



SHERWOOD BUDGET COMMITTEE MEETING - 2013-2014 BUDGET MINUTES
April 22, 2013

1. **CALL TO ORDER:** Chair Ivonne Pflaum called the meeting to at 6:00 PM.

The upcoming Budget Committee Meeting schedule is as follows:

April 29, 2013 – 6:00 PM

May 6, 2013 – 6:00 PM (if needed for budget approval)

Chair Pflaum asked Accounting Supervisor Julie Blums to conduct the roll call.

2. **COMMITTEE MEMBERS AND COUNCIL PRESENT:** Chair Ivonne Pflaum, Vice Chair Tim Carkin, Perry Francis, Steve Munsterman, Neil Shannon, Brian Stecher, Lynette Waller, Council President Linda Henderson, Councilors Bill Butterfield, Krisanna Clark, Robyn Folsom, Dave Grant, Matt Langer. Mayor Middleton arrived during the Budget Message.

COMMITTEE MEMBERS ABSENT: Kimberly Rocha-Pearson.

STAFF PRESENT: City Manager Joe Gall, Finance Director Craig Gibbons, Accounting Supervisor Julie Blums, Police Chief Jeff Groth, Police Captain Ty Hanlon, Assistant City Manager Tom Pessemier, Community Development Director Julia Hajduk, Community Services Director Kristen Switzer, and City Recorder Sylvia Murphy.

Chair Pflaum reminded the attendees there are forms to fill out in the back of the room for the Public Comment portion of this meeting.

3. **APPROVAL OF MARCH 19, 2013 MINUTES**

Steve Munsterman moved to approve the March 19, 2013 Minutes, seconded by Council President Linda Henderson. Approval of the minutes was unanimous by the members present for the vote.

4. **NEW BUSINESS**

A. Received Budget Message

City Manager Joe Gall explained this would be a high level overview of the formal Fiscal Year 2013 – 2014 Budget Message and what was going to be discussed over the next 2 or possibly 3 meetings.

Before there is discussion about next fiscal year there are still two and a half months remaining in the current fiscal year and I would like to point out some positives.

We are projecting to end the current year in the black. Total city spending was budgeted at \$28.4M; the projected amount is \$23.1M. The General Fund was budgeted at \$9.3M; the projected amount is \$9.0M.

When we talk about the different funds we need to be specific. It is important to remember that Total city spending is different than the General Fund. The General Fund is divided into different businesses and money cannot be moved around from one business to another.

In our General Fund or fund balance are our financial reserves, we have exceeded our 20% of revenue goal for the 5th year in a row, and we are projected to grow and will be at 28%. We have not dipped into the fund balance reserve over the course of the recession and propose to increase the fund balance by \$6K in FY2014.

This is an inherited budget and was put together by the interim City Manager, Tom Pessemier. Spending has been slightly different than what Tom and the Budget Committee members put together. From a customer service and productivity standpoint, the previously eliminated Receptionist position has been brought back. Six months into my tenure here Tom Pessemier was promoted to the vacant Assistant City Manager position. These were not planned in last year's budget.

Additionally some new projects were implemented that were not anticipated. We had a very successful first time, in many years, Veterans Day Event in Veterans Park at a cost of \$6-7K, that had not been budgeted. In terms of "working together" money was spent on training for senior managers and City Council. The Snyder Park turf replacement that was scheduled for next year was moved forward to this year and was about a \$300K expense that was not planned.

When we look at the different ways money is being spent now, we continue to follow in the footsteps of good financial management and a city that is well run and will continue to live within our budget.

The proposed FY2013-2014 budget, which begins July 1, 2013, is forecast to spend \$22.8M and is the lowest level of "total spending" in at least 10 years. When we look at total spending, which is what most tax payers want to know, this is an important figure. Even with the adjustments made in filling vacant positions and doing things a little differently, we are still doing it with the resources we have.

To maintain a balanced budget, decisions have been made regarding a small reduction in staffing positions. There has been an elimination of vacant positions, that will not be filled, and one layoff as of July 1, 2013, an Engineering Associate, who has been notified.

It is a state law that we must propose a balanced budget therefore what is being presented as a proposed budget is balanced with a very small contribution to the fund balance. If everything continues as projected we will end with our financial goal at 27%. This is slightly lower than the 28% we are projecting at the conclusion of this year.

We are at a tipping point. There are no proposed significant cuts in city services and the focus will remain on the core essential services. If we cut any deeper, especially in the General Fund, there will be cuts to city services.

A positive is that our financial team proposed we begin putting away funds to cover future expenses like Snyder Park turf replacement 12-15 years from now. That process will begin now.

This Proposed FY2013-2014 budget does not cover areas of critical risk that will be presented and discussed during this and upcoming budget meetings. They are:

- Deferring of Murdock Park Play Structure and other infrastructure maintenance and replacement
- Finance software - can be postponed but we need a new finance system.
- Future appropriate Police staffing levels – Chief Groth will speak to this.
- Coming out of the recession the development activity has picked up but a couple of positions have been cut. Is this a permanent development or temporary uptick? – Community Development Director will speak to how we can balance this if necessary
- New Cultural Arts Center will propose operational challenges in the initial years

We cannot look at the budget in just this one year and we must look at the future budgets and where we are going in the next 3 years. If the City Council ultimately sets goals that require higher staffing levels; finding sustainable funding is going to be difficult. There is not enough revenue in the General Fund to address that.

Director of Public Works Craig Sheldon who is not here tonight will be addressing infrastructure maintenance at the next budget meeting. The city grew tremendously over the past 12-15 years and the infrastructure was built over 12-15 years ago and built to last that amount of time. All of that will need to be replaced and we are not set to take that challenge. We have not put money aside to address that. The budget committee and staff will need to focus on that during the next 12 months and how we are going to be able to get there.

Water Rates: There is a goal to stabilize or potentially reduce customer rates by acquiring good partners, who will cut us a check, as we did with Wilsonville. We have plenty of water and there are potential partners in Washington County who are scrambling to find a long term source of water.

Telecom Fund: This is the Sherwood Broadband. It has become self-sufficient and is beginning to payoff. We will complete repayment of the loan in FY 15-16 and it is starting to make money that can be reinvested in the community.

This is my proposed budget but I could not have done this without my senior managers who made some tough choices and gave me good advice. Assistant City Manager Tom Pessemier, Community Development Director Julia Hajduk, Public Works Director Craig Sheldon, Chef Jeff Growth, Community Services Director Kristen Switzer and City Recorder Sylvia Murphy.

This whole budget would not have come together without the work of two people on our finance team, Finance Director Craig Gibbons and Accounting Supervisor Julie Blums, who you will hear more from tonight and throughout this process.

B. Bond Rating

Moody's Rating Update – Finance Director Craig Gibbons explained that the city is rated every year. Our two most recent rating are based on bond sales. Until we have another bond sale we may receive "Surveillance Ratings" every year. If Moody's sees something that bothers them we will be put under "Observation". We are rated every year and must pay attention to this. Our last rating was received September 2012 and Moody's affirmed our A1 and Aa3 rating and listed our strengths and challenges.

Strengths

1. Continued growth in assessed valuation – Out of direct City Council control; there is indirect control with economic development.
2. Structurally balanced financial operations with healthy fund balances. City Council has control of this.

Challenges

1. Three consecutive years of real market value declines
2. Slow debt principal amortization relative to our peers
3. A limited history of strong financial performance

We only have control over 2 and 3 so to protect our debt rating our focus is these.

Craig Gibbons then explained the chart Exhibit A, page 2 of 4 "Real Market Value Compared to Assessed Value:

Moody's noted one of our strengths is the Assessed Value. Over the last 10 years it has increased steadily. However, the percentage increases have been dropping steadily and have been decreased from 12% in FY08 to 2% in FY13. We hope that this turns around and begins climbing. Our weakness is Real Market Value which is dropping and has dropped since FY08. These are both out of our control but Moody's is watching these closely and we are monitoring them as well.

What is in our control is the fund balance of the General Fund. The General Fund balance is increasing and has been increasing. This represents "Structurally Balanced Financial Operations with Healthy Fund Balances". It also represents limited history of strong financial performance. Moody's will look at our General Fund balance to stay level or to increase. If it turns down it is a warning to Moody's to evaluate our Bond Rating prior to issuing bonds.

With the economic headwinds the city is positioned now to improve our bond ratings during the next evaluation. It is important for the budget committee to understand our bond ratings and to protect them.

C. General Fund Overview – Exhibit B

Craig Gibbons explained this is an overview of 3 things:

- 1) Department Heads submitted recommended status quo budgets and proposed additions to bring up or improve the service level.
- 2) City Manager's modifications made to those recommended budgets to bring them down to where revenues equaled expenditures. The difference was about \$1M.
- 3) Impact of the City Manager's budget on the next 3 years.

Craig then explained how to read and understand the General Fund Graph that is on Page 2 of Exhibit B. This shows the relationship of the fund balance against the City Council's goal of a 20% of General fund revenues in the reserve fund balance, what the Department Heads additions would do to the proposed budget and the City Manager's proposed budget. The bond people want to see the budget line stay above and continue to increase above the City Council's goal.

Craig then explained that the simple approach to this is that the regular sustainable revenues always need to meet or exceed regular sustainable expenditures. That keeps our fund balance stable. In the next coming years there will be a drop based upon the following assumptions:

- 1) Stable staffing, stable services, everything remains the same. A status quo budget.
- 2) On Page 3 of 3 it shows the inflation factors included for FY15, FY16 and FY17 for revenue (optimistic triggered on increased assessed value), personal services (based on historical, the FY16 bump is the bi-annual PERS rate adjustment) and materials and services (projected CPI from State Revenue Services).
- 3) Next factor are "your" Financial Policies
 - a. Current operations will be funded by current sustainable revenues (Revenues=Expenditures).
 - b. One time revenues will be used for one time expenditures or as contributions to reserves.

D. Personal Services – Exhibit D

City Manager Joe Gall explained that we are a people organization and 40% of the budget is allocated to personnel. Total personal services costs are \$9.68M 77% of that are in the General Fund. This is what basic city services are in the General Fund. The charts show where the increases are and include PERS and healthcare. The salaries, in the proposed budget, will be smaller.

A correction to the budget is the vacated HR Manager position being reclassified to an Administrative Assistant is actually transitioning to a HR Analyst position. In the re-evaluation of this position and the size of our organization it was decided that Tom Pessemier will take over the major policy choices and changes and the day to day administrative work will be done by the HR Analyst position. So there is savings related to that.

PERS increased by 30% and we do not have control of that. Health Insurance is budgeted to increase by 10%. Positions are being cut to offset these increases.

Craig Gibbons gave an explanation of Attachment 1 that gives a picture of the Full Time Equivalent positions. It shows the total budgeted FTE and the differences of General Fund FTE,

Public Works FTE and Other FTE. The new Finance software will give us a new Position Control System that will allow for better control of these numbers.

Craig Gibbons also explained Attachment 2. This is a sound and basic explanation of PERS. Money is put in by employees and employers and when someone retires they get a benefit. There are two sources, one being employer contributions and the other is investment income. The driving factor in the formula is the benefits to be paid that are cast in stone by the Legislature. The flexible factor is the investment income and employer contributions. If investment income drops the employer income must go up. Benefits to be paid - investment income = employer contributions.

E. Review Revenue Assumptions – Exhibit E

Finance Director Craig Gibbons presented an explanation of revenue assumptions. Some of the assumptions come from Finance and others from the Departments. They are then reviewed and usually take the lesser of the two or what makes sense. The revenues are the cap for the expenditure.

We look at history to compare revenue amounts. We begin with the revenue budgeted and look at it mid-year and what revenue has come in, then change it to a revenue projection. The last step, at the end of the year, is to tell what the actual revenues were. First we look at how close were the actual revenues to what was budgeted. Secondly we look at how close were the actual revenues to what was projected. Over the past 4 years revenues to what was budgeted came in 5-10% high but the mid-year projections can be very close and the last few years has been 1% or less. The actuals have always come in less than budget or mid-year projection. Our revenue projections are realistic to expenditure projections.

The next charts show the changes in revenue projections, major revenue sources in the General Fund, franchise fees (which are passed on to the residents), fines and bails. What is important is not how much money there is, but how predictable is that money. Citation revenue has been difficult but seems to be stabilized.

In an answer to the Mayor's question regarding franchise fees, City Manager Joe Gall stated he would contact PGE to get an idea of the upcoming rate increases by next week.

F. General Fund Reserves – Exhibit F

Accounting Supervisor Julie Blums explained not all of the Fund Balance is unrestricted, there are four categories of Ending Fund Balance:

- 1) Restricted – Cash used for specific things by a statute, intergovernmental agreement etc.
 - a. Franchise fees for our TV channel
 - b. Fees from the School District for the replacement of their turf field
- 2) Committed – Council has taken action for the funds to be used for a specific purpose and is done by a resolution
 - a. Turf Replacement
- 3) Assigned – City Manager or Finance Staff states we are putting this money aside for a purpose.

- a. Equipment replacement reserve
 - b. Infrastructure reserve
- 4) Unassigned – Everything else, this is available for everyday uses
- a. Remainder the Ending Fund Balance

Julie then reviewed the actual fund balances for each category and the corresponding charts. Julie explained the funds that would be put aside for turf replacement. Craig Gibbons explained that \$50K would be put aside yearly for this expense, \$40K, from the Unassigned Funds and \$10K in fee receipts will be transferred to the General Construction Fund. It would then be changed from a unassigned funds to a committed funds, by Council directive.

Chair Pflaum gave a reminder that there will be time for public comment at the end of the meeting and to please complete the forms for that purpose.

G. General Fund – Exhibit C

Finance Director Craig Gibbons gave a high level overview of some of the pieces of what went into the FY14 Budget. It is broken down by the divisions.

- 1) Administration – There were some personnel changes but basically the budgets are status quo
- 2) Community Development – Was heavy in position changes. A critical item was pointed out that the proposed budget will not accommodate an increase in development activity i.e. manning front counter and review process. There is a back-up of funds for contractual services.
- 3) Public Safety – Chief Groth will address later
- 4) Community Services – The Community Services budget has no change. There is no change in staffing, the Library, Field House or events in the park. There is no money in the long range financial plan for management of the new Community Center.
- 5) Public Works – One position was eliminated. There are no other changes in the General Fund portion.

Craig stated that with the variety of information that has been distributed regarding the General Fund, if there are questions; please email them to Julie Blums. This information also included the packet, handed out tonight, C1 – C5, that is a department by department handout covering the major accomplishments above normal and what could be done if there were more resources.

Public Safety - Chief Groth reviewed the presentation that was handed out at the meeting. The purpose of this presentation is not to ask for anything it is to provide information with regard to the Police Department and staffing. It is a beginning for communication. It included information on the following:

- 1) Who We Are
- 2) What we protect
- 3) Priorities and Goals 2013-14 Proposed Staffing
- 4) Organization Chart

- 5) Population History
- 6) Activity History
- 7) Activity Part 1 Crimes
- 8) Activity Part 2 Crimes
- 9) Number of Bookings
- 10) Staffing: History
- 11) Staffing: National Picture
- 12) Staffing: The State Picture
- 13) Staffing: Local Picture
- 14) Patrol Staffing
- 15) Support Staffing
- 16) Retail Development
- 17) Increasing Service
- 18) Summary
- 19) Conclusion

Questions and discussion followed:

Dave Grant: Presentation indicated that the current officer staff worked as much as 1 FTE in overtime hours in the 1st half of FY13. It is almost as if you already have that extra person but are paying more because it is at the overtime rate. Would one extra person help?

Chief Groth: No. There are several causes for overtime and the fact is that people are working a lot of extra time but we are not at a dangerous level yet. Some of that overtime is going to cover shifts. It is preferred that this time go to community events and things that benefit the community. So one officer would have impact but not eliminate that overtime.

Neil Shannon: How many additional people would you need to be able to put 3 officers per shift on the street right now? There are 22 now and the 1.8 ratio would be 33 or another 11. Is there some number in between those two?

Chief Groth: That is based on total staff and it would be somewhere between 25 and 33. There are a couple ways we could do that. If we just focused on putting 3 on the road 24/7 and could probably do that with an additional 4-5. It is all what you allocate resources to but obviously patrol comes first.

Neil Shannon: Emergency Preparation is one of my favorites. Where is our Sherwood PD at this point? Is it a good place, bad place or in between place?

Chief Groth: I think we are at a good place. Could it be better, absolutely and there is a lot more we can do but it is just another one of those assignments on the list that we address. We are prepared as a city staff and as the police Department. We have a level of preparedness in the community and good community awareness, probably more than others. If the big earthquake hits tomorrow it is not going to be any easier.

Mayor Middleton: When we talked before you stated that we have 7 or 8 sworn officers on day shift. Why can't some of those be re-allocated to other shifts? We have the Chief, 2 Commanders, 3 Sergeants. That is 1 supervisor to every 2-3 employees which the average is 1 to 7. Could we reallocate or eliminate 1 of those command positions and put it back on patrol or even put 2 on patrol.

Chief Groth: This is an interesting conversation. The command staff is also involved in meetings, coordinating with other agencies, emergency management, schedule maintenance, in-service

training, etc. Most of this happens during the day. Certainly that is an option but my problem is those things that the commanders are doing would fall by the wayside.

Mayor Middleton: Give us a list of those things we will suffer on. That is information that is important to the public. You showed there were 182 activities and of those there were 6 calls on one shift and 5 on another. Most of this was just routine patrol. Statistics are not facts. On the night shift, when crimes are occurring, that could be the tradeoff. Then maybe you could divert some of the management activities to clerical staff. It is a lot cheaper having the clerical staff working on accreditation, emergency management. We actually had a reserve program that has gone away. Perhaps bring that back and get our citizens more involved. Every cent that is being asked for is coming from our parks and arts and I am not willing to give that up just to have more officers driving around. What exactly will we lose? The budget has gone up quite a bit and I know a lot of that is PERS. But every time we hire or promote somebody it adds more PERS. We added a dog and motorcycles. Can we convert those to night shift, reduce meetings, cut overtime, and cut back a few take home vehicles, some of the meetings that cost us for lunches and out of state training. Sherwood is our main focus and we need more specifics and facts. If we do need someone on the drug team take someone off something else I am not just going to hit your department. There are other departments that have a lot of frills in there and we have to cut that. We have to live with reality and live within our budget. I expected more answers from our City Manager as to what can we do to raise more money. Is it a levy or what is the answer?

Chair Pflaum – Reminder that we had about 5 minutes left for this discussion in this venue tonight because we have quite a bit of public comment. I would like to give Chief Groth time to respond to the previous comments.

Chair Pflaum also commented that Public Safety is the number one job of the government and to protect our citizens. To say that a park or the cultural arts are more important than public safety, another officer or whatever we need is kind of a stretch to me. I think if we want to maintain a safe community, like we have now, I don't want to be like Portland and we want people to understand that if they want to come here, live and work they need to behave themselves because we are not going to stand for that kind of behavior. So I feel it is more important to maintain the safety of the community.....

Mayor Middleton: I disagree with you totally on that.

Chair Pflaum: OK, that's fine. Please continue.

Chief Groth: For the interest of time let me respond Mayor by saying that anything and everything is possible and on the table. Ultimately the policy makers need to let us know, "what do you want that service level to be and what do you want law enforcement to look like"? Once we have that established we can make it look that way, identify the priorities within that and research the funding options. This is your Police Department not mine. You tasked me to lead this organization and it is what I am doing.

Craig Gibbons: Our sense of the issue is that it goes way beyond the confines and time limits of the budget committee. Our sense of this is that it is the initiation of the discussion of what the council wants to do. Chief Groth supports the City Manager's Budget here and there is a sense that we will hear more about this from the citizens. This identifies the issue, puts it on the table and once we

approve the budget, it will be looked at seriously in terms of next year's budget. Does that make sense and is the committee comfortable with that?

Mayor Middleton: I just want them to look carefully at the budget and where the money is being spent.

PUBLIC HEARINGS

Chair Pflaum – opened the public hearing regarding State Revenue Sharing for FY2013-2014.

Sanford Rome; 14645 SW Willamette St., Sherwood, OR 97140 – Thank you Council Members, City Budget Members, Chief, past Mayor, Current Mayor and all you folks who have done your work at City Hall, for coming together for the budget meeting tonight. Sanford explained that he has a problem when we talk about Revenue Sharing. Revenue Sharing is more than you me and the people who live in the city and pay city taxes. You get money from State and Federal Government, Homeland Security, Seat Belt Enforcement and other fees that go into the Police Department or into other City Budgets. Sanford stated he has lived in Sherwood for over 40 years and explained that he felt insulted by the statement made that the comments should only be concerning Shared Revenue. Earlier today you were talking about this budget and you are going to move \$50K. In the last years since we have had our Urban Development Committee, before Joe came here, this city has been “smoke and mirrors” moving money from one department to another. Whether it is Revenue Sharing money or Tax money...it doesn't matter how you build it. We have a wonderful building where you all have nice offices versus when I came to this city we were in the historical building. We had City Planning, Building and a Police Department that when we had to hold someone temporarily we put them downstairs in a secured place where they could not run away until we moved them to a different holding facility. That is a long way from having a first class wonderful Police Department, Maintenance, Parks and Recreation Departments and this facility here. It comes in on the back of me and every citizen that is in here. All pay increases, step increases or promotion, within your budget, should be reduced and run backwards to when this crisis first happened 4 years ago. Then, because you are eating from the public trough, take an additional 5% reduction in pay and take that money and all the other money you get from the shared revenue to fix streets, parks, build the Arts Center. We had buildings that did have problems with trusses or were not earthquake proof but they were there. We did not have an arts center but we had a theater where we could show films, had a good sound system and we spent \$12K making it ADA compatible. These buildings have been torn down and replaced or there is vacant property. This is a giant task to bring the city into line with the moneys that come in, reduce the cost of overhead, which means bringing salaries into line. You need to listen to the citizens of Sherwood as to what they want, not what you want and not what you think they want.

Chair Pflaum - Asked if there was anyone else who wished to speak on State Revenue Sharing, hearing none she closed the public hearing.

Chair Pflaum – opened the public hearing regarding the FY2013-2014 Budget.

Patrick Garrett; 215 SW Adams Ave, Hillsboro, OR 97213. Good evening, it is an honor to speak before the committee this evening. First I would like to complement your Police Department. As the Washington County Sheriff I have some responsibility for public safety across the county and I can tell you that we at the Sheriff's Department consider the Police in Sherwood as wonderful partners in policing and are a group that is well led. I know that other departments in this county share this same view.

The other message I would like to convey is I would love to add a Sherwood Police Officer to the County Drug Task Force also known as the Westside Interagency Narcotics Team. This is a team made up of about 8 Investigators and 2 Sergeants from 4 different communities. In 2010 we had a part time Sherwood Officer on the task force and it really helped us keep in touch with the trafficking and distribution of drugs in the Sherwood area. Having that person would be an enormous value to that mission. I recognize it is excruciatingly difficult to put a budget together these days and especially in this environment. Thank you again for your service.

Jim Haynes; 22300 SW Schmeltzer Rd. Thank you Chair Pflaum, members of the Council and Budget Committee. Many times I have tried to go on a ride along and was not able to. A couple of weeks ago Chief Groth facilitated a ride along for me and I encourage every citizen to participate in this incredible eye-opening experience. The amount of professionalism the officers bring to the community and the contact with the community and the work they do. I thought I could multi task as a corporate manager but compared to our officers being in that ready mode on a constant basis and what they do every day, there is no comparison. It is not that we have a lot of crime here but there are a lot of opportunities for our officers to show their expertise. It was one of the most interesting and troubling but also fun experiences I have had. One of the reasons Sherwood is such a great place to live is due in a part to our Police Department. I would encourage the best possible budget to support our law enforcement community. Thank you for letting me speak to all of you this evening.

Ray Shipley; 17512 SW Fitch Drive, Sherwood, OR 97140. Thank you, Madame Chair and members of the Budget Committee. My wife and I moved here 4 years ago from Medford where I retired as the Chief of Police and completed 40 years in Law Enforcement Service in 3 cities. We moved here because most of our family lives here and in the metro area and also because of the appearance of this community and quality of life here. I have continued to have an interest in law enforcement and after my retirement I became an Adjunct Professor of Criminal Justice at Southern Oregon University and I served on the Jackson County Public Safety Coordinating Council. I had the good fortune to introduce myself to the Chief and number of members of his staff. I am impressed with this department and amount of service they provide with a finite number of officers. It is beyond question that there is a need for additional police employees including first line officers and support staff. There is no doubt there will be a greater future need for more public employees and law enforcement. The community has the appearance of being extremely safe but there is something out there that untrained or inexperienced people do not see and these are invisible crimes. These occur in private residences and are domestic violence, drug and substance abuse etc. that go unreported because they are participants or victims of these crimes. I hope you will consider my remarks and we plan to make this our permanent home. I want to continue to be involved to support this city government and public safety. Thank you for allowing me to speak to you this evening.

Michael Tinney; 15295 SW Division St. Good evening Budget Chair and Committee Members. I am a 16 year resident in the City of Sherwood. I am motivated and energized by the Mayors comments in the Sherwood Archer to come and speak out about and give our opinions on the upcoming budget. This is our money and this is our city and we need to take the opportunity to let the Mayor, Council and City know what our priorities are. As residents, this is our money and our city and we need to provide give voice by providing what we, as tax paying citizens, feel are our top priorities. I am here specifically here to advocate for additional resources and funding for the City of Sherwood's Police Department. We live in a beautiful city with great neighborhoods and many visitors who always remind us how quaint and special our city is. At the same time we know we are living in changing

times with great population growth, economic environment and social pressures that are put upon cities and police departments as they have had to deal with circumstances that in the last 5-10 years are more obvious and difficult. Chief Groth, in that same April Sherwood Archer, pointed out that with the Police Department we are not keeping pace with the manpower resourcing ratios as in other comparable communities. The average of staffing in the state is and should be at 1.9 officers per one thousand and in comparable surrounding communities that average is 1.8. Sherwood has dwindled down to 1.4 officers per thousand and is the lowest level in the last 10 years. This is not adequate. I request of the Mayor, the Chair, the City, the other members on the budget committee is that we increase the financial support of our Police Department.

Laurie Zwingli; 17391 SW Carlson St. I also have a business in Sherwood. Good evening all. Chief Groth may not be asking you to add more officers but I am. I appreciate you are trying to retain the current level employment in the Police Department and would appreciate your trying to increase the number of Sherwood police. Here is why: In March 22, 2013 my son ran away at 7 PM and I had to call the police. This was after hours so when I call the police department I got Washington County Dispatch. The dispatcher took my information and said a policeman would be at my house shortly. Instead of an officer what I got was a phone call and an officer stating he was trying to juggle both my runaway son and a domestic violence report and he would not be able to be at my house. I had no one to talk with and no one to tell me how to deal with my son. I know now that the officer was trying to do what he could. All I knew was that my son was telling me he was about to cross over into Washington and get into a semi to hitch a ride. I called dispatch back and it was decided to ping his cell phone however this effort takes numerous steps and required that the officer, who was trying to find my son, had to call my phone carrier to have them fax forms to the police department, go back to the police department to complete paperwork, find a supervisor to sign off on paperwork and fax it back to the phone carrier; so then 30 minutes later I could get the first ping on my son's cell phone. It was a very long 30 minutes and things ended well for me and my son and he returned home. I felt like I had been outsourced and that I was dealing with off-site personnel who could not give information I felt I needed to make an educated decision on how I should proceed. I would have felt more comfortable and competent if I would have had a police officers' presence at my home for even 5 minutes. I love my city and love my local police department and I will stand behind anything they try to do. And they mean so much more to me sir than a cultural arts center. Please keep this in mind as you do your budgeting. Thank you.

Mayor Middleton: And I am not trying to eliminate the Police Department and I do like the Police Department. We just have to reallocate assets.

Laurie Zwingli: I understand that. I am just trying to tell you a story about things that are happening that you may not know about.

Sanford Rome; 14645 SW Willamette St., Sherwood, OR 97140. I will try to refrain from having an outburst or confrontation with the chair. You have a daunting task and I don't know how many citizens are going to walk up to you and say thank you, but I will. When you start looking at raising revenue by moving funds around, say to replace AstroTurf in Snyder Park, when it can wait till next year, I think you are more suited to say we have a budget that we must live within. What is very important to understand is citizen protection. I don't think that any of these people who came before you today in support of our Police Department, whether it be through their jobs or that they have a heart wrenching experience that I hope to never have to go through, can be any more realistic than what you have

seen. In the 40 years that I have been in this town, every rant and rave, those who know me, will ultimately come to say that he was right. Whether it be the Planning Commission, the City Council or the Budget Committee, your task is to take the money you know you have, not try to use red light cameras. When it was first presented to us these cameras were to bring in we signed the contract with the company it was to bring in upwards of \$300-\$500K, after splitting it with the contractor, and be a revenue stream. In fact maybe it does bring in a little revenue and is a way of controlling traffic through Sherwood and allows us to have officers available to handle incidents. I think that is wonderful. You should look at the shifts of the current police and move the resources around to make them more efficient and able to handle these incidents. Policing is a 24hr operation to keep you and me as safe as we have been and we hope to be. If it takes getting additional bids and scrutinizing every penny to save money, then this is what is needed. 65% goes to personnel and operations and what is left gets to be spent on us, the citizens. These are our dollars and you are entrusted with making every dollar as effective as possible.

Kevin Barton; Sherwood Resident, Work address 150 North 1st Ave, Hillsboro, OR. I am a deputy DA with the Washington County DA's Office and work in Law Enforcement. I am here in a personal capacity. I have lived in Sherwood 6 months and prior to that was 20 years in Lake Oswego. I have had an opportunity to have unique perspective on the Sherwood Police Department and others in Washington County. I want personally to express my gratitude to you for being here late at night but also to the Sherwood Police Officers who I live among and work with. My wife and I chose to live in Sherwood in part because of the community safety I was able to see firsthand. I can tell you now that crimes are becoming more complex and with increased population, concentration and especially with large retail operations crimes are only going to increase. I am not going to try to tell you what to do with the budget and will leave that to those who are more skilled than I am. I know and it is clear that the police force is stretched and working very hard. Because of this there are crimes that go uninvestigated because they do not have the resources. If I were to choose I would love to have a city arts center and parks but in prioritizing it is important to fund the police department fully. Public Safety and schools are the two things that will attract more residents and business and bring in more revenue so we can be an even better city than we are. I am one tax payer among many and am willing to pay a little more to keep our community as safe as it is. I am happy to be a Sherwood resident. Thank you very much.

With no other testimony received, Chair Pflaum closed the public hearing.

Counselor Robyn Folsom requested further clarification on the \$238K in Franchise Fees. Is it considered in the budget 2013-2014 or 2014-2015?

Craig Gibbons explained as stated in Exhibit B, the increase is for next year's budget to bring our Franchise Fees up to comparable levels of other jurisdictions.

Joe Gall explained that we do not collect what the State Law allows us to; so as part of the negotiations with PGE we are looking to be at the same level as everyone else. We are counting on this going into the budget this year. But it is a council choice and if you decide not to go forward with this there will be a \$200K hole in the budget that we will have to adjust. Negotiations are on-going right now. It goes back to the question the Mayor asked, what will that mean to the average person.

Councilor Bill Butterfield asked how often these Franchise Fees are negotiated.

Joe Gall explained that most Franchise Agreements are every 10 years and we are coming off a 20 year agreement. This is one of the reasons our rates are less. The state allows up to 5% and we are only at 3.5%.

Mayor Middleton re-explained that he is not against the Police Department and we should not have to make a choice between Public Safety and the Arts. What he would like to see, relating to resources, is that every cent is accounted for. There are ways to cut in every department and not adding or cutting staff but to be accountable for what is being spent or what could be changed to add more people. Public Safety is very important but there are some areas where there could be elimination of some unnecessary expenditure to handle this important requirement. We have the best Police Department and want it to continue to be the best. We could have it all if everyone spends realistically.

Chair Pflaum explained that she also enjoys cultural arts. Accountability is important. I would also like to add that the public testimony tonight was awesome. But need to be testifying at the State level because there are a lot of things as a municipality that we do not have control over. It is very frustrating as a member of a city budget committee that our representatives in Salem cannot get that they also are accountable as we are. People here state that we need to balance the budget but we do what we can, given the resources that we have. Some of the resources are only given by the State Statutes. I would ask that everyone here learn about the revenue law and write your representatives. It is very important that we all be involved in our form of government.

Councilor Matt Langer asked Craig Gibbons Exhibit B, page 2 of 4, health insurance shows that you expect about a \$200K increase in premiums. What is causing this increase?

Craig looked and stated that it was actually \$120K and explained that is due to a 5% rate increase as well we have several employees who are not currently on our insurance program now but have indicated they are going to be on it. The reasons are anecdotal per person; such as there is an employee who is on their spouses insurance and it is inferior so they will be getting off the current and moving over to the city insurance. In fact the increase this year is smaller than the past.

Councilor Folsom stated that the increase participation and testimony this evening was very impressive.

Julie Blums announced there will be a second meeting on 4/29/13 at 6 PM. If there are any questions, please email Julie Blums with your questions.

Joe Gall stated that he will provide responses to the questions Mayor Middleton posed prior to the next meeting.

With no other committee member comments, the meeting was adjourned.

5. ADJOURN - Chair Pflaum adjourned the meeting at 8:53 pm.

Submitted by: Julie Blums, Interim Finance Director Minutes approved on: August 19, 2013