



SHERWOOD BUDGET COMMITTEE MEETING October 21, 2013 MINUTES

1. **CALL TO ORDER:** Chair Ivonne Pflaum called to order the October 21, 2013 Sherwood Budget Committee Meeting at 6:30 PM.

Chair Pflaum asked Interim Finance Director Julie Blums to conduct the roll call.

2. **COMMITTEE MEMBERS AND COUNCIL PRESENT:** Chair Ivonne Pflaum, Steve Munsterman, Neil Shannon, Brian Stecher, Lynette Waller, Mayor Middleton, Council President Linda Henderson, Councilors Bill Butterfield, Krisanna Clark, Robyn Folsom, and Dave Grant.

COMMITTEE MEMBERS ABSENT: Vice Chair Tim Carkin, Kim Rocha-Pearson, and Councilor Matt Langer

CITY STAFF PRESENT: City Manager Joe Gall, Finance Director Julie Blums, Assistant City Manager Tom Pessemier, Community Development Director Julia Hajduk, Community Services Director Kristen Switzer

3. **APPROVAL OF MEETING MINUTES:** August 19, 2013 City of Sherwood Budget Committee Minutes – Lynette Waller moved, Krisanna Clark seconded and all approved.

4. NEW BUSINESS

A. FY13-14 YTD Budget to Actual Update (Exhibit A) – Julie Blums gave an overview of the FY13-14 YTD Budget to Actual Report. Notable areas were:

- 1) Community Development revenue is higher than budgeted and will likely increase by the end of this year.
- 2) General Construction – Part of the turf project was done in FY12-13 and will be completed in FY13-14.
- 3) Julie gave an explanation of why the General Fund Ending Fund Balance trend was higher.
- 4) Neal Shannon asked why the General and General Construction Funds were below 25% and Julie Blums explained that it was due to the timing of property tax receipts.

B. Update on Parks Maintenance Plan (Exhibit B) – Craig Sheldon could not attend this evening so Julie Blums reviewed the 10 Year – “2014 to 2023 Parks Facility Asset Management Plan” which is for maintenance only. It was stated that this is a working document and Neal Shannon thought what was put together was very good, informative and comprehensive. The subject of potential Annexations was raised. It was requested that potential growth and additional parks be discussed due to Annexations. Joe Gall asked Julie and Tom about the SDCs due to annexation and Tom Pessemier said that by the time the funds were needed they would have collected a good portion of the SDCs. If Brookman is

passed, which is zoned medium density single family, the development is 2-4 years out. Neil Shannon said that 3 parks were being considered in the Brookman Annexation. It is not one big park but small neighborhood parks.

Julie informed the committee that the facilities and fleet maintenance plans were being worked on and would be completed soon. Brian Stetcher stated that Craig Gibbons had been concerned about protecting the funds that are being put aside for parks maintenance and projects. Julie stated that she is working on a plan to protect the reserve funds for maintenance and equipment replacement.

C. Review of Financial Policy II – Budgeting and Policy V – Revenue Constraints and Fund Balance (Exhibit C)

- 1) Julie Blums stated that Council had adopted a 20% contingency policy for the General Fund. The City is at 31%, but has delayed a lot of things.
- 2) Julie asked if the committee was open to using some of the 11% excess.
- 3) Neil Shannon asked how much of the 31% is spoken for and Julie stated that it was approximately 1-2%.
- 4) Brian Stetcher commented that Portland was using part of their excess to pay down debt. Julie responded that our rates were such that it would not be a good use of the excess funds. Joe also asked if we could take out \$500K and pay off some debt and Julie responded that we could, however the impact long-term would be immaterial. Robyn Folsom stated that the General Fund is a surplus to the Enterprise Fund and not the opposite. She sees no advantage because our rates are already very low.
- 5) Julie also discussed the “Doom and Gloom” Chart. She stated she could redo the chart but what is shown on the chart just has not happened. Brian Stetcher asked, if it is not coming to fruition then why not redo? Julie stated that she would create a new graph depicting what has happened and looking out long term.
- 6) Bill Butterfield recommended taking half of the 11% and use it for Parks Maintenance and the first part of the Community Center.
- 7) Chair Pflaum recommended that we be conservative and not lower the 20% Policy. We have set revenue to pay down debt and this helps our credit worthiness
- 8) Julie Blums stated that the city would like to hire someone to put together a strategic plan. She would like to take out a portion of the overage to do this so we are not creating a budget year-to-year. A strategic plan would allow us to budget and plan for the future.
- 9) Joe Gall Stated that PERS reform has not been completed yet.
- 10) Neal Shannon asked if the city is self-insured. Julie responded that we are pooled with other municipalities through CIS.
- 11) Steve Munsterman suggested that we not spend more than one half and put it towards one time expenditures that reduce future costs.
- 12) Lynette Waller asked that we look at things that would save money and Julie responded that she is looking at that aspect.
- 13) Krisanna Clark asked if we have an Operating Budget for the Community Center and Julie responded that we have a Business Plan but not a formal plan for what is needed to run the center.
- 14) Krisanna then suggested we do a “bare bones” plan for the Community Center. She also asked if it would be city operated or could it be a non-profit. She then said it would be good to have some money put aside.
- 15) Julie Blums said that Craig Sheldon has a Street Maintenance Plan based on the “PCI” (Pavement Condition Index). Right now we are bringing in enough revenue to cover street maintenance.
- 16) Linda Henderson stated that it is a wonderful predicament to be over by 11% and congratulated the city staff. Operations are not sustainable. Lincoln Street should be

repared. We were able to put together a partnership to maintain Murdock Park. Do we spend or save?

- 17) Joe Gall may propose some different policies regarding the budget and living within our means.
- 18) Linda Henderson asked about our Accounting Software situation. Julie stated that there is a new version of our current software for governments. We could probably save money if we do not buy the new Spring Brook Accounting system and do a major upgrade to our current software. We have been on the current system for 11+ years and are hoping that the new version will provide a solution to the manual tracking and reporting we are currently doing.
- 19) Steve Munsterman stated we need to create more of this kind of analysis and create a Facilities Plan and Fleet Plan. We must make sound decisions and not "punting". This is the beginning to get us out of a year-to-year cycle and have a longer term plan.

D. Select a Representative to Serve on the Charter Review Committee (Exhibit D) – Julie Blums reported on the Charter Review Committee. The Committee's recommendations may go on a ballot for the citizens to vote. The committee will be meeting 2 times per month until March 2014. The proposed changes to the charter will then be on a May 2014 ballot. Julie asked for volunteers for the committee. Brian Stecher and Neil Shannon volunteered. Chair Pflaum called for a motion, Lynette Waller moved to appoint Neil to the Charter Review Committee Bill Butterfield seconded the motion and the motion was passed.

E. 2013 Accomplishments and 2014 Goals for the Budget Committee (Exhibit E)

- 1) What are your two or three most significant accomplishments for this past year as a board or commission?
 - 31% Ending Fund Balance in General Fund
 - Planning of Future budgets
 - Met a quorum at all meetings
 - Adopted a Budget in two nights
- 2) What are your two or three major goals for 2014 as a board or commission?
 - Funding a Parks Maintenance Plan
 - Funding Operations for the Community Center
 - Enhance accountability and reporting to the community
 - Addressing Public Safety needs

Regarding future meetings, Linda Henderson suggested the Budget Committee not meet the same week as Council and meet every other month.

5. ADJOURN

Chair Pflaum adjourned the meeting at 7:50 PM.

Submitted by: Julie Blums, Finance Director Minutes approved on: January 27, 2014