ 6,272,851	Total requirements	\$ 8,250,026	\$ 8,250,026	
-	0.0	0.1	FTE	0.2	0.2	

Sanitary Fund in Total

The Sanitary fund consists of two programs: operations and capital. The operations program is responsible for ongoing maintenance of the sanitary utility. The capital program is responsible for construction of sanitary infrastructure.

2016-17 Actual	2017-18 Actual	2018-19 Budget		2019-20 Proposed	2018-19 Approved	2019-20 Adopted
\$ 3,227,588	\$ 3,292,842	\$ 2,746,140	RESOURCES			
			Beginning fund balance	\$ 3,027,598	\$ 3,027,598	
			Revenue			
1,129	2,678	1,000	Intergovernmental	1,000	1,000	
677,285	680,741	703,000	Charges for services	712,030	712,030	
29,869	209,716	128,378	Infrastructure development	69,253	69,253	
39,623	57,826	39,400	Fines, interest and other	86,111	86,111	
747,905	950,961	871,778	Total revenue	868,394	868,394	
3,975,493	4,243,803	3,617,918	Total resources	3,895,992	3,895,992	
			REQUIREMENTS			
			Expenditures			
			Personal services			
170,972	155,417	236,565	Salaries and wages	228,944	228,944	
15,477	14,541	24,689	Payroll taxes	22,821	22,821	
71,533	61,023	89,077	Benefits	99,894	99,894	
257,981	230,980	350,331	Total personal services	351,659	351,659	
			Materials and services			
62,834	36,050	50,620	Professional & technical	113,456	113,456	
3,468	1,100	2,700	Facility and equipment	3,100	3,100	
85,618	99,711	108,019	Other purchased services	117,587	117,587	
12,916	6,926	15,400	Supplies	15,150	15,150	
3,731	1,275	9,500	Minor equipment	8,500	8,500	
-	507,435	-	Other materials & services	-	-	
131,271	139,484	206,385	Cost Allocation	137,258	137,258	
299,836	791,981	392,624	Total materials & services	395,051	395,051	
			Capital outlay			
124,834	215,525	460,850	Infrastructure	956,475	956,475	
-	-	17,000	Furniture and equipment	-	-	
124,834	215,525	477,850	Total capital outlay	956,475	956,475	
682,651	1,238,486	1,220,805	Total expenditures	1,703,185	1,703,185	
3,292,842	3,005,317	-	Ending Fund Balance	-	-	
-	-	35,670	Contingency	37,157	37,157	
-	-	195,510	Reserved for Future Years - Fleet	225,510	225,510	
-	-	310,116	Reserved for Future Years - Ops	642,431	642,431	
-	-	1,855,817	Reserved for Future Years - Cap	1,287,709	1,287,709	
\$ 3,975,493	\$ 4,243,803	\$ 3,617,918	Total requirements	\$ 3,895,992	\$ 3,895,992	

Sanitary Operations

2016-17 Actual	2017-18 Actual	2018-19 Budget		2019-20 Proposed	2018-19 Approved	2019-20 Adopted
\$ 552,598	\$ 727,883	\$ 740,314	RESOURCES			
			Beginning fund balance	\$ 889,516	\$ 889,516	
1,129	2,678	1,000	Revenue			
677,285	680,741	703,000	Intergovernmental	1,000	1,000	
6,380	19,587	9,400	Charges for services	712,030	712,030	
684,794	703,006	713,400	Fines, interest and other	30,111	30,111	
			Total revenue	743,141	743,141	
1,237,392	1,430,889	1,453,714	Total resources	1,632,657	1,632,657	
			REQUIREMENTS			
			Expenditures			
154,625	142,986	207,837	Personal services			
14,106	13,518	21,937	Salaries and wages	182,411	182,411	
65,288	54,965	77,158	Payroll taxes	18,843	18,843	
234,019	211,469	306,932	Benefits	76,084	76,084	
			Total personal services	277,338	277,338	
33,326	28,787	50,620	Materials and services			
3,468	1,100	2,700	Professional & technical	113,456	113,456	
85,482	99,711	108,019	Facility and equipment	3,100	3,100	
12,916	6,926	15,400	Other purchased services	117,587	117,587	
3,731	1,275	9,500	Supplies	15,150	15,150	
115,977	127,321	173,114	Minor equipment	8,500	8,500	
254,899	265,120	359,353	Cost Allocation	102,428	102,428	
			Total materials & services	360,221	360,221	
20,593	33,900	229,133	Capital outlay			
-	-	17,000	Infrastructure	90,000	90,000	
20,593	33,900	246,133	Furniture and equipment	-	-	
			Total capital outlay	90,000	90,000	
509,510	510,489	912,418	Total expenditures	727,559	727,559	
727,883	920,400	-	Ending Fund Balance	-	-	
-	-	35,670	Contingency	37,157	37,157	
-	-	195,510	Reserved for Future Years - Fleet	225,510	225,510	
-	-	310,116	Reserved for Future Years	642,431	642,431	
\$ 1,237,392	\$ 1,430,889	\$ 1,453,714	Total requirements	\$ 1,632,657	\$ 1,632,657	
2.7	2.5	3.3	FTE	2.8	2.8	

Sanitary Operations

The Sanitary Operations program manages and operates over 61 miles of pipe ranging in size from 6”-21” in the wastewater collection system in the city limits of Sherwood. The Sanitary Operations program maintains and operates a safe and reliable wastewater collection system that protects public health, protects the environment, and meets or exceeds all regulatory standards.

2018-19- Highlights

- Met all required CWS performance measures
- Cleaned 91,560 feet of sanitary main lines, ¼ of our Sanitary System
- Videoed 54,140 feet of sanitary main lines, 1/8th of our Sanitary System
- Completed brushing and posting program
- Completed annual inspections at City businesses to ensure Fat Oil and Grease (FOG) compliance
- Provide semi-annual cleaning of sanitary sewer mainlines which are inherent to FOG from our food establishments

2019-20 Goals

- Meet CWS performance measures (City-wide Value – Community Partnerships)
- Continue to increase public awareness of FOG (City-wide Goal – Infrastructure)
- No sanitary sewer overflows (City-wide Goal – Infrastructure)

Performance Measures

Strategy	Measures	FY17-18 Actual	FY18-19 Projected	FY19-20 Projected
Scheduled maintenance of wastewater infrastructure	Total feet of sanitary lines	320,373	318,770	320,000
	Percentage of lines cleaned	37%	29%	25%
	Percentage of lines video inspected	17%	17%	13%
	Number of overflows or backups	0	0	0
	Percentage of businesses inspected and in compliance with City’s FOG Program	100%	100%	100%
	Percentage of manholes inspected	98	50	50

FY 2019-20 Sanitary Capital Projects

- Old Town Mid-block Sanitary Sewer Point Repair
- Galbreath Sanitary Sewer Extension
- Rock Creek Trunk Capacity Upgrade, Phase I

For a complete description of these projects, refer to Debt Service & CIP section.

2016-17 Actual	2017-18 Actual	2018-19 Budget		2019-20 Proposed	2018-19 Approved	2019-20 Adopted
			RESOURCES			
\$ 2,674,990	\$ 2,564,960	\$ 2,005,826	Beginning fund balance	\$ 2,138,082	\$ 2,138,082	
-	-	-	Revenue			
29,869	209,716	128,378	Charges for services	-	-	
33,242	38,239	30,000	Infrastructure development	69,253	69,253	
63,111	247,955	158,378	Fines, interest and other	56,000	56,000	
			Total revenue	125,253	125,253	
2,738,101	2,812,915	2,164,204	Total resources	2,263,335	2,263,335	
			REQUIREMENTS			
			Expenditures			
			Personal services			
16,347	12,431	28,728	Salaries and wages	46,533	46,533	
1,371	1,023	2,752	Payroll taxes	3,978	3,978	
6,244	6,057	11,919	Benefits	23,810	23,810	
23,962	19,511	43,399	Total personal services	74,321	74,321	
			Materials and services			
29,508	7,264	-	Professional & technical	-	-	
136	-	-	Other purchased services	-	-	
-	507,435	-	Other materials & services	-	-	
15,294	12,162	33,271	Cost Allocation	34,830	34,830	
44,938	526,861	33,271	Total materials & services	34,830	34,830	
			Capital outlay			
104,241	181,625	231,717	Infrastructure	866,475	866,475	
104,241	181,625	231,717	Total capital outlay	866,475	866,475	
173,141	727,997	308,387	Total expenditures	975,626	975,626	
2,564,960	2,084,918	-	Ending Fund Balance	-	-	
-	-	1,855,817	Reserved for Future Years	1,287,709	1,287,709	
\$ 2,738,101	\$ 2,812,915	\$ 2,164,204	Total requirements	\$ 2,263,335	\$ 2,263,335	
0.2	0.2	0.3	FTE	0.5	0.5	

Stormwater Fund in Total

The Stormwater fund consists of two programs: operations and capital. The operations program is responsible for ongoing maintenance of the stormwater utility. The capital program is responsible for construction of stormwater infrastructure.

2016-17 Actual	2017-18 Actual	2018-19 Budget		2019-20 Proposed	2018-19 Approved	2019-20 Adopted
(restated)			RESOURCES			
\$ 3,105,420	\$ 3,750,726	\$ 4,098,357	Beginning fund balance	\$ 4,723,006	\$ 4,723,006	
			Revenue			
1,860,547	1,839,189	1,923,499	Charges for services	2,369,023	1,969,023	
25,620	47,034	100,797	Infrastructure development	38,986	38,986	
38,483	85,833	32,000	Fines, interest and other	160,000	160,000	
1,924,650	1,972,055	2,056,296	Total revenue	2,568,009	2,168,009	
			Other sources			
-	-	34,800	Transfers in	-	-	
-	465	-	Sale of fixed assets	-	-	
-	465	34,800	Total other sources	-	-	
5,030,070	5,723,246	6,189,453	Total resources	7,291,015	6,891,015	
			REQUIREMENTS			
			Expenditures			
			Personal services			
250,802	302,489	371,478	Salaries and wages	517,776	517,776	
23,478	28,366	40,112	Payroll taxes	62,617	62,617	
98,793	111,707	140,991	Benefits	202,769	202,769	
373,074	442,563	552,581	Total personal services	783,162	783,162	
			Materials and services			
76,570	55,688	121,400	Professional & technical	95,139	95,139	
27,550	24,778	23,100	Facility and equipment	93,640	93,640	
121,335	124,130	133,405	Other purchased services	143,717	143,717	
28,641	51,130	70,400	Supplies	84,350	84,350	
6,049	1,275	10,000	Minor equipment	10,000	10,000	
424	-	-	Other materials & services	-	-	
236,250	292,454	457,279	Cost Allocation	508,440	508,440	
496,820	549,454	815,584	Total materials & services	935,286	935,286	
			Capital outlay			
409,451	241,954	1,679,228	Infrastructure	1,167,726	1,167,726	
-	-	17,000	Furniture and equipment	-	-	
409,451	241,954	1,696,228	Total capital outlay	1,167,726	1,167,726	
1,279,345	1,233,970	3,064,393	Total expenditures	2,886,174	2,886,174	
3,750,726	4,489,276	-	Ending Fund Balance	-	-	
-	-	77,425	Contingency	82,451	82,451	
-	-	82,103	Reserved for Future Years - Fleet	-	-	
-	-	2,303,988	Reserved for Future Years - Ops	3,440,966	3,440,966	
-	-	661,544	Reserved for Future Years - Cap	881,424	481,424	
\$ 5,030,070	\$ 5,723,246	\$ 6,189,453	Total requirements	\$ 7,291,015	\$ 6,891,015	

Budget Detail

Stormwater Operations

Stormwater Operations

2016-17 Actual	2017-18 Actual	2018-19 Budget		2019-20 Proposed	2018-19 Approved	2019-20 Adopted
\$ 2,522,103	\$ 3,004,240	\$ 2,950,127	RESOURCES			
			Beginning fund balance	\$ 3,453,182	\$ 3,453,182	
			Revenue			
1,460,547	1,439,189	1,523,499	Charges for services	1,569,023	1,569,023	
30,926	71,164	25,000	Fines, interest and other	80,000	80,000	
1,491,473	1,510,352	1,548,499	Total revenue	1,649,023	1,649,023	
			Other sources			
-	-	34,800	Transfers in	-	-	
-	465	-	Sale of fixed assets	-	-	
-	465	34,800	Total other sources	-	-	
4,013,576	4,515,057	4,533,426	Total resources	5,102,205	5,102,205	
			REQUIREMENTS			
			Expenditures			
			Personal services			
232,022	295,541	344,075	Salaries and wages	459,548	459,548	
22,016	27,794	37,481	Payroll taxes	57,600	57,600	
91,505	108,140	128,090	Benefits	171,115	171,115	
345,543	431,475	509,646	Total personal services	688,263	688,263	
			Materials and services			
58,893	44,107	121,400	Professional & technical	95,139	95,139	
27,550	24,778	23,100	Facility and equipment	93,640	93,640	
121,202	124,130	133,405	Other purchased services	143,717	143,717	
28,640	51,132	70,400	Supplies	84,350	84,350	
6,049	1,275	10,000	Minor equipment	10,000	10,000	
220,389	286,065	424,231	Cost Allocation	463,679	463,679	
462,723	531,486	782,536	Total materials & services	890,525	890,525	
			Capital outlay			
201,069	229,036	760,728	Infrastructure	-	-	
-	-	17,000	Furniture and equipment	-	-	
201,069	229,036	777,728	Total capital outlay	-	-	
1,009,335	1,191,997	2,069,910	Total expenditures	1,578,788	1,578,788	
			Ending Fund Balance	-	-	
3,004,241	3,323,061	-	Contingency	82,451	82,451	
-	-	77,425	Reserved for Future Years - Fleet	-	-	
-	-	82,103	Reserved for Future Years	3,440,966	3,440,966	
-	-	2,303,988	Total requirements	\$ 5,102,205	\$ 5,102,205	
\$ 4,013,576	\$ 4,515,057	\$ 4,533,426				
4.2	5.4	5.6	FTE	7.5	7.5	

Stormwater Operations

The Stormwater Operations program provides a safe and reliable Stormwater system and implements watershed protection and restoration actions that consistently promote surface water quality and stream health.

2018-19 Highlights

- Cleaned 56,000 feet of Stormwater main lines
- Cleaned/inspected 1795 catch basins
- Cleaned 83 water quality manholes semi-annually
- Treated 1,744 catch basins for prevention of West Nile Virus
- Completed leaf curbside pickup for all public city streets and held 1 leaf drop off date at Public Works facility; collecting 1,000 yards of leaves
- Planted 1,260 trees
- Completed monthly street sweeping

2019-20 Goals

- Meet CWS Performance Standards (City-wide Value – Community Partnerships)
- All private water quality facilities (WQF) are operational (City-wide Goal – Infrastructure)
- Perform monthly street sweeping (City-wide Goal – Infrastructure), continue to provide extra sweeping schedule to Tualatin-Sherwood Rd and downtown streets
- Retro-fit ten (10) unsumped catch basins to sumped (City-wide Goal – Infrastructure)
- Rehabilitate three (3) public WQF’s, continue to increase % of functional facilities (City-wide Goal – Infrastructure)

Performance Measures

Strategy	Measures	FY17-18 Actual	FY18-19 Projected	FY19-20 Projected
Scheduled maintenance of Stormwater infrastructure	Total feet of Stormwater lines	340,470	336,567	338,000
	Percentage of system videoed	13%	13%	13%
	Percentage of Stormwater lines cleaned	17%	17%	17%
	Total number of sumped catch basins	1,716	1,744	1,775
	Percentage of catch basins cleaned	102	100	100
	Number of WQFs rehabilitated/enhanced	2	8	3

FY2019-20 Stormwater Capital Projects

- 2nd and Park Street Stormwater Facility Rehab
- Oregon Street Regional Water Quality Facility
- Murdock apartment Swale
- Citywide Catch Basin Remediation Program
- May Court Drainage
- Woodhaven Swales
- Water Quality Facility Refurbishments

For a complete description of these projects, refer to Debt Service & CIP section.

2016-17 Actual	2017-18 Actual	2018-19 Budget		2019-20 Proposed	2018-19 Approved	2019-20 Adopted
\$ 583,317	\$ 746,486	\$ 1,148,230	RESOURCES			
			Beginning fund balance	\$ 1,269,824	\$ 1,269,824	
			Revenue			
400,000	400,000	400,000	Charges for services	800,000	400,000	
25,620	47,034	100,797	Infrastructure development	38,986	38,986	
7,557	14,669	7,000	Fines, interest and other	80,000	80,000	
433,177	461,703	507,797	Total revenue	918,986	518,986	
1,016,494	1,208,188	1,656,027	Total resources	2,188,810	1,788,810	
			REQUIREMENTS			
			Expenditures			
			Personal services			
18,780	6,949	27,403	Salaries and wages	58,228	58,228	
1,462	572	2,631	Payroll taxes	5,017	5,017	
7,289	3,567	12,901	Benefits	31,654	31,654	
27,531	11,088	42,935	Total personal services	94,899	94,899	
			Materials and services			
17,677	11,581	-	Professional & technical	-	-	
133	-	-	Other purchased services	-	-	
424	-	-	Other materials & services	-	-	
15,861	6,388	33,048	Cost Allocation	44,761	44,761	
34,096	17,970	33,048	Total materials & services	44,761	44,761	
			Capital outlay			
208,382	12,918	918,500	Infrastructure	1,167,726	1,167,726	
208,382	12,918	918,500	Total capital outlay	1,167,726	1,167,726	
			Total expenditures	1,307,386	1,307,386	
			Ending Fund Balance	-	-	
746,485	1,166,213	-	Reserved for Future Years	881,424	481,424	
-	-	661,544	Total requirements	\$ 2,188,810	\$ 1,788,810	
\$ 1,016,494	\$ 1,208,188	\$ 1,656,027				
0.4	0.1	0.4	FTE	0.7	0.7	

Broadband Fund

The Broadband fund supports the communication needs of the City, local businesses, school district, and residents. Services within this utility are primarily sold and managed through third party service providers. Currently there are over 70 sites within this network and over 100 miles of fiber optic cable. Broadband also supports economic development within Sherwood and the surrounding area.

2016-17 Actual	2017-18 Actual	2018-19 Budget		2019-20 Proposed	2018-19 Approved	2019-20 Adopted
\$ 279,214	\$ 435,873	\$ 368,663	RESOURCES			
			Beginning fund balance	\$ 358,396	\$ 358,396	
			Revenue			
-	-	12,750	Intergovernmental	-	-	
445,468	447,672	492,576	Charges for services	577,080	577,080	
4,073	11,328	156,000	Fines, interest and other	8,000	8,000	
449,541	459,000	661,326	Total revenue	585,080	585,080	
728,756	894,873	1,029,989	Total resources	943,476	943,476	
			REQUIREMENTS			
			Expenditures			
			Personal services			
54,423	78,760	90,044	Salaries and wages	129,320	129,320	
4,582	6,614	7,702	Payroll taxes	10,644	10,644	
21,345	36,358	39,472	Benefits	63,309	63,309	
80,350	121,733	137,218	Total personal services	203,273	203,273	
			Materials and services			
24,347	40,534	33,500	Professional & technical	12,500	12,500	
104,113	122,148	137,790	Facility and equipment	121,340	121,340	
4,316	18,738	27,175	Other purchased services	56,450	56,450	
20,854	6,959	25,000	Supplies	25,000	25,000	
14,569	23,067	5,000	Minor equipment	5,000	5,000	
33,901	52,968	47,688	Cost Allocation	69,193	69,193	
202,101	264,413	276,153	Total materials & services	289,483	289,483	
			Capital outlay			
-	35,305	-	CWIP	-	-	
-	10,778	360,000	Infrastructure	100,000	100,000	
-	42,005	-	Vehicles	-	-	
10,430	-	40,000	Furniture and equipment	55,000	55,000	
10,430	88,088	400,000	Total capital outlay	155,000	155,000	
292,882	474,234	813,371	Total expenditures	647,756	647,756	
			Other uses			
-	3,000	-	Transfers out	-	-	
-	3,000	-	Total other uses	-	-	
435,873	417,639	-	Ending Fund Balance	-	-	
-	-	2,542	Contingency	58,508	58,508	
-	-	214,076	Reserved for Future Years	237,212	237,212	
\$ 728,755	\$ 894,873	\$ 1,029,989	Total requirements	\$ 943,476	\$ 943,476	
0.6	0.8	0.8	FTE	1.1	1.1	

Broadband

The Broadband fund supports the communication needs of the City, local businesses, school district, and residents. Services within this utility are sold directly or through third party service providers. Currently there are over 70 sites within this network and over 100 miles of fiber optic cable.

Broadband also supports economic development within Sherwood and the surrounding area.

2018-19 Highlights

- Built fiber down Herman Rd and connected it to our cable on Cipole
- Overbuilt the fiber cable running between City Hall and Police
- Made a significant repair on our Hwy 99w cable, replacing 7,000 feet of cable
- Moved the Sherwood Broadband core equipment to a new room with more space
- Installed residential fiber and equipment for pilot project
- Installed and configured residential network equipment
- Installed and configured new routers and switches
- Completed first phase of our SalesForce.com implementation
- Acquired 5 new customers, generating over \$13k in new revenue
- Submitted a grant application to the USDA seeking funding for a rural broadband fiber build

2019-20 Goals

- Implement a marketing strategy for business and residential
- Implement billing functionality into our sales and customer tracking system
- Continue the residential service proof of concept
- Expand fiber footprint in Newberg
- Evaluate bringing fiber construction “in house” by purchasing equipment and hiring staff
- Expand service to other government agencies and school districts
- Expand service to currently unserved business parks in Sherwood if budget allows

Performance Measures

Strategy	Measures	FY17-18 Actual	FY18-19 Projected	FY19-20 Projected
Provide quality broadband services to the business community	Total number of accounts (SBB & Partner)	35	40	45
	Number of new accounts (SBB & Partner)	1	5	5
	Number of accounts lost (SBB & Partner)	0	0	0



Personnel FTE Comparison to Prior Years

	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Actual	Adopted 2018-19 Budget	Proposed 2019-20 Budget	Approved 2019-20 Budget	Adopted 2019-20 Budget
Administration	16.5	18.0	19.1	19.2	16.6	16.3	16.3	
Community Development	12.5	13.4	12.7	13.0	13.6	14.1	14.1	
Public Safety	24.4	26.3	23.8	24.6	27.5	30.0	30.0	
Community Services	15.2	18.8	19.3	20.2	20.8	21.1	21.1	
Public Works Operations	11.8	13.0	12.6	12.6	12.0	12.4	12.4	
General Fund Total	80.4	89.5	87.5	89.5	90.5	93.9	93.9	
Water Operations	6.9	7.5	6.5	6.4	6.5	6.3	6.3	
Water Capital	-	-	-	0.0	0.1	0.2	0.2	
Water Fund Total	6.9	7.5	6.5	6.5	6.6	6.5	6.5	
Sanitary Operations	2.7	2.9	2.7	2.5	3.3	2.8	2.8	
Sanitary Capital	0.2	0.3	0.2	0.2	0.3	0.5	0.5	
Sanitary Fund Total	2.9	3.2	2.9	2.7	3.6	3.3	3.3	
Storm Operations	3.5	4.3	4.2	5.4	5.6	7.5	7.5	
Storm Capital	0.4	0.6	0.4	0.1	0.4	0.7	0.7	
Storm Fund Total	3.9	4.9	4.6	5.5	6.0	8.2	8.2	
Grants								
Street Operations	3.2	3.7	4.0	3.6	4.6	5.2	5.2	
Street Capital	0.2	0.4	0.4	0.2	0.4	0.8	0.8	
General Construction	0.3	0.8	0.4	0.3	0.5	0.5	0.5	
Broadband	0.3	0.1	0.6	0.8	0.8	1.1	1.1	
URA Operations	0.3	0.7	1.0	1.0	0.5	0.5	0.5	
URA Capital	0.7	0.1	-	-	-	-	-	
Total	100.1	110.9	107.9	110.0	113.5	120.0	120.0	

Changes to personnel for Proposed FY19-20

Administration	
Legal and Finance Administrative Assistant	(1.0)
Court Clerk	1.0
Community Development	
Economic Development Manager	1.0
Public Safety	
PD Admin	1.0
Sgt (mid-year fill)	0.5
Detective	1.0
Public Works-Facilities	
Emergency Management Coordinator	0.5
Streets	
Maintenance Worker II	1.0
Storm	
Maintenance Worker II	1.0
Maintenance Worker I (seasonal)	0.5
	<u>6.5</u>

Management/Supervisory/Confidential (Effective July 1, 2019)

Position	Group Range	Minimum Hourly	Maximum Hourly	Minimum Monthly	Maximum Monthly
Admin Asst III – Confidential Legal and Financial Assistant Payroll Financial Specialist	1100N	\$25.58	\$32.05	\$4,381	\$5,556
Executive Assistant	1200N	\$27.30	\$34.62	\$4,732	\$6,001
Business Systems Analyst Fleet Supervisor Court Supervisor	1300N	\$30.30	\$38.43	\$5,253	\$6,661
PW Program Analyst Systems Administrator Adult Community Center Manager	1400N	\$32.42	\$41.12	\$5,621	\$7,127
Accounting Supervisor Art Center Manager PW Utility Supervisor Engineering Associate II Recreation Supervisor Human Resources Analyst Emergency Management Coordinator	1500N	\$35.02	\$44.41	\$6,070	\$7,697
Civil Engineer Library Operations Supervisor PW Operations Supervisor Senior IT Analyst	1600N	\$38.17	\$48.40	\$6,616	\$8,390
City Recorder Planning Manager Economic Development Manager Police Sergeant Senior Network Engineer	1700N	\$41.22	\$52.27	\$7,145	\$9,061
Building Official Library Manager Utility Manager	1800N	\$43.70	\$55.41	\$7,574	\$9,605
City Engineer Police Captain	1900N	\$49.81	\$63.17	\$8,634	\$10,949
IT Director Community Develop Director Finance Director Public Works Director Community Services Director	2000N	\$56.29	\$71.38	\$9,757	\$12,373
Police Chief Assistant City Manager	2100N	\$59.67	\$75.66	\$10,342	\$13,115
Municipal Judge City Attorney City Manager	Contract Employees				

SPOA/AFSCME (Effective July 1, 2019)

SPOA Represented	Group Range	Minimum Hourly	Maximum Hourly	Minimum Monthly	Maximum Monthly
Police Officer		\$28.99	\$37.00	\$5,024	\$6,413
Community Services Officer (CSO)		\$26.83	\$34.24	\$4,649	\$5,734
AFSCME Represented					
Library Page Recreation Assistant	500	\$13.67	\$17.33	\$2,369	\$3,004
No current positions	600	\$15.72	\$19.93	\$2,725	\$3,558
Library Asst. I Admin Asst. I	700	\$17.29	\$21.92	\$2,997	\$3,914
Admin Asst II Library Asst II Maintenance Worker I	800	\$19.88	\$25.21	\$3,445	\$4,501
City Records Technician Engineering Tech I Finance Tech I Court Clerk I Permit Specialist Planning Technician Kitchen Coordinator Recreation Specialist Utility Billing Technician	900	\$21.67	\$28.31	\$3,756	\$4,906
Police Records Specialist Maintenance Worker II	1000	\$23.41	\$29.68	\$4,057	\$5,145
Court Clerk II Engineering Tech II Engineering Program Associate Finance Tech II Lead Permit Specialist Lead Utility Billing Tech Librarian I Maintenance Worker III Mechanic Planning Coordinator Program and Event Coordinator City Volunteer Coordinator	1100	\$25.28	\$32.05	\$4,381	\$5,556
Asset Management Specialist Assistant Planner Code Compliance/Evidence Tech Lead Maintenance Worker	1200	\$27.30	\$34.62	\$4,732	\$6,001
Accountant Associate Planner Engineering Associate I Environmental Program Coordinator GIS Programmer/Analyst Librarian II Technical Services Librarian	1300	\$30.30	\$38.43	\$5,253	\$6,661
No current positions	1400	\$32.42	\$41.12	\$5,620	\$7,127
Senior Planner	1500	\$35.02	\$44.41	\$6,070	\$7,697

Overview of Financial Policies

Purpose

In order to carry out the mission of the City of Sherwood and support the City's values, this set of financial policies has been created by the City of Sherwood.

The purpose of these financial policies is to provide a cohesive long term approach to financial management of the City of Sherwood. These policies establish a means for guiding today's financial decisions in order to achieve the mission of the City of Sherwood in a manner that reflects the City's values.

Goal

The goal of these policies is to provide the financial stability needed to navigate through economic changes, adjust to changes in the service requirements of the community and respond to other changes as they affect the City's residents.

Responsibilities

1. **Stewardship:** The City of Sherwood is a steward of public funds. These funds are entrusted to the City through the payment of taxes, fees, and fund transfers from other governments. The City of Sherwood is responsible for using all funds efficiently and effectively and for the purposes for which they were intended.
2. **Asset Protection:** The assets of the City of Sherwood exist in a variety of forms. All these assets must be protected through an effective accounting and internal control System. The System must track assets and document the costs of acquisition, maintenance, and replacement.
3. **Legal Conformance:** The City of Sherwood is subject to federal, state, and local statutes and rules regarding purchasing, entering into debt, budgeting, accounting, and auditing: regulations that govern virtually all financial transactions. The City also voluntarily enters into contracts which include significant financial and operational covenants. The City of Sherwood is responsible for conforming to laws, rules, and covenants to which it is subject.
4. **Standards:** The Government Finance Officers Association (GFOA) and the Governmental Accounting Standards Board (GASB) set polices and guidelines for public sector accounting and financial reporting. The City of Sherwood is responsible for adhering to the requirements of these organizations and for seeking guidance from policies, standards and best practices set forth by these organizations.
5. **Authority:** The Sherwood City Council is the sole authority for deleting, modifying, or adding to these policies. Every two years, the Council shall engage the Budget Committee to review and update these policies.

Policy 1 - Funds

1. The City of Sherwood will maintain an orderly and logical fund structure that provides stakeholders with ready access to financial information.
2. The City of Sherwood will conform to Generally Accepted Accounting Principles (GAAP) and the Government Finance Officers Association's best practices for establishing and maintaining funds.
3. The City of Sherwood will establish and maintain those funds required by law and sound financial administration. Acknowledging that unnecessary funds result in inflexibility, complexity, and inefficient financial administration, only the minimum number of funds consistent with legal and operating requirements will be established.
4. The criteria for establishing a new fund are variable, but include triggers such as:
 - a. Inauguration of a new dedicated revenue stream and a concurrent service
 - b. The need for increased clarity of financial information
 - c. The establishment of a new enterprise
 - d. Covenants embodied in financing agreements and
 - e. Changes in state law or financial management/accounting standards
5. Only the Sherwood City Council has the authority to create or delete funds. The Council shall create or delete funds by resolution.

Policy 2 - Budgeting

1. The City of Sherwood budget process shall consist of activities that encompass the development, implementation, and evaluation of a plan for the provision of services and capital assets.
2. The purpose of the budget process is to help decision makers make informed choices about the provision of services and capital assets and to promote stakeholder participation in the process.
3. The City of Sherwood budget process shall:
 - a. Incorporate a long term perspective (minimum three fiscal years)
 - b. Establish linkages to broad organizational goals
 - c. Focus budget decisions on results and outcomes
 - d. Involve and promote effective communication with stakeholders
4. All budgetary procedures will conform to existing state and local regulations. Oregon budget law requires each local government to prepare a balanced budget and Oregon Administrative Rules state:
 - a. The budget must be constructed in such a manner that the total resources in a fund equal the total of expenditures and requirements for that fund, and
 - b. The total of all resources of the municipality must equal the total of all expenditures and all requirements for the municipality.
5. A cost allocation plan will be developed and incorporated into the City of Sherwood budget. The cost allocation plan will be the basis for distribution of general government and internal service costs to other funds, divisions, and capital projects.
6. The Sherwood City Council shall adopt the budget at the fund, division, or program level (as appropriate to each fund) as a total dollar amount for all appropriations except contingency, unappropriated ending fund balance and reserves, which shall be stated separately.
7. Inter-fund Transfers shall be kept to a minimum. Inter-fund loans shall be documented in a resolution that cites the terms of the loan.
8. As part of the annual budget process, the City of Sherwood will maintain a three-year revenue and expenditure forecast. This forecast will be created using an objective, analytical process incorporating applicable projections from the State of Oregon's latest Economic Forecast and conservative assumptions where State developed data is not available. Revenues will be estimated realistically and prudently using best practices as defined by the Government Finance Officers Association. Revenues shall be forecasted conservatively.

Policy 2 – Budgeting (Continued)

9. Oregon budget law provides a means to adjust the budget for emergency expenditures or unforeseen circumstances. All resolutions adjusting the budget will be prepared by the Finance department for City Council approval to ensure compliance with budget laws.
10. Prior to submittal to City Council, the Budget Officer will convene the Budget Committee to review supplemental budget resolutions. If time does not allow for this action, Budget Committee members shall be informed of the City Council’s action on the resolution promptly.
11. A mid-year review process will be conducted by the City Manager and Finance Director in order to make any necessary adjustments to the Adopted budget.
12. In the City’s effort to strive for excellence, the City of Sherwood will make every effort to obtain the Award for Distinguished Budget Presentation from the Government Finance Officers Association (GFOA).
13. Reports comparing actual to budgeted expenditures will be prepared quarterly by the Finance Department and distributed to the City Council, City Manager and Department Directors.

Policy 3 - Revenue

1. City of Sherwood revenues are either unrestricted or dedicated. Unrestricted revenues can be used for any purpose. Dedicated revenues are restricted in the ways they can be used by federal or state regulations, contractual obligations, or by City Council action. The City of Sherwood will adhere to the restrictions applied to dedicated revenues.
2. The City of Sherwood will maintain a diversified revenue stream that is managed strategically to mitigate the impact of short term fluctuations in any revenue source.
3. The City of Sherwood will identify sustainable revenue levels and, to the extent possible, current operations will be funded by current sustainable revenues.
4. One-time revenues will be used for one-time expenditures or as contributions to reserves and will not be used to pay for established services.
5. The City of Sherwood will not respond to long-term revenue shortfalls with deficit financing and borrowing to support established services. Expenses will be reduced and/or revenues will be increased to conform to the long-term revenue forecasts.
6. During the budget process, the Sherwood City Council will identify those programs which are to be supported in whole or in part by cost recovery and ensure that revenue collections reflect the cost of providing associated services by adjusting fees accordingly.
7. The City of Sherwood will charge fees for services where such an approach is permissible, and where a limited and specific group of beneficiaries who can pay such charges is identifiable.
8. New or expanded unrestricted revenue streams should first be applied to support existing programs. When existing programs are adequately funded, such revenue may be used as contributions to reserves or to fund new or expanded programs.

Policy 4 - Expenditures**Controls**

1. By resolutions, the City Council will establish a purchasing policy that conforms to state statutory requirements for purchasing and contracting and invests the City Manager with purchasing and contracting authority.
2. By Budget and Supplemental Budget Resolutions, the City Council shall establish and limit expenditure appropriations by statutory categories. The City Manager shall be responsible for limiting expenditures to those appropriation levels.

Specific Expenditures

1. **Personal Services.** Pursuant to the City Charter, the City Manager or designee is responsible for the management of employee staffing and compensation. The City Manager or designee shall negotiate salaries and benefits for represented employee groups in conformance with the Oregon Public Employees Collective Bargaining Act and the Employee Relations Board decisions and arbitration decisions that emanate from the Act.
2. **Capital Improvement Impacts.** Whenever Capital Improvement expenditures will result in increases to future operating expenses or asset replacement contributions, estimates of those impacts shall be incorporated into the long term financial plan.
3. **Capital Outlay.** By resolution, the City Council shall define the characteristics of a capital asset by specifying the minimum purchase price and minimum term of service. The City will provide for adequate maintenance of Capital Assets.
4. **Capital Improvement Plan.** The City Manager or designee will prepare a five-year Capital Improvement Plan (CIP) annually and submit it to the City Council for approval via resolution.

Policy 5 - Revenue Constraints and Fund Balance

Nature of Constraints

The City of Sherwood will maintain the following categories of revenue constraints in conformance with GASB 54. Fund Balances shall be accounted for on the basis of these categories.

1. **Non-spendable.** Assets that are not in a spendable form or are required to be maintained intact.
2. **Restricted.** Cash that can be spent only for specific purposes stipulated by third parties or by statutes. Only the constraining party can lift constraints on Restricted funds.
3. **Committed.** Cash that can be used only as directed by formal action of City Council. Council action may be in the form of a motion or resolution. Only the City Council can lift constraints on committed funds. Such a change must be made using the same action that established the constraint.
4. **Assigned.** Cash the City intends to use for specific purposes. The City Council delegates the authority to create this constraint to the City Manager. In addition, for all funds except the general fund, all cash not in one of the Non-spendable, Restricted, or Committed categories, or specifically assigned under this category will, by default, be assigned to this category.
5. **Unassigned.** General Fund cash that is not otherwise categorized fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications.

Other Considerations

1. **Stabilization.** The purpose of stabilization arrangements is to provide a revenue source to maintain service delivery during periods of diminished revenues. The City may choose to create stabilization arrangements either by creating new funds or dedicating revenues within existing funds. Stabilization arrangements will be created by the City Council and the authorizing legislation shall include the policies on funding and accessing the arrangement.
2. **Order of Use.** If multiple categories of fund balance are applicable to an expenditure, the City shall access funds in the following order: Restricted, Committed, Assigned, Unassigned.
3. **Purpose of Special Revenue Funds.** Special Revenue funds are general government funds created to track the use of dedicated revenues. The City legislation creating a special revenue fund will specify which specific revenues and other resources are authorized to be reported in the fund.
4. **Fund Balance.** Unrestricted fund balance is the sum of Committed, Assigned and Unassigned fund balance in any individual fund. In the General Fund, the City will maintain an Unrestricted fund balance of at least 10% of fund revenue and strive to maintain 20%.

Policy 6 - Continuing Disclosure**Continuing Disclosure In General**

Issuers of municipal securities and entities working on their behalf disclose material information to the marketplace such as annual financial information and material event notices. In December 2008, the Securities and Exchange Commission directed the Municipal Securities Rulemaking Board to establish a continuing disclosure service of the MSRB's Electronic Municipal Market Access (EMMA) system effective July 1, 2009. The continuing disclosure service of EMMA collects continuing disclosure documents from the issuer community and makes them available to the public for free through EMMA.

In conformance with the "Continuing Disclosure Certificate" entered into by the City of Sherwood in bond issuances, the City shall comply with Rule 15c2-12 of the Securities Exchange Act of 1934 (Exchange Act). As noted above, these disclosures generally are divided between submissions made to update financial or operating information about the issuer and notices that disclose the occurrence of specific events that may have an impact on the bonds. These disclosures are described below.

City Responsibility

The Finance Director shall be responsible for adhering to the City's Continuing Disclosure Obligations.

Debt

The City will borrow only to finance capital assets. The City will not borrow for operating purposes.

No bonds will mature more than 20 years from the date of issuance. No debt will be issued with a life exceeding the estimated useful life of the capital assets being financed. The City will limit bonded debt to 3% or less of total assessed value, as required by ORS 287.004. Repayment sources are identified for every debt prior to issuance.

Policy 6 - Continuing Disclosure (continued)**Rule 15c2-12 Disclosures**

Rule 15c2-12 rule requires, for most new offerings of municipal securities, that the following types of information be provided to the MSRB's EMMA system:

1. Financial or operational information
 - a. Annual financial information concerning issuers or other obligated persons, or other financial information and operating data provided by issuers or other obligated persons
 - b. Audited financial statements for issuers or other obligated persons, if available
2. Event Notices
 - a. Principal and interest payment delinquencies
 - b. Non-payment related defaults, if material
 - c. Unscheduled draws on debt service reserves reflecting financial difficulties
 - d. Unscheduled draws on credit enhancements reflecting financial difficulties
 - e. Substitution of credit or liquidity providers, or their failure to perform
 - f. Adverse tax opinions, Internal Revenue Service (IRS) notices or material events affecting the tax status of the security
 - g. Modifications to rights of security holders, if material
 - h. Bond calls, if material
 - i. Tender offers
 - j. Defeasances, release, substitution, or sale of property securing repayment of the securities, if material
 - k. Rating changes
 - l. Bankruptcy, insolvency, receivership or similar event;
 - m. Merger, consolidation, or acquisition, if material; and appointment of a successor or additional trustee, or the change of name of a trustee, if material
 - n. Notices of failures to provide annual financial information on or before the date specified in the written agreement

Adopted Budget - The final budget appropriations approved by the City Council, which becomes the budget of the City.

AFSCME - American Federation of State, County and Municipal Employees. One of the union organizations representing the bargaining employees of the City.

Accrual basis - A method of timing in the recognition of transactions and events. Please see modified accrual basis for the alternative method. Accrual basis records revenue when earned and expenses as soon as a liability is incurred.

Approved Budget - The budget recommended by the Budget Committee for adoption by the City Council.

Appropriation - Authorization to spend a specific amount of money. The City Council gives appropriation authority by adopting the budget.

Assessed value - The value set on real and personal property as a basis for imposing taxes. Assessed values are determined by Washington County.

Budget - A plan of financial operation embodying an estimate of proposed expenditures for a given purpose and/or period. The budget is the financial plan of the City's allocations of the resources to provide services, and to accomplish the City's objectives.

Budget Calendar - Key dates or events which a government follows in the preparation and adoption of the budget.

Budget Committee - A committee required by Oregon Local Budget Law (ORS 294.305) which must recommend a budget and approve the maximum tax levy.

Budget Message - A written explanation of the budget and the City's financial priorities presented to the Budget Committee by the City Manager which is required by Oregon Local Budget Law, ORS 294.

Budget Officer - The Finance Director or other person appointed by the City Council to prepare the proposed budget. This designation is required by Oregon Local Budget Law (ORS 294.305)

CAFR - The Comprehensive Annual Financial Report, the audited report of the City's finances for the fiscal year.

Capital Lease - Lease of a capital asset. The lease may or may not result in the City's ownership of the item at the end of the lease term.

Capital Assets - Items which have a useful life of two or more years and a cost of \$5,000 or more. These include land, infrastructure, buildings, improvements other than buildings, vehicles, and certain furniture and equipment.

Capital Improvement Plan (CIP) - A schedule of planned capital projects and their costs, for three or more years.

Capital Outlay - Expenditures for capital assets. Includes all purchased capital assets. Expenditures for constructed capital projects appear in capital outlay, materials and services, and reimbursements, depending on the nature of the expenditure.

Capital Projects - Projects which purchase or construct capital assets. Typically a capital project encompasses a purchase of land and/or the construction of a building or facility.

COLA - Cost of living. A COLA increases all salaries at all classes and steps by the same percentage.

Contingency - An amount appropriated in anticipation that some operating expenditures will become necessary which cannot be foreseen and planned in the budget.

CWS - Clean Water Services, the regional sewer treatment entity. CWS is a County Service District, defined by ORS 451. The City of Sherwood owns and operates sewer and storm water pumping and transmission facilities; CWS receives and treats the wastewater.

Debt Service - Principal and interest payments on long-term debt.

Division - An organizational unit with a distinct budget.

Department - Units within a division consisting of one or more.

Enterprise Funds - A fund that accounts for operations that are financed and operated in a manner similar to private business enterprises. They are usually self-supporting. The City's enterprise funds are the Water, Sanitary, Storm, and Telecommunications funds.

ESC - Erosion and Sediment Control.

Fiscal Year - The twelve month period to which the operating budget applies. The City's fiscal year is July 1 through June 30.

Franchise Fee - Fees charged to utilities for the use of public right-of-way.

FTE - Full-Time Equivalent - A part-time position converted to the decimal equivalent of a full-time position based on 2,080 hours per year.

Fund - A fiscal and accounting entity, segregating resources for the purpose of carrying on specific activities in accordance with legal restrictions.

Fund Balance - The amount of available, spendable, financial resources in any given fund at a specified date.

GASB - The Governmental Accounting Standards Board, the body that defines generally accepted accounting principles for governments.

General Fund - The City's primary operating fund. There are no restrictions as to the purpose in which the revenues in this fund can be used.

General Obligation Bond (G. O. Bond) - A government pledge of full faith and credit to the repayment of the bonds issued by the government. They are usually issued to pay for general capital improvements.

GFOA - Government Finance Officers Association.

Goal - A statement of direction, purpose or intent based on the needs of the community, generally to be completed in a specified amount of time.

Grant - A donation or contribution by one government unit or organization to another. This is usually made to aid a specified purpose.

Infrastructure - Infrastructure are assets that are immovable and of value only to the City. It includes roads, bridges, curbs and gutters, sidewalks, drainage systems, lighting systems, and water and sewer systems.

Interfund Loan - A loan made by one fund to another and authorized by the City Council.

Levy - The amount of property tax certified by the City Council.

Materials and Services - Expendable items purchased for delivery of services. This includes supplies, repairs, maintenance and replacement parts that are not of capital nature.

Mission - Defines the primary purpose of the City.

Modified Accrual - A method of timing in the recognition of transactions and events. Please see Accrual basis for the alternative method. Modified accrual basis records revenue when earned, if they are collectible within the period or soon enough afterwards to be used to pay liabilities of the period. Expenditures are recorded when a liability is incurred except that debt service payments and other specific accrued liabilities are recognized only when payment is due.

Objective - What we want to accomplish. City-wide objectives are longer term than one year, cross departments, and/or are comprehensive in scope.

Operating Budget - Sources and uses necessary for day-to-day operations.

Ordinance - A formal legislative enactment by the governing body of a municipality. If it is not in conflict with any higher form of law, such as a state statute or constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies.

ORS - Oregon Revised Statutes, laws of the State of Oregon.

PEG - Public, Educational and Governmental Access Channel designations for cable television. Certain franchise fee revenue from cable providers is restricted to the costs of providing such access.

Performance Measure - Data collected to determine how effective or efficient a program is in achieving its objectives.

PERS - Public Employees Retirement System. A State of Oregon defined benefit pension plan to which both employees and employer contribute.

Personal Services - Expenditures for payroll, payroll taxes, and employee benefits.

Project - Projects are distinct, with a definable result, process, and beginning and end. Projects are capital or operating.

Property Tax Levy - Based upon the assessed value of property and is used as the source of monies to pay general obligation debts and to support the general fund.

Proposed Budget – The initial budget appropriations proposed by the City Manager for approval of the Budget Committee and adoption by the City Council.

PSU - Portland State University. The University prepares populations estimates each July 1 for all Oregon Municipalities.

Reserved for Future Years - An amount budgeted, but not appropriated, that is not anticipated to be spent in the fiscal year, but rather carried forward into future fiscal years.

Resolution - An action by the governing body which requires less formality and has a lower legal status than an ordinance.

Resources - Financial resources that are or will be available for expenditure during the fiscal year.

Restricted Revenue - Financial resources that are subject to some level of restriction based on statutory, legislative or council action.

Revenue - The gross receipts and receivables that the City receives such as: tax payments, licenses, fines and forfeitures, grants and interest income.

SFR - Single Family Residential.

System Development Charges (SDC) - Fees charged upon issuance of building permits to offset the cost of infrastructure improvements that are or will be required to provide capacity to serve the development. SDC's are charged for parks, water, sanitary, stormwater, and streets.

SPOA - Sherwood Police Officers' Association union.

Supplemental Budget - Appropriations established to meet the needs not anticipated at the time the budget was proposed.

Transfers - Amounts moved from one fund to finance activities in another fund, with no requirement of repayment.

TRNWR - Tualatin River National Wildlife Refuge. The Refuge lies in and outside the northwest edge of Sherwood.

TSP - Transportation System Plan. A long-range plan for transportation needs and facilities.

TVWD - Tualatin Valley Water District, a regional water supplier.

Unappropriated Ending Fund Balance - An amount set aside in the budget to be used as a cash carryover to the next year's budget; providing the local government with operating cash until tax money is received in November.

Unrestricted Revenue - Revenue that may be used for any legitimate City purpose. Please refer to "restricted revenue".

URA - The City of Sherwood Urban Renewal Agency. The Agency is a municipal corporation distinct from the City. The Sherwood City Council serves as the Board of Directors for the URA, and its budget may be obtained from the City of Sherwood.

URD - The urban renewal district, the geographic area encompassed by the City of Sherwood Urban Renewal Agency.

User Charges - A fee charged for services to a person who directly benefits from the service.

Uses - The ways in which financial resources will be used during the fiscal year.

WCCLS - Washington County Cooperative Library Services. This regional entity receives property taxes from each city in the consortium. The money is used to fund county-wide services such as the circulation software and interlibrary loan. A portion is returned to each city based on a formula that includes circulation, open hours, and other service-related measures.