

SHERWOOD CITY COUNCIL
02-03 BUDGET COMMITTEE MEETING #1
APRIL 17, 2002
HITE HOUSE

1. The meeting was called to order at 6:08 p.m.
2. Roll Call: Council members present*: Mayor Mark Cottle, Council President Keith Mays, and Councilors Sterling Fox, Angela Weeks, Dave Heironimus, and Dennis Durrell. Absent from Council: Thomas Claus. Finance Committee members present*: Mitch Wash, Justin Denton, and Steve Munsterman. Absent from the Finance Committee: Mike Schoen, Paul Stecher and Dave Luman. Present for staff: City Mgr Ross Schultz, City Recorder Chris Wiley, Public Works & Eng. Depts. Dir. Terry Keyes, Human Resources Analyst Amanda Klock, Finance Director Chris Robuck, Systems Administrator Brad Crawford who was excused from the meeting after he completed videotaping the public comments portion of the meeting, Police Chief Bill Middleton, and Public Works Operations Manager Craig Sheldon.

*When the Council, composed of elected representatives, and the Finance Committee, composed of appointed representatives, sit together, they form the Budget Committee.

3. Mr. Wash was elected to serve as chair for the 02/03 Budget Committee. Mr. Munsterman was elected to the Vice Chair.

4. Public Comments:

A. Mr. John Harshbarger, 17059 SW Lynnly Way, said he was testifying on behalf of the Parks Advisory Board. Mr. Harshbarger said he thinks previous budgets have been inadequate to support parks maintenance requirements.

(1) Mayor Cottle asked if the Parks Advisory Board had ever discussed fees for park maintenance. This year the City implemented a portion of that plan by charging fees for players who use the fields. Could the Parks Board make a recommendation to the City Council about whether or not there should be a fee or a levy to support parks maintenance? The Parks Board could take community comments to find out what would be more acceptable, a fee or an operating levy and develop a recommendation as to how much money would be needed and then Council could proceed once there is a recommendation.

(2) Both Mr. Harshbarger and Mr. Dan King, another member of the Parks Board who was also present, said they were agreeable to having the Parks Board study alternatives for financing parks maintenance and bringing their findings to the Council. Mr. Harshbarger said the Parks Board supports what's in the budget although in their opinion that amount of money is the absolute minimum. If the City can't support maintenance for the parks that the City has now then there shouldn't be any future park development or Sherwood will have a whole lot of parks that aren't being properly maintained. Mr. Harshbarger submitted his written statement for the record and it is shown as **Attachment 1** to these minutes.

B. Mr. Daniel King, 21527 SW Roellich Ave, and also a member of the Parks Advisory Board said there is a need to develop standards for maintaining Sherwood parks. The Parks Advisory Board is glad to take on the responsibility to look at funding options for parks maintenance. He looked at the budget. Some of it is difficult to follow. One observation, although he wanted to say he wasn't signaling out any specific department but Multnomah County where he works has only two police dogs and Sherwood, with a much smaller population, also has two police dogs.

5. There being no one else present who wanted to testify, the Public Comment portion of the meeting was closed. There will be one more public comment session, which has been noticed, when the Committee meets to approve the Budget.

6. The City Manager presented a Power Point presentation which is shown as **Attachment 2** to these minutes.

7. Mayor Cottle said the City needs to start looking at ways to increase revenue. The mayor, who is a local business owner himself, said perhaps the cost for a business license should be increased. Presently the City makes about \$75,000 a year on business licenses. What would it take to raise it to \$100,000? The mayor asked staff to see what the City would bring in if the cost of a business license was increased from \$75 to \$100 a year. Councilor Heironimus concurred saying he would like to see a review of all the revenue sources for the City to see what can possibly be increased. Mr. Wash said the Finance Committee would be reviewing the fee schedule soon. Mr. Schultz said the fee schedule review would take place in the August/September timeframe.

8. Ms. Robuck distributed two handouts to the Budget Committee members. The first handout, (presented with these minutes as **Attachment 3**) titled "Cuts That Have Been Made," shows the Budget Committee the items staff already cut from their initial budget plan before bringing the budget forward that's presently before the Committee. The second handout (**Attachment 4**), titled "General Fund Contingency", lists changes that could be considered and which would bring the City up to a healthy contingency fund balance. The rule of thumb for determining a reasonable contingency balance is that it should be 10% of anticipated revenue. Anything less than 5% of revenue should be reviewed closely. Ms. Robuck pointed out that the City typically comes in under Budget every year. Both Mr. Schultz and Ms. Robuck said they would be comfortable with a contingency fund for FY 02-03 in the \$300,000 to \$500,000 range. .

9. Councilor Heironimus asked Ms. Robuck if she could look at other cities' revenue sources so the Budget Committee could see if Sherwood is missing something. Mr. Schultz said he'd already done some of that and had asked for information from the City of Tualatin on how they impose road fees. A road fee could bring in more than enough revenue to take care of Sherwood's streets.

10. The next Budget Committee meeting is scheduled for April 24, 2002, from 6 to 8 p.m. at the Hite house. There will be dinner for the Budget Committee members and critical staff. Items on the agenda for the next meeting are: Capital Projects, Public Works, and Urban Renewal Agency.

11. The Budget Committee meeting adjourned around 7:30 p.m. and a brief Urban Renewal Agency (URA) meeting immediately followed. All those present for the Budget Meeting remained for the URA meeting.

12. Mr. Schultz said presently the URA budget is in transition. Staff will be asking for a lot of flexibility in the URA budget because the Sherwood Urban Renewal Policy Advisory Committee (SURPAC) won't have a lot of the forecasting done before this budget planning season ends. There is no information on revenue or projects yet.

13. The Committee recessed until April 24, 2002 at 6 p.m.

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City of Sherwood
2002-03 Budget Presentation
April 17 , 2002

Agenda

- Elect Chair for this year's budget committee
- Adopt the Budget Calendar
 - - Confirm Public Hearing date
- Deliver the Budget Message
- Budget Document Presented
- Budget Overview
- Committee may open meeting for public comment
Not required, as a Public Hearing is scheduled on a later date.
- Adjourn

City of Sherwood
Parks and Recreation Board

To: Sherwood Budget Committee
Sherwood City Council

Subject: Parks and Recreation Construction and Maintenance Budget for FY 02-03

We have worked closely with City Staff in the development of the long-range construction program and the Public Works - Parks Maintenance Budget for the City's FY 02-03 budget. We believe the budget presented represents the goals of the City and the needs and desires of all of our citizens.

It is the expressed goal of the City to make our parks and recreation facilities a priority. This includes constructing and completing facilities to meet the expanding needs of our residents as well as maintaining these facilities in a safe, useable, and attractive condition.

The 5 year construction program represents a blend of completing master site plans at three of our larger parks, completes Snyder Park and reconstructs two other parks, supports sport field improvements and initiates development of a trails and bike-ways linking recreation and commercial destinations within the city.

We believe prior years budgets have been insufficient to maintain our parks and recreation facilities at an adequate level. This budget request represents increases in maintenance personnel and funding to bring the maintenance level to a minimum acceptable level and support the new facilities being constructed.

We also wish to support the open-space management program. This very necessary program has the potential to partner with outside groups thus leveraging limited resources.

In closing, we believe this budget request supports the expressed goals of making parks and recreation facilities a priority. It presents a balanced construction program and a maintenance funding to adequately support the facilities within the city.

Budget Calendar of Events

- | | |
|--------------------------------------|----------|
| • Budget Committee Workshop | April 3 |
| • Proposed Budget Delivered | April 17 |
| • Capital – Engineering – URA | April 24 |
| • Public Works – Police – Library | May 1 |
| • Planning – Council – Admin | May 8 |
| • Open Date | May 15 |
| • Approved Document To Council | May 23 |
| • Public Hearing and Budget Adoption | June 11 |

Agenda

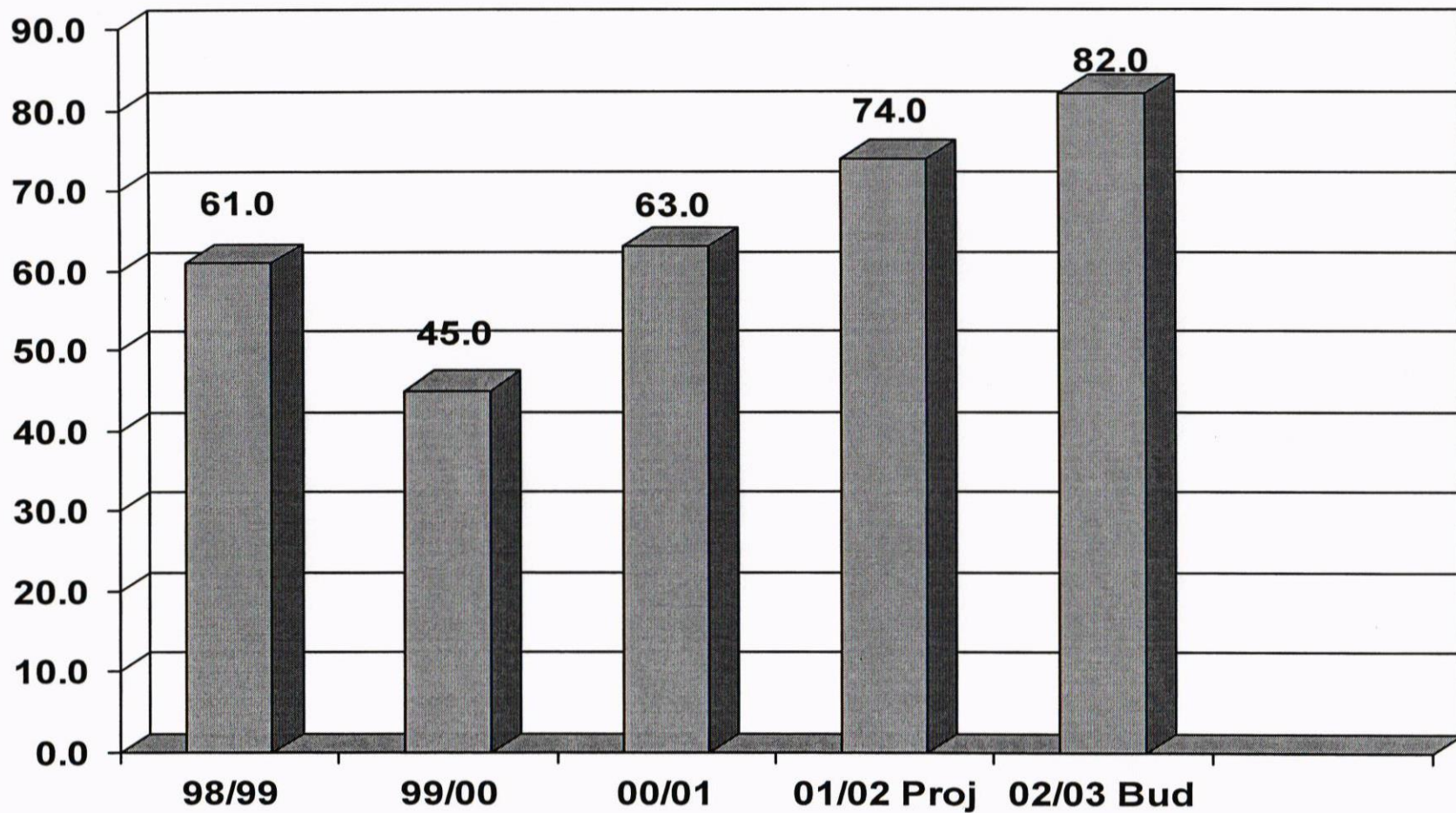
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2002 – 2003 Budget Message

- It's a balanced Budget.
- Human Resources are a concern
- General Fund is a Concern
- Capital Costs are going to Triple
- Urban Renewal will begin in Earnest in 02-03

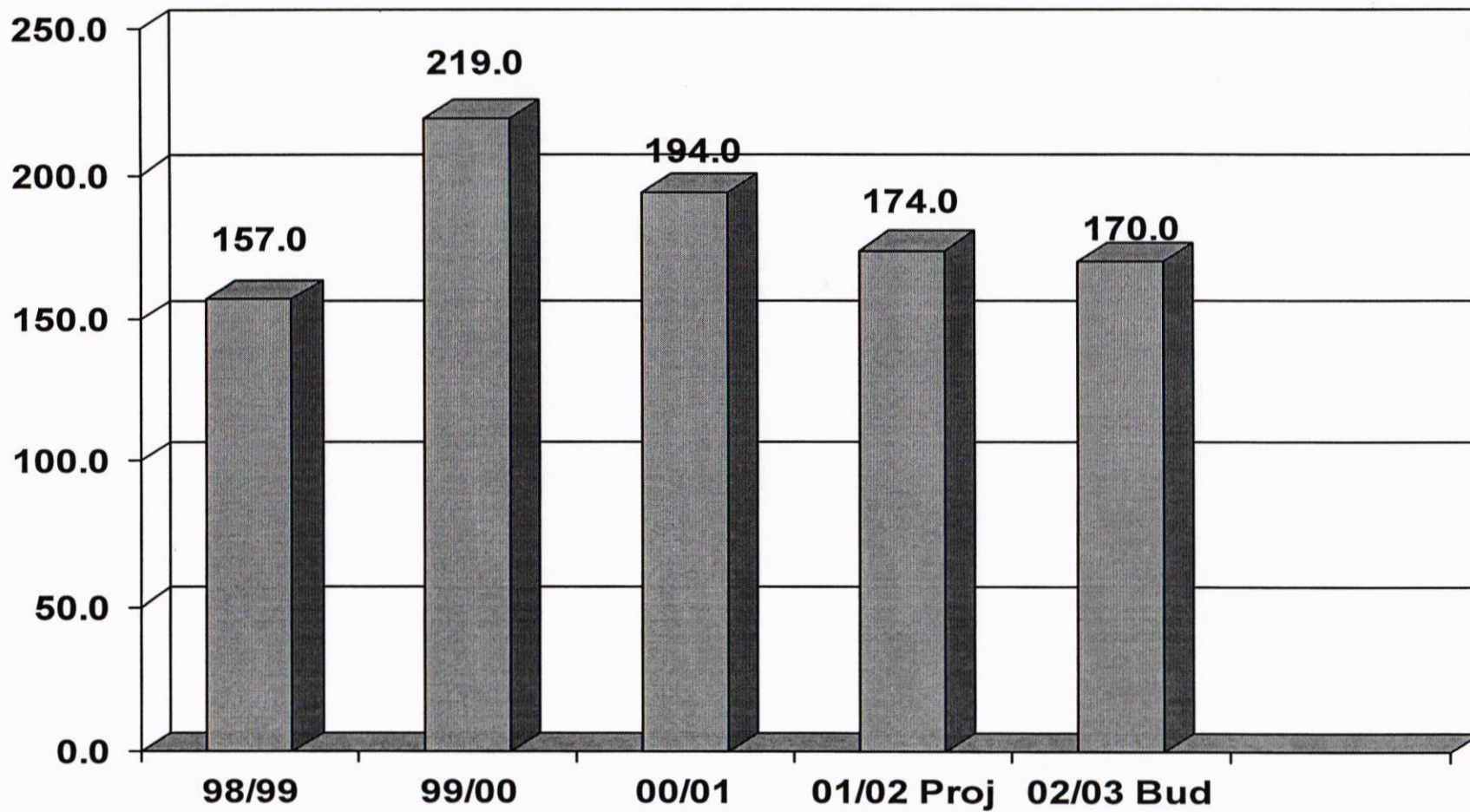
*Please see
page 169*

City of Sherwood – Full Time Equivalents (FTE's)

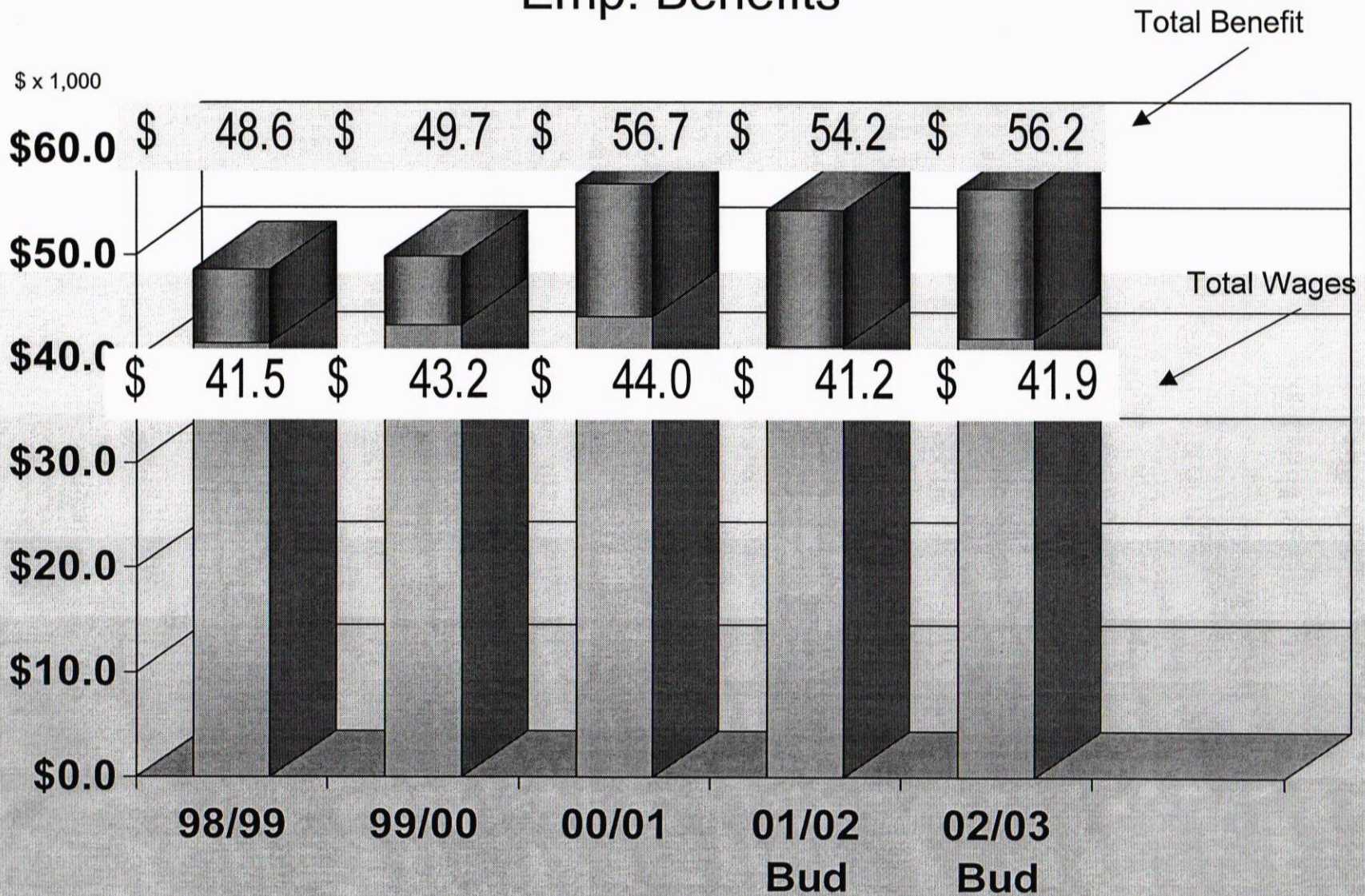


City of Sherwood – Full Time Equivalents (FTE's) per Capita

IN 02/03
we 1 city employee
support 170 citizen

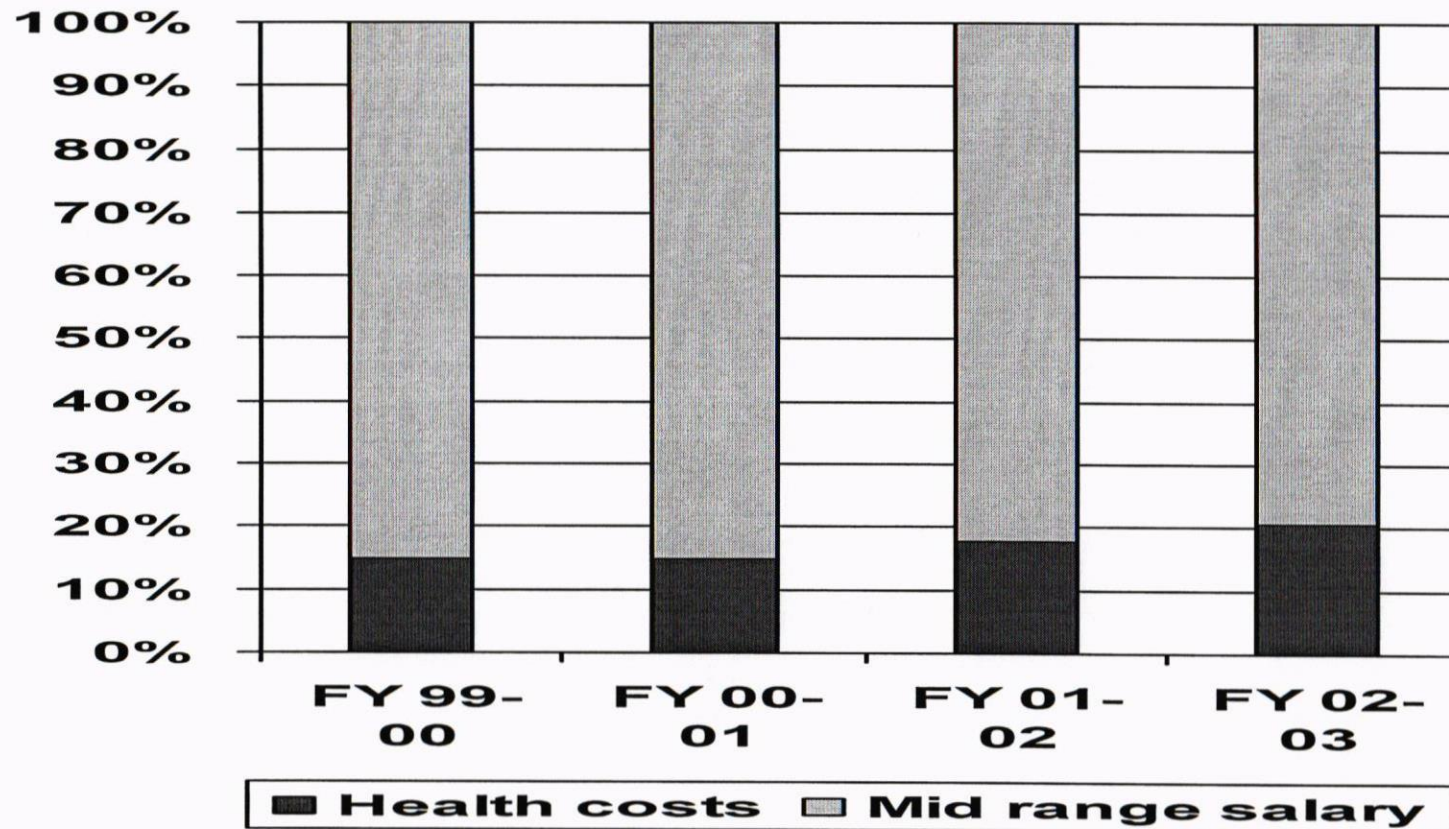


City of Sherwood – Emp. Benefits



City of Sherwood – Total Benefit

Health Costs vs. Salary

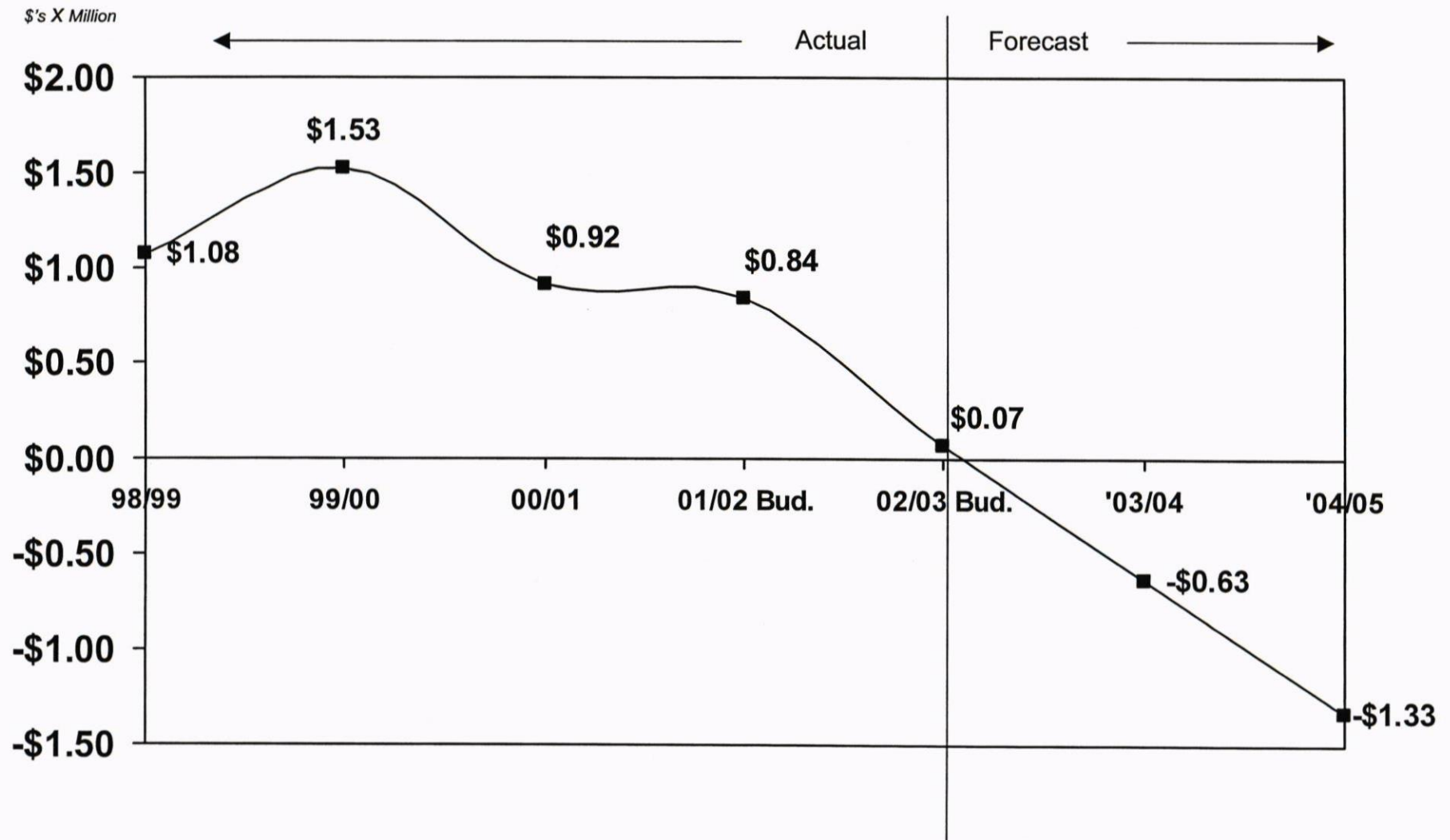


- 99-00 health costs approx 17% of total benefit
- 02-03 health costs approx 26% of total benefit

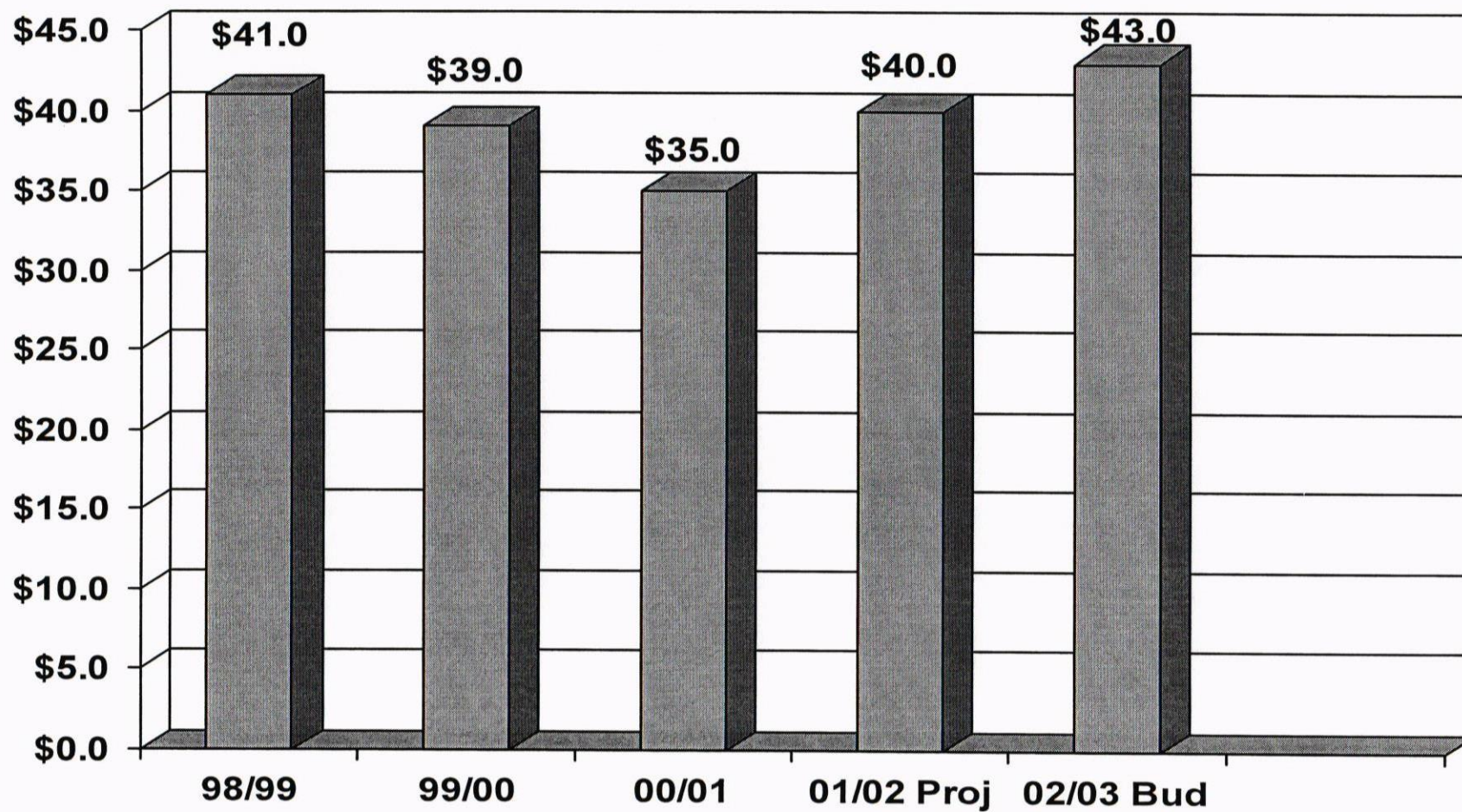
Selected Salary Comparisons - 2002

[illegible]

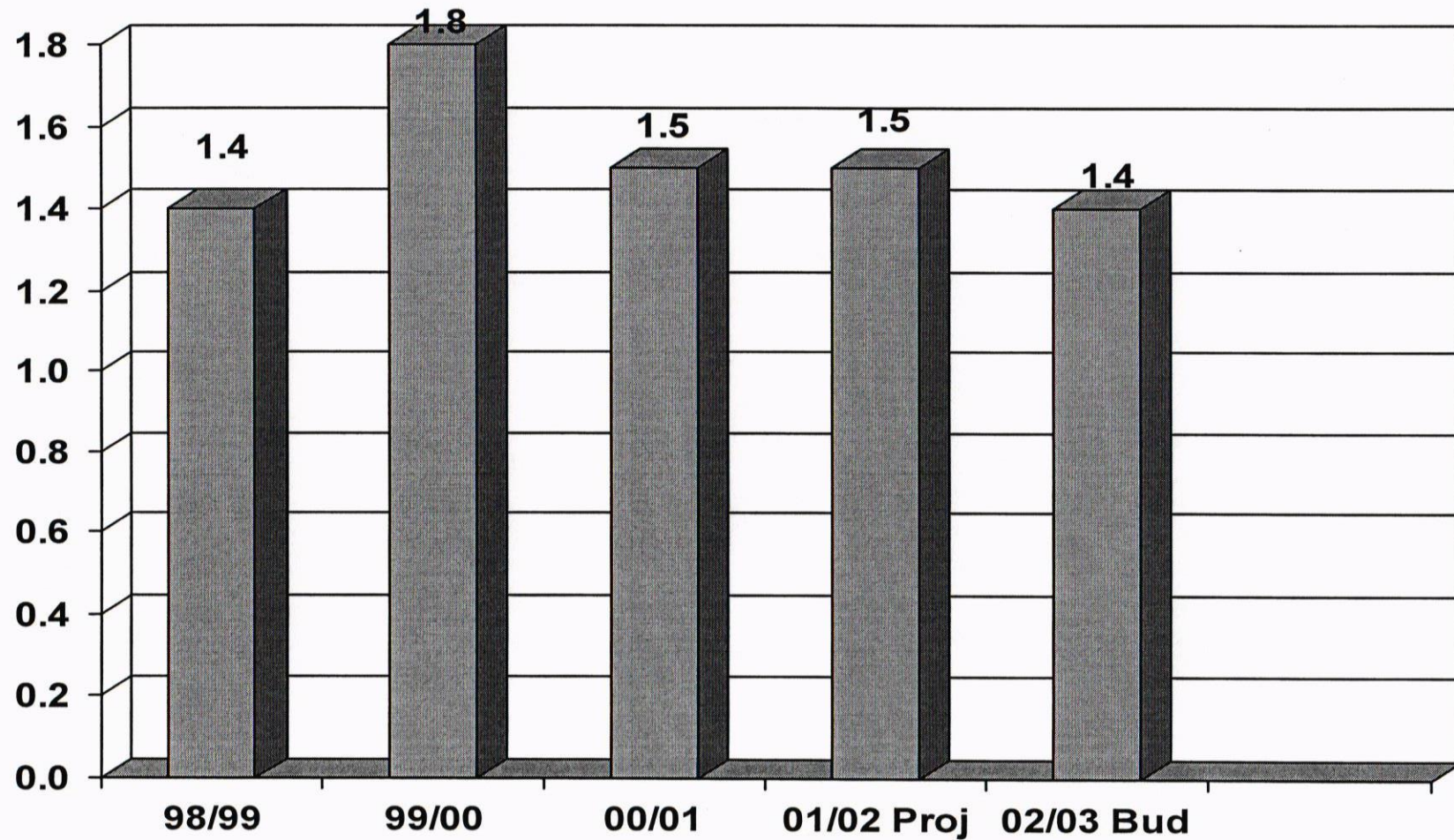
City of Sherwood GF Contingency



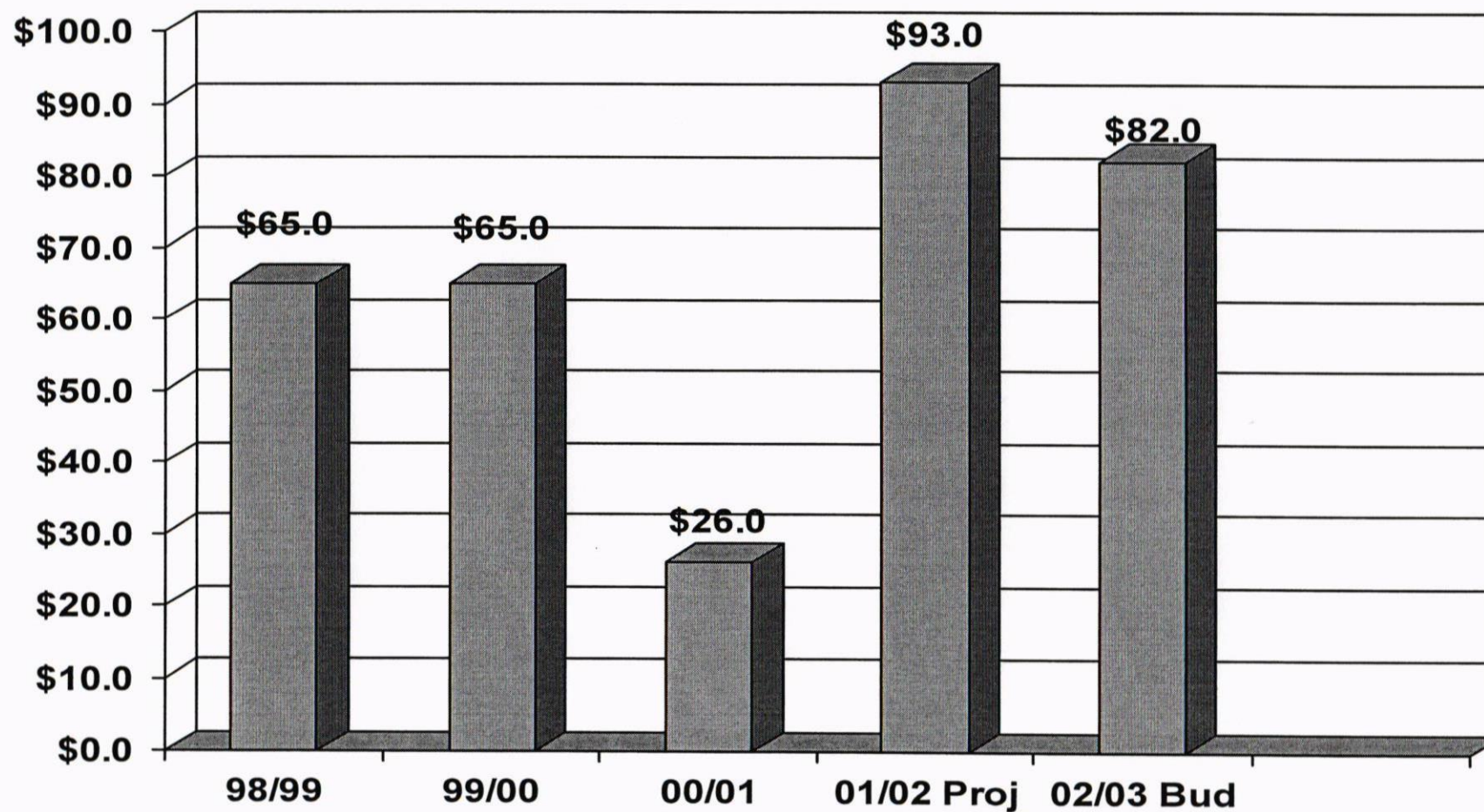
City of Sherwood – Library Expenditures per Capita



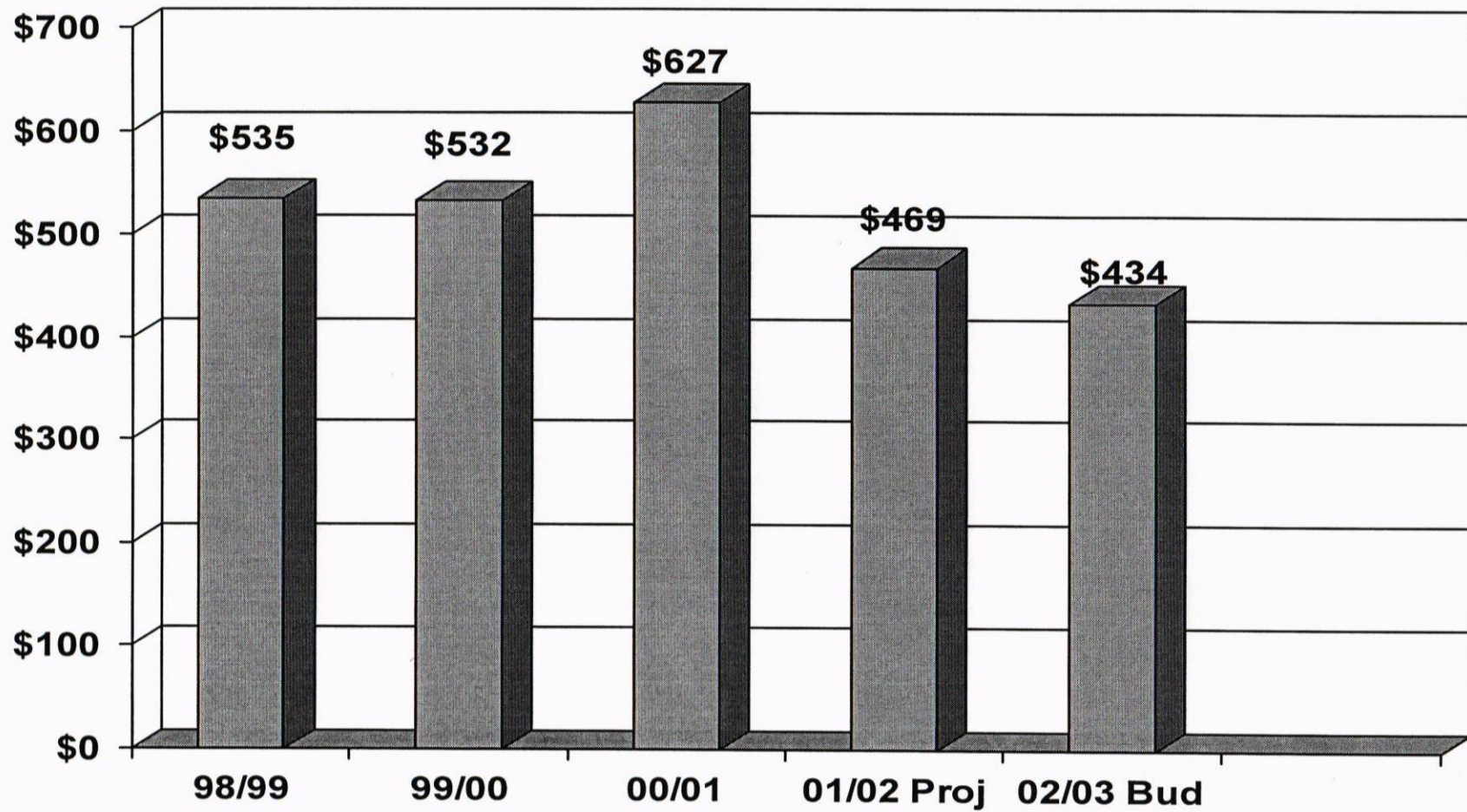
City of Sherwood – Police Per 1,000 Citizens



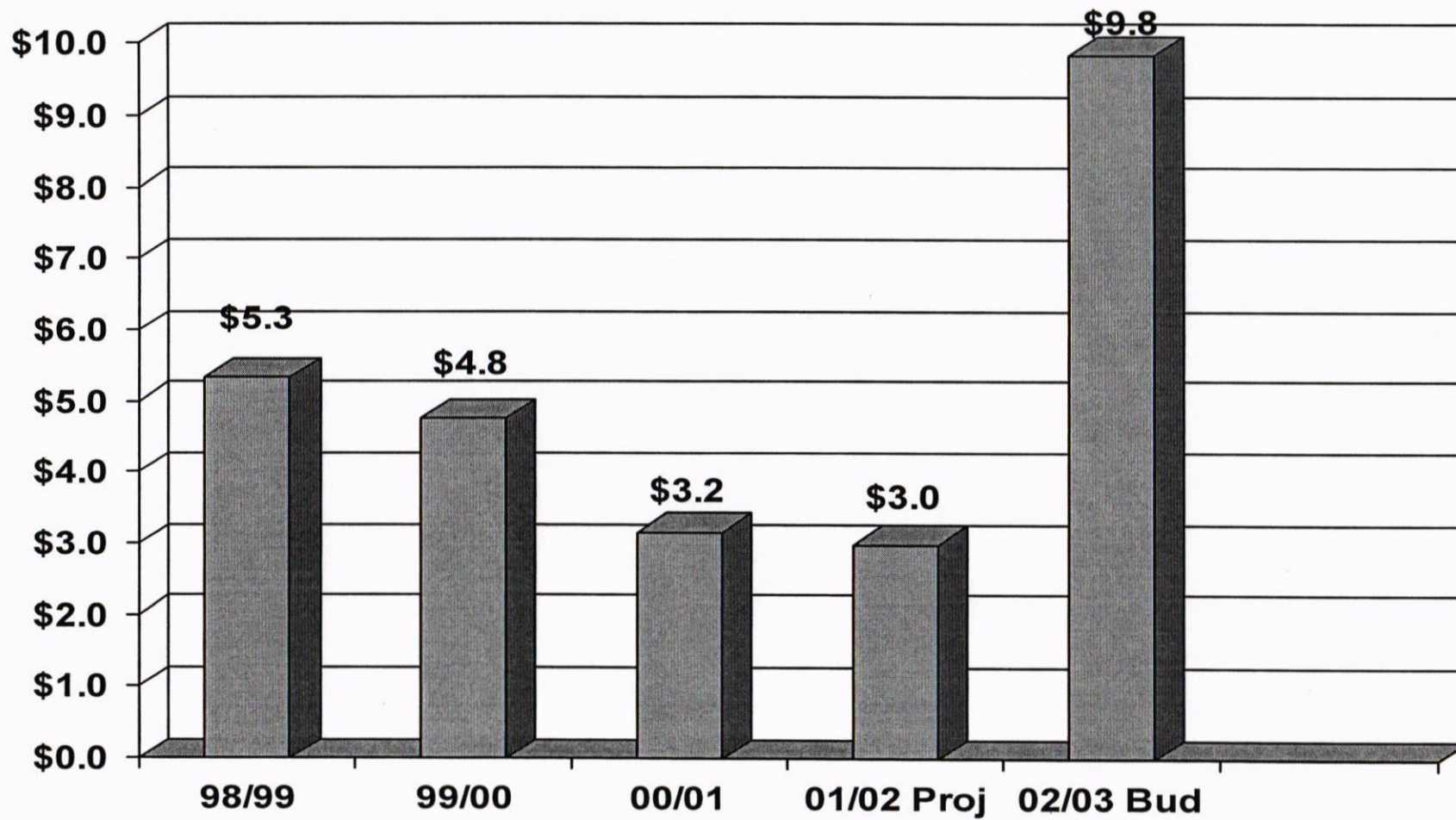
City of Sherwood – Public Works Cost Per Citizen



City of Sherwood – Building Permit Revenue



City of Sherwood – Capital Projection



BUDGET ASSUMPTIONS

- 1.25% increase in medical
- 2.15% increase in vision
- 3.5 % increase in average wages
- 4.2.5% COLA.
- 5.No new Revenue Sources
- 6.Move into the Police Station in November of this year.
- 7.No war time assumption
- 8.Economy is flat.
- 9.Population to increase to 14k by end of fiscal year.
10. Begin a move to a new Public Works facility.
11. No significant increases in Charges for services.
- 12.TIFF's, SDC are similar to 01-02

Trend Analysis

	(\$'s x million)						
	Actual				Budget		Trend
	<u>FYE 96</u>	<u>97</u>	<u>98</u>	<u>99</u>	<u>0</u>	<u>1</u>	
Tax	1.0	1.3	2.3	2.5	2.6	2.7	Up
Rev	9.2	10.4	9.5	10.1	11.0	11.9	Up
Tax as % of Rev	10.7%	12.3%	24.0%	24.5%	24.1%	23.0%	
Expenditures	6.4	9.8	15.2	11.8	22.3	14.6	-
Tax as % of Expenditures	15.4%	13.2%	14.9%	21.0%	11.8%	18.7%	
Budget	15.3	33.1	30.3	31.0	28.1	27.8	Down
Tax as % of Budget	6.4%	3.9%	7.5%	8.0%	9.4%	9.8%	
Beg. Fund Balance	5.7	8.1	17.1	15.7	13.8	12.9	Down
Population *			9,600.0	10,075.2	10,573.9	11,097.3	Up
Residences *			3,310.3	3,474.2	3,646.2	3,826.7	Up
City FTE's			61	65	68	68	Up
Citizens/ FTE			157.98	154.54	155.50	163.20	Up
* Ref. Water System Master Plan 4/99							

* Ref. Water System Master Plan 4/99

Finance Director Overview

5 year projection – GF fund balance

This year's budget – format

- Format
 - fund info first, details in appendix
 - in fund info, most summarized first
 - URA behind
 - ~~pg 176-180 out of order~~
- Fund structure changes & why – page 20.
 - Still keep track of restricted resources – page 164.
- Allocations and reimbursements – pg 20. All employees budgeted in general fund; general fund charges other funds for actual work done. Budget fixed amount, charge actual.
- Additional info needed, or how to find anything in particular?

Revenue assumptions, noted earlier

- No new fees or other revenue sources
- No significant increases in existing charges for services.
- Building permit volume and types similar to the 2001-02 fiscal year. SDC and TIF revenue extrapolated from 2001-02 to date.

All funds – sources – pg 15

General fund – sources – pg 16

All funds – uses – pg 16

Expenditure assumptions

- 7.75 new staff positions – page 169

General fund - uses

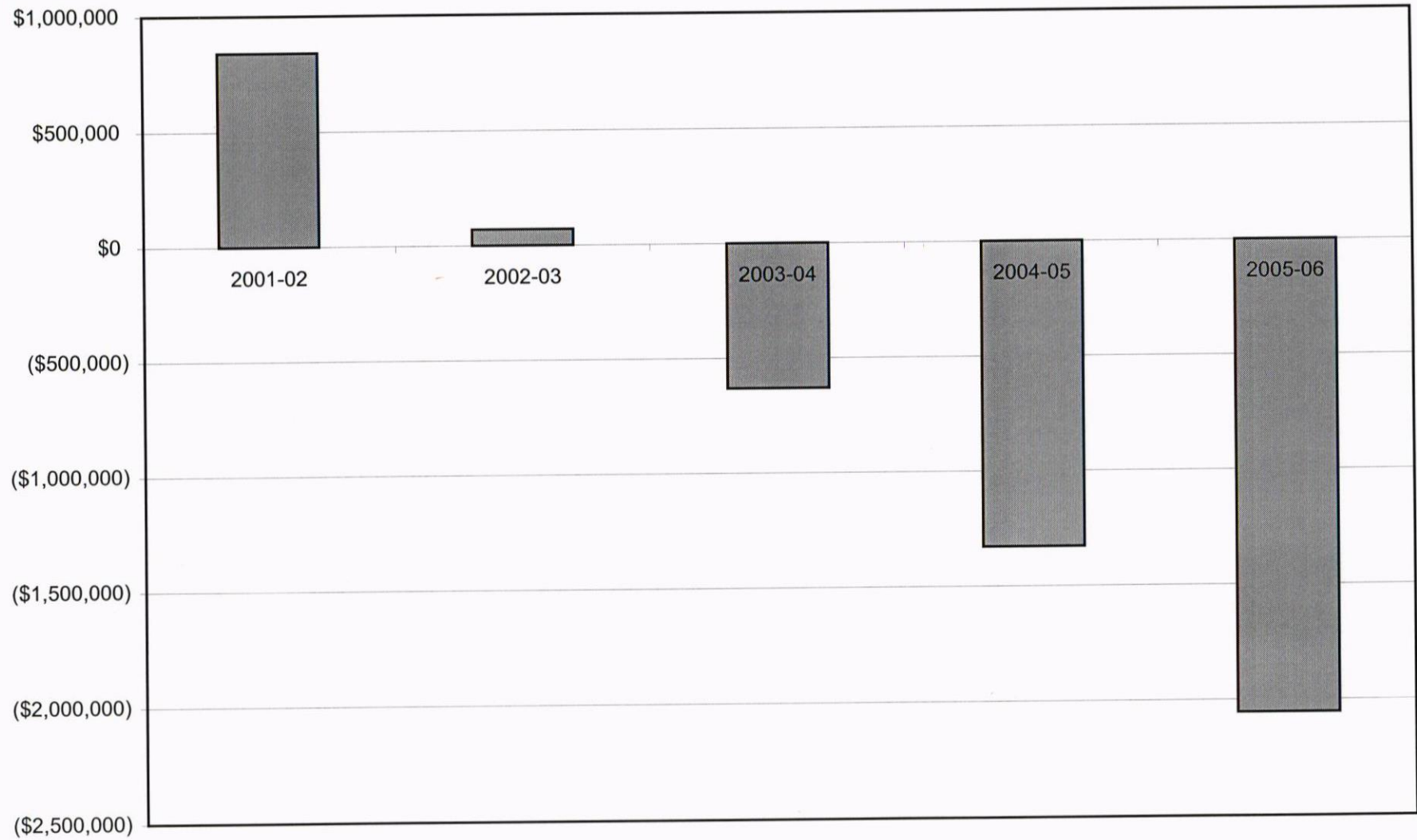
Cuts that have been made: changes from submitted to proposed

Contingency status

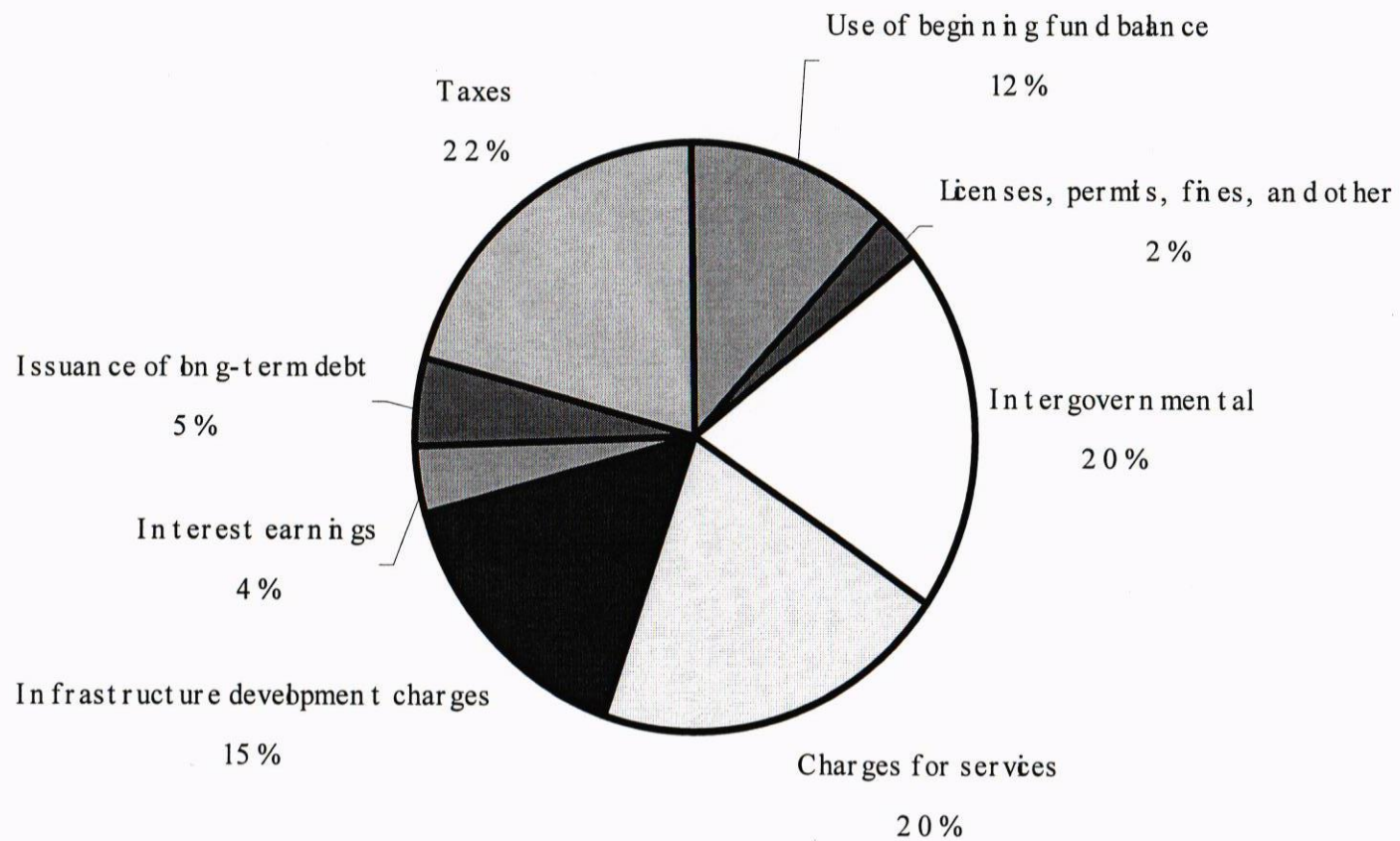
- Is \$317,000 enough? No miscellaneous revenue budgeted; generally underspend; could do additional changes (new revenue) mid-year

g:\shared\finance\chart of balance.xls

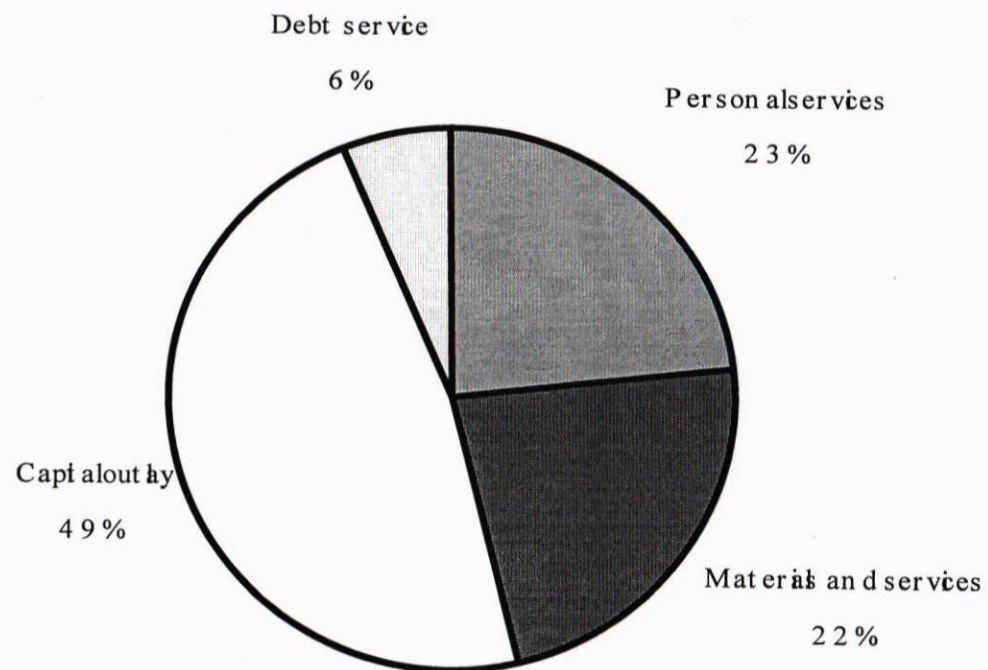
Projected General Fund Balance



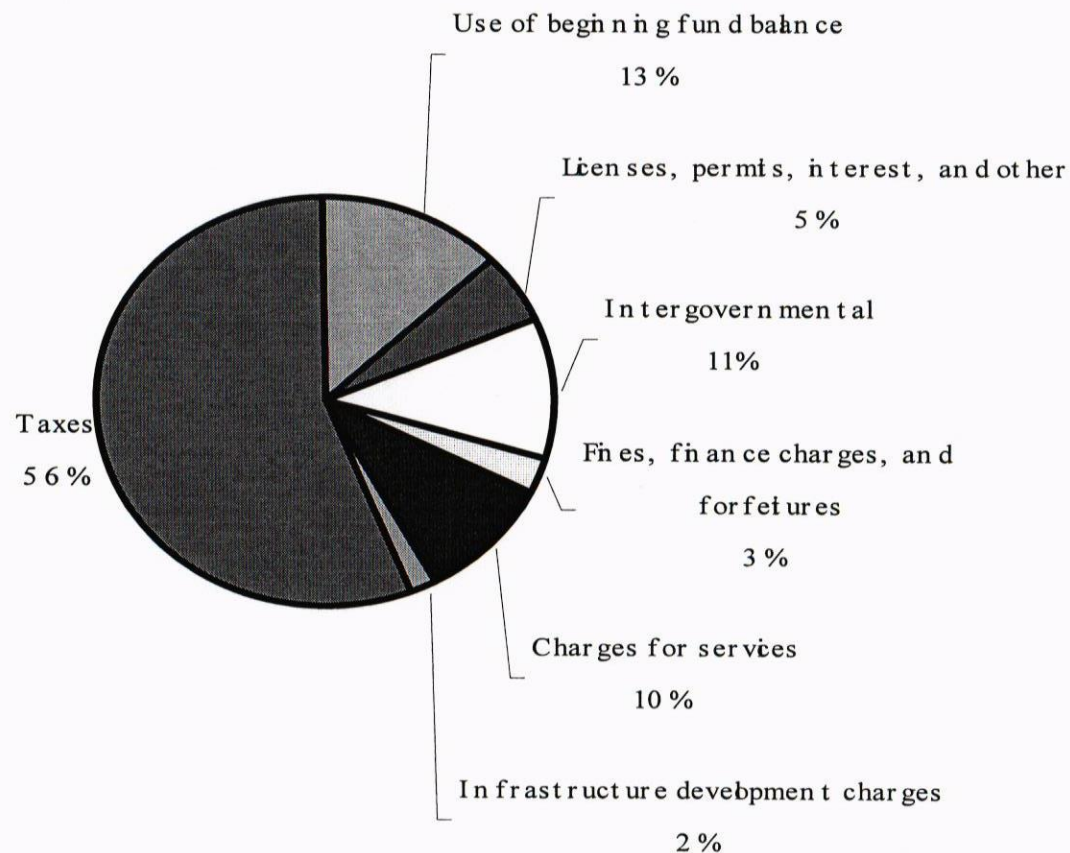
Sources – All Funds



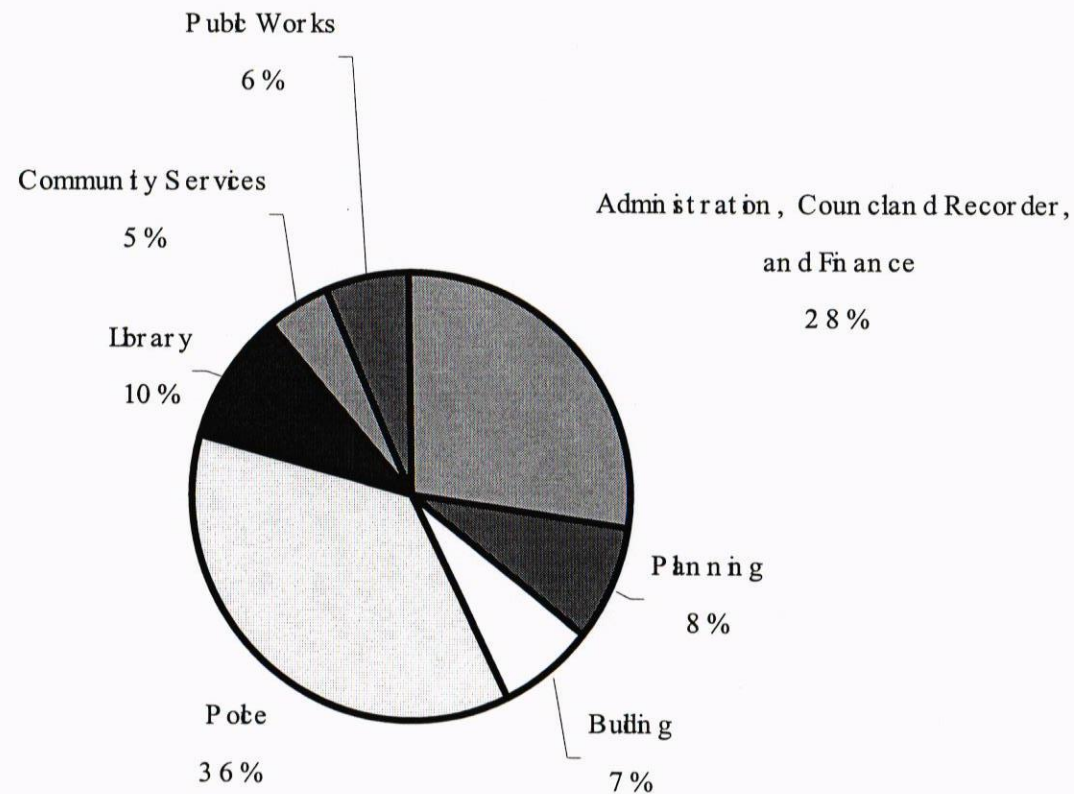
Uses – All Funds



Sources – General Fund



Uses – General Fund



CUTS THAT HAVE BEEN MADE

**Decreases in expenditures from amounts requested by Managers,
already incorporated in the proposed budget**

Capital outlay:

Public works operations - replace one ton truck	35,000
Public works operations - two new pickups	50,000
Public works operations - two new trailers	5,400
Police - defer half of planned vehicle replacements / purchases	60,000
Library - reduce book stock	5,000
Building repair and maintenance:	
City Hall - replace upstairs carpet	20,000
City Hall - new furnaces	20,000
Close Old School (move PAL) - no building maintenance	3,100
Close Old School (move PAL) - no janitorial	910
Hite House - defer privacy doors and roof repair	3,500
Old police station - do not replace water line	2,000
New police station - no maintenance costs in first year	2,600
<i>Total reductions from Manager's requests</i>	207,510

GENERAL FUND CONTINGENCY

	Increase (decrease)	Balance
TARGET CONTINGENCY		
Revenue		5,054,901
Target contingency at 10% of revenue		505,490
CONTINGENCY BALANCE		
Proposed budget, 4-5-02		69,349
Changes planned		
Revise revenue for prior year's property taxes	(52,688)	
Employee benefits - health, life, LTD & education	65,000	
Robin Hood Theater - remove operations	44,799	
Police - delay hiring new office until mid-year	27,465	
Public works operations - cut 3 of the 5 new utility workers	128,186	
Balance prior to 4-17 budget meeting	212,762	282,111